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As confidentially submitted to the Securities and Exchange Commission on January 8, 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

Zentalis Pharmaceuticals, LLC*

(Exact name of registrant as specified in its charter)

Delaware	**2834**	**82-3607803**
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)

530 Seventh Avenue, Suite 2201
New York, New York 10018
Telephone: (212) 433-3791

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

Anthony Y. Sun, M.D.
Chief Executive Officer
Zentalis Pharmaceuticals, LLC
530 Seventh Avenue, Suite 2201
New York, New York 10018
Telephone: (212) 433-3791

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

Copies to:

Cheston Larson
Nathan Ajiashvili
Matthew Bush
Latham & Watkins LLP
885 Third Avenue
New York, New York 10022
(212) 906-1200

Divakar Gupta
Richard Segal
Alison Haggerty
Charles S. Kim
Cooley LLP
55 Hudson Yards
New York, New York 10001
(212) 479-6000

Approximate date of commencement of proposed sale to the public:
As soon as practicable after this Registration Statement is declared effective.

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

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

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

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

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

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

If an emerging growth company, indicate by checkmark 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(3)**
Common Stock, $0.001 par value per share	$	$

(1) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(o) under the Securities Act of 1933, as amended.
(2) Includes the aggregate offering price of additional shares that the underwriters have the option to purchase.
(3) Calculated pursuant to Rule 457(o) based on an estimate of the proposed maximum aggregate offering price.
* Prior to the closing of the offering to which this Registration Statement relates, Zentalis Pharmaceuticals, LLC intends to convert into a Delaware corporation pursuant to a statutory conversion, and will change its name to Zentalis Pharmaceuticals, Inc.

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 or until the Registration Statement shall become effective on such date as the 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 from this draft Registration Statement our consolidated financial statements as of and for the nine months ended September 30, 2018 and 2019 because they relate to historical periods that we believe will not be required to be included in the prospectus at the time we first file this Registration Statement publicly. We intend to amend this Registration Statement on or prior to the date of such public filing to include all financial information required by Regulation S-X under the Securities Act of 1933, as amended, or the Securities Act.

Zentalis Pharmaceuticals, LLC, the registrant whose name appears on the cover of this Registration Statement, is a Delaware limited liability company. Prior to the closing of the offering to which this Registration Statement relates, Zentalis Pharmaceuticals, LLC intends to convert into a Delaware corporation pursuant to a statutory conversion, and will change its name to Zentalis Pharmaceuticals, Inc. As a result of the corporate conversion, all holders of units of Zentalis Pharmaceuticals, LLC will become holders of shares of common stock of Zentalis Pharmaceuticals, Inc. Except as disclosed in the accompanying prospectus, the consolidated financial statements and selected historical consolidated financial data and other financial information included in this Registration Statement are those of Zentalis Pharmaceuticals, LLC and do not give effect to the corporate conversion.

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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 it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED , 2020
PRELIMINARY PROSPECTUS

Shares

Zentalis Pharmaceuticals, LLC

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 anticipate that the initial public offering price will be between $ and $ per share. We intend to apply to list our common stock on The Nasdaq Global Market under the symbol " ."

We are an "emerging growth company" as defined under the U.S. federal securities laws and, as such, may elect to comply with reduced public company reporting requirements for this and future filings. See "Prospectus Summary—Implications of Being an Emerging Growth Company."

Investing in our common stock involves a high degree of risk. See "Risk Factors" beginning on page 11 of this prospectus.

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

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

(1) See "Underwriters" for a description of all compensation payable to the underwriters.

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

The underwriters expect to deliver the shares of common stock against payment in New York, New York on or about , 2020.

Morgan Stanley *Jefferies* *SVB Leerink* *Guggenheim Securities*

Prospectus dated , 2020.

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Neither we nor the underwriters have authorized anyone to provide any information or to make any representations other than those contained in this prospectus or in any free writing prospectus prepared by or on behalf of us or to which we have referred you. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. This prospectus is an offer to sell only the shares of common stock offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus or in any applicable free writing prospectus is current only as of its date, regardless of its time of delivery or any sale of shares of our common stock. Our business, financial condition, results of operations and prospects may have changed since that date.

For investors outside the United States: Neither we nor the underwriters have done anything that would permit this offering or possession or distribution of this prospectus in any jurisdiction where action for that purpose is required, other than in the United States. Persons outside the United States who come into possession of this prospectus must inform themselves about, and observe any restrictions relating to, the offering of the shares of common stock and the distribution of this prospectus outside the United States.

Through and including , 2020 (25 days after the date of this prospectus), all dealers effecting transactions in these securities, 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.

BASIS OF PRESENTATION

The consolidated financial statements include the accounts of Zentalis Pharmaceuticals, LLC and its subsidiaries. Prior to the closing of this offering, Zentalis Pharmaceuticals, LLC intends to convert into a Delaware corporation pursuant to a statutory conversion, and will change its name to Zentalis Pharmaceuticals, Inc. All holders of units of Zentalis Pharmaceuticals, LLC will become holders of shares of common stock of Zentalis Pharmaceuticals, Inc., as described under the heading "Corporate Conversion." In this prospectus, we refer to all transactions related to our conversion to a corporation as the Corporate Conversion. We expect that the Corporate Conversion will not have a material effect on our consolidated financial statements.

TRADEMARKS AND TRADENAMES

Solely for convenience, trademarks, service marks and tradenames referred to in this prospectus may appear without the ®, TM or SM symbols, but such 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, service marks and tradenames. This prospectus may also contain trademarks, service marks, tradenames and copyrights of other companies, which are the property of their respective owners.

ABOUT THIS PROSPECTUS

Except where the context otherwise requires or where otherwise indicated, the terms "Zentalis," "we," "us," "our," "our company," "Company" and "our business" refer, prior to the Corporate Conversion discussed herein, to Zentalis Pharmaceuticals, LLC, and after the Corporate Conversion, to Zentalis Pharmaceuticals, Inc.

PROSPECTUS SUMMARY

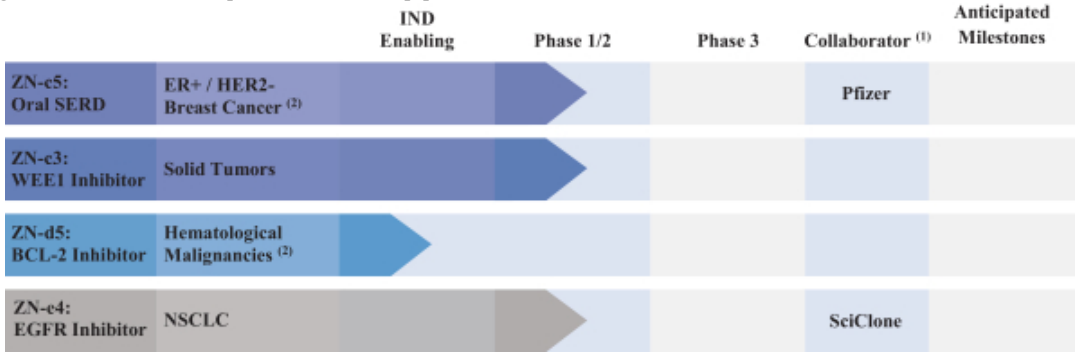
This summary highlights, and is qualified in its entirety by, the more detailed information and financial statements included elsewhere in this prospectus. This summary does not contain all of the information that may be important to you in making your investment decision. You should read this entire prospectus carefully, especially the "Risk Factors" section beginning on page 11 and our consolidated financial statements and the related notes included elsewhere in this prospectus, before making an investment decision.

Overview

We are a clinical-stage biopharmaceutical company focused on discovering and developing clinically differentiated, small molecule therapeutics targeting fundamental biological pathways of cancers. We use our highly efficient drug discovery engine, which we refer to as our Integrated Discovery Engine, to identify targets and develop small molecule new chemical entities with properties that we believe could result in potentially best-in-class product profiles. Our discovery engine combines our extensive experience and capabilities across cancer biology and medicinal chemistry. We believe our product candidates are differentiated from current programs targeting similar pathways and have the potential to significantly impact clinical outcomes of patients with cancer.

We are developing a broad pipeline of product candidates with an initial focus on oncology targets that have been validated clinically and have the potential to address large patient populations. Our lead product candidate, ZN-c5, is an oral SERD currently in a Phase 1/2 clinical trial for the treatment of ER+/HER2- advanced or metastatic breast cancer. We have designed ZN-c5 to have properties with the potential to provide a best-in-class product profile, including high potency and selectivity, as well as compelling tolerability and pharmacokinetic properties. We expect to report data from the monotherapy dose escalation portion of this Phase 1/2 trial in . Our other product candidates include ZN-c3, an inhibitor of WEE1, a protein tyrosine kinase, currently in a Phase 1/2 clinical trial for the treatment of advanced solid tumors; ZN-d5, a selective inhibitor of BCL-2 initially in development for the treatment of hematological malignancies; and ZN-e4, a third-generation inhibitor of EGFR currently in a Phase 1/2 clinical trial for the treatment of advanced NSCLC. We expect to report data from the ongoing trials of ZN-c3 and ZN-e4 in and , respectively, and to submit an investigational new drug application, or IND, to the U.S. Food and Drug Administration, or FDA, for ZN-d5 in the first half of 2020. We currently own worldwide development and commercialization rights to each of our product candidates, other than in select Asian countries (including China) for ZN-e4 for which we have out-licensed these rights.

The following table summarizes our product candidate pipeline.



(1) We are currently evaluating ZN-c5 in combination with palbociclib as part of a clinical research collaboration with Pfizer. We maintain full ownership of ZN-c5 in this collaboration with Pfizer. SciClone has development and commercial rights to ZN-e4 in Greater China (including Macau and Hong Kong), South Korea, Taiwan and Vietnam.
(2) We plan to explore the combination potential of ZN-c5, our oral SERD, with ZN-d5, our BCL-2 inhibitor, for the treatment of ER+/ HER2- breast cancer.

We are also currently advancing multiple small molecule programs in preclinical development for other cancer indications, including select solid tumors and hematological malignancies. We are now in lead optimization for our fifth product candidate and plan to submit an IND to the FDA in 2021.

Our Zentalis Approach

In the five years since our inception, we have successfully cleared three INDs with the FDA and expect to submit a fourth IND in the first half of 2020 and a fifth IND in 2021. Our Integrated Discovery Engine has enabled us to take each of our clinical product candidates from initial discovery to IND submission in less than three years in a capital efficient manner. We begin our process of drug discovery by identifying fundamental biological pathways of cancers based on a number of factors, including clinical validation and ability to impact large patient populations. We then analyze existing marketed products and compounds in development that target these cancer pathways and assess their limitations, efficacy, safety, tolerability, PK, patient convenience, and potential to be used in combination with other therapies. Next, we use our medicinal chemistry expertise and extensive understanding of target-drug structure activity to design proprietary NCEs with properties that we believe can address observed limitations and suboptimal drug characteristics of marketed products or other compounds in development, including potency, solubility, route of administration and PK properties. We believe overcoming these limitations may also allow us to develop these product candidates for use in combination with other therapies, including with our internally developed product candidates. Finally, we strive to generate preclinical data to support that such candidates could have a best-in-class product profile in our expected lead indications before advancing a compound into clinical development. We have used our Integrated Discovery Engine to generate a pipeline of four product candidates targeting solid tumors and hematological malignancies. Longer term, we believe our discovery engine has the potential to generate product candidates addressing a wide range of additional therapeutic areas.

Our Zentalis Programs

ZN-c5 (Oral SERD)

Our lead product candidate, ZN-c5, is an oral selective estrogen receptor degrader, or SERD, for the treatment of estrogen receptor positive, human epidermal growth factor receptor 2-negative, or ER+/HER2-, advanced or metastatic breast cancer. ER+/HER2- breast cancer affects approximately 70% of all breast cancer patients in the United States. These tumors depend on the estrogen receptor, or ER, for growth and survival and are currently treated by a number of approved hormonal therapies. We have designed ZN-c5 to overcome limitations of existing hormonal therapies, including the only FDA-approved SERD, fulvestrant (marketed as Faslodex® by AstraZeneca). Despite its limitations, Faslodex generated worldwide sales of over $1.0 billion in 2018, reflecting part of the significant potential of the SERD therapeutic class in ER+/HER2- breast cancer.

We believe ZN-c5, if approved, may have a potentially best-in-class product profile due to the compelling oral pharmacokinetics, or PK, data and tolerability observed in clinical trials to date, its preclinical activity, including high potency and selectivity, and convenient oral administration. Additionally, we believe ZN-c5 has the potential to be used as monotherapy and in combinations, and could become the standard of care for hormonal therapy in the treatment of all lines of ER+/HER2- breast cancer. We are currently dosing ZN-c5 in a Phase 1/2 clinical trial in patients with ER+/HER2- advanced or metastatic breast cancer, both as monotherapy and in combination with palbociclib (marketed as Ibrance® by Pfizer) as part of a clinical research collaboration with Pfizer. Palbociclib is an inhibitor of cyclin dependent kinases 4 and 6, or CDK4/6, and is FDA approved for the treatment of HR+/HER2- advanced or metastatic breast cancer in combination with hormonal therapies, such as fulvestrant. We expect to report data from the monotherapy dose escalation portion of the Phase 1/2 trial in .

ZN-c3 (WEE1 Inhibitor)

ZN-c3 is our oral, small molecule inhibitor of WEE1, a DNA damage response protein. The inhibition of WEE1 aims to allow sufficient DNA damage in cancer cells to cause them to undergo programmed cell death, or apoptosis, thereby preventing tumor growth and potentially causing tumor regression. There is currently no FDA-approved WEE1 inhibitor. We believe ZN-c3, if approved, may have broad applicability in a wide range of cancers as monotherapy and in combination, including with chemotherapy agents and other targeted therapies. We are currently conducting a Phase 1/2 clinical trial of ZN-c3 in patients with advanced solid tumors. We expect to report data from the Phase 1 portion of this trial in .

ZN-d5 (BCL-2 Inhibitor)

ZN-d5 is our oral, small molecule inhibitor of B-cell lymphoma 2, or BCL-2, that we are initially developing for the treatment of hematologic malignancies. BCL-2 is most notable for its critical role in the regulation of apoptosis. We plan to submit an IND to the FDA in the first half of 2020 and initiate a Phase 1 clinical trial of ZN-d5 in patients with acute myeloid leukemia, or AML, or B-cell lymphoma.

ZN-e4 (EGFR Inhibitor)

ZN-e4 is our oral, small molecule product candidate being developed as a third-generation inhibitor of mutant epidermal growth factor receptor, or EGFR. EGFR regulates a number of cellular functions, including cell proliferation and survival, and is a driver of tumor growth in certain cancers, including lung cancer. We have designed ZN-e4 to have improved selectivity compared to the FDA-approved third-generation inhibitor of EGFR, osimertinib (marketed as Tagrisso® by AstraZeneca). We are conducting a Phase 1/2 clinical trial of ZN-e4 in patients with advanced non-small cell lung cancer, or NSCLC, with activating EGFR mutations and are currently evaluating potential combination therapies for future clinical development of ZN-e4. We expect to report data from the Phase 1 portion of this trial in .

Our Strategy

Our goal is to become a leading oncology-focused biopharmaceutical company and improve the lives of patients. Our strategy includes the following key components:

- Discover and develop clinically differentiated, best-in-class small molecule NCEs that address large patient populations in cancer.
- Rapidly advance the development of our lead product candidate, ZN-c5, our oral SERD, toward regulatory approval for the treatment of ER+/HER2- advanced or metastatic breast cancer.
- Advance our additional pipeline candidates, ZN-c3 (WEE1 Inhibitor), ZN-d5 (BCL-2 Inhibitor) and ZN-e4 (EGFR Inhibitor), across multiple cancer indications.
- Continue to evaluate our product candidate pipeline in combination with internally discovered and third-party compounds.
- Deploy our highly efficient Integrated Discovery Engine to further expand our product candidate pipeline.
- Evaluate strategic opportunities to accelerate development timelines and maximize the value of our product candidate pipeline.

Our History and Team

We were founded in December 2014 and began operations in January 2015. We have assembled a management team of biopharmaceutical experts with extensive experience in building and operating organizations that develop and deliver innovative medicines to patients. Our management team has broad expertise and successful track records in drug discovery, clinical development, regulatory affairs, manufacturing and commercialization of cancer therapies, as well as in business and finance, through previous experiences at leading institutions including Aisling Capital, Array Biopharma, Goldman Sachs, IQVIA, Merck, Morgan Stanley, Novartis, Paratek Pharmaceuticals, Pfizer, PsiOxus Therapeutics, R-Pharm US and Taiho Oncology, among others. We are also guided by our board of directors, scientific advisory board and business advisory board. Our renowned scientific and business advisory boards are comprised of key scientific and clinical thought leaders in oncology.

Sources of Capital

To date, we have raised an aggregate of $146.9 million in gross proceeds from the sale of our preferred units. Across our preferred unit financings, we received investments from leading life science investors, including Alexandria Real Estate Equities, Eventide Asset Management, Farallon Capital, HighLight Capital, Matrix Capital Management, Mayo Clinic, Perceptive Advisors, Pharmaron, Redmile Group, Surveyor Capital (a Citadel company) and Viking Global Investors.

Risks Associated with Our Business

Our business is subject to a number of risks of which you should be aware before making an investment decision. These risks are discussed more fully in the “Risk Factors” section of this prospectus immediately following this prospectus summary. These risks include the following:

- We have a limited operating history, have not completed any clinical trials, and have no products approved for commercial sale, which may make it difficult for you to evaluate our current business and predict our future success and viability.
- We have incurred significant net losses since inception and we expect to continue to incur significant net losses for the foreseeable future.
- Even if this offering is successful, we will require substantial additional capital to finance our operations. If we are unable to raise such capital when needed, or on acceptable terms, we may be forced to delay, reduce or eliminate one or more of our research and drug development programs or future commercialization efforts.
- We are substantially dependent on the success of our lead product candidate, ZN-c5, which is currently in clinical trials. If we are unable to complete development of, obtain approval for and commercialize ZN-c5 in a timely manner, our business will be harmed.
- The outcome of preclinical testing and early clinical trials may not be predictive of the success of later clinical trials, and the results of our clinical trials may not satisfy the requirements of the FDA, EMA or other comparable foreign regulatory authorities.
- We may face additional risks associated with the development of ZN-c5, ZN-c3, ZN-d5, ZN-e4 and potentially other product candidates in combination with other therapies.
- If we experience delays or difficulties in the enrollment and/or maintenance of patients in clinical trials, our clinical development activities could be delayed or otherwise adversely affected.
- The competition for qualified personnel is particularly intense in our industry. If we are unable to retain or hire key personnel, we may not be able to sustain or grow our business.

- We face significant competition, and if our competitors develop and market technologies or products more rapidly than we do or that are more effective, safer or less expensive than the product candidates we develop, our commercial opportunities will be negatively impacted.
- Our success depends on our ability to protect our licensed-in intellectual property and our proprietary technologies.
- We rely, and expect to continue to rely, on third parties, including independent clinical investigators and CROs, to conduct certain aspects of our preclinical studies and clinical trials. If these third parties do not successfully carry out their contractual duties, comply with applicable regulatory requirements or meet expected deadlines, we may not be able to obtain regulatory approval for or commercialize our product candidates and our business could be substantially harmed.
- Our commercial success depends significantly on our ability to operate without infringing the patents and other proprietary rights of third parties. Claims by third parties that we infringe their proprietary rights may result in liability for damages or prevent or delay our developmental and commercialization efforts.

Corporate Conversion

We currently operate as a Delaware limited liability company under the name Zentalis Pharmaceuticals, LLC. Prior to the closing of this offering, Zentalis Pharmaceuticals, LLC intends to convert into a Delaware corporation pursuant to a statutory conversion, and will change its name to Zentalis Pharmaceuticals, Inc. In this prospectus, we refer to all transactions related to our conversion to a corporation as the Corporate Conversion. As a result of the Corporate Conversion, all holders of units of Zentalis Pharmaceuticals, LLC will become holders of shares of common stock of Zentalis Pharmaceuticals, Inc. The number of shares of our common stock that holders of units will be entitled to receive in the Corporate Conversion will be based on their relative rights as set forth in our limited liability company agreement.

The purpose of the Corporate Conversion is to reorganize our structure so that the entity that is offering our common stock to the public in this offering is a corporation rather than a limited liability company and so that our existing investors will own our common stock rather than equity interests in a limited liability company. For further information regarding the Corporate Conversion, see “Corporate Conversion.”

Implications of Being an Emerging Growth Company

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

- the option to present only two years of audited financial statements and only two years of related “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in this prospectus;
- not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002, as amended, or the Sarbanes-Oxley Act;
- not being required to comply with any requirements that may be adopted by the Public Company Accounting Oversight Board regarding mandatory audit firm rotation or a supplement to the auditor’s report providing additional information about the audit and the financial statements (i.e., an auditor discussion and analysis);
- reduced disclosure obligations regarding executive compensation in our periodic reports, proxy statements and registration statements; and

- exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved.

We may take advantage of these provisions until the last day of our fiscal year following the fifth anniversary of the completion of this offering. However, if any of the following events occur prior to the end of such five-year period, (i) our annual gross revenue exceeds $1.07 billion, (ii) we issue more than $1.0 billion of non-convertible debt in any three-year period or (iii) we become a "large accelerated filer," (as defined in Rule 12b-2 under the Securities Exchange Act of 1934, as amended, or the Exchange Act), we will cease to be an emerging growth company prior to the end of such five-year period. We will be deemed to be a "large accelerated filer" at such time that we (a) have an aggregate worldwide market value of common equity securities held by non-affiliates of $700.0 million or more as of the last business day of our most recently completed second fiscal quarter, (b) have been required to file annual and quarterly reports under the Exchange Act, for a period of at least 12 months and (c) have filed at least one annual report pursuant to the Exchange Act. Even after we no longer qualify as an emerging growth company, we may still qualify as a "smaller reporting company," which would allow us to take advantage of many of the same exemptions from disclosure requirements including reduced disclosure obligations regarding executive compensation in this prospectus and our periodic reports and proxy statements.

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

In addition, 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. We have elected to take advantage of this extended transition period.

Corporate Information

We were initially formed as Zeno Pharmaceuticals, Inc., a Delaware corporation, in December 2014. In conjunction with a corporate restructuring, Zeno Pharma, LLC, a Delaware limited liability company, was formed, and in December 2017 acquired Zeno Pharmaceuticals, Inc., pursuant to a merger agreement. As a result of this acquisition, Zeno Pharmaceuticals, Inc. became a wholly-owned subsidiary of Zeno Pharma, LLC. In December 2019, Zeno Pharma, LLC changed its name to Zentalis Pharmaceuticals, LLC. Prior to the closing of this offering, Zentalis Pharmaceuticals, LLC intends to convert into a Delaware corporation pursuant to a statutory conversion, and will change its name to Zentalis Pharmaceuticals, Inc. See "Corporate Conversion." Our principal executive offices are located at 530 Seventh Avenue, Suite 2201, New York, New York, 10018 and our telephone number is (212) 433-3791. Our website address is *www.zentalis.com*. The information contained in, or accessible through, our website does not constitute a part of this prospectus. We have included our website address in this prospectus solely as an inactive textual reference.

The Offering

Common stock offered by us	shares.
Option to purchase additional shares	We have granted the underwriters an option for a period of 30 days to purchase up to additional shares of common stock.
Common stock to be outstanding after this offering	shares (or shares if the underwriters exercise their option to purchase additional shares in full).
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 on an assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. We anticipate that we will use the net proceeds of this offering to advance and expand our clinical and preclinical development programs and for working capital and other general corporate purposes. For a more complete description of our intended use of the proceeds from this offering, see "Use of Proceeds."
Risk factors	You should read the section titled "Risk Factors" beginning on page 11 and the other information included in this prospectus for a discussion of factors you should consider carefully before deciding to invest in our common stock.
Dividend policy	We do not currently pay dividends and we do not anticipate declaring or paying any dividends for the foreseeable future.
Proposed Nasdaq Global Market symbol	" ."

The number of shares of our common stock to be outstanding after this offering is based on shares of our common stock outstanding as of December 31, 2019, after giving effect to the Corporate Conversion, and excludes:

- shares of common stock reserved for future issuance under our 2020 Incentive Award Plan, or our 2020 Plan, which will become effective in connection with this offering, as well as any shares of our common stock that become available pursuant to provisions in the 2020 Plan that automatically increase the share reserve under our 2020 Plan; and
- shares of our common stock that will become available for future issuance under our 2020 Employee Stock Purchase Plan, or the ESPP, which will become effective in connection with this

offering, and shares of our common stock that become available pursuant to provisions in the ESPP that automatically increase the share reserve under the ESPP.

Unless otherwise indicated, this prospectus reflects and assumes the following:

- the completion of our Corporate Conversion, as a result of which all outstanding Units of Zentalis Pharmaceuticals, LLC will be converted into an aggregate of shares of common stock of Zentalis Pharmaceuticals, Inc.; and
- no exercise by the underwriters of their option to purchase additional shares of our common stock in this offering.

SUMMARY CONSOLIDATED FINANCIAL DATA

The following tables set forth our summary consolidated financial data for the periods indicated. We have derived the consolidated statements of operations data for the years ended December 31, 2018 and 2019, and the consolidated balance sheet data as of December 31, 2019, from our audited consolidated financial statements included elsewhere in this prospectus. Our historical results are not necessarily indicative of the results that should be expected for any future period. You should read the following summary consolidated financial data together with the more detailed information contained in "Selected Consolidated Financial Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and the related notes included elsewhere in this prospectus.

	Year Ended December 31,	
	2018	2019
	(in thousands, except unit, share and per share amounts)	
Consolidated Statements of Operations Data:		
Revenue	$ 14	$
Operating expenses:		
Research and development	18,921	
General and administrative	4,876	
Total operating expenses	23,797	
Loss from operations	(23,783)	
Other income:		
Interest income	355	
Net loss before income taxes	(23,428)	
Income tax expense	4	
Net loss	(23,432)	
Net loss attributable to noncontrolling interest	(2,365)	
Net loss attributable to Zentalis Pharmaceuticals, LLC	$ (21,067)	$
Net loss per Class A common unit attributable to Zentalis Pharmaceuticals, LLC, basic and diluted	$ (3.77)	$
Weighted average Class A common units outstanding, basic and diluted	5,594,385	
Pro forma net loss per share—basic and diluted (unaudited)(1)		$
Pro forma weighted-average shares outstanding—basic and diluted (unaudited)(1)		

(1) We have presented pro forma basic and diluted net loss per share for the year ended December 31, 2019 which consists of our historical net loss attributable to Zentalis Pharmaceuticals, LLC, divided by the pro forma basic and diluted weighted average number of shares of common stock outstanding after giving effect to the Corporate Conversion. See Note to our to audited consolidated financial statements to be included elsewhere in this prospectus for additional information regarding the method used to calculate the pro forma basic and diluted net loss per share and the pro forma 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)
		(in thousands)	
Consolidated Balance Sheet Data:			
Cash and cash equivalents	$	$	$
Working capital(4)			
Total assets			
Total liabilities			
Accumulated deficit			
Total equity			

(1) The pro forma consolidated balance sheet data give effect to the Corporate Conversion as a result of which all outstanding Units will convert into an aggregate of shares of common stock.

(2) The pro forma as adjusted balance sheet data gives effect to the pro forma adjustments described in footnote (1) and to the issuance and 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 price range set forth on the cover page of this prospectus, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

(3) Each $1.00 increase (decrease) in the assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, would increase (decrease) pro forma as adjusted cash and cash equivalents, working capital, total assets, and total equity by $ million, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. Similarly, each increase (decrease) of 1.0 million shares in the number of shares offered by us at the assumed initial public offering price, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us would increase (decrease) pro forma as adjusted cash and cash equivalents, working capital, total assets, and total equity by $ million. The pro forma as adjusted information discussed above is illustrative only and will be adjusted based on the actual initial public offering price and other terms of our initial public offering determined at pricing.

(4) We define working capital as current assets less current liabilities.

RISK FACTORS

You should carefully consider the risks and uncertainties described below and the other information in this prospectus, including our consolidated financial statements and related notes appearing elsewhere in this prospectus and in the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations," before deciding whether to invest in our common stock. Our business, financial condition, results of operations or prospects could be materially and adversely affected if any of these risks occurs, and as a result, the market price of our common stock could decline and you could lose all or part of your investment. This prospectus also contains forward-looking statements that involve risks and uncertainties. See "Cautionary Statement Regarding Forward-Looking Statements." Our actual results could differ materially and adversely from those anticipated in these forward-looking statements as a result of certain factors, including those set forth below.

Risks Related to Our Financial Position and Need for Additional Capital

We have a limited operating history, have not completed any clinical trials, and have no products approved for commercial sale, which may make it difficult for you to evaluate our current business and predict our future success and viability.

We are a clinical stage biopharmaceutical company with a limited operating history upon which you can evaluate our business and prospects. We have no products approved for commercial sale and have not generated any revenue from product sales. To date, we have devoted substantially all of our resources and efforts to organizing and staffing our company, business planning, executing partnerships, raising capital, discovering, identifying and developing potential product candidates, securing related intellectual property rights and conducting preclinical studies and clinical trials of our product candidates, including the ongoing Phase 1/2 clinical trials of ZN-c5, ZN-c3 and ZN-e4. We have not yet demonstrated our ability to successfully complete any 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. As a result, it may be more difficult for you to accurately predict our future success or viability than it could be if we had a longer operating history.

In addition, we may encounter unforeseen expenses, difficulties, complications, delays and other known and unknown factors and risks frequently experienced by clinical stage biopharmaceutical companies in rapidly evolving fields. We also may need to transition from a company with a research focus to a company capable of supporting commercial activities. If we do not adequately address these risks and difficulties or successfully make such a transition, our business will suffer.

We have incurred significant net losses since inception and we expect to continue to incur significant net losses for the foreseeable future.

We have incurred net losses in each reporting period since our inception, have not generated any revenue from product sales to date and have financed our operations principally through private financings. We have incurred net losses of $ million and $23.4 million for the years ended December 31, 2019 and 2018, respectively. As of December 31, 2019, we had an accumulated loss of $ million. Our losses have resulted principally from expenses incurred in research and development of our product candidates and from management and administrative costs and other expenses that we have incurred while building our business infrastructure. Three of our product candidates, ZN-c5, ZN-c3 and ZN-e4, are in clinical trials, and we plan to submit our fourth IND, with the FDA for our product candidate, ZN-d5, in the first half of 2020. In addition, we plan to submit an IND to the FDA for our fifth product candidate in 2021. Our other programs are in preclinical research. As a result, we expect that it will be several years, if ever, before we have a commercialized product and generate revenue from product sales. Even if we succeed in receiving marketing approval for and commercializing one or more of our product candidates, we expect that we will continue to incur substantial research and development and other expenses as we discover, develop and market additional potential products.

We expect to continue to incur significant expenses and increasing operating losses for the foreseeable future as we continue our research and development efforts and seek to obtain regulatory approval and commercialization of our product candidates. The net losses we incur may fluctuate significantly from quarter to quarter such that a period-to-period comparison of our results of operations may not be a good indication of our future performance. The size of our future net losses will depend, in part, on the rate of future growth of our expenses and our ability to generate revenue. Our prior losses and expected future losses have had and will continue to have an adverse effect on our working capital and our ability to achieve and maintain profitability.

Our ability to generate revenue and achieve profitability depends significantly on our ability to achieve a number of objectives.

Our business depends entirely on the successful discovery, development and commercialization of our product candidates. We currently generate no revenues from sales of any products. We have no products approved for commercial sale and do not anticipate generating any revenue from product sales for the next several years, if ever. Our ability to generate revenue and achieve profitability depends significantly on our ability, or any future collaborator's ability, to achieve a number of objectives, including:

- successful and timely completion of preclinical and clinical development of our product candidates, including ZN-c5, ZN-c3, ZN-d5 and ZN-e4 and any other future product candidates;
- establishing and maintaining relationships with contract research organizations, or CROs, and clinical sites for the clinical development, both in the United States and internationally, of our product candidates, including ZN-c5, ZN-c3, ZN-d5 and ZN-e4 and any other future product candidates;
- timely receipt of marketing approvals from applicable regulatory authorities for any product candidates for which we successfully complete clinical development;
- making any required post-marketing approval commitments to applicable regulatory authorities;
- developing an efficient and scalable manufacturing process for our product candidates, including obtaining finished products that are appropriately packaged for sale;
- establishing and maintaining commercially viable supply and manufacturing relationships with third parties that can provide adequate, in both amount and quality, products and services to support clinical development and meet the market demand for product candidates that we develop, if approved;
- successful commercial launch following any marketing approval, including the development of a commercial infrastructure, whether in-house or with one or more collaborators;
- a continued acceptable safety profile following any marketing approval of our product candidates;
- commercial acceptance of our product candidates by patients, the medical community and third-party payors;
- identifying, assessing and developing new product candidates;
- obtaining, maintaining and expanding patent protection, trade secret protection and regulatory exclusivity, both in the United States and internationally;
- protecting our rights in our intellectual property portfolio;
- defending against third-party interference or infringement claims, if any;
- negotiating favorable terms in any collaboration, licensing or other arrangements that may be necessary or desirable to develop, manufacture or commercialize our product candidates;
- obtaining coverage and adequate reimbursement by hospitals, government and third-party payors for product candidates that we develop;
- addressing any competing therapies and technological and market developments; and
- attracting, hiring and retaining qualified personnel.

We may never be successful in achieving our objectives and, even if we do, may never generate revenue that is significant or large enough to achieve profitability. If we do achieve profitability, we may not be able to sustain or increase profitability on a quarterly or annual basis. Our failure to become and remain profitable would decrease the value of our company and could impair our ability to maintain or further our research and development efforts, raise additional necessary capital, grow our business and continue our operations.

Even if this offering is successful, we will require substantial additional capital to finance our operations. If we are unable to raise such capital when needed, or on acceptable terms, we may be forced to delay, reduce and/or eliminate one or more of our research and drug development programs or future commercialization efforts.

Developing pharmaceutical products, including conducting preclinical studies and clinical trials, is a very time-consuming, expensive and uncertain process that takes years to complete. Our operations have consumed substantial amounts of cash since inception, and we expect our expenses to increase in connection with our ongoing activities, particularly as we initiate and conduct clinical trials of, and seek marketing approval for, ZN-c5, ZN-c3, ZN-d5, ZN-e4 and our other product candidates. Even if one or more of the product candidates that we develop is approved for commercial sale, we anticipate incurring significant costs associated with commercializing any approved product candidate. Our expenses could increase beyond expectations if we are required by the FDA, the European Medicines Agency, or the EMA, or other regulatory agencies to perform clinical trials or preclinical studies in addition to those that we currently anticipate. Other unanticipated costs may also arise. In addition, if we obtain marketing approval for any of our product candidates, including ZN-c5, ZN-c3, ZN-d5 and ZN-e4, we expect to incur significant commercialization expenses related to drug sales, marketing, manufacturing and distribution. Because the design and outcome of our planned and anticipated clinical trials are highly uncertain, we cannot reasonably estimate the actual amounts necessary to successfully complete the development and commercialization of any product candidate we develop. Following this offering, we also expect to incur additional costs associated with operating as a public company. Accordingly, we will need to obtain substantial additional funding in order to maintain our continuing operations.

As of December 31, 2019, we had $ million in cash and cash equivalents. Based on current business plans, we believe that the net proceeds from this offering, together with our existing cash and cash equivalents, will be sufficient to fund our operating expenses and capital expenditures requirements through . Our estimate as to how long we expect the net proceeds from this offering, together with our existing cash and cash equivalents, to be able to continue to fund our operating expenses and capital expenditures requirements is based on assumptions that may prove to be wrong, and we could use our available capital resources sooner than we currently expect. Changing circumstances, some of which may be beyond our control, could cause us to consume capital significantly faster than we currently anticipate, and we may need to seek additional funds sooner than planned.

We plan to use the net proceeds from this offering to advance and expand our clinical and preclinical development programs and for working capital and other general corporate purposes. Advancing the development of our product candidates will require a significant amount of capital. The net proceeds from this offering and our existing cash and cash equivalents will not be sufficient to fund all of the activities that are necessary to complete the development of our product candidates.

We will be required to obtain further funding through public or private equity offerings, debt financings, collaborations and licensing arrangements or other sources, which may dilute our stockholders or restrict our operating activities. We do not have any committed external source of funds. Adequate additional financing may not be available to us on acceptable terms, or at all. Our failure to raise capital as and when needed or on acceptable terms would have a negative impact on our financial condition and our ability to pursue our business strategy, and we may have to delay, reduce the scope of, suspend or eliminate one or more of our research-stage programs, clinical trials or future commercialization efforts.

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

We are substantially dependent on the success of our lead product candidate, ZN-c5, which is currently in clinical trials. If we are unable to complete development of, obtain approval for and commercialize ZN-c5 in a timely manner, our business will be harmed.

Our future success is dependent on our ability to timely complete clinical trials, obtain marketing approval for and successfully commercialize ZN-c5, our lead product candidate. We are investing significant efforts and financial resources in the research and development of ZN-c5. We are conducting a Phase 1/2 trial of ZN-c5 as monotherapy and in combination with palbociclib, a CDK4/6 inhibitor, in patients with ER+/HER2- advanced or metastatic breast cancer. ZN-c5 will require additional clinical development, evaluation of clinical, preclinical and manufacturing activities, marketing approval from government regulators, substantial investment and significant marketing efforts before we can generate any revenues from product sales. We are not permitted to market or promote ZN-c5, or any other product candidate, before we receive marketing approval from the FDA and comparable foreign regulatory authorities, and we may never receive such marketing approvals.

The success of ZN-c5 will depend on several factors, including the following:

- the successful and timely completion of our ongoing clinical trials of ZN-c5;
- the initiation and successful patient enrollment and completion of additional clinical trials of ZN-c5 on a timely basis;
- maintaining and establishing relationships with CROs and clinical sites for the clinical development of ZN-c5 both in the United States and internationally;
- the frequency and severity of adverse events in the clinical trials;
- the efficacy, safety and tolerability profiles that are satisfactory to the FDA, EMA or any comparable foreign regulatory authority for marketing approval;
- the timely receipt of marketing approvals for ZN-c5 from applicable regulatory authorities;
- the extent of any required post-marketing approval commitments to applicable regulatory authorities;
- the maintenance of existing or the establishment of new supply arrangements with third-party drug product suppliers and manufacturers for clinical development of ZN-c5;
- the maintenance of existing, or the establishment of new, scaled production arrangements with third-party manufacturers to obtain finished products that are appropriate for commercial sale of ZN-c5 if approved, including for supplies of drugs that we are testing in combination with ZN-c5;
- obtaining and maintaining patent protection, trade secret protection and regulatory exclusivity, both in the United States and internationally;
- the protection of our rights in our intellectual property portfolio;
- the successful launch of commercial sales following any marketing approval;
- a continued acceptable safety profile following any marketing approval;
- commercial acceptance by patients, the medical community and third-party payors; and
- our ability to compete with other therapies.

We do not have complete control over many of these factors, including certain aspects of clinical development and the regulatory submission process, potential threats to our intellectual property rights and the manufacturing, marketing, distribution and sales efforts of any future collaborator. If we are not successful with respect to one or more of these factors in a timely manner or at all, we could experience significant delays or an inability to successfully commercialize ZN-c5, which would materially harm our business. If we do not receive marketing approvals for ZN-c5, we may not be able to continue our operations.

There is currently no FDA-approved oral SERD, and our development of ZN-c5 may never lead to a marketable product.

We are developing ZN-c5 as an oral SERD. There is currently no FDA-approved oral SERD. We have not received regulatory approval for ZN-c5 and cannot be certain that our approach will lead to the development of an approvable or marketable product, alone or in combination with other therapies. Even though we believe ZN-c5 has shown promising results in preclinical studies and in interim results from early-stage clinical trials, we may not succeed in demonstrating safety and efficacy of ZN-c5 in larger-scale clinical trials. Advancing ZN-c5 as an oral SERD creates significant challenges for us, including:

- obtaining marketing approval, as the FDA, EMA or other regulatory authorities have never approved an orally available SERD;
- if ZN-c5 is approved, educating medical personnel regarding the potential efficacy and safety benefits, as well as the challenges, of incorporating our ZN-c5 into existing treatment regimens, including in combination with other treatments for breast cancer; and
- establishing the sales and marketing capabilities upon obtaining any marketing approvals to gain market acceptance.

Our long-term prospects depend in part upon discovering, developing and commercializing additional product candidates, which may fail in development or suffer delays that adversely affect their commercial viability.

Our future operating results are dependent on our ability to successfully discover, develop, obtain regulatory approval for and commercialize product candidates beyond those we currently have in clinical development. A product candidate can unexpectedly fail at any stage of preclinical and clinical development. The historical failure rate for product candidates is high due to risks relating to safety, efficacy, clinical execution, changing standards of medical care and other unpredictable variables. The results from preclinical testing or early clinical trials of a product candidate may not be predictive of the results that will be obtained in later stage clinical trials of the product candidate.

The success of other product candidates we may develop will depend on many factors, including the following:

- generating sufficient data to support the initiation or continuation of clinical trials;
- obtaining regulatory permission to initiate clinical trials;
- contracting with the necessary parties to conduct clinical trials;
- successful enrollment of patients in, and the completion of, clinical trials on a timely basis;
- the timely manufacture of sufficient quantities of the product candidate for use in clinical trials; and
- adverse events in the clinical trials.

Even if we successfully advance any other product candidates into clinical development, their success will be subject to all of the clinical, regulatory and commercial risks described elsewhere in this “Risk Factors” section. Accordingly, we cannot assure you that we will ever be able to discover, develop, obtain regulatory approval of, commercialize or generate significant revenue from our other product candidates.

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

We are not permitted to commercialize, market, promote or sell any product candidate in the United States without obtaining marketing approval from the FDA. Foreign regulatory authorities impose similar requirements.

The time required to obtain approval by the FDA, EMA and other comparable foreign regulatory authorities is unpredictable, typically takes many years following the commencement of clinical trials and depends upon numerous factors, including the type, complexity and novelty of the product candidates involved. In addition, approval policies, regulations or the type and amount of clinical data necessary to gain approval may change during the course of a product candidate's clinical development and may vary among jurisdictions, which may cause delays in the approval or the decision not to approve an application. Regulatory authorities have substantial discretion in the approval process and may refuse to accept any application or may decide that our data are insufficient for approval and require additional preclinical, clinical or other data. Even if we eventually complete clinical testing and receive approval of any regulatory filing for our product candidates, the FDA, EMA and other comparable foreign regulatory authorities may approve our product candidates for a more limited indication or a narrower patient population than we originally requested. We have not submitted for, or obtained, regulatory approval for any product candidate, and it is possible that none of our existing product candidates or any product candidates we may seek to develop in the future will ever obtain regulatory approval.

Further, development of our product candidates and/or regulatory approval may be delayed for reasons beyond our control. For example, a U.S. federal government shutdown or budget sequestration, such as ones that occurred during 2013, 2018 and 2019, may result in significant reductions to the FDA's budget, employees and operations, which may lead to slower response times and longer review periods, potentially affecting our ability to progress development of our product candidates or obtain regulatory approval for our product candidates.

Applications for our product candidates could fail to receive regulatory approval for many reasons, including the following:

- the FDA, EMA or other comparable foreign regulatory authorities may disagree with the design, implementation or results of our clinical trials;
- the FDA, EMA or other comparable foreign regulatory authorities may determine that our product candidates are not safe and effective, only moderately effective or have undesirable or unintended side effects, toxicities or other characteristics that preclude our obtaining marketing approval or prevent or limit commercial use;
- the population studied in the clinical trial may not be sufficiently broad or representative to assure efficacy and safety in the full population for which we seek approval;
- the FDA, EMA or other comparable foreign regulatory authorities may disagree with our interpretation of data from preclinical studies or clinical trials;
- the data collected from clinical trials of our product candidates may not be sufficient to support the submission of a New Drug Application, or NDA, or other submission or to obtain regulatory approval in the United States or elsewhere;
- we may be unable to demonstrate to the FDA, EMA or other comparable foreign regulatory authorities that a product candidate's risk-benefit ratio for its proposed indication is acceptable;
- the FDA, EMA or other comparable foreign regulatory authorities may fail to approve the manufacturing processes, test procedures and specifications or facilities of third-party manufacturers with which we contract for clinical and commercial supplies; and
- the approval policies or regulations of the FDA, EMA or other comparable foreign regulatory authorities may significantly change in a manner rendering our clinical data insufficient for approval.

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

In addition, even if we obtain approval of our product candidates, regulatory authorities may approve any of our product candidates for fewer or more limited indications than we request, may impose significant limitations

in the form of narrow indications, warnings, or a Risk Evaluation and Mitigation Strategy, or REMS. Regulatory authorities may not approve the price we intend to charge for products we may develop, may grant approval contingent on the performance of costly post-marketing clinical trials, or may approve a product candidate with a label that does not include the labeling claims necessary or desirable for the successful commercialization of that product candidate. Any of the foregoing scenarios could seriously harm our business.

The clinical trials of our product candidates may not demonstrate safety and efficacy to the satisfaction of the FDA, EMA or other comparable foreign regulatory authorities or otherwise produce positive results.

Before obtaining marketing approval from the FDA, EMA or other comparable foreign regulatory authorities for the sale of our product candidates, we must complete preclinical development and extensive clinical trials to demonstrate the safety and efficacy of our product candidates. Clinical testing is expensive, difficult to design and implement, can take many years to complete and its ultimate outcome is uncertain. A failure of one or more clinical trials can occur at any stage of the process. The outcome of preclinical studies and early-stage clinical trials may not be predictive of the success of later 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 drugs. The outcome of preclinical studies and early-stage clinical trials may not be predictive of the success of later 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 drugs.

In addition, we may rely in part on preclinical, clinical and quality data generated by CROs and other third parties for regulatory submissions for our product candidates. While we have or will have agreements governing these third parties' services, we have limited influence over their actual performance. If these third parties do not make data available to us, or, if applicable, make regulatory submissions in a timely manner, in each case pursuant to our agreements with them, our development programs may be significantly delayed, and we may need to conduct additional studies or collect additional data independently. In either case, our development costs would increase.

We do not know whether our future clinical trials will begin on time or enroll patients on time, or whether our ongoing and/or future clinical trials will be completed on schedule or at all. Clinical trials can be delayed for a variety of reasons, including delays related to:

- the FDA or comparable foreign regulatory authorities disagreeing as to the design or implementation of our clinical studies;
- obtaining regulatory authorizations to commence a trial or reaching a consensus with regulatory authorities on trial design;
- any failure or delay in reaching an agreement with CROs and clinical trial sites, the terms of which can be subject to extensive negotiation and may vary significantly among different CROs and trial sites;
- obtaining approval from one or more institutional review boards, or IRBs;
- IRBs refusing to approve, suspending or terminating the trial at an investigational site, precluding enrollment of additional subjects, or withdrawing their approval of the trial;
- changes to clinical trial protocol;
- clinical sites deviating from trial protocol or dropping out of a trial;
- manufacturing sufficient quantities of product candidate or obtaining sufficient quantities of combination therapies for use in clinical trials;

- subjects failing to enroll or remain in our trial at the rate we expect, or failing to return for post- treatment follow-up;
- subjects choosing an alternative treatment for the indication for which we are developing our product candidates, or participating in competing clinical trials;
- lack of adequate funding to continue the clinical trial;
- subjects experiencing severe or unexpected drug-related adverse effects;
- occurrence of serious adverse events in trials of the same class of agents conducted by other companies;
- selection of clinical end points that require prolonged periods of clinical observation or analysis of the resulting data;
- a facility manufacturing our product candidates or any of their components being ordered by the FDA or comparable foreign regulatory authorities to temporarily or permanently shut down due to violations of current good manufacturing practice, or cGMP, regulations or other applicable requirements, or infections or cross-contaminations of product candidates in the manufacturing process;
- any changes to our manufacturing process that may be necessary or desired;
- third-party clinical investigators losing the licenses or permits necessary to perform our clinical trials, not performing our clinical trials on our anticipated schedule or consistent with the clinical trial protocol, good clinical practices, or GCP, or other regulatory requirements;
- third-party contractors not performing data collection or analysis in a timely or accurate manner; or
- third-party contractors becoming debarred or suspended or otherwise penalized by the FDA or other government or regulatory authorities for violations of regulatory requirements, in which case we may need to find a substitute contractor, and we may not be able to use some or all of the data produced by such contractors in support of our marketing applications.

We could also encounter delays if a clinical trial is suspended or terminated by us, by the IRBs of the institutions in which such trials are being conducted, by a Data Safety Monitoring Board for such trial or by the FDA or comparable foreign regulatory authorities. Such authorities may impose such a suspension or termination due to a number of factors, including failure to conduct the clinical trial in accordance with regulatory requirements or our clinical protocols, inspection of the clinical trial operations or trial site by the FDA or comparable foreign regulatory authorities resulting in the imposition of a clinical hold, unforeseen safety issues or adverse side effects, failure to demonstrate a benefit from using a drug, changes in governmental regulations or administrative actions or lack of adequate funding to continue the clinical trial. In addition, changes in regulatory requirements and policies may occur, and we may need to amend clinical trial protocols to comply with these changes. Amendments may require us to resubmit our clinical trial protocols to IRBs for reexamination, which may impact the costs, timing or successful completion of a clinical trial.

Further, conducting clinical trials in foreign countries, as we may do for our product candidates, presents additional risks that may delay completion of our clinical trials. These risks include the failure of enrolled patients in foreign countries to adhere to clinical protocol as a result of differences in healthcare services or cultural customs, managing additional administrative burdens associated with foreign regulatory schemes, as well as political and economic risks relevant to such foreign countries.

Moreover, principal investigators for our clinical trials may serve as scientific advisors or consultants to us from time to time and receive compensation in connection with such services. Under certain circumstances, we may be required to report some of these relationships to the FDA or comparable foreign regulatory authorities. The FDA or comparable foreign regulatory authority may conclude that a financial relationship between us and a principal investigator has created a conflict of interest or otherwise affected interpretation of the study. The FDA

or comparable foreign regulatory authority may therefore question the integrity of the data generated at the applicable clinical trial site and the utility of the clinical trial itself may be jeopardized. This could result in a delay in approval, or rejection, of our marketing applications by the FDA or comparable foreign regulatory authority, as the case may be, and may ultimately lead to the denial of marketing approval of one or more of our product candidates.

If we experience delays in the completion of, or termination of, any clinical trial of our product candidates, the commercial prospects of our product candidates will be harmed, and our ability to generate product revenues from any of these product candidates will be delayed. Moreover, any delays in completing our clinical trials will increase our costs, slow down our product candidate development and approval process and jeopardize our ability to commence product sales and generate revenues.

In addition, many of the factors that cause, or lead to, termination or suspension of, or a delay in the commencement or completion of, clinical trials may also ultimately lead to the denial of regulatory approval of a product candidate. Any delays to our clinical trials that occur as a result could shorten any period during which we may have the exclusive right to commercialize our product candidates and our competitors may be able to bring products to market before we do, and the commercial viability of our product candidates could be significantly reduced. Any of these occurrences may harm our business, financial condition and prospects significantly.

The outcome of preclinical testing and early clinical trials may not be predictive of the success of later clinical trials, and the results of our clinical trials may not satisfy the requirements of the FDA, EMA or other comparable foreign regulatory authorities.

Before obtaining regulatory approvals for the commercial sale of any of our product candidates, we will be required to demonstrate with substantial evidence through well-controlled clinical trials that our product candidates are safe and effective for their intended uses. Clinical testing is expensive and can take many years to complete, and its outcome is inherently uncertain. Failure can occur at any time during the clinical trial process. Success in preclinical studies and early-stage clinical trials does not mean that future clinical trials will be successful. We do not know whether ZN-c5, ZN-c3, ZN-d5 and ZN-e4 will perform in current or future clinical trials as ZN-c5, ZN-c3, ZN-d5 and ZN-e4 have performed in preclinical studies, or, with respect to ZN-c5, ZN-c3 and ZN-e4, ongoing clinical trials to date. Product candidates in later-stage clinical trials may fail to demonstrate sufficient safety and efficacy to the satisfaction of the FDA, EMA and other comparable foreign regulatory authorities despite having progressed through preclinical studies and early-stage clinical trials.

In some instances, there can be significant variability in safety and efficacy results between different clinical trials of the same product candidate due to numerous factors, including changes in trial protocols, differences in size and type of the patient populations, differences in and adherence to the dosing regimen and other trial protocols and the rate of dropout among clinical trial participants. Patients treated with our product candidates may also be undergoing surgical, radiation and chemotherapy treatments and may be using other approved products or investigational new drugs, which can cause side effects or adverse events that are unrelated to our product candidate. As a result, assessments of efficacy can vary widely for a particular patient, and from patient to patient and site to site within a clinical trial. This subjectivity can increase the uncertainty of, and adversely impact, our clinical trial outcomes. We do not know whether any clinical trials we may conduct will demonstrate consistent or adequate efficacy and safety sufficient to obtain marketing approval to market our product candidates. Most product candidates that begin clinical trials are never approved by regulatory authorities for commercialization.

We have limited experience in designing clinical trials and may be unable to design and execute a clinical trial to support marketing approval. We cannot be certain that our planned clinical trials or any other future clinical trials will be successful. Additionally, any safety concerns observed in any one of our clinical trials in our targeted indications could limit the prospects for regulatory approval of our product candidates in those and other indications, which could seriously harm our business.

Moreover, preclinical and clinical data are often susceptible to varying interpretations and analyses and many companies that believed their product candidates performed satisfactorily in preclinical studies and clinical trials nonetheless failed to obtain FDA, EMA or comparable foreign regulatory authority approval. We cannot guarantee that the FDA or foreign regulatory authorities will interpret trial results as we do, and more trials could be required before we are able to submit applications seeking approval of our product candidates. To the extent that the results of the trials are not satisfactory to the FDA or foreign regulatory authorities for support of a marketing application, we may be required to expend significant resources, which may not be available to us, to conduct additional trials in support of potential approval of our product candidates. Even if regulatory approval is secured for any of our product candidates, the terms of such approval may limit the scope and use of our product candidate, which may also limit its commercial potential. Furthermore, the approval policies or regulations of the FDA, EMA or comparable foreign regulatory authorities may significantly change in a manner rendering our clinical data insufficient for approval, which may lead to the FDA, EMA or comparable foreign regulatory authorities delaying, limiting or denying approval of our product candidates.

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

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

From time to time, we may also disclose interim data from our preclinical studies and clinical trials. For example, we have reported interim data from our ongoing Phase 1/2 clinical trials of ZN-c5 and ZN-e4, as of November 11, 2019 and October 30, 2019, respectively, elsewhere in this prospectus. Interim data from clinical trials that we may complete are subject to the risk that one or more of the clinical outcomes may materially change as patient enrollment continues and more patient data become available or as patients from our clinical trials continue other treatments for their disease. Adverse differences between preliminary or interim data and final data could significantly harm our business prospects. Further, disclosure of interim data by us or by our competitors could result in volatility in the price of our common stock after this offering.

Further, others, including regulatory agencies, may not accept or agree with our assumptions, estimates, calculations, conclusions or analyses or may interpret or weigh the importance of data differently, which could impact the value of the particular program, the approvability or commercialization of the particular product candidate or product and our company in general. In addition, the information we choose to publicly disclose regarding a particular study or clinical trial is based on what is typically extensive information, and you or others may not agree with what we determine is material or otherwise appropriate information to include in our disclosure.

If the interim, topline, or preliminary data that we report differ from actual results, or if others, including regulatory authorities, disagree with the conclusions reached, our ability to obtain approval for, and commercialize, our product candidates may be harmed, which could harm our business, operating results, prospects or financial condition.

Even if approved, our product candidates may not achieve adequate market acceptance among physicians, patients, healthcare payors and others in the medical community necessary for commercial success.

Even if our product candidates receive regulatory approval, they may not gain adequate market acceptance among physicians, patients, healthcare payors and others in the medical community. The degree of market acceptance of any of our approved product candidates will depend on a number of factors, including:

- the efficacy and safety profile as demonstrated in clinical trials compared to alternative treatments;
- the timing of market introduction of the product candidate as well as competitive products;
- the clinical indications for which the product candidate is approved;
- restrictions on the use of our product candidates, such as boxed warnings or contraindications in labeling, or a REMS, if any, which may not be required of alternative treatments and competitor products;
- the potential and perceived advantages of product candidates over alternative treatments;
- the cost of treatment in relation to alternative treatments;
- the availability of coverage and adequate reimbursement, as well as pricing, by third-party payors, including government authorities;
- the availability of the approved product candidate for use as a combination therapy;
- relative convenience and ease of administration;
- the willingness of the target patient population to try new therapies and of physicians to prescribe these therapies;
- the effectiveness of sales and marketing efforts;
- unfavorable publicity relating to our products or product candidates or similar approved products or product candidates in development by third parties; and
- the approval of other new therapies for the same indications.

If any of our product candidates is approved but does not achieve an adequate level of acceptance by physicians, hospitals, healthcare payors and patients, we may not generate or derive sufficient revenue from that product candidate and our financial results could be negatively impacted.

If we experience delays or difficulties in the enrollment and/or maintenance of patients in clinical trials, our clinical development activities could be delayed or otherwise adversely affected.

Patient enrollment is a significant factor in the timing of clinical trials, and the timing of our clinical trials depends, in part, on the speed at which we can recruit patients to participate in our trials, as well as completion of required follow-up periods. We may not be able to initiate or continue clinical trials for our product candidates if we are unable to locate and enroll a sufficient number of eligible patients to participate in these trials to such trial's conclusion as required by the FDA, EMA or other comparable foreign regulatory authorities. Additionally, certain clinical trials for future product candidates may be focused on indications with relatively small patient populations, which may further limit enrollment of eligible patients or may result in slower enrollment than we anticipate. The eligibility criteria of our clinical trials, once established, may further limit the pool of available trial participants.

Patient enrollment may also be affected if our competitors have ongoing clinical trials for product candidates that are under development for the same indications as our product candidates, and patients who

would otherwise be eligible for our clinical trials instead enroll in clinical trials of our competitors' product candidates. Patient enrollment for any of our clinical trials may be affected by other factors, including:

- size and nature of the patient population;
- severity of the disease under investigation;
- availability and efficacy of approved drugs for the disease under investigation;
- patient eligibility criteria for the trial in question as defined in the protocol;
- perceived risks and benefits of the product candidate under study;
- clinicians' and patients' perceptions as to the potential advantages of the product candidate being studied in relation to other available therapies, including any new products that may be approved for the indications we are investigating;
- efforts to facilitate timely enrollment in clinical trials;
- patient referral practices of physicians;
- the ability to monitor patients adequately during and after treatment;
- proximity and availability of clinical trial sites for prospective patients;
- continued enrollment of prospective patients by clinical trial sites; and
- the risk that patients enrolled in clinical trials will drop out of the trials before completion or, because they may be late-stage cancer patients, will not survive the full terms of the clinical trials.

Our inability to enroll a sufficient number of patients for our clinical trials would result in significant delays or may require us to abandon one or more clinical trials altogether. Enrollment delays in our clinical trials may result in increased development costs for our product candidates and jeopardize our ability to obtain marketing approval for the sale of our product candidates. Furthermore, even if we are able to enroll a sufficient number of patients for our clinical trials, we may have difficulty maintaining enrollment of such patients in our clinical trials.

We intend to develop ZN-c5, ZN-c3, ZN-d5, ZN-e4 and potentially other product candidates in combination with other therapies, which exposes us to additional risks.

We intend to develop ZN-c5, Zn-c3, ZN-d5, ZN-e4 and likely other future product candidates in combination with one or more other approved or unapproved therapies to treat cancer or other diseases. For example, we are currently evaluating ZN-c5 in combination with certain approved agents, including palbociclib.

Even if any product candidate we develop were to receive marketing approval or be commercialized for use in combination with other existing therapies, we would continue to be subject to the risks that the FDA, EMA or comparable foreign regulatory authorities outside of the United States could revoke approval of the therapy used in combination with our product or that safety, efficacy, manufacturing or supply issues could arise with any of those existing therapies. If the therapies we use in combination with our product candidates are replaced as the standard of care for the indications we choose for any of our product candidates, the FDA, EMA or comparable foreign regulatory authorities may require us to conduct additional clinical trials. The occurrence of any of these risks could result in our own products, if approved, being removed from the market or being less successful commercially.

We also may choose to evaluate ZN-c5, ZN-c3, ZN-d5, ZN-e4 or any other future product candidates in combination with one or more cancer therapies that have not yet been approved for marketing by the FDA, EMA or comparable foreign regulatory authorities. We will not be able to market and sell ZN-c5, ZN-c3, ZN-d5, ZN-e4 or any product candidate we develop in combination with an unapproved cancer therapy for a

combination indication if that unapproved therapy does not ultimately obtain marketing approval either alone or in combination with our product. In addition, unapproved cancer therapies face the same risks described with respect to our product candidates currently in development and clinical trials, including the potential for serious adverse effects, delay in their clinical trials and lack of FDA approval.

If the FDA, EMA or comparable foreign regulatory authorities do not approve these other drugs or revoke their approval of, or if safety, efficacy, quality, manufacturing or supply issues arise with, the drugs we choose to evaluate in combination with our product candidate we develop, we may be unable to obtain approval of or market such combination therapy.

If the market opportunity for any product candidate that we or our strategic partners develop is smaller than we believe, our revenue may be adversely affected and our business may suffer.

We intend to initially focus our product candidate development on treatments for various oncology indications. Our projections of addressable patient populations that may benefit from treatment with our product candidates are based on our estimates. These estimates, which have been derived from a variety of sources, including scientific literature, surveys of clinics, patient foundations and market research, may prove to be incorrect. Further, new studies may change the estimated incidence or prevalence of these cancers. Additionally, the potentially addressable patient population for our product candidates may not ultimately be amenable to treatment with our product candidates. Our market opportunity may also be limited by future competitor treatments that enter the market. If any of our estimates prove to be inaccurate, the market opportunity for any product candidate that we or our strategic partners develop could be significantly diminished and have an adverse material impact on our business.

We face significant competition, and if our competitors develop and market technologies or products more rapidly than we do or that are more effective, safer or less expensive than the product candidates we develop, our commercial opportunities will be negatively impacted.

The biotechnology and pharmaceutical industries are characterized by rapidly advancing technologies, intense competition and a strong emphasis on proprietary and novel products and product candidates. Our competitors have developed, are developing or may develop products, product candidates and processes competitive with our product candidates. Any product candidates that we successfully develop and commercialize will compete with existing therapies and new therapies that may become available in the future. We believe that a significant number of products are currently under development, and may become commercially available in the future, for the treatment of conditions for which we may attempt to develop product candidates. In addition, our products may need to compete with off-label drugs used by physicians to treat the indications for which we seek approval. This may make it difficult for us to replace existing therapies with our products.

In particular, there is intense competition in the fields of oncology we are pursuing. We have competitors both in the United States and internationally, including major multinational pharmaceutical companies, established biotechnology companies, specialty pharmaceutical companies, emerging and start-up companies, universities and other research institutions. We also compete with these organizations to recruit management, scientists and clinical development personnel, which could negatively affect our level of expertise and our ability to execute our business plan. We will also face competition in establishing clinical trial sites, enrolling subjects for clinical trials and in identifying and in-licensing new product candidates.

We have chosen to initially address well-validated biochemical targets, and therefore expect to face competition from existing products and products in development for each of our product candidates. There are a large number of companies developing or marketing treatments for cancer, including many major pharmaceutical and biotechnology companies. Many of these current and potential competitors have significantly greater financial, manufacturing, marketing, drug development, technical and human resources and commercial expertise

than we do. Large pharmaceutical and biotechnology companies, in particular, have extensive experience in clinical testing, obtaining regulatory approvals, recruiting patients and manufacturing biotechnology products. These companies also have significantly greater research and marketing capabilities than we do and may also have products that have been approved or are in late stages of development, and collaborative arrangements in our target markets with leading companies and research institutions. Established pharmaceutical and biotechnology companies may also invest heavily to accelerate discovery and development of novel compounds or to in-license novel compounds that could make the product candidates that we develop obsolete. Smaller or early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies, as well as in acquiring technologies complementary to, or necessary for, our programs. As a result of all of these factors, our competitors may succeed in obtaining approval from the FDA, EMA or other comparable foreign regulatory authorities or in discovering, developing and commercializing products in our field before we do.

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 effects, are more convenient, have a broader label, are marketed more effectively, are reimbursed or are less expensive than any products that we may develop. Our competitors also may obtain marketing approval from the FDA, EMA or other comparable foreign regulatory authorities 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. Even if the product candidates we develop achieve marketing approval, they may be priced at a significant premium over competitive products if any have been approved by then, resulting in reduced competitiveness. Technological advances or products developed by our competitors may render our technologies or product candidates obsolete, less competitive or not economical. If we are unable to compete effectively, our opportunity to generate revenue from the sale of our products we may develop, if approved, could be adversely affected.

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, therapeutic platforms and product candidates that we identify for specific indications. As a result, we may forego or delay pursuit of opportunities with other therapeutic platforms or product candidates or for other indications that later prove to have greater commercial potential or a greater likelihood of success. 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, therapeutic platforms 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.

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

As product candidates progress through preclinical and clinical trials to marketing approval and commercialization, it is common that various aspects of the development program, such as manufacturing methods and formulation, are altered along the way in an effort to optimize yield and 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, if approved, and generate revenue.

Our business entails a significant risk of product liability and if we are unable to obtain sufficient insurance coverage such inability could have an adverse effect on our business and financial condition.

Our business exposes us to significant product liability risks inherent in the development, testing, manufacturing and marketing of therapeutic treatments. Product liability claims could delay or prevent completion of our development programs. If we succeed in marketing products, such claims could result in an FDA, EMA or other regulatory authority investigation of the safety and effectiveness of our products, our manufacturing processes and facilities or our marketing programs. FDA, EMA or other regulatory authority investigations could potentially lead to a recall of our products or more serious enforcement action, limitations on the approved indications for which they may be used or suspension or withdrawal of approvals. Regardless of the merits or eventual outcome, liability claims may also result in decreased demand for our products, injury to our reputation, costs to defend the related litigation, a diversion of management's time and our resources and substantial monetary awards to trial participants or patients. We currently have product liability insurance that we believe is appropriate for our stage of development and may need to obtain higher levels prior to marketing any of our product candidates, if approved. Any insurance we have or may obtain may not provide sufficient coverage against potential liabilities. Furthermore, clinical trial and product liability insurance is becoming increasingly expensive. As a result, we may be unable to obtain sufficient insurance at a reasonable cost to protect us against losses caused by product liability claims that could have an adverse effect on our business and financial condition.

Any product candidates we develop may become subject to unfavorable third-party coverage and reimbursement practices, as well as pricing regulations.

The availability and extent of coverage and adequate reimbursement by third-party payors, including government health administration authorities, private health coverage insurers, managed care organizations and other third-party payors is essential for most patients to be able to afford expensive treatments. Sales of any of our product candidates that receive marketing approval will depend substantially, both in the United States and internationally, on the extent to which the costs of our product candidates will be covered and reimbursed by third-party payors. If reimbursement is not available, or is available only to limited levels, we may not be able to successfully commercialize our product candidates. Even if coverage is provided, the approved reimbursement amount may not be high enough to allow us to establish or maintain pricing sufficient to realize an adequate return on our investment. Coverage and reimbursement may impact the demand for, or the price of, any product candidate for which we obtain marketing approval. If coverage and reimbursement are not available or reimbursement is available only to limited levels, we may not successfully commercialize any product candidate for which we obtain marketing approval.

There is significant uncertainty related to third-party payor coverage and reimbursement of newly approved products. In the United States, for example, principal decisions about reimbursement for new products are typically made by the Centers for Medicare & Medicaid Services, or CMS, an agency within the U.S. Department of Health and Human Services, or HHS. CMS decides whether and to what extent a new product will be covered and reimbursed under Medicare, and private third-party payors often follow CMS's decisions regarding coverage and reimbursement to a substantial degree. However, one third-party payor's determination to provide coverage for a product candidate does not assure that other payors will also provide coverage for the product candidate. As a result, the coverage determination process is often time-consuming and costly. This process will require us to provide scientific and clinical support for the use of our products to each third-party payor separately, with no assurance that coverage and adequate reimbursement will be applied consistently or obtained in the first instance.

Increasingly, third-party payors are requiring that drug companies provide them with predetermined discounts from list prices and are challenging the prices charged for medical products. Further, such payors are increasingly challenging the price, examining the medical necessity and reviewing the cost effectiveness of medical product candidates. There may be especially significant delays in obtaining coverage and reimbursement

for newly approved drugs. Third-party payors may limit coverage to specific product candidates on an approved list, known as a formulary, which might not include all FDA-approved drugs for a particular indication. We may need to conduct expensive pharmaco-economic studies to demonstrate the medical necessity and cost effectiveness of our products. Nonetheless, our product candidates may not be considered medically necessary or cost effective. We cannot be sure that coverage and reimbursement will be available for any product that we commercialize and, if reimbursement is available, what the level of reimbursement will be.

Outside the United States, international operations are generally subject to extensive governmental price controls and other market regulations, and we believe the increasing emphasis on cost containment initiatives in Europe, Canada and other countries has and will continue to put pressure on the pricing and usage of therapeutics such as our product candidates. In many countries, particularly the countries of the European Union, medical product prices are subject to varying price control mechanisms as part of national health systems. In these countries, pricing negotiations with governmental authorities can take considerable time after a product receives marketing approval. 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. In general, product prices under such systems are substantially lower than in the United States. Other countries allow companies to fix their own prices for products, but monitor and control company profits. Additional foreign price controls or other changes in pricing regulation could restrict the amount that we are able to charge for our product candidates. Accordingly, in markets outside the United States, the reimbursement for our products may be reduced compared with the United States and may be insufficient to generate commercially reasonable revenue and profits.

If we are unable to establish or sustain coverage and adequate reimbursement for any future product candidates from third-party payors, the adoption of those products and sales revenue will be adversely affected, which, in turn, could adversely affect the ability to market or sell those product candidates, if approved. Coverage policies and third-party payor reimbursement rates may change at any time. Even if favorable coverage and reimbursement status is attained for one or more products for which we receive regulatory approval, less favorable coverage policies and reimbursement rates may be implemented in the future.

Risks Related to Regulatory Approval and Other Legal Compliance Matters

We may be unable to obtain U.S. or foreign regulatory approvals and, as a result, may be unable to commercialize our product candidates.

Our product candidates are subject to extensive governmental regulations relating to, among other things, research, testing, development, manufacturing, safety, efficacy, approval, recordkeeping, reporting, labeling, storage, packaging, advertising and promotion, pricing, marketing and distribution of drugs. Rigorous preclinical testing and clinical trials and an extensive regulatory approval process must be successfully completed in the United States and in many foreign jurisdictions before a new drug can be marketed. Satisfaction of these and other regulatory requirements is costly, time consuming, uncertain and subject to unanticipated delays. We cannot provide any assurance that any product candidate we may develop will progress through required clinical testing and obtain the regulatory approvals necessary for us to begin selling them.

We have not conducted, managed or completed large-scale or pivotal clinical trials nor managed the regulatory approval process with the FDA or any other regulatory authority. The time required to obtain approvals from the FDA and other regulatory authorities is unpredictable, and requires successful completion of extensive clinical trials which typically takes many years, depending upon the type, complexity and novelty of the product candidate. The standards that the FDA and its foreign counterparts use when evaluating clinical trial data can and often changes during drug development, which makes it difficult to predict with any certainty how they will be applied. We may also encounter unexpected delays or increased costs due to new government regulations, including future legislation or administrative action, or changes in FDA policy during the period of drug development, clinical trials and FDA regulatory review.

Any delay or failure in seeking or obtaining required approvals would have a material and adverse effect on our ability to generate revenue from the particular product candidate for which we developing and seeking approval. Furthermore, any regulatory approval to market a drug may be subject to significant limitations on the approved uses or indications for which we may market the drug or the labeling or other restrictions. In addition, the FDA has the authority to require a REMS as part of approving a NDA, or after approval, which may impose further requirements or restrictions on the distribution or use of an approved drug. These requirements or restrictions might include limiting prescribing to certain physicians or medical centers that have undergone specialized training, limiting treatment to patients who meet certain safe-use criteria and requiring treated patients to enroll in a registry. These limitations and restrictions may significantly limit the size of the market for the drug and affect reimbursement by third-party payors.

We are also subject to numerous foreign regulatory requirements governing, among other things, the conduct of clinical trials, manufacturing and marketing authorization, pricing and third-party reimbursement. The foreign regulatory approval process varies among countries, and generally includes all of the risks associated with FDA approval described above as well as risks attributable to the satisfaction of local regulations in foreign jurisdictions. Moreover, the time required to obtain approval may differ from that required to obtain FDA approval.

Our current or future product candidates may cause significant adverse events, toxicities or other undesirable side effects when used alone or in combination with other approved products or investigational new drugs that may result in a safety profile that could inhibit regulatory approval, prevent market acceptance, limit their commercial potential or result in significant negative consequences.

As is the case with pharmaceuticals generally, it is likely that there may be side effects and adverse events associated with our product candidates' use. Results of our clinical trials could reveal a high and unacceptable severity and prevalence of side effects or unexpected characteristics. Undesirable side effects caused by our product candidates could cause us or regulatory authorities to interrupt, delay or halt clinical trials and could result in a more restrictive label or the delay or denial of regulatory approval by the FDA or comparable foreign regulatory authorities. The drug-related side effects could affect patient recruitment or the ability of enrolled patients to complete the trial or result in potential product liability claims. Any of these occurrences may harm our business, financial condition and prospects significantly.

If our product candidates are associated with undesirable side effects or have unexpected characteristics in preclinical studies or clinical trials when used alone or in combination with other approved products or investigational new drugs we may need to interrupt, delay or abandon their development or limit development to more narrow uses or subpopulations in which the undesirable side effects or other characteristics are less prevalent, less severe or more acceptable from a risk-benefit perspective. Treatment-related side effects could also affect patient recruitment or the ability of enrolled subjects to complete the trial, or result in potential product liability claims. Any of these occurrences may prevent us from achieving or maintaining market acceptance of the affected product candidate and may harm our business, financial condition and prospects significantly.

Patients in our ongoing and planned clinical trials may in the future suffer significant adverse events or other side effects not observed in our preclinical studies or previous clinical trials. Some of our product candidates, may be used as chronic therapies or be used in pediatric populations, for which safety concerns may be particularly scrutinized by regulatory agencies. In addition, if our product candidates are used in combination with other therapies, our product candidates may exacerbate adverse events associated with the therapy. Patients treated with our product candidates may also be undergoing surgical, radiation and chemotherapy treatments, which can cause side effects or adverse events that are unrelated to our product candidate, but may still impact the success of our clinical trials. The inclusion of critically ill patients in our clinical trials may result in deaths or other adverse medical events due to other therapies or medications that such patients may be using or due to the gravity of such patients' illnesses.

If significant adverse events or other side effects are observed in any of our current or future clinical trials, we may have difficulty recruiting patients to the clinical trials, patients may drop out of our trials, or we may be required to abandon the trials or our development efforts of that product candidate altogether. We, the FDA, EMA, other comparable regulatory authorities or an IRB may suspend clinical trials of a product candidate at any time for various reasons, including a belief that subjects in such trials are being exposed to unacceptable health risks or adverse side effects. Some potential therapeutics developed in the biotechnology industry that initially showed therapeutic promise in early-stage trials have later been found to cause side effects that prevented their further development. Even if the side effects do not preclude the product candidate from obtaining or maintaining marketing approval, undesirable side effects may inhibit market acceptance due to its tolerability versus other therapies. Any of these developments could materially harm our business, financial condition and prospects.

Further, if any of our product candidates obtains marketing approval, toxicities associated with such product candidates and not seen during clinical testing may also develop after such approval and lead to a requirement to conduct additional clinical safety trials, additional contraindications, warnings and precautions being added to the drug label, significant restrictions on the use of the product or the withdrawal of the product from the market. We cannot predict whether our product candidates will cause toxicities in humans that would preclude or lead to the revocation of regulatory approval based on preclinical studies or early-stage clinical trials.

The FDA, EMA and other comparable foreign regulatory authorities may not accept data from trials conducted in locations outside of their jurisdiction.

We may choose to conduct international clinical trials in the future. The acceptance of study data by the FDA, EMA or other comparable foreign regulatory authority from clinical trials conducted outside of their respective jurisdictions may be subject to certain conditions. In cases where data from foreign clinical trials are intended to serve as the basis for marketing approval in the United States, the FDA will generally not approve the application on the basis of foreign data alone unless (1) the data are applicable to the United States population and United States medical practice; (2) the trials are performed by clinical investigators of recognized competence and pursuant to current GCP requirements; and (3) the FDA is able to validate the data through an on-site inspection or other appropriate mean. Additionally, the FDA's clinical trial requirements, including the adequacy of the patient population studied and statistical powering, must be met. In addition, such foreign trials would be subject to the applicable local laws of the foreign jurisdictions where the trials are conducted. There can be no assurance that the FDA, EMA or any applicable foreign regulatory authority will accept data from trials conducted outside of its applicable jurisdiction. If the FDA, EMA or any applicable foreign regulatory authority does not accept such data, it would result in the need for additional trials, which would be costly and time-consuming and delay aspects of our business plan, and which may result in our product candidates not receiving approval for commercialization in the applicable jurisdiction.

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

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

Obtaining foreign regulatory approvals and establishing and maintaining compliance with foreign regulatory requirements could result in significant delays, difficulties and costs for us and could delay or prevent the introduction of our products in certain countries. If we or any future collaborator fail to comply with the regulatory requirements in international markets or fail to receive applicable marketing approvals, our target market will be reduced and our ability to realize the full market potential of our product candidates will be harmed.

Even if our product candidates receive regulatory approval, they will be subject to significant post-marketing regulatory requirements and oversight.

Any regulatory approvals that we may receive for our product candidates will require the submission of reports to regulatory authorities and surveillance to monitor the safety and efficacy of the product candidate, may contain significant limitations related to use restrictions for specified age groups, warnings, precautions or contraindications, and may include burdensome post-approval study or risk management requirements. For example, the FDA may require a REMS in order to approve our product candidates, which could entail requirements for a medication guide, physician training and communication plans or additional elements to ensure safe use, such as restricted distribution methods, patient registries and other risk minimization tools. In addition, if the FDA or foreign regulatory authorities approve our product candidates, the manufacturing processes, labeling, packaging, distribution, adverse event 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 on-going compliance with cGMPs and GCP for any clinical trials that we conduct post-approval. In addition, manufacturers of drug products and their facilities are subject to continual review and periodic, unannounced inspections by the FDA and other regulatory authorities for compliance with cGMP regulations and standards. If we or a regulatory agency discover previously unknown problems with a product, such as adverse events of unanticipated severity or frequency, or problems with the facilities where the product is manufactured, a regulatory agency may impose restrictions on that product, the manufacturing facility or us, including requiring recall or withdrawal of the product from the market or suspension of manufacturing. In addition, failure to comply with FDA, EMA and other comparable foreign regulatory requirements may subject our company to administrative or judicially imposed sanctions, including:

- delays in or the rejection of product approvals;
- restrictions on our ability to conduct clinical trials, including full or partial clinical holds on ongoing or planned trials;
- restrictions on the products, manufacturers or manufacturing process;
- warning or untitled letters;
- civil and criminal penalties;
- injunctions;
- suspension or withdrawal of regulatory approvals;
- product seizures, detentions or import bans;
- voluntary or mandatory product recalls and publicity requirements;
- total or partial suspension of production; and
- imposition of restrictions on operations, including costly new manufacturing requirements.

The occurrence of any event or penalty described above may inhibit our ability to commercialize our product candidates and generate revenue and could require us to expend significant time and resources in response and could generate negative publicity.

The FDA's and other regulatory authorities' policies may change, and additional government regulations may be enacted that could prevent, limit or delay regulatory approval of our product candidates. If we are slow or unable to adapt to changes in existing requirements or the adoption of new requirements or policies, or if we are not able to maintain regulatory compliance, we may lose any marketing approval that we may have obtained, and we may not achieve or sustain profitability.

We also cannot predict the likelihood, nature or extent of government regulation that may arise from future legislation or administrative or executive action, either in the United States or abroad. For example, certain policies of the current U.S. administration may impact our business and industry. Namely, the current U.S. administration has taken several executive actions, including the issuance of a number of Executive Orders, that could impose significant burdens on, or otherwise materially delay, the FDA's ability to engage in routine regulatory and oversight activities such as implementing statutes through rulemaking, issuance of guidance, and review and approval of marketing applications. It is difficult to predict how these executive actions, including the Executive Orders, will be implemented, and the extent to which they will impact the FDA's ability to exercise its regulatory authority. If these executive actions impose constraints on FDA's ability to engage in oversight and implementation activities in the normal course, our business may be negatively impacted.

The FDA and other regulatory agencies actively enforce the laws and regulations prohibiting the promotion of off-label uses.

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

If we are required by the FDA to obtain approval of a companion diagnostic test in connection with approval of any of our product candidates, and we do not obtain or face delays in obtaining FDA approval of a diagnostic device, we will not be able to commercialize such product candidate and our ability to generate revenue will be materially impaired.

If safe and effective use of any of our product candidates depends on an *in vitro* diagnostic that is not otherwise commercially available, then the FDA generally will require approval or clearance of that diagnostic, known as a companion diagnostic, at the same time that the FDA approves our product candidates if at all. According to FDA guidance, if the FDA determines that a companion diagnostic device is essential to the safe and effective use of a novel therapeutic product or indication, the FDA generally will not approve the therapeutic product or new therapeutic product indication if the companion diagnostic is not also approved or cleared for that indication. If a satisfactory companion diagnostic is not commercially available, we may be required to create or obtain one that would be subject to regulatory approval requirements. The process of obtaining or creating such diagnostic is time consuming and costly.

Companion diagnostics are developed in conjunction with clinical programs for the associated product and are subject to regulation as medical devices by the FDA and comparable regulatory authorities, and, to date, the FDA has required premarket approval of all companion diagnostics for cancer therapies. The approval of a

companion diagnostic as part of the therapeutic product's labeling limits the use of the therapeutic product to only those patients who express the specific genetic alteration that the companion diagnostic was developed to detect.

If the FDA, EMA or a comparable regulatory authority requires approval of a companion diagnostic for any of our product candidates, whether before or after it obtains marketing approval, we, and/or future collaborators, may encounter difficulties in developing and obtaining approval for such product candidate. Any delay or failure by us or third-party collaborators to develop or obtain regulatory approval of a companion diagnostic could delay or prevent approval or continued marketing of such product candidate.

We may also experience delays in developing a sustainable, reproducible and scalable manufacturing process for the companion diagnostic or in transferring that process to commercial partners or negotiating insurance reimbursement plans, all of which may prevent us from completing our clinical trials or commercializing our product candidate, if approved, on a timely or profitable basis, if at all.

Inadequate funding for the FDA, the SEC and other government agencies could hinder their ability to hire and retain key leadership and other personnel, prevent new products and services from being developed or commercialized in a timely manner or otherwise prevent those agencies from performing normal business functions on which the operation of our business may rely, which could negatively impact our business.

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

Disruptions at the FDA and other agencies may also slow the time necessary for new drugs to be reviewed and/or approved by necessary government agencies, which would adversely affect our business. For example, in recent years, including in 2018 and 2019, the U.S. government shut down several times and certain regulatory agencies, such as the FDA and the SEC, had to furlough critical employees and stop critical activities. If a prolonged government shutdown occurs, it could significantly impact the ability of the FDA to timely review and process our regulatory submissions, which could have a material adverse effect on our business. Further, upon completion of this offering and in our operations as a public company, future government shutdowns could impact our ability to access the public markets and obtain necessary capital in order to properly capitalize and continue our operations.

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

We may in the future seek an accelerated approval for our one or more of our product candidates. Under the accelerated approval program, the FDA may grant accelerated approval to a product candidate designed to treat a serious or life-threatening condition that provides meaningful therapeutic benefit over available therapies upon a determination that the product candidate has an effect on a surrogate endpoint or intermediate clinical endpoint that is reasonably likely to predict clinical benefit. The FDA considers a clinical benefit to be a positive therapeutic effect that is clinically meaningful in the context of a given disease, such as irreversible morbidity or mortality. For the purposes of accelerated approval, a surrogate endpoint is a marker, such as a laboratory

measurement, radiographic image, physical sign, or other measure that is thought to predict clinical benefit, but is not itself a measure of clinical benefit. An intermediate clinical endpoint is a clinical endpoint that can be measured earlier than an effect on irreversible morbidity or mortality that is reasonably likely to predict an effect on irreversible morbidity or mortality or other clinical benefit. The accelerated approval pathway may be used in cases in which the advantage of a new drug over available therapy may not be a direct therapeutic advantage, but is a clinically important improvement from a patient and public health perspective. If granted, accelerated approval is usually contingent on the sponsor's agreement to conduct, in a diligent manner, additional post-approval confirmatory studies to verity and describe the drug's clinical benefit. If such post-approval studies fail to confirm the drug's clinical benefit, the FDA may withdraw its approval of the drug.

Prior to seeking accelerated approval for any of our product candidates, we intend to seek feedback from the FDA and will otherwise evaluate our ability to seek and receive accelerated approval. There can be no assurance that after our evaluation of the feedback and other factors we will decide to pursue or submit an NDA for accelerated approval or any other form of expedited development, review or approval. Similarly, there can be no assurance that after subsequent FDA feedback we will continue to pursue or apply for accelerated approval or any other form of expedited development, review or approval, even if we initially decide to do so. Furthermore, if we decide to submit an application for accelerated approval or receive an expedited regulatory designation (e.g., breakthrough therapy designation) for our product candidates, there can be no assurance that such submission or application will be accepted or that any expedited development, review or approval will be granted on a timely basis, or at all. The FDA or other comparable foreign regulatory authorities could also require us to conduct further studies prior to considering our application or granting approval of any type. A failure to obtain accelerated approval or any other form of expedited development, review or approval for our product candidate would result in a longer time period to commercialization of such product candidate, could increase the cost of development of such product candidate and could harm our competitive position in the marketplace.

We may face difficulties from changes to current regulations and future legislation.

Existing regulatory 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 marketing approval that we may have obtained and we may not achieve or sustain profitability.

For example, in March 2010, the Patient Protection and Affordable Care Act of 2010, as amended by the Health Care and Education Reconciliation Act of 2010, or collectively the ACA, was passed, which substantially changes the way healthcare is financed by both the government and private insurers, and significantly impacts the U.S. pharmaceutical industry. 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 or otherwise circumvent some of the requirements for health insurance mandated by 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, two bills affecting the implementation of certain taxes under the ACA have passed. On December 22, 2017, President Trump signed into law federal tax legislation commonly referred to as the Tax Cuts and Jobs Act, or the Tax Act, which includes a provision repealing, effective January 1, 2019, the tax-based shared responsibility payment imposed by the ACA on certain individuals who fail to maintain qualifying health coverage for all or part of a year that is commonly referred to as the "individual mandate". In addition, the 2020 federal spending package permanently eliminates, effective January 1, 2020, the ACA-mandated "Cadillac" tax on high-cost employer-sponsored health coverage and medical device tax and, effective January 1, 2021, also eliminates the health insurer tax. The Bipartisan Budget Act of 2018, or the BBA, among other things, amended the ACA, effective January 1, 2019, to close the

coverage gap in most Medicare Part D drug plans. In December 2018, CMS published a new final rule permitting further collections and payments to and from certain ACA-qualified health plans and health insurance issuers under the ACA risk adjustment program in response to the outcome of federal district court litigation regarding the method CMS uses to determine this risk adjustment. 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 Act. Additionally, on December 18, 2019, the U.S. Court of Appeals for the 5th Circuit ruled that the individual mandate was unconstitutional and remanded the case back to the District Court to determine whether the remaining provisions of the ACA are invalid as well. It is unclear how these decisions, future decisions, subsequent appeals, and other efforts to repeal and replace the ACA will impact the ACA and our business.

In addition, other legislative changes have been proposed and adopted in the United States since the ACA was enacted. These changes included aggregate reductions to Medicare payments to providers of 2% per fiscal year, effective April 1, 2013, which, due to subsequent legislative amendments, will stay in effect through 2029 unless additional congressional action is taken. In January 2013, President Obama signed into law the American Taxpayer Relief Act of 2012, which, among other things, reduced Medicare payments to several providers, and increased the statute of limitations period for the government to recover overpayments to providers from three to five years. These new laws may result in additional reductions in Medicare and other healthcare funding, which could have a material adverse effect on customers for our drugs, if approved, and accordingly, our financial operations.

Moreover, there has been heightened governmental scrutiny recently over the manner in which drug manufacturers set prices for their marketed products, which has resulted in several Congressional inquiries and proposed and enacted federal and state legislation designed to, among other things, bring more transparency to product pricing, review the relationship between pricing and manufacturer patient programs, and reform government program reimbursement methodologies for drug products. For example, at the federal level, the Trump administration released a "Blueprint" to lower drug prices and reduce out of pocket costs of drugs that contains additional proposals to increase manufacturer competition, increase the negotiating power of certain federal healthcare programs, incentivize manufacturers to lower the list price of their products and reduce the out of pocket costs of drug products paid by consumers. Additionally, the Trump administration's budget proposal for the fiscal year 2020 contains further drug price control measures that could be enacted during the budget process or in future legislation, including, for example, measures to permit Medicare Part D plans to negotiate the price of certain drugs under Medicare Part B, to allow some states to negotiate prices under Medicaid, and to eliminate cost sharing for generic drugs for low-income patients. Although a number of these and other measures may require additional authorization to become effective, Congress and the Trump administration have each indicated that it will continue to seek new legislative and/or administrative measures to control drug costs. 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.

Further, on May 30, 2018, the Trickett Wendler, Frank Mongiello, Jordan McLinn, and Matthew Beilina Right to Try Act of 2017, or the Right to Try Act, was signed into law. The law, among other things, provides a federal framework for certain patients to access certain investigational new product candidates that have completed a Phase 1 clinical trial and that are undergoing investigation for FDA approval. Under certain circumstances, eligible patients can seek treatment without enrolling in clinical trials and without obtaining FDA permission under the FDA expanded access program. There is no obligation for a drug manufacturer to make its products available to eligible patients as a result of the Right to Try Act.

We expect that the ACA, as well as other healthcare reform measures that may be adopted in the future, may result in more rigorous coverage criteria and in additional downward pressure on the price that we receive for any approved product. Any reduction in reimbursement from Medicare or 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 us from being able to generate revenue, attain profitability or commercialize our product candidates.

Legislative and regulatory proposals have been made to expand post-approval requirements and restrict sales and promotional activities for biotechnology products. We cannot be sure whether additional legislative changes will be enacted, or whether FDA regulations, guidance or interpretations will be changed, or what the impact of such changes on the marketing approvals of our product candidates, if any, may be. In addition, increased scrutiny by Congress of the FDA's approval process may significantly delay or prevent marketing approval, as well as subject us to more stringent product labeling and post-marketing testing and other requirements.

Our relationships with healthcare professionals, clinical investigators, CROs and third party payors in connection with our current and future business activities may be subject to federal and state healthcare fraud and abuse laws, false claims laws, transparency laws, government price reporting, and health information privacy and security laws, which could expose us to, among other things, criminal sanctions, civil penalties, contractual damages, exclusion from governmental healthcare programs, reputational harm, administrative burdens and diminished profits and future earnings.

Healthcare providers and third-party payors play a primary role in the recommendation and prescription of any product candidates for which we obtain marketing approval. Our current and future arrangements with healthcare professionals, clinical investigators, CROs, 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 our products for which we obtain marketing approval. Restrictions under applicable federal and state healthcare laws and regulations include the following:

- the federal Anti-Kickback Statute prohibits, among other things, persons and entities from knowingly and willfully soliciting, offering, receiving or providing remuneration, directly or indirectly, in cash or in kind, to induce or reward, or in return for, either the referral of an individual for, or the purchase, order or recommendation of, any good or service, for which payment may be made under a federal healthcare program such as Medicare and Medicaid. A person or entity does not need to have actual knowledge of the federal Anti-Kickback Statute or specific intent to violate it in order to have committed a violation. In addition, the government may assert that a claim including items or services resulting from a violation of the U.S. federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the civil False Claims Act;
- the federal false claims and civil monetary penalties laws, including the civil False Claims Act, which can be enforced by private citizens through civil whistleblower or qui tam actions, prohibit individuals or entities from, among other things, knowingly presenting, or causing to be presented, to the federal government, 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, prohibits, among other things, executing or attempting to execute a scheme to defraud any healthcare benefit program or making false statements relating to healthcare matters. Similar to the federal Anti-Kickback Statute, a person or entity does not need to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation;
- HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act and their implementing regulations, also imposes obligations, including mandatory contractual terms, with respect to safeguarding the privacy, security and transmission of individually identifiable health information;

- the federal Physician Payments Sunshine Act requires applicable manufacturers of covered drugs, devices, biologics and medical supplies for which payment is available under Medicare, Medicaid or the Children's Health Insurance Program, with specific exceptions, to annually report to CMS information regarding payments and other transfers of value to physicians, certain other healthcare providers starting 2022 and teaching hospitals, as well as information regarding ownership and investment interests held by physicians and their immediate family members. The information reported is publicly available on a searchable website, with disclosure required annually; and
- analogous state and foreign laws and regulations, such as state anti-kickback and false claims laws, may apply to sales or marketing arrangements and claims involving healthcare items or services reimbursed by non-governmental third-party payors, including private insurers.

Some state laws require biotechnology companies to comply with the biotechnology industry's voluntary compliance guidelines and the relevant compliance guidance promulgated by the federal government and may require drug manufacturers to report information related to payments and other transfers of value to physicians and other healthcare providers or marketing expenditures. Some state laws require biotechnology companies to report information on the pricing of certain drug products. State and foreign laws also govern the privacy and security of health information in some circumstances, many of which differ from each other in significant ways and often are not preempted by HIPAA, thus complicating compliance efforts. For instance, the collection and use of health data in the European Union is governed by the General Data Protection Regulation, or the GDPR, which extends the geographical scope of European Union data protection law to non-European Union entities under certain conditions, tightens existing European Union data protection principles, creates new obligations for companies and new rights for individuals. Failure to comply with the GDPR may result in substantial fines and other administrative penalties. The GDPR may increase our responsibility and liability in relation to personal data that we process and we may be required to put in place additional mechanisms ensuring compliance with the GDPR This may be onerous and if our efforts to comply with GDPR or other applicable European Union laws and regulations are not successful, it could adversely affect our business in the European Union. In addition, on June 28, 2018, the State of California enacted the California Consumer Privacy Act, or CCPA, which takes effect on January 1, 2020. The CCPA creates individual privacy rights for California consumers and increases the privacy and security obligations of entities handling certain personal information. The CCPA provides for civil penalties for violations, as well as a private right of action for data breaches that is expected to increase data breach litigation. The CCPA may increase our compliance costs and potential liability, and similar laws have been proposed at the federal level and in other states.

Efforts to ensure that our current and future business arrangements with third parties will comply with applicable healthcare laws and regulations will involve on-going 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 penalties, including civil, criminal and administrative penalties, damages, fines, disgorgement, individual imprisonment, exclusion from participation in government funded healthcare programs, such as Medicare and Medicaid, integrity oversight and reporting obligations, contractual damages, reputational harm, diminished profits and future earnings and the curtailment or restructuring of our operations. Defending against any such actions can be costly, time-consuming and may require significant financial and personnel resources. Therefore, even if we are successful in defending against any such actions that may be brought against us, our business may be impaired. Further, 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, they may be subject to criminal, civil or administrative sanctions, including exclusions from government funded healthcare programs.

Our employees, independent contractors, consultants, commercial collaborators, principal investigators, CROs, suppliers and vendors may engage in misconduct or other improper activities, including noncompliance with regulatory standards and requirements.

We are exposed to the risk that our employees, independent contractors, consultants, commercial collaborators, principal investigators, CROs, suppliers and vendors may engage in misconduct or other improper activities. Misconduct by these parties could include failures to comply with FDA regulations, provide accurate information to the FDA, comply with federal and state health care fraud and abuse laws and regulations, accurately report financial information or data or disclose unauthorized activities to us. In particular, sales, marketing and business arrangements in the health care industry are subject to extensive laws and regulations intended to prevent fraud, misconduct, kickbacks, self-dealing and other abusive practices. These laws and regulations may restrict or prohibit a wide range of pricing, discounting, marketing and promotion, sales commission, customer incentive programs and other business arrangements. Misconduct by these parties could also involve the improper use of information obtained in the course of clinical trials, which could result in regulatory sanctions and serious harm to our reputation. It is not always possible to identify and deter misconduct by these parties, and the precautions we take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to comply with these laws or regulations. If any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, those actions could have a significant impact on our business, including the imposition of significant penalties, including civil, criminal and administrative penalties, damages, fines, disgorgement, individual imprisonment, exclusion from participation in government funded healthcare programs, such as Medicare and Medicaid, integrity oversight and reporting obligations, contractual damages, reputational harm, diminished profits and future earnings and the curtailment or restructuring of our operations.

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

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

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

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

Our research and development activities could be affected or delayed as a result of possible restrictions on animal testing.

Certain laws and regulations require us to test our product candidates on animals before initiating clinical trials involving humans. Animal testing activities have been the subject of controversy and adverse publicity.

Animal rights groups and other organizations and individuals have attempted to stop animal testing activities by pressing for legislation and regulation in these areas and by disrupting these activities through protests and other means. To the extent the activities of these groups are successful, our research and development activities may be interrupted, delayed or become more expensive.

Our business activities may be subject to the U.S. Foreign Corrupt Practices Act, or the FCPA, and similar anti-bribery and anti-corruption laws of other countries in which we operate, as well as U.S. and certain foreign export controls, trade sanctions, and import laws and regulations. Compliance with these legal requirements could limit our ability to compete in foreign markets and subject us to liability if we violate them.

If we further 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. Our business activities may be subject to the FCPA and similar anti-bribery or anti-corruption laws, regulations or rules of other countries in which we operate. The FCPA generally prohibits companies and their employees and third party intermediaries from offering, promising, giving or authorizing the provision of anything of value, either directly or indirectly, to a non-U.S. government official in order to influence official action or otherwise obtain or retain business. The FCPA also requires public companies to make and keep books and records that accurately and fairly reflect the transactions of the corporation and to devise and maintain an adequate system of internal accounting controls. Our business is heavily regulated and therefore involves significant interaction with public officials, including officials of non-U.S. governments. Additionally, in many other countries, hospitals owned and operated by the government, and doctors and other hospital employees would be considered foreign officials under the FCPA. Recently the SEC and Department of Justice have increased their FCPA enforcement activities with respect to biotechnology and pharmaceutical companies. There is no certainty that all of our employees, agents or contractors, or those of our affiliates, will comply with all applicable laws and regulations, particularly given the high level of complexity of these laws. Violations of these laws and regulations could result in fines, criminal sanctions against us, our officers or our employees, disgorgement, and other sanctions and remedial measures, and prohibitions on the conduct of our business. Any such violations could include prohibitions on our ability to offer our products in one or more countries and could materially damage our reputation, our brand, our international activities, our ability to attract and retain employees and our business, prospects, operating results and financial condition.

In addition, our products may be subject to U.S. and foreign export controls, trade sanctions and import laws and regulations. Governmental regulation of the import or export of our products, or our failure to obtain any required import or export authorization for our products, when applicable, could harm our international sales and adversely affect our revenue. Compliance with applicable regulatory requirements regarding the export of our products may create delays in the introduction of our products in international markets or, in some cases, prevent the export of our products to some countries altogether. Furthermore, U.S. export control laws and economic sanctions prohibit the shipment of certain products and services to countries, governments, and persons targeted by U.S. sanctions. If we fail to comply with export and import regulations and such economic sanctions, penalties could be imposed, including fines and/or denial of certain export privileges. Moreover, any new export or import restrictions, new legislation or shifting approaches in the enforcement or scope of existing regulations, or in the countries, persons, or products targeted by such regulations, could result in decreased use of our products by, or in our decreased ability to export our products to existing or potential customers with international operations. Any decreased use of our products or limitation on our ability to export or sell access to our products would likely adversely affect our business.

Risks Related to Employee Matters, Managing Our Growth and Other Risks Related to Our Business

Our success is highly dependent on our ability to attract and retain highly skilled executive officers and employees.

To succeed, we must recruit, retain, manage and motivate qualified clinical, scientific, technical and management personnel, and we face significant competition for experienced personnel. We are highly dependent on the principal members of our management and scientific and medical staff. If we do not succeed in attracting and retaining qualified personnel, particularly at the management level, it could adversely affect our ability to execute our business plan and harm our operating results. In particular, the loss of one or more of our executive officers could be detrimental to us if we cannot recruit suitable replacements in a timely manner. The competition for qualified personnel in the biotechnology field is intense and as a result, we may be unable to continue to attract and retain qualified personnel necessary for the future success of our business. We could in the future have difficulty attracting experienced personnel to our company and may be required to expend significant financial resources in our employee recruitment and retention efforts.

Many of the other biotechnology companies that we compete against for qualified personnel have greater financial and other resources, different risk profiles and a longer history in the industry than we do. They also may provide more diverse opportunities and better prospects for career advancement. Some of these characteristics may be more appealing to high-quality candidates than what we have to offer. If we are unable to continue to attract and retain high-quality personnel, the rate and success at which we can discover, develop and commercialize our product candidates will be limited and the potential for successfully growing our business will be harmed.

If we are unable to establish sales or marketing capabilities or enter into agreements with third parties to sell or market our product candidates, we may not be able to successfully sell or market our product candidates that obtain regulatory approval.

We currently do not have and have never had a marketing or sales team. In order to commercialize any product candidates, if approved, we must build marketing, sales, distribution, managerial and other non-technical capabilities or make arrangements with third parties to perform these services for each of the territories in which we may have approval to sell or market our product candidates. We may not be successful in accomplishing these required tasks.

Establishing an internal sales or marketing team with technical expertise and supporting distribution capabilities to commercialize our product candidates will be expensive and time-consuming, and will require significant attention of our executive officers to manage. Any failure or delay in the development of our internal sales, marketing and distribution capabilities could adversely impact the commercialization of any of our product candidates that we obtain approval to market, if we do not have arrangements in place with third parties to provide such services on our behalf. Alternatively, if we choose to collaborate, either globally or on a territory-by-territory basis, with third parties that have direct sales forces and established distribution systems, either to augment our own sales force and distribution systems or in lieu of our own sales force and distribution systems, we will be required to negotiate and enter into arrangements with such third parties relating to the proposed collaboration. If we are unable to enter into such arrangements when needed, on acceptable terms, or at all, we may not be able to successfully commercialize any of our product candidates that receive regulatory approval or any such commercialization may experience delays or limitations. If we are unable to successfully commercialize our approved product candidates, either on our own or through collaborations with one or more third parties, our future product revenue will suffer and we may incur significant additional losses.

We have never commercialized a product candidate before and may lack the necessary expertise, personnel and resources to successfully commercialize any products on our own or together with suitable collaborators.

We have never commercialized a product candidate, and we currently have no sales force, marketing or distribution capabilities. To achieve commercial success for the product candidates, which we may license to others, we will rely on the assistance and guidance of those collaborators. For product candidates for which we retain commercialization rights, we will have to develop our own sales, marketing and supply organization or outsource these activities to a third party.

Factors that may affect our ability to commercialize our product candidates on our own include recruiting and retaining adequate numbers of effective sales and marketing personnel, obtaining access to or persuading adequate numbers of physicians to prescribe our product candidates and other unforeseen costs associated with creating an independent sales and marketing organization. Developing a sales and marketing organization will be expensive and time-consuming and could delay the launch of our product candidates. We may not be able to build an effective sales and marketing organization. If we are unable to build our own distribution and marketing capabilities or to find suitable partners for the commercialization of our product candidates, we may not generate revenues from them or be able to reach or sustain profitability.

In order to successfully implement our plans and strategies, we will need to grow the size of our organization, and we may experience difficulties in managing this growth.

As of December 31, 2019, we had 58 full-time employees, including 45 employees engaged in research and development. In order to successfully implement our development and commercialization plans and strategies, and as we transition into operating as a public company, we expect to need additional managerial, operational, sales, marketing, financial and other personnel. Future growth would impose significant added responsibilities on members of management, including:

- identifying, recruiting, integrating, maintaining and motivating additional employees;
- managing our internal development efforts effectively, including the clinical, FDA, EMA and other comparable foreign regulatory agencies' review process for ZN-c5, ZN-c3, ZN-d5 and ZN-e4 and any other future product candidates, while complying with any contractual obligations to contractors and other third parties we may have; and
- improving our operational, financial and management controls, reporting systems and procedures.

Our future financial performance and our ability to successfully develop and, if approved, commercialize, ZN-c5, ZN-c3, ZN-d5 and ZN-e4 and any other future product candidates will depend, in part, on our ability to effectively manage any future growth, and our management may also have to divert a disproportionate amount of its attention away from day-to-day activities in order to devote a substantial amount of time to managing these growth activities. Furthermore, certain of our employees, including members of our management team, perform services on behalf of Kalyra Pharmaceuticals, Inc., a corporation that is 25% owned by us, pursuant to intercompany service agreements. As a result, such individuals do not allocate all of their time and resources to us and our other subsidiaries which, coupled with the need to manage growth activities, could further limit their ability to devote a sufficient amount of attention to day-to-day activities of our business.

We currently rely, and for the foreseeable future will continue to rely, in substantial part on certain independent organizations, advisors and consultants to provide certain services, including key aspects of clinical development and manufacturing. We cannot assure you that the services of independent organizations, advisors and consultants will continue to be available to us on a timely basis when needed, or that we can find qualified replacements. In addition, if we are unable to effectively manage our outsourced activities or if the quality or accuracy of the services provided by third party service providers is compromised for any reason, our clinical trials may be extended, delayed or terminated, and we may not be able to obtain marketing approval of ZN-c5, ZN-c3, ZN-d5 and ZN-e4 and any other future product candidates or otherwise advance our business. We cannot

assure you that we will be able to manage our existing third party service providers or find other competent outside contractors and consultants on economically reasonable terms, or at all.

If we are not able to effectively expand our organization by hiring new employees and/or engaging additional third party service providers, we may not be able to successfully implement the tasks necessary to further develop and commercialize ZN-c5, ZN-c3, ZN-d5 and ZN-e4 and any other future product candidates and, accordingly, may not achieve our research, development and commercialization goals.

Our internal computer systems, or those of any of our CROs, manufacturers, other contractors, consultants, collaborators or potential future collaborators, may fail or suffer security or data privacy breaches or other unauthorized or improper access to, use of, or destruction of our proprietary or confidential data, employee data, or personal data, which could result in additional costs, loss of revenue, significant liabilities, harm to our brand and material disruption of our operations.

Despite the implementation of security measures, our internal computer systems and those of our current and any future CROs and other contractors, consultants, collaborators and third-party service providers, are vulnerable to damage from computer viruses, cybersecurity threats, unauthorized access, natural disasters, terrorism, war and telecommunication and electrical failure. If such an event were to occur and cause interruptions in our operations or result in the unauthorized acquisition of or access to personally identifiable information or individually identifiable health information (violating certain privacy laws such as HIPAA, Health Information Technology for Economic and Clinical Health Act and GDPR), it could result in a material disruption of our drug discovery and development programs and our business operations, whether due to a loss of our trade secrets or other similar disruptions. Some of the federal, state and foreign government requirements include obligations of companies to notify individuals of security breaches involving particular personally identifiable information, which could result from breaches experienced by us or by our vendors, contractors, or organizations with which we have formed strategic relationships. Notifications and follow-up actions related to a security breach could impact our reputation, cause us to incur significant costs, including legal expenses and remediation costs. For example, the loss of clinical trial data from completed or future clinical trials could result in delays in our regulatory approval efforts and significantly increase our costs to recover or reproduce the lost data. We also rely on third parties to manufacture our product candidates, and similar events relating to their computer systems could also have a material adverse effect on our business. To the extent that any disruption or security breach were to result in a loss of, or damage to, our data, or inappropriate disclosure of confidential or proprietary information, we could be exposed to litigation and governmental investigations, the further development and commercialization of our product candidates could be delayed, and we could be subject to significant fines or penalties for any noncompliance with certain state, federal and/or international privacy and security laws.

Our insurance policies may not be adequate to compensate us for the potential losses arising from any such disruption, failure or security breach. In addition, such insurance may not be available to us in the future on economically reasonable terms, or at all. Further, our insurance may not cover all claims made against us and could have high deductibles in any event, and defending a suit, regardless of its merit, could be costly and divert management attention.

EU drug marketing and reimbursement regulations may materially affect our ability to market and receive coverage for our products in the European member states.

We intend to seek approval to market our product candidates in both the United States and in selected foreign jurisdictions. If we obtain approval in one or more foreign jurisdictions for our product candidates, we will be subject to rules and regulations in those jurisdictions. In some foreign countries, particularly those in the European Union, the pricing of drugs is subject to governmental control and other market regulations which could put pressure on the pricing and usage of our product candidates. In these countries, pricing negotiations with governmental authorities can take considerable time after obtaining marketing approval of a product

candidate. In addition, market acceptance and sales of our product candidates will depend significantly on the availability of adequate coverage and reimbursement from third-party payors for our product candidates and may be affected by existing and future healthcare reform measures.

Much like the federal Anti-Kickback Statute prohibition in the United States, the provision of benefits or advantages to physicians to induce or encourage the prescription, recommendation, endorsement, purchase, supply, order or use of medicinal products is also prohibited in the European Union. The provision of benefits or advantages to physicians is governed by the national anti-bribery laws of EU Member States, such as the UK Bribery Act 2010. Infringement of these laws could result in substantial fines and imprisonment.

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

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

A portion of our manufacturing of our lead product candidates takes place in China through third-party manufacturers. A significant disruption in the operation of those manufacturers, a trade war or political unrest in China could materially adversely affect our business, financial condition and results of operations.

We currently contract manufacturing operations to third parties, and clinical quantities of our lead product candidates are manufactured by these third parties outside the United States, including in China, and we expect to continue to use such third-party manufacturers for such product candidates. Any disruption in production or inability of our manufacturers in China to produce adequate quantities to meet our needs, whether as a result of a natural disaster or other causes, could impair our ability to operate our business on a day-to-day basis and to continue our development of our product candidates. Furthermore, since these manufacturers are located in China, we are exposed to the possibility of product supply disruption and increased costs in the event of changes in the policies of the United States or Chinese governments, political unrest or unstable economic conditions in China. For example, a trade war could lead to tariffs on the chemical intermediates we use that are manufactured in China. Any of these matters could materially and adversely affect our business and results of operations. Any recall of the manufacturing lots or similar action regarding our product candidates used in clinical trials could

delay the trials or detract from the integrity of the trial data and its potential use in future regulatory filings. In addition, manufacturing interruptions or failure to comply with regulatory requirements by any of these manufacturers could significantly delay clinical development of potential products and reduce third-party or clinical researcher interest and support of proposed trials. These interruptions or failures could also impede commercialization of our product candidates and impair our competitive position. Further, we may be exposed to fluctuations in the value of the local currency in China. Future appreciation of the local currency could increase our costs. In addition, our labor costs could continue to rise as wage rates increase due to increased demand for skilled laborers and the availability of skilled labor declines in China.

Our operations are vulnerable to interruption by fire, severe weather conditions, power loss, telecommunications failure, terrorist activity and other events beyond our control, which could harm our business.

Our facility is located in a region which experiences severe weather from time to time. We have not undertaken a systematic analysis of the potential consequences to our business and financial results from a major tornado, flood, fire, earthquake, power loss, terrorist activity or other disasters and do not have a recovery plan for such disasters. In addition, we do not carry sufficient insurance to compensate us for actual losses from interruption of our business that may occur, and any losses or damages incurred by us could harm our business. The occurrence of any of these business disruptions could seriously harm our operations and financial condition and increase our costs and expenses.

Our ability to utilize our net operating loss carryforwards and certain other tax attributes of our corporate subsidiaries may be limited.

The net operating loss carryforwards, or NOLs, of our corporate subsidiaries could expire unused and be unavailable to offset future income tax liabilities because of their limited duration or because of restrictions under U.S. tax law. NOLs generated in tax years ending on or prior to December 31, 2017 are only permitted to be carried forward for 20 taxable years under applicable U.S. federal tax law. Under the Tax Act, federal NOLs of our corporate subsidiaries generated in tax years ending after December 31, 2017 may be carried forward indefinitely, but the deductibility of federal NOLs generated in tax years beginning after December 31, 2017 is limited. It is uncertain if and to what extent various states will conform to the Tax Act. In addition, a "Separate Return Limitation Year" ("SRLY") generally encompasses all separate return years of a member (or predecessor in a Section 381 or other transaction), including tax years in which it joins a consolidated return of another group. According to Treasury Regulation Section 1.1502-21, net operating losses of a member that arises in a SRLY may be applied against consolidated taxable income only to the extent of the loss member's cumulative contribution to the consolidated taxable income. As a result, this SRLY limitation may also increase the tax liability to the Company (by reducing the carryforward of certain net operating losses that otherwise might be used to offset the amount of taxable gain), potentially decreasing the value of our common stock. As of December 31, 2018, our corporate subsidiaries had available net operating loss carryforwards of approximately $44.1 million for federal income tax purposes, of which $23.0 million were generated in 2018 and can be carried forward indefinitely under the Tax Cuts and Jobs Act. The remaining federal net operating losses of $21.1 million, which were generated prior to 2018, will start to expire in 2033 if not utilized.

In addition, under Sections 382 and 383 of the Internal Revenue Code of 1986, as amended, or the Code, if a corporation undergoes an "ownership change" (generally defined as a cumulative change in our ownership by "5-percent shareholders" that exceeds 50 percentage points over a rolling three-year period), the corporation's ability to use its pre-change NOLs and certain other pre-change tax attributes to offset its post-change income and taxes may be limited. Similar rules may apply under state tax laws. We may have experienced such ownership changes in the past, and we may experience ownership changes in the future as a result of this offering or subsequent shifts in our stock ownership, some of which are outside our control. We have not conducted any studies to determine annual limitations, if any, that could result from such changes in the ownership. Our ability to utilize those NOLs could be limited by an "ownership change" as described above and consequently, we may

not be able to utilize a material portion of our NOLs and certain other tax attributes, which could have a material adverse effect on our cash flows and results of operations.

A variety of risks associated with marketing our product candidates internationally could materially adversely affect our business.

We plan to seek regulatory approval of our product candidates outside of the United States and, accordingly, we expect that we will be subject to additional risks related to operating in foreign countries if we obtain the necessary approvals, including:

- differing regulatory requirements and reimbursement regimes in foreign countries;
- unexpected changes in tariffs, trade barriers, price and exchange controls and other regulatory requirements;
- economic weakness, including inflation, or political instability in particular foreign economies and markets;
- compliance with tax, employment, immigration and labor laws for employees living or traveling abroad;
- foreign taxes, including withholding of payroll taxes;
- foreign currency fluctuations, which could result in increased operating expenses and reduced revenue, and other obligations incident to doing business in another country;
- difficulties staffing and managing foreign operations;
- workforce uncertainty in countries where labor unrest is more common than in the United States;
- potential liability under the FCPA or comparable foreign regulations;
- challenges enforcing our contractual and intellectual property rights, especially in those foreign countries that do not respect and protect intellectual property rights to the same extent as the United States;
- production shortages resulting from any events affecting raw material supply or manufacturing capabilities abroad; and
- business interruptions resulting from geo-political actions, including war and terrorism.

These and other risks associated with our international operations may materially adversely affect our ability to attain or maintain profitable operations.

Risks Related to Our Intellectual Property

Our success depends on our ability to protect our in-licensed intellectual property and our proprietary technologies.

Our commercial success depends in part on our ability to obtain and maintain patent protection and trade secret protection for our product candidates, proprietary technologies and their uses as well as our and our licensors' ability to operate without infringing the proprietary rights of others. If we or our licensors are unable to protect our intellectual property rights or if our intellectual property rights are inadequate for our technology or our product candidates, our competitive position could be harmed. We and our licensors generally seek to protect our proprietary position by filing patent applications in the United States and abroad related to our product candidates, proprietary technologies and their uses that are important to our business. Our in-licensed patent applications cannot be enforced against third parties practicing the technology claimed in such applications unless, and until, patents issue from such applications, and then only to the extent the issued claims cover the

technology. There can be no assurance that our in-licensed patent applications will result in patents being issued or that issued patents will afford sufficient protection against competitors with similar technology, nor can there be any assurance that the patents if issued will not be infringed, designed around, invalidated or rendered unenforceable by third parties. Even issued patents may later be found invalid or unenforceable or may be modified or revoked in proceedings instituted by third parties before various patent offices or in courts. The degree of future protection for our and our licensors' proprietary rights is uncertain. Only limited protection may be available and may not adequately protect our or our licensors' rights or permit us or our licensors to gain or keep any competitive advantage. These uncertainties and/or limitations in our and our licensors' ability to properly protect the intellectual property rights relating to our product candidates could have a material adverse effect on our financial condition and results of operations.

Although we license issued patents in the United States and foreign countries, we cannot be certain that the claims in our other in-licensed U.S. pending patent applications, corresponding international patent applications and patent applications in certain foreign countries will be considered patentable by the United States Patent and Trademark Office, or USPTO, courts in the United States or by the patent offices and courts in foreign countries, nor can we be certain that the claims in our in-licensed issued patents will not be found invalid or unenforceable if challenged.

The patent application process is subject to numerous risks and uncertainties, and there can be no assurance that we or our licensors or any of our potential future collaborators will be successful in protecting our product candidates by obtaining and defending patents. These risks and uncertainties include the following:

- the USPTO and various foreign governmental patent agencies require compliance with a number of procedural, documentary, fee payment and other provisions during the patent process, the noncompliance with which can result in abandonment or lapse of a patent or patent application, and partial or complete loss of patent rights in the relevant jurisdiction;
- patent applications may not result in any patents being issued;
- patents may be challenged, invalidated, modified, revoked, circumvented, found to be unenforceable or otherwise may not provide any competitive advantage;
- our competitors, many of whom have substantially greater resources than we or our licensors do and many of whom have made significant investments in competing technologies, may seek or may have already obtained patents that will limit, interfere with or block our ability to make, use and sell our product candidates;
- there may be significant pressure on the U.S. government and international governmental bodies to limit the scope of patent protection both inside and outside the United States for disease treatments that prove successful, as a matter of public policy regarding worldwide health concerns; and
- countries other than the United States may have patent laws less favorable to patentees than those upheld by U.S. courts, allowing foreign competitors a better opportunity to create, develop and market competing products.

The patent prosecution process is also expensive and time-consuming, and we or our licensors may not be able to file and prosecute all necessary or desirable patent applications at a reasonable cost or in a timely manner or in all jurisdictions where protection may be commercially advantageous. It is also possible that we or our licensors may not identify patentable aspects of our research and development output before it is too late to obtain patent protection. Moreover, in some circumstances, we do not have the right to control the preparation, filing and prosecution of patent applications, or to maintain the patents, directed to technology that we license, including those from our licensors and from third parties. We also may require the cooperation of our licensors in order to enforce the licensed patent rights, and such cooperation may not be provided. Therefore, these patents and applications may not be prosecuted and enforced in a manner consistent with the best interests of our business. We cannot be certain that patent prosecution and maintenance activities by our licensors have been or

will be conducted in compliance with applicable laws and regulations, which may affect the validity and enforceability of such patents or any patents that may issue from such applications. If they fail to do so, this could cause us to lose rights in any applicable intellectual property that we in-license, and as a result our ability to develop and commercialize products or product candidates may be adversely affected and we may be unable to prevent competitors from making, using and selling competing products.

In addition, although we enter into non-disclosure and confidentiality agreements with parties who have access to patentable aspects of our research and development output, such as our employees, outside scientific collaborators, CROs, third-party manufacturers, consultants, advisors, licensors, and other third parties, any of these parties may breach such agreements and disclose such output before a patent application is filed, thereby jeopardizing our ability to seek patent protection.

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

We are a party to a number of license agreements under which we are granted rights to intellectual property that are important to our business and we may enter into additional license agreements in the future. For example, in September 2019, we entered into an exclusive license agreement with Recurium IP Holdings, LLC, or Recurium IP, to obtain an exclusive license to certain intellectual property rights to develop and commercialize ZN-e5, ZN-c3 and ZN-c4.

This and our other existing license agreements impose on us, and we expect that any future license agreements where we in-license intellectual property will impose on us, various development, regulatory and/or commercial diligence obligations, payment of milestones and/or royalties and other obligations. If we fail to comply with our obligations under these agreements, or we are subject to bankruptcy-related proceedings, the licensors may have the right to terminate the licenses, in which event we would not be able to market products covered by the licenses.

We may need to obtain licenses from third parties to advance our research or allow commercialization of our product candidates, and we cannot provide any assurances that third-party patents do not exist that might be enforced against our product candidates in the absence of such a license. We may fail to obtain any of these licenses on commercially reasonable terms, if at all. Even if we are able to obtain a license, it may be non-exclusive, thereby giving our competitors access to the same technologies licensed to us. In that event, we may be required to expend significant time and resources to develop or license replacement technology. If we are unable to do so, we may be unable to develop or commercialize the affected product candidates, which could materially harm our business and the third parties owning such intellectual property rights could seek either an injunction prohibiting our sales, or, with respect to our sales, an obligation on our part to pay royalties and/or other forms of compensation. Licensing of intellectual property is of critical importance to our business and involves complex legal, business and scientific issues. Disputes may arise between us and our licensors regarding intellectual property subject to a license agreement, including:

- the scope of rights granted under the license agreement and other interpretation-related issues;
- whether and the extent to which our technology and processes infringe intellectual property of the licensor that is not subject to the licensing agreement;
- our right to sublicense patents and other rights to third parties;
- our diligence obligations with respect to the use of the licensed technology in relation to our development and commercialization of our product candidates, and what activities satisfy those diligence obligations;
- our right to transfer or assign the license; and

- the ownership of inventions and know-how resulting from the joint creation or use of intellectual property by our licensors and its affiliates and sublicensees and by us and our partners and sublicensees.

If disputes over intellectual property that we have licensed prevent or impair our ability to maintain our current licensing arrangements on acceptable terms, we may not be able to successfully develop and commercialize the affected product candidates, which would have a material adverse effect on our business.

In addition, certain of our agreements may limit or delay our ability to consummate certain transactions, may impact the value of those transactions, or may limit our ability to pursue certain activities. For example, if we choose to sublicense or assign to any third parties our rights under our existing license agreement with Recurium with respect to any licensed product, we may be required to pay to Recurium a specified percentage of all revenue to be received in connection with such transaction.

If the scope of any patent protection our licensors obtain is not sufficiently broad, or if our licensors lose any of the patent protection we license, our ability to prevent our competitors from commercializing similar or identical product candidates would be adversely affected.

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

Moreover, the scope of claims in a patent application can be significantly reduced before any claims in a patent is issue, and claim scope can be reinterpreted after issuance. Even if patent applications we license currently or in the future issue as patents, they may not issue in a form that will provide us with any meaningful protection, prevent competitors or other third parties from competing with us, or otherwise provide us with any competitive advantage. Any patents that we license may be challenged or circumvented by third parties or may be narrowed or invalidated as a result of challenges by third parties. Consequently, we do not know whether our product candidates will be protectable or remain protected by valid and enforceable patents. Our competitors or other third parties may be able to circumvent our patents by developing similar or alternative technologies or products in a non-infringing manner, which could materially adversely affect our business, financial condition, results of operations and prospects.

The issuance of a patent is not conclusive as to its inventorship, scope, validity or enforceability, and our licensed-in patents may not cover our product candidates or may be challenged in the courts or patent offices in the United States and abroad. We may be subject to a third party pre-issuance submission of prior art to the USPTO, or become involved in opposition, derivation, revocation, reexamination, post-grant review, or PGR, and inter partes review, or IPR, or other similar proceedings in the USPTO or foreign patent offices challenging our patent rights. The outcome following legal assertions of invalidity and unenforceability is unpredictable. With respect to validity of our in-licensed patents, for example, we cannot be certain that there is no invalidating prior art, of which we or our licensors and the patent examiner were unaware during prosecution. There is no assurance that all potentially relevant prior art relating to our in-licensed patents and patent applications or those of our licensors has been found. There is also no assurance that there is not prior art of which we or licensors are aware, but which we do not believe affects the validity or enforceability of a claim in our patents and patent applications or those of our licensors, which may, nonetheless, ultimately be found to affect the validity or enforceability of a claim. An adverse determination in any such submission, proceeding or litigation could reduce the scope of, or invalidate or render unenforceable, our in-licensed patent rights, allow third parties to commercialize our product candidates and compete directly with us, without payment to us. Such loss of in-licensed patent rights, loss of exclusivity or in patent claims being narrowed, invalidated or held unenforceable

could limit our ability to stop others from using or commercializing similar or identical technology and products, or limit the duration of the patent protection of our product candidates. Such proceedings also may result in substantial cost and require significant time from our scientists and management, even if the eventual outcome is favorable to us. In addition, if the breadth or strength of protection provided by our patents and patent applications is threatened, regardless of the outcome, it could dissuade companies from collaborating with us to license, develop or commercialize current or future product candidates.

The patent protection and patent prosecution for some of our product candidates may be dependent on our licensors and third parties.

We or our licensors may fail to identify patentable aspects of inventions made in the course of development and commercialization activities before it is too late to obtain patent protection on them. Therefore, we may miss potential opportunities to strengthen our patent position. It is possible that defects of form in the preparation or filing of our in-licensed patents or patent applications may exist, or may arise in the future, for example with respect to proper priority claims, inventorship, claim scope, or requests for patent term adjustments. If we or our licensors, whether current or future, fail to establish, maintain or protect such patents and other intellectual property rights, such rights may be reduced or eliminated. If our licensors are not fully cooperative or disagree with us as to the prosecution, maintenance or enforcement of any patent rights, such patent rights could be compromised. If there are material defects in the form, preparation, prosecution, or enforcement of our in-licensed patents or patent applications, such patents may be invalid and/or unenforceable, and such applications may never result in valid, enforceable patents. Any of these outcomes could impair our ability to prevent competition from third parties, which may have an adverse impact on our business.

As a licensee of third parties, we rely on third parties to file and prosecute patent applications and maintain patents and otherwise protect the licensed intellectual property under some of our license agreements. We have not had and do not have primary control over these activities for certain of our patents or patent applications and other intellectual property rights. We cannot be certain that such activities by third parties have been or will be conducted in compliance with applicable laws and regulations or will result in valid and enforceable patents or other intellectual property rights. Pursuant to the terms of the license agreements with some of our licensors, the licensors may have the right to control enforcement of our licensed patents or defense of any claims asserting the invalidity of these patents and even if we are permitted to pursue such enforcement or defense, we will require the cooperation of our licensors. We cannot be certain that our licensors will allocate sufficient resources or prioritize their or our enforcement of such patents or defense of such claims to protect our interests in the licensed patents. Even if we are not a party to these legal actions, an adverse outcome could harm our business because it might prevent us from continuing to license intellectual property that we may need to operate our business. If any of our licensors or any of our future licensors or future collaborators fail to appropriately prosecute and maintain patent protection for patents covering any of our product candidates, our ability to develop and commercialize those product candidates may be adversely affected and we may not be able to prevent competitors from making, using and selling competing products.

In addition, even where we have the right to control patent prosecution of patents and patent applications we have acquired or licensed from third parties, we may still be adversely affected or prejudiced by actions or inactions of our licensors and their counsel that took place prior to us assuming control over patent prosecution.

Our technology acquired or licensed from various third parties, including our licensors, may be subject to retained rights. Our licensors often retain certain rights under their agreements with us, including the right to use the underlying technology for use in fields other than the fields licensed to us or for use in noncommercial academic and research use, to publish general scientific findings from research related to the technology, and to make customary scientific and scholarly disclosures of information relating to the technology. It is difficult to monitor whether our licensors limit their use of the technology to these uses, and we could incur substantial expenses to enforce our rights to our licensed technology in the event of misuse.

If we are limited in our ability to utilize acquired or licensed technologies, or if we lose our rights to critical in-licensed technology, we may be unable to successfully develop, out-license, market and sell our products, which could prevent or delay new product introductions. Our business strategy depends on the successful development of licensed and acquired technologies into commercial products. Therefore, any limitations on our ability to utilize these technologies may impair our ability to develop, out-license or market and sell our product candidate.

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

Some of the intellectual property rights we have acquired or licensed or may acquire or license in the future may have been generated through the use of U.S. government funding and may therefore be subject to certain federal regulations. These U.S. government rights include a non-exclusive, non-transferable, irrevocable worldwide license to use inventions for any governmental purpose. In addition, the U.S. government has the right, under certain limited circumstances, to require 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 the grant recipient fails to disclose the invention to the government or fails to file an application to register the intellectual property within specified time limits. Intellectual property generated under a government funded program is also subject to certain reporting requirements, compliance with which may require us to expend substantial resources. In addition, the U.S. government requires that any products embodying any of these inventions or produced through the use of any of these inventions be manufactured substantially in the United States. This preference for U.S. industry may be waived by the federal agency that provided the funding if the owner or assignee of the intellectual property can show that reasonable but unsuccessful efforts have been made to grant licenses on similar terms to potential licensees that would be likely to manufacture substantially in the United States or that under the circumstances domestic manufacture is not commercially feasible. This preference for U.S. industry may limit our ability to contract with non-U.S. product manufacturers for products covered by such intellectual property. To the extent any of our future intellectual property is also generated through the use of U.S. government funding, the provisions of the Bayh-Dole Act may similarly apply.

Intellectual property rights do not necessarily address all potential threats to our competitive advantage.

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

- others may be able to develop products that are similar to our product candidates but that are not covered by the claims of the patents that we own or license;
- we or our licensors might not have been the first to make the inventions covered by the issued patents or patent application that we own or license;
- we or our licensors might not have been the first to file patent applications covering certain of our inventions;
- others may independently develop similar or alternative technologies or duplicate any of our technologies without infringing our intellectual property rights;
- it is possible that our licensors' pending patent applications will not lead to issued patents;
- issued patents that we own or license may be held invalid or unenforceable, as a result of legal challenges by our competitors;

- our competitors might conduct research and development activities in countries where we do not have patent rights and then use the information learned from such activities to develop competitive products for sale in our major commercial markets;
- we may not develop additional proprietary technologies that are patentable; and
- the patents of others may have an adverse effect on our business.

Should any of these events occur, it could significantly harm our business, results of operations and prospects.

Our commercial success depends significantly on our ability to operate without infringing the patents and other proprietary rights of third parties. Claims by third parties that we infringe their proprietary rights may result in liability for damages or prevent or delay our developmental and commercialization efforts.

Our commercial success depends in part on avoiding infringement of the patents and proprietary rights of third parties. However, our research, development and commercialization activities may be subject to claims that we infringe or otherwise violate patents or other intellectual property rights owned or controlled by third parties. Other entities may have or obtain patents or proprietary rights that could limit our ability to make, use, sell, offer for sale or import our product candidates and products that may be approved in the future, or impair our competitive position. There is a substantial amount of litigation, both within and outside the United States, involving patent and other intellectual property rights in the biopharmaceutical industry, including patent infringement lawsuits, oppositions, reexaminations, IPR proceedings and PGR proceedings before the USPTO and/or foreign patent offices. Numerous third-party U.S. and foreign issued patents and pending patent applications exist in the fields in which we are developing product candidates. There may be third-party patents or patent applications with claims to materials, formulations, methods of manufacture or methods for treatment related to the use or manufacture of our product candidates.

As the biopharmaceutical industry expands and more patents are issued, the risk increases that our product candidates may be subject to claims of infringement of the patent rights of third parties. Because patent applications are maintained as confidential for a certain period of time, until the relevant application is published we may be unaware of third-party patents that may be infringed by commercialization of any of our product candidates, and we cannot be certain that we were the first to file a patent application related to a product candidate or technology. Moreover, because patent applications can take many years to issue, there may be currently pending patent applications that may later result in issued patents that our product candidates may infringe. In addition, identification of third-party patent rights that may be relevant to our technology is difficult because patent searching is imperfect due to differences in terminology among patents, incomplete databases and the difficulty in assessing the meaning of patent claims. In addition, third parties may obtain patents in the future and claim that use of our technologies infringes upon these patents. Any claims of patent infringement asserted by third parties would be time consuming and could:

- result in costly litigation that may cause negative publicity;
- divert the time and attention of our technical personnel and management;
- cause development delays;
- prevent us from commercializing any of our product candidates until the asserted patent expires or is held finally invalid or unenforceable or not infringed in a court of law;
- require us to develop non-infringing technology, which may not be possible on a cost-effective basis;
- subject us to significant liability to third parties; or
- require us to enter into royalty or licensing agreements, which may not be available on commercially reasonable terms, or at all, or which might be non-exclusive, which could result in our competitors gaining access to the same technology.

Although no third party has asserted a claim of patent infringement against us as of the date of this prospectus, others may hold proprietary rights that could prevent our product candidates from being marketed. Any patent-related legal action against us claiming damages and seeking to enjoin activities relating to our product candidates or processes could subject us to potential liability for damages, including treble damages if we were determined to willfully infringe, and require us to obtain a license to manufacture or develop our product candidates. Defense of these claims, regardless of their merit, would involve substantial litigation expense and would be a substantial diversion of management and employee resources from our business. We cannot predict whether we would prevail in any such actions or that any license required under any of these patents would be made available on commercially acceptable terms, if at all. Moreover, even if we or our future strategic partners were able to obtain a license, the rights may be nonexclusive, which could result in our competitors gaining access to the same intellectual property. In addition, we cannot be certain that we could redesign our product candidates or processes to avoid infringement, if necessary. Accordingly, an adverse determination in a judicial or administrative proceeding, or the failure to obtain necessary licenses, could prevent us from developing and commercializing our product candidates, which could harm our business, financial condition and operating results.

Parties making claims against us may be able to sustain the costs of complex patent litigation more effectively than we can because they have substantially greater resources. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation or administrative proceedings, there is a risk that some of our confidential information could be compromised by disclosure. In addition, any uncertainties resulting from the initiation and continuation of any litigation could have a material adverse effect on our ability to raise additional funds or otherwise have a material adverse effect on our business, results of operations, financial condition and prospects.

We may be involved in lawsuits to protect or enforce our patents or the patents of our licensors, which could be expensive, time-consuming and unsuccessful. Further, our in-licensed issued patents could be found invalid or unenforceable if challenged in court.

Competitors may infringe our intellectual property rights or those of our licensors. To prevent infringement or unauthorized use, we and/or our licensors may be required to file infringement claims, which can be expensive and time-consuming. Further, our licensors may need to file infringement claims, and our licensor may elect not file such claims. In addition, in a patent infringement proceeding, a court may decide that a patent we own or license is not valid, is unenforceable and/or is not infringed. If we or any of our licensors or potential future collaborators were to initiate legal proceedings against a third party to enforce a patent directed at one of our product candidates, the defendant could counterclaim that our patent is invalid and/or unenforceable in whole or in part. In patent litigation, defendant counterclaims alleging invalidity and/or unenforceability are commonplace. Grounds for a validity challenge include an alleged failure to meet any of several statutory requirements, including lack of novelty or written description, obviousness or non-enablement. Grounds for an unenforceability assertion could include an allegation that someone connected with prosecution of the patent intentionally withheld material information from the USPTO or made a misleading statement during prosecution.

If a defendant were to prevail on a legal assertion of invalidity and/or unenforceability, we would lose at least part, and perhaps all, of the patent protection on such product candidate. In addition, if the breadth or strength of protection provided by our patents and patent applications or those of our licensors is threatened, it could dissuade companies from collaborating with us to license, develop or commercialize current or future product candidates. Such a loss of patent protection would have a material adverse impact on our business.

Even if resolved in our favor, litigation or other legal proceedings relating to our intellectual property rights may cause us to incur significant expenses, and could distract our technical and management personnel from their normal responsibilities. Such litigation or proceedings could substantially increase our operating losses and reduce the resources available for development activities or any future sales, marketing or distribution activities. We may not have sufficient financial or other resources to conduct such litigation or proceedings adequately.

Some of our competitors may be able to sustain the costs of such litigation or proceedings more effectively than we can because of their greater financial resources. Uncertainties resulting from the initiation and continuation of patent litigation or other proceedings could compromise our ability to compete in the marketplace.

Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation or other legal proceedings relating to our intellectual property rights, there is a risk that some of our confidential information could be compromised by disclosure during this type of litigation or other proceedings.

Intellectual property litigation may lead to unfavorable publicity that harms our reputation and causes the market price of our common shares to decline.

During the course of any intellectual property litigation, there could be public announcements of the initiation of the litigation as well as results of hearings, rulings on motions, and other interim proceedings in the litigation. If securities analysts or investors regard these announcements as negative, the perceived value of our existing products, programs or intellectual property could be diminished. Accordingly, the market price of shares of our common stock may decline. Such announcements could also harm our reputation or the market for our future products, which could have a material adverse effect on our business.

Derivation or interference proceedings may be necessary to determine priority of inventions, and an unfavorable outcome may require us to cease using the related technology or to attempt to license rights from the prevailing party.

Derivation or interference proceedings provoked by third parties or brought by us or our licensors, or declared by the USPTO or similar proceedings in foreign patent offices may be necessary to determine the priority of inventions with respect to our or our licensors' patents or patent applications. An unfavorable outcome could require us to cease using the related technology or to attempt to license rights to it from the prevailing party. Our business could be harmed if the prevailing party does not offer us a license on commercially reasonable terms. Our or our licensors' defense of such proceedings may fail and, even if successful, may result in substantial costs and distract our management and other employees. In addition, the uncertainties associated with such proceedings could have a material adverse effect on our ability to raise the funds necessary to continue our clinical trials, continue our research programs, license necessary technology from third parties or enter into development or manufacturing partnerships that would help us bring our product candidates to market.

Patent reform legislation could increase the uncertainties and costs surrounding the prosecution of our patent applications and the enforcement or defense of our issued patents.

In September 2011, the Leahy-Smith America Invents Act, or Leahy-Smith Act, was signed into law. The Leahy-Smith Act includes a number of significant changes to U.S. patent law. These include provisions that affect the way patent applications will be prosecuted and may also affect patent litigation. In particular, under the Leahy-Smith Act, the United States transitioned in March 2013 to a "first inventor to file" system in which, assuming that other requirements of patentability are met, the first inventor to file a patent application will be entitled to the patent regardless of whether a third party was first to invent the claimed invention. A third party that files a patent application in the USPTO after March 2013 but before us could therefore be awarded a patent covering an invention of ours even if we had made the invention before it was made by such third party. This will require us to be cognizant going forward of the time from invention to filing of a patent application. Furthermore, our ability to obtain and maintain valid and enforceable patents depends on whether the differences between our technology and the prior art allow our technology to be patentable over the prior art. Since patent applications in the United States and most other countries are confidential for a period of time after filing or until issuance, we cannot be certain that we were the first to either (1) file any patent application related to our product candidates or (2) invent any of the inventions claimed in our patents or patent applications.

The Leahy-Smith Act also includes a number of significant changes that affect the way patent applications will be prosecuted and also may affect patent litigation. These include allowing third-party submission of prior art to the USPTO during patent prosecution and additional procedures to attack the validity of a patent by USPTO administered post-grant proceedings, including PGR, IPR, and derivation proceedings. An adverse determination in any such submission or proceeding could reduce the scope or enforceability of, or invalidate, our patent rights, which could adversely affect our competitive position.

Because of a lower evidentiary standard in USPTO proceedings compared to the evidentiary standard in United States federal courts necessary to invalidate a patent claim, a third party could potentially provide evidence in a USPTO proceeding sufficient for the USPTO to hold a claim invalid even though the same evidence would be insufficient to invalidate the claim if first presented in a district court action. Accordingly, a third party may attempt to use the USPTO procedures to invalidate our patent claims that would not have been invalidated if first challenged by the third party as a defendant in a district court action. Thus, the Leahy-Smith Act and its implementation could increase the uncertainties and costs surrounding the prosecution of our or licensors' patent applications and the enforcement or defense of our issued patents, all of which could have a material adverse effect on our business, financial condition, results of operations and prospects.

Changes in U.S. patent law, or laws in other countries, could diminish the value of patents in general, thereby impairing our ability to protect our product candidates.

As is the case with other biopharmaceutical companies, our success is heavily dependent on intellectual property, particularly patents. Obtaining and enforcing patents in the biopharmaceutical industry involve a high degree of technological and legal complexity. Therefore, obtaining and enforcing biopharmaceutical patents is costly, time-consuming and inherently uncertain. Changes in either the patent laws or in the interpretations of patent laws in the United States and other countries may diminish the value of our intellectual property and may increase the uncertainties and costs surrounding the prosecution of patent applications and the enforcement or defense of issued patents. We cannot predict the breadth of claims that may be allowed or enforced in our patents or in third-party patents. In addition, Congress or other foreign legislative bodies may pass patent reform legislation that is unfavorable to us.

For example, the U.S. Supreme Court has ruled on several patent cases in recent years, either narrowing the scope of patent protection available in certain circumstances or weakening the rights of patent owners in certain situations. In addition to increasing uncertainty with regard to our or our licensors' ability to obtain patents in the future, this combination of events has created uncertainty with respect to the value of patents, once obtained. Depending on decisions by the U.S. Congress, the U.S. federal courts, the USPTO, or similar authorities in foreign jurisdictions, the laws and regulations governing patents could change in unpredictable ways that would weaken our or our licensors' ability to obtain new patents or to enforce our existing patents and patents we might obtain in the future.

We or our licensors may be subject to claims challenging the inventorship or ownership of our or our in-licensed patents and other intellectual property.

We may also be subject to claims that former employees or other third parties have an ownership interest in our in-licensed patents or other intellectual property. Litigation may be necessary to defend against these and other claims challenging inventorship or ownership. If we or our licensors fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights. Such an outcome could have a material adverse effect on our business. Even if we or our licensors are successful in defending against such claims, litigation could result in substantial costs and distraction to management and other employees.

Patent terms may be inadequate to protect our competitive position on our product candidates for an adequate amount of time.

Patents have a limited lifespan. In the United States, if all maintenance fees are timely paid, the natural expiration of a patent is generally 20 years from its earliest U.S. non-provisional filing date. Various extensions

may be available, but the term of a patent, and the protection it affords, is limited. Even if patents directed to our product candidates are obtained, once the patent term has expired, we may be open to competition from competitive products. Given the amount of time required for the development, testing and regulatory review of product candidates, patents directed to our product candidates might expire before or shortly after such candidates are commercialized. As a result, our patent portfolio may not provide us with sufficient rights to exclude others from commercializing products similar or identical to ours.

If we or our licensors do not obtain patent term extension for our product candidates, our business may be materially harmed.

Depending upon the timing, duration and specifics of FDA marketing approval of our product candidates, one or more of our U.S. patents may be eligible for limited patent term restoration under the Drug Price Competition and Patent Term Restoration Act of 1984, or the Hatch-Waxman Amendments. The Hatch- Waxman Amendments permit a patent restoration term of up to five years as compensation for patent term lost during product development and the FDA regulatory review process. A maximum of one patent may be extended per FDA-approved product as compensation for the patent term lost during the FDA regulatory review process. A patent term extension cannot extend the remaining term of a patent beyond a total of 14 years from the date of product approval and only those claims covering such approved drug product, a method for using it or a method for manufacturing it may be extended. Patent term extension may also be available in certain foreign countries upon regulatory approval of our product candidates. However, we or our licensors may not be granted an extension because of, for example, failing to apply within applicable deadlines, failing to apply prior to expiration of relevant patents or otherwise failing to satisfy applicable requirements. Moreover, the applicable time period or the scope of patent protection afforded could be less than we request. If we or our licensors are unable to obtain patent term extension or restoration or the term of any such extension is less than we request, our competitors may obtain approval of competing products following our patent expiration, and our revenue could be reduced, possibly materially. Further, if this occurs, our competitors may take advantage of our investment in development and trials by referencing our clinical and preclinical data and launch their product earlier than might otherwise be the case.

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

Although we have in-licensed issued patents and pending patent applications in the United States and certain other countries, filing, prosecuting and defending patents in all countries throughout the world would be prohibitively expensive, and our intellectual property rights in some countries outside the United States can be less extensive than those in the United States. In addition, the laws of some foreign countries do not protect intellectual property rights to the same extent as federal and state laws in the United States. Consequently, we may not be able to prevent third parties from practicing our in-licensed inventions in all countries outside the United States or from selling or importing products made using our in-licensed inventions in and into the United States or other jurisdictions. Competitors may use our in-licensed 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 or our licensors have patent protection but enforcement is not as strong as that in the United States. These products may compete with our product candidates, and our or our licensors patents or other intellectual property rights may not be effective or sufficient to prevent them from competing.

Many companies have encountered significant problems in protecting and defending intellectual property rights in foreign jurisdictions. The legal systems of many foreign countries do not favor the enforcement of patents and other intellectual property protection, which could make it difficult for us to stop the infringement of our or our licensors' patents or marketing of competing products in violation of our proprietary rights. Proceedings to enforce our or our licensors' patent rights in foreign jurisdictions could result in substantial costs and divert our efforts and attention from other aspects of our business, could put our or our licensors' patents at risk of being invalidated or interpreted narrowly and our or our licensors' patent applications at risk of not

issuing and could provoke third parties to assert claims against us. We or our licensors may not prevail in any lawsuits that we or our licensors initiate, and the damages or other remedies awarded, if any, may not be commercially meaningful. Accordingly, our or our licensors' efforts to enforce our intellectual property rights around the world may be inadequate to obtain a significant commercial advantage from the intellectual property that we develop or license.

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

Obtaining and maintaining our patent protection depends on compliance with various procedural, documentary, fee payment and other requirements imposed by regulations and 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 the USPTO and various foreign patent offices at various points over the lifetime of our patents and/or applications. We have systems in place to remind us to pay these fees, and we rely on third parties to pay these fees when due. Additionally, the USPTO and various foreign patent offices require compliance with a number of procedural, documentary, fee payment and other similar provisions during the patent application process. 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 rules applicable to the particular jurisdiction. However, there are situations in which noncompliance 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. If such an event were to occur, it could have a material adverse effect on our business.

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

In addition, we rely on the protection of our trade secrets, including unpatented know-how, technology and other proprietary information to maintain our competitive position. Although we have taken steps to protect our trade secrets and unpatented know-how, including entering into confidentiality agreements with third parties, and confidential information and inventions agreements with employees, consultants, licensors and advisors, we cannot provide any assurances that all such agreements have been duly executed, and any of these parties may breach the agreements and disclose our proprietary information, including our trade secrets, and we may not be able to obtain adequate remedies for such breaches. Enforcing a claim that a party illegally disclosed or misappropriated a trade secret is difficult, expensive and time-consuming, and the outcome is unpredictable. In addition, some courts inside and outside the United States are less willing or unwilling to protect trade secrets.

Moreover, third parties may still obtain this information or may come upon this or similar information independently, and we would have no right to prevent them from using that technology or information to compete with us. If any of these events occurs or if we otherwise lose protection for our trade secrets, the value of this information may be greatly reduced and our competitive position would be harmed. If we or our licensors do not apply for patent protection prior to such publication or if we cannot otherwise maintain the confidentiality of our proprietary technology and other confidential information, then our ability to obtain patent protection or to protect our trade secret information may be jeopardized.

We may be subject to claims that we have wrongfully hired an employee from a competitor or that we or our employees have wrongfully used or disclosed alleged confidential information or trade secrets of their former employers.

As is common in the biopharmaceutical industry, in addition to our employees, we engage the services of consultants to assist us in the development of our product candidates. Many of these consultants, and many of our employees, were previously employed at, or may have previously provided or may be currently providing consulting services to, other biopharmaceutical companies including our competitors or potential competitors. We may become subject to claims that we, our employees or a consultant inadvertently or otherwise used or disclosed trade secrets or other information proprietary to their former employers or their former or current clients. Litigation may be necessary to defend against these claims. If we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights or personnel, which could adversely affect our business. Even if we are successful in defending against these claims, litigation could result in substantial costs and be a distraction to our management team and other employees.

Risks Related to Our Dependence on Third Parties

We rely, and expect to continue to rely, on third parties, including independent clinical investigators and CROs, to conduct certain aspects of our preclinical studies and clinical trials. If these third parties do not successfully carry out their contractual duties, comply with applicable regulatory requirements or meet expected deadlines, we may not be able to obtain regulatory approval for or commercialize our product candidates and our business could be substantially harmed.

We have relied upon and plan to continue to rely upon third parties, including independent clinical investigators and third-party CROs, to conduct certain aspects of our preclinical studies and clinical trials and to monitor and manage data for our ongoing preclinical and clinical programs. We rely on these parties for execution of our preclinical studies and clinical trials, and control only certain aspects of their activities. Nevertheless, we are responsible for ensuring that each of our studies and trials is conducted in accordance with the applicable protocol, legal, regulatory and scientific standards, and our reliance on these third parties does not relieve us of our regulatory responsibilities. We and our third-party contractors and CROs are required to comply with GCP requirements, which are regulations and guidelines enforced by the FDA and comparable foreign regulatory authorities for all of our products candidates in clinical development. Regulatory authorities enforce these GCPs through periodic inspections of trial sponsors, principal investigators and trial sites. If we or any of these third parties or our CROs fail to comply with applicable GCPs, the clinical data generated in our clinical trials may be deemed unreliable and the FDA or comparable foreign regulatory authorities may require us to perform additional clinical trials before approving our marketing applications. We cannot assure you that upon inspection by a given regulatory authority, such regulatory authority will determine that any of our clinical trials comply with GCP regulations. In addition, our clinical trials must be conducted with product produced under cGMP regulations. Our failure to comply with these regulations may require us to repeat clinical trials, which would delay the regulatory approval process. Moreover, our business may be adversely affected if any of these third parties violates federal or state fraud and abuse or false claims laws and regulations or healthcare privacy and security laws.

Further, these investigators and CROs are not our employees and we will not be able to control, other than by contract, the amount of resources, including time, which they devote to our product candidates and clinical trials. These third parties may also have relationships with other commercial entities, including our competitors, for whom they may also be conducting clinical trials or other product development activities, which could affect their performance on our behalf. If independent investigators or CROs fail to devote sufficient resources to the development of our product candidates, or if CROs do not successfully carry out their contractual duties or obligations or meet expected deadlines, if they need to be replaced or if the quality or accuracy of the clinical data they obtain is compromised due to the failure to adhere to our clinical protocols, regulatory requirements or for other reasons, our clinical trials may be extended, delayed or terminated and we may not be able to obtain regulatory approval for or successfully commercialize our product candidates. As a result, our results of operations and the commercial prospects for our product candidates would be harmed, our costs could increase and our ability to generate revenues could be delayed or precluded entirely.

Our CROs have the right to terminate their agreements with us in the event of an uncured material breach. In addition, some of our CROs have an ability to terminate their respective agreements with us if it can be reasonably demonstrated that the safety of the subjects participating in our clinical trials warrants such termination, if we make a general assignment for the benefit of our creditors or if we are liquidated.

If any of our relationships with these third-party CROs terminate, we may not be able to enter into arrangements with alternative CROs or to do so on commercially reasonable terms. Switching or adding additional CROs involves additional cost and requires management time and focus. In addition, there is a natural transition period when a new CRO commences work. As a result, delays occur, which can materially impact our ability to meet our desired clinical development timelines. Additionally, CROs may lack the capacity to absorb higher workloads or take on additional capacity to support our needs. Though we carefully manage our relationships with our CROs, there can be no assurance that we will not encounter similar challenges or delays in the future or that these delays or challenges will not have a material adverse impact on our business, financial condition and prospects.

We contract with third parties for the manufacture of our product candidates for preclinical studies and our ongoing clinical trials, and expect to continue to do so for additional clinical trials and ultimately for commercialization. This reliance on third parties increases the risk that we will not have sufficient quantities of our product candidates or drugs or such quantities at an acceptable cost, which could delay, prevent or impair our development or commercialization efforts.

We do not currently have the infrastructure or internal capability to manufacture supplies of our product candidates for use in development and commercialization. We rely, and expect to continue to rely, on third-party manufacturers for the production of our product candidates for preclinical studies and clinical trials under the guidance of members of our organization. We do not have long-term supply agreements. Furthermore, the raw materials for our product candidates are sourced, in some cases, from a single-source supplier. If we were to experience an unexpected loss of supply of any of our product candidates or any of our future product candidates for any reason, whether as a result of manufacturing, supply or storage issues or otherwise, we could experience delays, disruptions, suspensions or terminations of, or be required to restart or repeat, any pending or ongoing clinical trials.

We expect to continue to rely on third-party manufacturers for the commercial supply of any of our product candidates for which we obtain marketing approval. We may be unable to maintain or establish required agreements with third-party manufacturers or to do so on acceptable terms. Even if we are able to establish agreements with third-party manufacturers, reliance on third-party manufacturers entails additional risks, including:

- the failure of the third party to manufacture our product candidates according to our schedule, or at all, including if our third-party contractors give greater priority to the supply of other products over our product candidates or otherwise do not satisfactorily perform according to the terms of the agreements between us and them;
- the reduction or termination of production or deliveries by suppliers, or the raising of prices or renegotiation of terms;
- the termination or nonrenewal of arrangements or agreements by our third-party contractors at a time that is costly or inconvenient for us;
- the breach by the third-party contractors of our agreements with them;
- the failure of third-party contractors to comply with applicable regulatory requirements;
- the failure of the third party to manufacture our product candidates according to our specifications;
- the mislabeling of clinical supplies, potentially resulting in the wrong dose amounts being supplied or active drug or placebo not being properly identified;

- clinical supplies not being delivered to clinical sites on time, leading to clinical trial interruptions, or of drug supplies not being distributed to commercial vendors in a timely manner, resulting in lost sales; and
- the misappropriation of our proprietary information, including our trade secrets and know-how.

We do not have complete control over all aspects of the manufacturing process of, and are dependent on, our contract manufacturing partners for compliance with cGMP regulations for manufacturing both active drug substances and finished drug products. Third-party manufacturers may not be able to comply with cGMP regulations or similar regulatory requirements outside of the United States. If our contract manufacturers cannot successfully manufacture material that conforms to our specifications and the strict regulatory requirements of the FDA, EMA or others, they will not be able to secure and/or maintain marketing approval for their manufacturing facilities. In addition, we do not have control over the ability of our contract manufacturers to maintain adequate quality control, quality assurance and qualified personnel. If the FDA, EMA or a comparable foreign regulatory authority does not approve these facilities for the manufacture of our product candidates or if it withdraws any such approval in the future, we may need to find alternative manufacturing facilities, which would significantly impact our ability to develop, obtain marketing approval for or market our product candidates, if approved. Our failure, or the failure of our third-party manufacturers, to comply with applicable regulations could result in sanctions being imposed on us, including fines, injunctions, civil penalties, delays, suspension or withdrawal of approvals, license revocation, seizures or recalls of product candidates or drugs, operating restrictions and criminal prosecutions, any of which could significantly and adversely affect supplies of our product candidates or drugs and harm our business and results of operations.

Our current and anticipated future dependence upon others for the manufacture of our product candidates or drugs may adversely affect our future profit margins and our ability to commercialize any product candidates that receive marketing approval on a timely and competitive basis.

The manufacture of drugs is complex and our third-party manufacturers may encounter difficulties in production. If any of our third-party manufacturers encounter such difficulties, our ability to provide adequate supply of our product candidates for clinical trials or our products for patients, if approved, could be delayed or prevented.

Manufacturing drugs, especially in large quantities, is complex and may require the use of innovative technologies. Each lot of an approved drug product must undergo thorough testing for identity, strength, quality, purity and potency. Manufacturing drugs requires facilities specifically designed for and validated for this purpose, and sophisticated quality assurance and quality control procedures are necessary. Slight deviations anywhere in the manufacturing process, including filling, labeling, packaging, storage and shipping and quality control and testing, may result in lot failures, product recalls or spoilage. When changes are made to the manufacturing process, we may be required to provide preclinical and clinical data showing the comparable identity, strength, quality, purity or potency of the products before and after such changes. If microbial, viral or other contaminations are discovered at the facilities of our manufacturer, such facilities may need to be closed for an extended period of time to investigate and remedy the contamination, which could delay clinical trials and adversely harm our business. The use of biologically derived ingredients can also lead to allegations of harm, including infections or allergic reactions, or closure of product facilities due to possible contamination. If our manufacturers are unable to produce sufficient quantities for clinical trials or for commercialization as a result of these challenges, or otherwise, our development and commercialization efforts would be impaired, which would have an adverse effect on our business, financial condition, results of operations and growth prospects.

If we engage in future acquisitions or strategic partnerships, this may increase our capital requirements, dilute our stockholders, cause us to incur debt or assume contingent liabilities, and subject us to other risks.

From time to time, we may evaluate various acquisition opportunities and strategic partnerships, including licensing or acquiring complementary products, intellectual property rights, technologies or businesses. Any potential acquisition or strategic partnership may entail numerous risks, including:

- increased operating expenses and cash requirements;
- the assumption of additional indebtedness or contingent liabilities;
- the issuance of our equity securities;
- assimilation of operations, intellectual property and products of an acquired company, including difficulties associated with integrating new personnel;
- the diversion of our management's attention from our existing programs and initiatives in pursuing such a strategic merger or acquisition;
- retention of key employees, the loss of key personnel and uncertainties in our ability to maintain key business relationships;
- risks and uncertainties associated with the other party to such a transaction, including the prospects of that party and their existing products or product candidates and marketing approvals; and
- our inability to generate revenue from acquired technology and/or products sufficient to meet our objectives in undertaking the acquisition or even to offset the associated acquisition and maintenance costs.

In addition, if we undertake acquisitions or pursue partnerships in the future, we may issue dilutive securities, assume or incur debt obligations, incur large one-time expenses and acquire intangible assets that could result in significant future amortization expense. Moreover, we may not be able to locate suitable acquisition opportunities, and this inability could impair our ability to grow or obtain access to technology or products that may be important to the development of our business.

If we decide to establish collaborations in the future, but are not able to establish those collaborations on commercially reasonable terms, we may have to alter our development and commercialization plans.

Our drug development programs and the potential commercialization of our product candidates will require substantial additional cash to fund expenses. We may continue to seek to selectively form collaborations to expand our capabilities, potentially accelerate research and development activities and provide for commercialization activities by third parties. Any of these relationships may require us to incur non-recurring and other charges, increase our near and long-term expenditures, issue securities that dilute our existing stockholders, or disrupt our management and business.

We would face significant competition in seeking appropriate collaborators and the negotiation process is time-consuming and complex. 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, EMA or comparable foreign regulatory authorities, the potential market for the subject product candidate, the costs and complexities of manufacturing and delivering such product candidate to patients, the potential of competing drugs, the existence of uncertainty with respect to our ownership of intellectual property and industry and market conditions generally. The potential collaborator may also consider alternative product candidates or technologies for similar indications that may be available to collaborate on and whether such collaboration could be more attractive than

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

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. Even if we are successful in entering into a collaboration, the terms and conditions of that collaboration may restrict us from entering into future agreements on certain terms with potential collaborators.

If and when we seek to enter into collaborations, we may not be able to negotiate collaborations on a timely basis, on acceptable terms, or at all. If we are unable to do so, we may have to curtail the development of 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 increase our expenditures to fund development or commercialization activities on our own, we may need to obtain additional capital, which may not be available to us on acceptable terms or at all. If we do not have sufficient funds, we may not be able to further develop our product candidates or bring them to market and generate product revenue.

We have and in the future may enter into collaborations with third parties for the development and commercialization of product candidates. If those collaborations are not successful, we may not be able to capitalize on the market potential of these product candidates.

We have and may in the future seek third-party collaborators for the development and commercialization of one or more of our product candidates. Our likely collaborators for any future collaboration arrangements include large and mid-size pharmaceutical companies, regional and national pharmaceutical companies and biotechnology companies.

We have and will likely have limited control over the amount and timing of resources that our collaborators dedicate to the development or commercialization of our product candidates. 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 involving our product candidates could pose numerous risks to us, including the following:

- collaborators have significant discretion in determining the efforts and resources that they will apply to these collaborations and may not perform their obligations as expected;
- collaborators may deemphasize or not pursue development and commercialization of our product candidates or may elect not to continue or renew development or commercialization programs based on clinical trial results, changes in the collaborators' strategic focus, including as a result of a sale or disposition of a business unit or development function, or available funding or external factors such as an acquisition that diverts resources or creates competing priorities;
- collaborators may delay clinical trials, provide insufficient funding for a clinical trial program, stop a clinical trial or abandon a product candidate, repeat or conduct new clinical trials or require a new formulation of a product candidate for clinical testing;
- collaborators could independently develop, or develop with third parties, products that compete directly or indirectly with our product candidates 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;
- a collaborator with marketing and distribution rights to multiple products may not commit sufficient resources to the marketing and distribution of our product relative to other products;

- collaborators may not properly obtain, maintain, defend or enforce our intellectual property rights or may use our proprietary information and intellectual property in such a way as to invite litigation or other intellectual property related proceedings that could jeopardize or invalidate our proprietary information and intellectual property or expose us to potential litigation or other intellectual property related proceedings;
- disputes may arise between the collaborators and us that result in the delay or termination of the research, development or commercialization of our product candidates or that result in costly litigation or arbitration that diverts management attention and resources;
- collaborations may be terminated and, if terminated, may result in a need for additional capital to pursue further development or commercialization of the applicable product candidates;
- collaboration agreements may not lead to development or commercialization of product candidates in the most efficient manner or at all; and
- if a collaborator of ours were to be involved in a business combination, the continued pursuit and emphasis on our drug development or commercialization program could be delayed, diminished or terminated.

Risks Related to this Offering and Ownership of Our Common Stock

There has been no prior public market for our common stock. We do not know whether an active, liquid and orderly trading market will develop for our common stock or what the market price of our common stock will be and as a result it may be difficult for you to sell your shares of our common stock.

Prior to this offering, no public market for shares of our common stock existed and an active trading market for our common stock may never develop or be sustained following this offering. We will determine the initial public offering price for our common stock 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 initial public offering 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 initial public offering 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, technologies or other assets by using our shares of common stock as consideration.

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

The trading price of our common stock following this offering is likely to be highly volatile and subject to wide fluctuations in response to various factors, some of which we cannot control. The stock market in general, and pharmaceutical and biotechnology companies in particular, have experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of these companies.

Broad market and industry factors may negatively affect the market price of our common stock, regardless of our actual operating performance. In addition to the factors discussed in this “Risk Factors” section and elsewhere in this prospectus, these factors include:

- the timing and results of preclinical studies and clinical trials of our product candidates or those of our competitors;
- the success of competitive products or announcements by potential competitors of their product development efforts;
- regulatory actions with respect to our products or our competitors’ products;

- actual or anticipated changes in our growth rate relative to our competitors;
- regulatory or legal developments in the United States and other countries;
- developments or disputes concerning patent applications, issued patents or other proprietary rights;
- the recruitment or departure of key personnel;
- announcements by us or our competitors of significant acquisitions, strategic collaborations, joint ventures, collaborations or capital commitments;
- actual or anticipated changes in estimates as to financial results, development timelines or recommendations by securities analysts;
- fluctuations in the valuation of companies perceived by investors to be comparable to us;
- market conditions in the pharmaceutical and biotechnology sector;
- changes in the structure of healthcare payment systems;
- share price and volume fluctuations attributable to inconsistent trading volume levels of our shares;
- announcement or expectation of additional financing efforts;
- sales of our common stock by us, our insiders or our other stockholders;
- expiration of market stand-off or lock-up agreements; and
- general economic, industry and market conditions.

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.

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

The trading market for our common stock will be influenced by the research and reports that securities or industry analysts publish about us, our business or our market. We do not currently have and may never obtain research coverage by securities or industry analysts. If no or few securities or industry analysts commence coverage of us, the stock price would be negatively impacted. In the event we obtain securities or industry analyst coverage, if any of the analysts who cover us issue adverse or misleading research or reports regarding us, our business model, our intellectual property, our stock performance or our market, or if our operating results fail to meet the expectations of analysts, our stock price would likely decline. If one or more of these 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 our stock price or trading volume to decline.

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 potential future partners;

- our execution of any collaboration, licensing or similar arrangements, and the timing of payments we may make or receive under potential future arrangements or the termination or modification of any such potential future arrangements;
- any intellectual property infringement, misappropriation or violation 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 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.

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.

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 closing of this offering, that same group will beneficially own approximately % of our outstanding voting stock (based on the assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, and assuming no exercise of the underwriters' option to purchase additional shares), in each case giving effect to the Corporate Conversion. Therefore, even after this offering these stockholders will be able to influence us through this ownership position. These stockholders may be able to determine all matters requiring stockholder approval. For example, these stockholders may be able to control elections of directors, amendments of our organizational documents or approval of any merger, sale of assets or other major corporate transaction. This may prevent or discourage unsolicited acquisition proposals or offers for our common stock that you may feel are in your best interest as one of our stockholders. The interests of this group of stockholders may not always coincide with your interests or the interests of other stockholders and they may act in a manner that advances their best interests and not necessarily those of other stockholders, including seeking a premium value for their common stock, and might affect the prevailing market price for our common stock.

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

The initial public offering price of $ per share is substantially higher than the net tangible book value per share of our outstanding common stock immediately following the completion of this offering. If you purchase shares of common stock in this offering, you will experience substantial and immediate dilution in the pro forma net tangible book value per share of $ per share as of December 31, 2019. That is because the price that you pay will be substantially greater than the pro forma net tangible book value per share of the common stock that you acquire. This dilution is due in large part to the fact that our earlier investors paid substantially less than the initial public offering price when they purchased their shares of our capital stock. You will experience additional dilution when those holding stock options or warrants exercise their right to purchase

common stock under our equity incentive plans or when we otherwise issue additional shares of common stock. See "Dilution."

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

Our common stock price could decline as a result of sales of a large number of shares of common stock after this offering or the perception that these sales could occur. These sales, or the possibility that these sales may occur, might also make it more difficult for us to sell equity securities in the future at a time and price that we deem appropriate.

Upon the completion of this offering, shares of common stock will be outstanding (shares if the underwriters exercise their option to purchase additional shares from us in full), based on the number of shares outstanding as of December 31, 2019.

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

Upon the completion of this offering, the holders of approximately shares, or % of our outstanding shares following this offering, of our common stock will have rights, subject to some conditions, to require us to file registration statements covering the sale of their shares or to include their shares in registration statements that we may file for ourselves or our other stockholders. We also intend to register the offer and sale of all shares of common stock that we may issue under our equity compensation plans. Once we register the offer and sale of shares for the holders of registration rights and shares that may be issued under our equity incentive plans, these shares will be able to be sold in the public market upon issuance, subject to the lock-up agreements described under "Underwriters."

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

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

We may seek additional capital through a variety of means, including through public or private equity, debt financings or other sources, including up-front payments and milestone payments from strategic collaborations. To the extent that we raise additional capital through the sale of equity or convertible debt or equity securities, your ownership interest will be diluted, and the terms may include liquidation or other preferences that adversely affect your rights as a stockholder. Such financing may result in dilution to stockholders, imposition of debt covenants, increased fixed payment obligations or other restrictions that may affect our business. If we raise additional funds through up-front payments or milestone payments pursuant to strategic collaborations with third

parties, we may have to relinquish valuable rights to our product candidates, or grant licenses on terms that are not favorable to us. 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.

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

We are an "emerging growth company," as defined in the JOBS Act. For as long as we continue to be an emerging growth company, we intend to take advantage of exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies, including:

- being permitted to provide only two years of audited financial statements, in addition to any required unaudited interim financial statements, with correspondingly reduced "Management's Discussion and Analysis of Financial Condition and Results of Operations" disclosure in this prospectus;
- not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act;
- not being required to comply with any requirement that may be adopted by the Public Company Accounting Oversight Board regarding mandatory audit firm rotation or a supplement to the auditor's report providing additional information about the audit and the financial statements;
- reduced disclosure obligations regarding executive compensation in this prospectus and our periodic reports and proxy statements; and
- exemptions from the requirements of holding nonbinding advisory stockholder votes on executive compensation and stockholder approval of any golden parachute payments not previously approved.

We cannot predict if investors will find our common stock less attractive because we may rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our stock price may be more volatile.

We will remain an emerging growth company until the earliest to occur of: (1) the last day of the fiscal year in which we have more than $1.07 billion in annual revenue; (2) the date we qualify as a "large accelerated filer," with at least $700 million of equity securities held by non-affiliates; (3) the date on which we have issued more than $1.0 billion in non-convertible debt securities during the prior three-year period; and (4) the last day of the fiscal year ending after the fifth anniversary of our initial public offering.

Under the JOBS Act, emerging growth companies can also delay adopting new or revised accounting standards until such time as those standards apply to private companies. We have irrevocably elected not to avail ourselves of this exemption from new or revised accounting standards and, therefore, will be subject to the same new or revised accounting standards as other public companies that are not emerging growth companies. As a result, changes in rules of U.S. generally accepted accounting principles or their interpretation, the adoption of new guidance or the application of existing guidance to changes in our business could significantly affect our financial position and results of operations.

The requirements of being a public company may strain our resources, result in more litigation and divert management's attention.

As a public company, we will be subject to the reporting requirements of the Exchange Act, the Sarbanes-Oxley Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act, or the Dodd-Frank Act, the listing requirements of Nasdaq and other applicable securities rules and regulations. Complying with these rules and regulations has increased and will increase our legal and financial compliance costs, make some activities more difficult, time consuming or costly and increase demand on our systems and resources. The Exchange Act

requires, among other things, that we file annual, quarterly and current reports with respect to our business and operating results. The Sarbanes-Oxley Act requires, among other things, that we maintain effective disclosure controls and procedures and internal control over financial reporting. We are required to disclose changes made in our internal control and procedures on a quarterly basis. In order to maintain and, if required, improve our disclosure controls and procedures and internal control over financial reporting to meet this standard, significant resources and management oversight may be required. As a result, management's attention may be diverted from other business concerns, which could adversely affect our business and operating results. We may also need to hire additional employees or engage outside consultants to comply with these requirements, which will increase our costs and expenses.

In addition, changing laws, regulations and standards relating to corporate governance and public disclosure are creating uncertainty for public companies, increasing legal and financial compliance costs and making some activities more time consuming. These laws, regulations and standards are 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 intend to invest resources to comply with evolving laws, regulations and standards, and this investment may result in increased general and administrative expenses and a diversion of management's time and attention from revenue-generating activities to compliance activities. If our efforts to comply with new laws, regulations and standards differ from the activities intended by regulatory or governing bodies due to ambiguities related to their application and practice, regulatory authorities may initiate legal proceedings against us and our business may be adversely affected.

These new rules and regulations may make it more expensive for us to obtain director and officer liability insurance and, in the future, we may be required to accept reduced coverage or incur substantially higher costs to obtain coverage. These factors could also make it more difficult for us to attract and retain qualified members of our board of directors, particularly to serve on our audit committee and compensation committee, and qualified executive officers.

By disclosing information in this prospectus and in future filings required of a public company, our business and financial condition will become more visible, which we believe may result in threatened or actual litigation, including by competitors and other third parties. If those claims are successful, our business could be seriously harmed. Even if the claims do not result in litigation or are resolved in our favor, the time and resources needed to resolve them could divert our management's resources and seriously harm our business.

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

Effective internal controls over financial reporting are necessary for us to provide reliable financial reports and, together with adequate disclosure controls and procedures, are designed to prevent fraud. Any failure to implement required new or improved controls, or difficulties encountered in their implementation could cause us to fail to meet our reporting obligations. In addition, any testing by us conducted in connection with Section 404, or any subsequent testing by our independent registered public accounting firm, may reveal deficiencies in our internal controls over financial reporting that are deemed to be material weaknesses or that may require prospective or retroactive changes to our financial statements or identify other areas for further attention or improvement. Inferior internal controls could also cause investors to lose confidence in our reported financial information, which could have a negative effect on the trading price of our stock.

We will be required to disclose changes made in our internal controls and procedures on a quarterly basis and our management will be required to assess the effectiveness of these controls annually. However, for as long

as we are an emerging growth company, our independent registered public accounting firm will not be required to attest to the effectiveness of our internal controls over financial reporting pursuant to Section 404. We could be an emerging growth company for up to five years. An independent assessment of the effectiveness of our internal controls over financial reporting could detect problems that our management's assessment might not. Undetected material weaknesses in our internal controls over financial reporting could lead to restatements of our financial statements and require us to incur the expense of remediation.

Our management team has broad discretion to use the net proceeds from this offering and its investment of these proceeds may not yield a favorable return. They may invest the net proceeds from this offering in ways with which investors disagree.

We intend to use a portion of the net proceeds from this offering to advance and expand our clinical and preclinical development programs and for working capital and for other general corporate purposes, which may include the hiring of additional personnel, capital expenditures and the costs of operating as a public company. See "Use of Proceeds." However, within the scope of our plan, and in light of the various risks to our business, including those discussed in this "Risk Factors" section and elsewhere in this prospectus, our management will have broad discretion over the use of net proceeds from this offering, and could spend the net proceeds in ways our stockholders may not agree with or that do not yield a favorable return, if at all. If we do not invest or apply the net proceeds from this offering in ways that improve our operating results, we may fail to achieve expected financial results, which could cause our stock price to decline.

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.

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

We have never declared or paid any cash dividends on our equity securities. We currently anticipate that we will retain future earnings for the development, operation and expansion of our business and do not anticipate declaring or paying any cash dividends for the foreseeable future. Any return to stockholders will therefore be limited to any appreciation in the value of our common stock, which is not certain.

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

Our certificate of incorporation and bylaws, as we expect they will be in effect upon closing of the offering, will contain provisions that could depress the market price of our common stock by acting to discourage, delay or prevent a change in control of our company or changes in our management that the stockholders of our company may deem advantageous. These provisions, among other things:

- 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;
- authorize the issuance of "blank check" preferred stock that our board could use to implement a stockholder rights plan (also known as a "poison pill");

- 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;
- authorize our board of directors to amend the bylaws;
- 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; and
- require a super-majority vote of stockholders to amend some provisions described above.

In addition, Section 203 of the General Corporation Law of the State of Delaware, or the DGCL, prohibits a publicly-held Delaware corporation from engaging in a business combination with an interested stockholder, generally a person which together with its affiliates owns, or within the last three years has owned, 15% of our voting stock, for a period of three years after the date of the transaction in which the person became an interested stockholder, unless the business combination is approved in a prescribed manner.

Any provision of our certificate of incorporation, bylaws or Delaware law that has the effect of delaying or preventing a change in control could limit the opportunity for our stockholders to receive a premium for their shares of our capital stock and could also affect the price that some investors are willing to pay for our common stock.

Our certificate of incorporation that will be in effect upon the closing of this offering provides that the Court of Chancery of the State of Delaware will be the exclusive forum for substantially all disputes between us and our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or employees.

Our certificate of incorporation that will be in effect upon the closing of this offering provides that the Court of Chancery of the State of Delaware is the exclusive forum for:

- any derivative action or proceeding brought on our behalf;
- any action asserting a claim of breach of fiduciary duty;
- any action asserting a claim against us arising under the DGCL, our certificate of incorporation or our bylaws; and
- any action asserting a claim against us that is governed by the internal-affairs doctrine.

This exclusive-forum provision may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers or other employees, which may discourage lawsuits against us and our directors, officers and other employees. Any person or entity purchasing or otherwise acquiring any interest in any of our securities shall be deemed to have notice of and consented to this provision. If a court were to find this exclusive-forum provision in our bylaws to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving the dispute in other jurisdictions, which could seriously harm our business. Nothing in our certificate of incorporation will preclude stockholders that assert claims under the Securities Act or the Exchange Act from bringing such claims in state or federal court, subject to applicable law.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements that can involve substantial risks and uncertainties. All statements other than statements of historical facts contained in this prospectus, including statements regarding our future results of operations and financial position, business strategy, prospective products, product approvals, research and development costs, future revenue, timing and likelihood of success, plans and objectives of management for future operations, future results of anticipated products and prospects, plans and objectives of management are forward-looking statements. These statements involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

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

- the ability of our clinical trials to demonstrate safety and efficacy of our product candidates, and other positive results;
- the timing and focus of our ongoing and future preclinical studies and clinical trials, and the reporting of data from those studies and trials;
- our plans relating to commercializing our product candidates, if approved, including the geographic areas of focus and sales strategy;
- the size of the market opportunity for our product candidates, including our estimates of the number of patients who suffer from the diseases we are targeting;
- our expectations regarding the approval and use of our product candidates as first, second or subsequent lines of therapy or in combination with other drugs;
- the success of competing therapies that are or may become available;
- our estimates of the number of patients that we will enroll in our clinical trials;
- the beneficial characteristics, safety, efficacy and therapeutic effects of our product candidates;
- the timing or likelihood of regulatory filings and approvals, including our expectation to seek an accelerated approval pathway and special designations, such as orphan drug designation, for our product candidates for various diseases;
- our ability to obtain and maintain regulatory approval of our product candidates;
- our plans relating to the further development of our product candidates, including additional indications we may pursue;
- existing regulations and regulatory developments in the United States, Europe and other jurisdictions;
- our plans and ability to obtain or protect intellectual property rights, including extensions of existing patent terms where available;
- our continued reliance on third parties to conduct additional clinical trials of our product candidates, and for the manufacture of our product candidates for preclinical studies and clinical trials;
- our ability to obtain, and negotiate favorable terms of, any collaboration, licensing or other arrangements that may be necessary or desirable to develop, manufacture or commercialize our product candidates;
- our plans to develop our product candidates in combination with other therapies;

- the need to hire additional personnel and our ability to attract and retain such personnel;
- our estimates regarding expenses, future revenue, capital requirements and needs for additional financing;
- our financial performance;
- the period over which we estimate our existing cash and cash equivalents will be sufficient to fund our future operating expenses and capital expenditure requirements;
- our expectations regarding the period during which we will qualify as an emerging growth company under the JOBS Act; and
- our anticipated use of our existing resources and the proceeds from this offering.

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

In addition, statements that “we believe” and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based upon information available to us as of the date of this prospectus, and while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain and you are cautioned not to unduly rely upon these statements.

INDUSTRY AND OTHER DATA

This prospectus contains industry, market and competitive position data from our own internal estimates and research as well as industry and general publications and research surveys and studies conducted by third parties. Industry publications, studies and surveys generally state that they have been obtained from sources believe to be reliable, although they do not guarantee the accuracy or completeness of such information. Our internal data and estimates are based upon information obtained from trade and business organizations and other contacts in the markets in which we operate and our management's understanding of industry conditions. While we believe that each of these studies and publications is reliable, we have not independently verified market and industry data from third-party sources. While we believe our internal company research is reliable and the market definitions are appropriate, neither such research nor definitions have been verified by an independent source.

The industry in which we operate is subject to risks and uncertainties due to a variety of factors, including those described in the section titled "Risk Factors." These and other factors could cause results to differ materially from those expressed in the estimates made by the independent parties and by us.

USE OF PROCEEDS

We estimate that the net proceeds to us from in this offering will be approximately $ million, assuming an initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, and after deducting underwriting discounts and commissions and estimated offering expenses payable by us. If the underwriters' option to purchase additional shares from us is exercised in full, we estimate that our net proceeds will be approximately $ million. Each $1.00 increase (decrease) in the assumed initial public offering price of $ per share would increase (decrease) the net proceeds to us from this offering by approximately $ million, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting underwriting discounts and commissions and estimated offering expenses payable by us. Each increase (decrease) of 1.0 million in the number of shares we are offering would increase (decrease) the net proceeds to us from this offering, after deducting underwriting discounts and commissions and estimated offering expenses payable by us, by $ million, assuming the assumed initial public offering price stays the same.

We intend to use the net proceeds from this offering, together with our existing cash and cash equivalents, as follows:

- approximately $ million to advance the clinical development of ZN-c5, including to complete our ongoing Phase 1/2 clinical trial of ZN-c5 as a monotherapy and in combination with palbociclib in patients with ER+/HER2- advanced or metastatic breast cancer;
- approximately $ million to advance the clinical development of ZN-c3, including to fund our ongoing Phase 1/2 clinical trial in patients with advanced solid tumors;
- approximately $ million to advance the development of ZN-d5 into clinical trials, including to fund our planned Phase 1 clinical trial in patients with AML or B-cell lymphoma;
- approximately $ million to advance the clinical development of ZN-e4, including to fund our ongoing Phase 1/2 clinical trial in patients with advanced NSCLC with activating EGFR mutations; and
- the remainder for the design and development of new product candidates leveraging our Integrated Discovery Engine and for working capital and other general corporate purposes.

This expected use of the net proceeds from this offering represents our intentions based upon our current plans and business conditions, which could change in the future as our plans and business conditions evolve. We may also use a portion of the net proceeds to in-license, acquire or invest in additional businesses, technologies, products or assets, although currently we have no specific agreements, commitments or understandings in this regard. As of the date of this prospectus, we cannot predict with certainty all of the particular uses for the net proceeds to be received upon the closing of this offering or the amounts that we will actually spend on the uses set forth above. Predicting the cost necessary to develop product candidates can be difficult and we anticipate that we will need additional funds to complete the development of any product candidates we identify. The amounts and timing of our actual expenditures and the extent of clinical development may vary significantly depending on numerous factors, including the progress of our development efforts, the status of and results from pre-clinical studies and any ongoing clinical trials or clinical trials we may commence in the future, as well as any collaborations that we may enter into with third parties for our product candidates and any unforeseen cash needs. As a result, our management will retain broad discretion over the allocation of the net proceeds from this offering.

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 have based this estimate on assumptions that may prove to be incorrect, and we could use our available capital resources sooner than we currently expect. We may satisfy our future cash needs through the sale of equity

securities, debt financings, working capital lines of credit, corporate collaborations or license agreements, grant funding, interest income earned on invested cash balances or a combination of one or more of these sources.

Pending our use of the net proceeds from this offering, we intend to invest the net proceeds in a variety of capital preservation investments, including short-term, investment-grade, interest-bearing instruments and U.S. government securities.

DIVIDEND POLICY

We have never declared or paid any cash dividends on our capital stock. We intend to retain future earnings, if any, to finance the operation and expansion of our business and do not anticipate paying any cash dividends in the foreseeable future. Any future determination related to our dividend policy will be made at the discretion of our board of directors after considering our financial condition, results of operations, capital requirements, business prospects and other factors the board of directors deems relevant, and subject to the restrictions contained in any future financing instruments.

CAPITALIZATION

The following table sets forth our cash and cash equivalents and capitalization as of December 31, 2019, as follows:

- on an actual basis;
- on a pro forma basis to give effect to the Corporate Conversion; and
- on a pro forma as adjusted basis to give further effect to our issuance and sale of shares of our common stock in this offering at an assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, after deducting underwriting discounts and commissions and estimated offering expenses payable by us.

The pro forma as adjusted information below is illustrative only, and our capitalization following the closing of this offering will be adjusted based on the actual initial public offering price and other terms of this offering determined at pricing. You should read this information in conjunction with our consolidated financial statements and the related notes included elsewhere in this prospectus and the "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Corporate Conversion" sections and other financial information contained in this prospectus.

	As of December 31, 2019		
	Actual	Pro Forma(1)(2)	Pro Forma As Adjusted(1)(3)
	(in thousands, except share and per share amounts)		
Cash and cash equivalents	$	$	$
Equity:			
Series A convertible preferred units: units issued and outstanding, actual; no units issued or outstanding pro forma and pro forma as adjusted	$	$	$
Series B convertible preferred units: units issued and outstanding, actual; no units issued or outstanding pro forma and pro forma as adjusted			
Series C convertible preferred units: units issued and outstanding, actual; no units issued or outstanding pro forma and pro forma as adjusted			
Class A common units: units issued and outstanding, actual; no units issued or outstanding pro forma and pro forma as adjusted			
Class B common units: units issued and outstanding, actual; no units issued or outstanding pro forma and pro forma as adjusted			
Common stock, $0.001 par value per share: no shares authorized, issued and outstanding, actual; shares authorized, pro forma and pro forma as adjusted; shares issued and shares outstanding, pro forma; shares issued and outstanding, pro forma as adjusted			
Preferred stock, $0.001 par value per share: no shares authorized, issued and outstanding, actual; shares authorized, pro forma and pro forma as adjusted; no shares issued and outstanding, pro forma and pro forma as adjusted			
Additional paid-in capital			
Accumulated deficit			
Noncontrolling interest			
Total equity			
Total capitalization	$	$	$

(1) In connection with the Corporate Conversion, Series A convertible preferred units, Series B convertible preferred units and Series C convertible preferred units and Class A common units and Class B common units will be reduced to zero to reflect the elimination of all outstanding Units and other interests in Zentalis Pharmaceuticals, LLC and corresponding adjustments will be reflected as common stock and additional paid-in capital. The pro forma and pro forma as adjusted information is illustrative only.

(2) The following table presents the number of shares of common stock issuable in connection with the Corporate Conversion to holders of Series A convertible preferred units, Series B convertible preferred units and Series C convertible preferred units and Class A common units and Class B common units based on the assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus.

Shares of common stock to be issued for:

Series A convertible preferred units	
Series B convertible preferred units	
Series C convertible preferred units	
Class A common units	
Class B common units	
Total	

(3) Each $1.00 increase (decrease) in the assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, would increase (decrease) the pro forma as adjusted amount of each of cash and cash equivalents, total equity and total capitalization by $ million, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. Similarly, each increase (decrease) of 1.0 million shares in the number of shares offered by us at the assumed initial public offering price per share, which is the midpoint of the price range set forth on the cover page of this prospectus, would increase (decrease) the pro forma as adjusted amount of each of cash and cash equivalents, total equity and total capitalization by approximately $ million.

The number of shares of our common stock on a pro forma and pro forma as adjusted basis set forth in the table above is based on shares of our common stock outstanding as of December 31, 2019, after giving effect to the Corporate Conversion, and excludes:

- additional shares of our common stock reserved for future issuance under our 2020 Plan, which will become effective in connection with this offering, as well as any automatic increases in the number of shares of our common stock reserved for future issuance under the 2020 Plan; and
- shares of common stock that will become available for future issuance under our ESPP, which will become effective in connection with this offering, and shares of our common stock that become available pursuant to provisions in the ESPP that automatically increase the share reserve under the ESPP.

DILUTION

If you invest in our common stock in this offering, your ownership interest will be immediately diluted to the extent of the difference between the initial public offering price per share of our common stock and the pro forma as adjusted net tangible book value per share of our common stock after this offering. Pro forma net tangible book value per share represents the book value of our tangible assets less the book value of our total liabilities divided by the number of shares of common stock then issued and outstanding after giving effect to the Corporate Conversion.

The historical net tangible book value as of December 31, 2019 was $ or, $ per Class A common unit. Historical net tangible book value per Class A common unit represents the amounts of our tangible assets less total liabilities, divided by the total number of Class A common units outstanding as of December 31, 2019. On a pro forma basis, after giving effect to the Corporate Conversion, our pro forma net tangible book value as of December 31, 2019 was $ million, or $ per share, based on shares of our common stock outstanding after the Corporate Conversion. After giving effect to 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 price range set forth on the cover page of this prospectus, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us, our pro forma as adjusted net tangible book value as of December 31, 2019 would have been approximately $ million, or approximately $ per share. This amount represents an immediate and substantial dilution of $ per share to new investors purchasing common stock in this offering. The following table illustrates this dilution:

Assumed initial public offering price per share		$
Historical net tangible book value per Class A common unit as of December 31, 2019	$	
Pro forma net tangible book value per share as of December 31, 2019 before this offering		
Increase in the pro forma net tangible book value per share attributable to this offering	$	
Pro forma as adjusted net tangible book value per share after this offering		$
Dilution per share to new investors participating in this offering		$

A $1.00 increase (decrease) in the assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, would increase (decrease) the pro forma as adjusted net tangible book value per share after this offering by approximately $, and dilution in pro forma as adjusted net tangible book value per share to new investors by approximately $, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. An increase of 1.0 million shares in the number of shares offered by us would increase our pro forma as adjusted net tangible book value per share after this offering by $ per share and decrease the dilution to new investors purchasing common stock in this offering to $ per share, assuming the assumed initial public offering price remains the same and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. A decrease of 1.0 million shares in the number of shares offered by us would decrease our pro forma as adjusted net tangible book value per share after this offering by $ per share and increase the dilution to new investors purchasing common stock in this offering to $ per share, assuming the assumed initial public offering price remains the same and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

If the underwriters exercise their option to purchase additional shares of our common stock in full, the pro forma as adjusted net tangible book value after this offering would be $ per share, and the dilution to new investors would be $ per share, in each case assuming an initial public offering price of $ per share,

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

The following table summarizes on the pro forma as adjusted basis described above, as of December 31, 2019, the difference between the number of shares of common stock purchased from us, the total consideration paid or to be paid and the average price per share paid or to be paid by existing stockholders and new investors in this offering at an assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, before deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. As the table shows, new investors purchasing common stock in this offering will pay an average price per share substantially higher than our existing stockholders paid.

	Shares Purchased		Total Consideration		Average Price Per Share
	Number	Percent	Amount	Percent	
Existing stockholders		%	$	%	$
New investors					
Total		100.0%		100.0%	$

If the underwriters exercise their option to purchase additional shares of our common stock in full, the percentage of shares of common stock held by existing stockholders will decrease to approximately % of the total number of shares of our common stock outstanding after this offering, and the number of shares held by new investors will increase to , or approximately % of the total number of shares of our common stock outstanding after this offering.

The foregoing tables and calculations are based on shares of our common stock outstanding as of December 31, 2019, after giving effect to the Corporate Conversion, and excludes:

- additional shares of common stock reserved for future issuance under our 2020 Plan, which will become effective in connection with this offering, as well as any shares of our common stock that become available pursuant to provisions in the 2020 Plan that automatically increase the share reserve under the 2020 Plan; and
- shares of common stock that will become available for future issuance under our ESPP, which will become effective in connection with this offering, and shares of our common stock that become available pursuant to provisions in the ESPP that automatically increase the share reserve under the ESPP.

CORPORATE CONVERSION

We currently operate as a Delaware limited liability company under the name Zentalis Pharmaceuticals, LLC. Prior to the closing of this offering, Zentalis Pharmaceuticals, LLC intends to convert into a Delaware corporation pursuant to a statutory conversion, and will change its name to Zentalis Pharmaceuticals, Inc. In order to consummate the corporate conversion, a certificate of conversion will be filed with the Secretary of State of the State of Delaware. In this prospectus, we refer to all transactions related to our conversion to a corporation as the Corporate Conversion.

In conjunction with the Corporate Conversion, all of our outstanding units will be converted into an aggregate of shares of our common stock, and holders of units of Zentalis Pharmaceuticals, LLC will become holders of shares of common stock of Zentalis Pharmaceuticals, Inc. The number of shares of common stock issuable in connection with the Corporate Conversion will be determined pursuant to the applicable provisions of the plan of conversion.

In connection with the Corporate Conversion, Zentalis Pharmaceuticals, Inc. will continue to hold all property and assets of Zentalis Pharmaceuticals, LLC and will assume all of the debts and obligations of Zentalis Pharmaceuticals, LLC. Zentalis Pharmaceuticals, Inc. will be governed by a certificate of incorporation filed with the Secretary of State of the State of Delaware and bylaws, the material portions of which are described under the heading “Description of Capital Stock.” On the effective date of the Corporate Conversion, the members of the board of managers of Zentalis Pharmaceuticals, LLC will become the members of Zentalis Pharmaceuticals, Inc.’s board of directors, and the officers of Zentalis Pharmaceuticals, LLC will become the officers of Zentalis Pharmaceuticals, Inc.

References in this prospectus to our capitalization and other matters pertaining to our equity prior to the Corporate Conversion relate to the capitalization and equity of Zentalis Pharmaceuticals, LLC, and after the Corporate Conversion, to Zentalis Pharmaceuticals, Inc. The consolidated financial statements included elsewhere in this prospectus are those of Zentalis Pharmaceuticals, LLC and its consolidated subsidiaries. We expect that the Corporate Conversion will not have a material effect on our consolidated financial statements.

The purpose of the Corporate Conversion is to reorganize our structure so that the entity that is offering our common stock to the public in this offering is a Delaware corporation rather than a Delaware limited liability company, and so that our existing investors will own our common stock rather than equity interests in a limited liability company.

SELECTED CONSOLIDATED FINANCIAL DATA

The following tables set forth our selected financial data for the periods indicated. We have derived the consolidated statements of operations data for the years ended December 31, 2018 and 2019, and the consolidated balance sheet data as of December 31, 2018 and 2019, from our audited consolidated financial statements included elsewhere in this prospectus. Our historical results are not necessarily indicative of the results that should be expected for any future period. You should read the following selected consolidated financial data together with our consolidated financial statements and the related notes included elsewhere in this prospectus and the "Management's Discussion and Analysis of Financial Condition and Results of Operations" section of this prospectus.

	Year Ended December 31,	
	2018	2019
	(in thousands, except unit, share and per share amounts)	
Consolidated Statements of Operations Data:		
Revenue	$ 14	$
Operating expenses:		
Research and development	18,921	
General and administrative	4,876	
Total operating expenses	23,797	
Loss from operations	(23,783)	
Other income		
Interest income	355	
Net loss before income taxes	(23,428)	
Income tax expense	4	
Net loss	(23,432)	
Net loss attributable to noncontrolling interest	(2,365)	
Net loss attributable to Zentalis Pharmaceuticals, LLC	$ (21,067)	$
Net loss per Class A common unit attributable to Zentalis Pharmaceuticals, LLC, basic and diluted	$ (3.77)	$
Weighted average Class A common units outstanding, basic and diluted	5,594,385	
Pro forma net loss per share—basic and diluted (unaudited)(1)		$
Pro forma weighted-average shares stock outstanding—basic and diluted (unaudited)(1)		

(1) We have presented pro forma basic and diluted net loss per share for the year ended December 31, 2019 which consists of our historical net loss attributable to Zentalis Pharmaceuticals, LLC, divided by the pro forma basic and diluted weighted average number of shares of common stock outstanding after giving effect to the Corporate Conversion. See Note to our to audited consolidated financial statements to be included elsewhere in this prospectus for additional information regarding the method used to calculate the pro forma basic and diluted net loss per common share and the pro forma weighted average number of shares used in the computation of the per share amounts.

	As of December 31,	
	2018	2019
	(in thousands)	
Consolidated Balance Sheet Data:		
Cash and cash equivalents	$ 25,154	$
Working capital(1)	20,468	
Total assets	40,998	
Total liabilities	8,693	
Accumulated deficit	(37,330)	
Total equity	32,306	

(1) We define working capital as current assets less current liabilities.

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

You should read the following discussion and analysis of financial condition and operating results together with our consolidated financial statements and the related notes and other financial information included elsewhere in this prospectus. This discussion contains forward-looking statements that involve risks and uncertainties. As a result of many factors, such as those set forth in the section of the prospectus captioned "Risk Factors" and elsewhere in this prospectus, our actual results may differ materially from those anticipated in these forward-looking statements. For convenience of presentation some of the numbers have been rounded in the text below.

Overview

We are a clinical-stage biopharmaceutical company focused on discovering and developing clinically differentiated, small molecule therapeutics targeting fundamental biological pathways of cancers. We use our highly efficient drug discovery engine, which we refer to as our Integrated Discovery Engine, to identify targets and develop small molecule new chemical entities, or NCEs, with properties that we believe could result in potentially best-in-class product profiles. Our discovery engine combines our extensive experience and capabilities across cancer biology and medicinal chemistry. We believe our product candidates are differentiated from current programs targeting similar pathways and have the potential to significantly impact the lives of patients with cancer.

We are developing a broad pipeline of product candidates with an initial focus on oncology targets that have been validated clinically and have the potential to address large patient populations. Our lead product candidate, ZN-c5, is an oral selective estrogen receptor degrader, or SERD, currently in a Phase 1/2 clinical trial for the treatment of estrogen receptor-positive, human epidermal growth factor receptor 2-negative, or ER+/HER2- advanced or metastatic breast cancer. We have designed ZN-c5 to have properties with the potential to provide a best-in-class product profile, including high potency and selectivity, as well as compelling tolerability and pharmacokinetic, or PK, properties. We expect to report data from the monotherapy dose escalation portion of this Phase 1/2 trial in . Our other product candidates include ZN-c3, an inhibitor of WEE1, a protein tyrosine kinase, currently in a Phase 1/2 clinical trial for the treatment of advanced solid tumors; ZN-d5, a selective inhibitor of B-cell lymphoma 2, or BCL-2, initially in development for the treatment of hematological malignancies; and ZN-e4, a third-generation inhibitor of epidermal growth factor receptor, or EGFR, currently in a Phase 1/2 clinical trial for the treatment of advanced non-small cell lung cancer, or NSCLC. We expect to report data from the ongoing trials of ZN-c3 and ZN-e4 in and , respectively, and to submit an investigational new drug application, or IND, to the U.S. Food and Drug Administration, or FDA, for ZN-d5 in the first half of 2020. We currently own worldwide development and commercialization rights to each of our product candidates, other than in select Asian countries (including China) for ZN-e4 for which we have out-licensed these rights.

We currently operate as a Delaware limited liability company under the name Zentalis Pharmaceuticals, LLC. Prior to the closing of this offering, Zentalis Pharmaceuticals, LLC intends to convert into a Delaware corporation pursuant to a statutory conversion, and will change its name to Zentalis Pharmaceuticals, Inc. We refer to these transactions as the Corporate Conversion. As a result of the Corporate Conversion, all holders of units of Zentalis Pharmaceuticals, LLC will become holders of shares of common stock of Zentalis Pharmaceuticals, Inc. The number of shares of our common stock that holders of units will be entitled to receive in the Corporate Conversion will be based on their relative rights as set forth in our limited liability company agreement. For more information on the Corporate Conversion, see the section titled "Corporate Conversion".

Since our inception, our operations have been limited to organizing and staffing our company, business planning, raising capital, establishing our intellectual property portfolio and performing research and development of our product pipeline. We do not have any products approved for commercial sale and have not

generated any revenues from product sales. We had cash and cash equivalents of $ million as of December 31, 2019. Since inception, we have funded our operations primarily with gross proceeds of $146.9 million from the sale of our convertible preferred units. 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 have based these estimates on assumptions that may prove to be imprecise, and we could utilize our available capital resources sooner than we expect.

Since inception, we have incurred significant operating losses. Our net losses were $23.4 million and $ for the year ended December 31, 2018 and December 31, 2019, respectively. We had an accumulated deficit of $ million as of December 31, 2019. We expect to continue to incur significant expenses and operating losses for the foreseeable future.

We will not generate revenue from product sales unless and until we successfully complete clinical development and obtain regulatory approval for our product candidates. In addition, if we obtain regulatory approval for any of our product candidates, we expect to incur significant expenses related to developing our commercialization capabilities to support product sales, marketing and distribution activities, either alone or in collaboration with others. Furthermore, upon the closing of this offering, we expect to incur additional costs associated with operating as a public company, including significant legal, accounting, investor relations and other expenses that we did not incur as a private company.

As a result, we will need to raise substantial additional capital to support our continuing operations and pursue our growth strategy. Until such time as we can generate significant revenue from product sales, if ever, we plan to finance our operations through the sale of equity, debt financings or other capital sources, which may include collaborations with other companies or other strategic transactions. There are no assurances that we will be successful in obtaining an adequate level of financing as and when needed to finance our operations on terms acceptable to us or at all. If we are unable to secure adequate additional funding as and when needed, we may have to significantly delay, scale back or discontinue the development and commercialization of one or more product candidates or delay our pursuit of potential in-licenses or acquisitions.

Because of the numerous risks and uncertainties associated with developing and commercializing therapeutics, we are unable to predict the timing or amount of increased expenses or when or if we will be able to achieve or maintain profitability. Even if we are able to generate revenue from product sales, we may not become profitable. If we fail to become profitable or are unable to sustain profitability on a continuing basis, then we may be unable to continue our operations at planned levels and be forced to reduce or terminate our operations.

License Agreements and Strategic Collaborations Agreements

Recurium IP Holdings, LLC

In December 2014, and as amended and restated effective as of December 2017, we entered into a license agreement, or the Recurium Agreement, with Recurium IP Holdings, LLC, or Recurium IP, under which we were granted an exclusive worldwide license to certain intellectual property rights owned or controlled by Recurium IP to develop and commercialize pharmaceutical products for the treatment or preventions of disease, other than for pain. We have the right to sublicense our rights under the Recurium Agreement, subject to certain conditions. We are required to use commercially reasonable efforts to develop and commercialize at least one licensed product that comprises or contains a program compound and to execute certain development activities.

Our payment obligations under the Recurium Agreement are based on the percentage of ownership interest Recurium Equity, LLC, an affiliated company of Recurium IP, has in us. Under the terms of the Recurium Agreement, we are obligated to make development and regulatory milestone payments, pay royalties for net sales and make sublicensing payments with respect to certain licensed products directed to one of ten specific biological targets, including ZN-c5, ZN-c3 and ZN-e4. We are obligated to make development and regulatory

milestone payments for such licensed products of up to $44.5 million if Recurium Equity, LLC has less than 10% ownership percentage of us, or up to $21.5 million if the ownership percentage is 10% or more but no more than 15%. If the percentage of ownership interest Recurium Equity, LLC has in us is greater than 15% then no development and regulatory milestone payments will be due. In addition, we are obligated to make milestone payments up to $150,000 for certain licensed products used in animals. We are also obligated to pay royalties on sales of such licensed products at a mid- to high-single digit percentage if Recurium Equity, LLC's ownership percentage in us is less than 10%, at a mid-single digit percentage if such ownership percentage is 10% or more but no more than 15%, and at a low-single digit percentage if such ownership percentage is above 15%. In addition, if we choose to sublicense or assign to any third parties our rights under the Recurium Agreement with respect to such licensed products, we must pay to Recurium IP 20% of all revenue received in connection with such transaction if Recurium Equity, LLC has less than 10% ownership percentage of us, or a percentage of 10% if the ownership percentage is 10% or more but no more than 15%. If the percentage of ownership interest Recurium Equity, LLC has in us is greater than 15% then no sublicensing payments will be due. See "Business—Licensing Agreements and Strategic Collaborations—Recurium IP Holdings, LLC" for more information.

Mayo Foundation for Medical Education and Research

In February 2016, and as amended in April 2017 and December 2017, we entered into a license agreement, or the Mayo Agreement, with Mayo Foundation for Medical Education and Research under which we were granted an exclusive option to obtain an exclusive worldwide license to know-how and an exclusive worldwide license related patent rights created by Mayo under the Mayo Agreement. We have the right to sublicense our rights under the Mayo Agreement, subject to certain conditions. We are required to use commercially reasonable efforts to develop and commercialize licensed products. Under the terms of the Mayo Agreement, we are obligated to pay royalties on sales for each licensed product at a low-single digit percentage as well as grants of equity interests to be negotiated on a case-by-case basis. In addition, in consideration for the grant of know-how we provided grants of common stock on the first anniversary and Class A common units on the second and third anniversaries following entry into the Mayo Agreement. As of December 31, 2019, we have granted equity securities which amount to 11,123 Class A common units under the Mayo Agreement. The Mayo Agreement will expire on the date of the last to expire of the Mayo patent rights. The Mayo Agreement may be terminated in its entirety or in part by Mayo in the event of an uncured material breach by us, in the event that we bring suit against Mayo, except for an uncured material breach of the Mayo Agreement by Mayo, or in the event we are subject to specified bankruptcy, insolvency or similar circumstances. See "Business—License Agreements and Strategic Collaborations—Mayo Foundation for Medical Education and Research" for more information.

SciClone Pharmaceuticals International (Cayman) Development Ltd.

In December 2014, and as amended in December 2016 and December 2017, we entered into a collaboration and license agreement, or the SciClone Agreement, with SciClone Pharmaceuticals International (Cayman) Development Ltd., or SciClone, under which we granted an exclusive license certain intellectual property rights in the People's Republic of China (including the territories of Macao and Hong Kong), South Korea, Taiwan and Vietnam, or the SciClone Territory, for SciClone to develop and commercialize a licensed product for the treatment or prevention of oncologic diseases and an exclusive option to obtain a similar license for up to two additional licensed products. Under the SciClone Agreement, SciClone is responsible for clinical development activities required in order to obtain regulatory approval in the SciClone Territory. SciClone paid to us a one-time upfront payment of $1.0 million upon entering into the SciClone Agreement, and has paid us $4.0 million in aggregate milestone payments. We are entitled to receive a mid-single digit royalty on net sales of licensed products in the SciClone Territory, which royalty is subject to certain reductions in the event that SciClone is unable to achieve certain gross margins or if generic products are sold or if technology covering a licensed product is licensed from a third party. We have also agreed to pay SciClone tiered royalties pursuant to the terms of the SciClone Agreement, the applicable rate of which are determined based on whether a compound is developed to a successful dual IND submission and the costs incurred by SciClone for the development of such product candidate. See "Business—License Agreements and Strategic Collaborations—SciClone International (Cayman) Development Ltd" for more information.

Pfizer Clinical Trial Collaboration and Supply Agreement

In May 2018, we entered into a clinical trial collaboration and supply agreement with Pfizer, Inc. to evaluate the safety, tolerability and efficacy of ZN-c5 in combination with their CDK4/6 inhibitor, palbociclib, in our ongoing Phase 1/2 clinical trial of ZN-c5. Pursuant to this agreement, we will be responsible for the conduct and cost of the relevant studies, under the supervision of a joint development committee made up of our representatives and representatives of Pfizer that meets quarterly. Pfizer will supply palbociclib for use in the trial, at no cost to us.

See "Business—License Agreement and Strategic Collaborations—Pfizer Clinical trial Collaboration and Supply Agreement" for more information.

Components of Our Results of Operations

Revenue

To date, we have not generated any revenue, and do not expect to generate any revenue in the foreseeable future from product sales. We have generated, and may in the future generate, revenue from payments received under our collaboration agreements, which includes payments of upfront fees, license fees, milestone-based payments and reimbursements for research and development efforts.

Research and Development Expenses

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

- salaries, benefits and other related costs, including stock-based compensation expense, for personnel engaged in research and development functions;
- expenses incurred under agreements with third parties, including CROs and other third parties that conduct research, preclinical activities and clinical trials on our behalf as well as CMOs that manufacture drug material for use in our preclinical studies and clinical trials;
- costs of outside consultants, including their fees, stock-based compensation and related travel expenses;
- the costs of laboratory supplies and acquiring, developing and manufacturing preclinical study and clinical trial materials;
- license payments made for intellectual property used in research and development activities; and
- allocated expenses for rent and maintenance of facilities and other operating costs.

We expense research and development costs as incurred. Reimbursed research and development costs under government grant arrangements are recorded as a reduction to research and development expenses and are recognized in the period in which the related costs are incurred.

We track external development costs by product candidate or development program, but we do not allocate personnel costs, license payments made under our licensing arrangements or other internal costs to specific development programs or product candidates. These costs are included in unallocated research and development expenses in the table below.

The following table summarizes our research and development expenses by product candidate or development program:

	Year Ended December 31,	
	2018	2019
	(in thousands)	
ZN-c5	$ 5,081	$
ZN-c3	1,857	
ZN-d5	1,401	
ZN-e4	1,525	
Unallocated research and development expenses	9,057	
Total research and development expenses	$ 18,921	$

Research and development activities are central to our business model. Product candidates in later stages of clinical development generally have a higher development costs than those in earlier stages of clinical development, primarily due to the increased size and duration of later-stage clinical trials. We expect that our research and development expenses will continue to increase substantially for the foreseeable future and will comprise a larger percentage of our total expenses as we complete our ongoing clinical trials, initiate new clinical trials, continue to discover and develop additional product candidates and prepare regulatory filings for any product candidates that successfully complete clinical development.

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

- per patient trial costs;
- the number of patients who enroll in each trial;
- the number of trials required for approval;
- the number of sites included in the trials;
- the countries in which the trials are conducted;
- the length of time required to enroll eligible patients;
- the drop-out or discontinuation rates of patients;
- potential additional safety monitoring requested by regulatory agencies;
- the duration of patient participation in the trials and follow-up;
- the phase of development of the product candidate; and
- the efficacy and safety profile of the product candidate.
- uncertainties in clinical trial design and patient enrollment rates;
- the actual probability of success for our product candidates, including the safety and efficacy, early clinical data, competition, manufacturing capability and commercial viability;
- significant and changing government regulation and regulatory guidance;
- the timing and receipt of any marketing approvals; and

- the expense of filing, prosecuting, defending and enforcing any patent claims and other intellectual property rights.

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

General and Administrative Expenses

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

We expect that our general and administrative expenses will increase in the future as we increase our personnel headcount to support increased research and development activities relating to ZN-c3, ZN-c5, ZN-d5, ZN-e4, and any other product candidate we may develop. We also expect to incur increased expenses associated with being a public company, including costs of accounting, audit, legal, regulatory and tax-related services associated with maintaining compliance with Nasdaq and SEC requirements; director and officer insurance costs; and investor and public relations costs.

Interest Income

Interest income consists of interest earned on cash equivalents and short-term investments. We expect our interest income to increase due to the net proceeds from this offering.

Income Taxes

Since our inception in December 2014, our corporate subsidiaries have generated cumulative federal and state net operating loss for which we have not recorded any net tax benefit due to uncertainty around utilizing these tax attributes within their respective carryforward periods.

As of December 31, 2019, our corporate subsidiaries had federal NOLs of $ million and state NOLs of $ million which may be available to offset future taxable income. The federal NOLs of these corporate subsidiaries include $ available to reduce future taxable income, which will begin to expire in 2033, if not utilized, and $ million, which can be carried forward indefinitely. The state NOLs will begin to expire in 2033, if not utilized.

Net Loss Attributable to Noncontrolling Interest

Since December 21, 2017, the date of our initial investment in Kalyra Pharmaceuticals, Inc., or Kalyra, we have consolidated the financial results of our affiliate, Kalyra. Although we do not have a controlling interest in Kalyra, we determined that Kalyra was a variable interest entity, of which we were the primary beneficiary. For more information on the treatment of Kalyra as a variable interest entity, please see Note 3 to our audited consolidated financial statements included elsewhere in this prospectus.

Results of Operations

Comparison of Years Ended December 31, 2018 and 2019

The following table summarizes our results of operations for the years ended December 31, 2018 and 2019, together with the changes in those items in dollars:

	Year Ended December 31,		Increase (Decrease)
	2018	2019	
	(in thousands)		
Revenue	$ 14	$	$
Operating expenses			
Research and development	18,921		
General and administrative	4,876		
Total operating expenses	23,797		
Loss from operations	(23,783)		
Interest income	355		
Net loss before income taxes	(23,428)		
Income tax expense	4		
Net loss	(23,432)		
Net loss attributable to noncontrolling interest	(2,365)		
Net loss attributable to Zentalis Pharmaceuticals, LLC	$(21,067)	$	$

Revenue

Revenue for the year ended December 31, 2018 was $13,922, compared to $ for the year ended December 31, 2019.

Research and Development Expenses

Research and development expenses for the year ended December 31, 2018 were $18.9 million, compared to $ million for the year ended December 31, 2019. The increase of $ million was primarily due to increases in external research and development expenses related to our lead product candidate, as we initiated our Phase 1/2 clinical trials for each of ZN-c5, ZN-c3 and ZN-e4. In addition, in 2019, we conducted additional preclinical studies, incurred additional manufacturing costs, and incurred increased costs for study and lab materials. Unallocated research and development expenses increased by $ million primarily due to $ million of additional employee related costs associated with increased headcount to support our platform development and $ million of increased facility-related costs, partially offset by a decrease of $ million due to a reduction in expenses in our early stage programs as our lead product candidates advanced into clinical development.

General and Administrative Expenses

General and administrative expenses for the year ended December 31, 2018 were $4.9 million, compared to $ million during the year ended December 31, 2019. This increase of $ million was primarily attributable to an increase of $ million in employee-related costs as we increased our headcount to support our growth. Contributing to the overall increase were $ million in corporate facility-related costs as we entered into new leases in New York and San Diego in 2019.

Interest Income

Interest income was $0.4 million for the year ended December 31, 2018, compared to $ million for the year ended December 31, 2019. The increase of $ million was the result of interest earned on higher invested cash balances in 2019.

Liquidity and Capital Resources

Since our inception, we have incurred significant operating losses. We expect to incur significant expenses and operating losses for the foreseeable future as we advance the preclinical and clinical development of our research programs and product candidates. We expect that our research and development and general and administrative costs will increase in connection with conducting additional preclinical studies and clinical trials for our current and future research programs and product candidates, contracting with CMOs to support preclinical studies and clinical trials, expanding our intellectual property portfolio, and providing general and administrative support for our operations. As a result, we will need additional capital to fund our operations, which we may obtain from additional equity or debt financings, collaborations, licensing arrangements, or other sources.

We do not currently have any approved products and have never generated any revenue from product sales. To date, we have financed our operations primarily through private financings. Since we were formed, we have raised a total of $146.9 million in gross proceeds from the sale of shares of our Series A, B and C Preferred Units. As of December 31, 2019, we had $ million in cash and cash equivalents and an accumulated deficit of $. We had no indebtedness as of December 31, 2019.

Cash Flows

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

	Year Ended December 31,	
	2018	2019
	(in thousands)	
Net cash used in operating activities	$ (24,251)	$
Net cash used in investing activities	(227)	
Net cash provided by financing activities	9,472	
Increase (decrease) in cash and cash equivalents	$ (15,006)	$

Operating Activities

We have incurred losses since inception. Net cash used in operating activities for the year ended December 31, 2019 was $ million, consisting primarily of our net loss of $ million as we incurred expenses associated with research activities for our lead product candidates and incurred general and administrative expenses.

Net cash used in operating activities for the year ended December 31, 2018 was $24.3 million, consisting primarily of our net loss of $23.4 million as we incurred expenses associated with research activities for our lead product candidates and incurred general and administrative expenses.

Investing Activities

Net cash used in investing activities for the year ended December 31, 2019 was $ million consisting of purchases of property and equipment.

Net cash used in investing activities for the year ended December 31, 2018 was $0.2 million consisting of purchases of property and equipment.

Financing Activities

Net cash provided by financing activities in the year ended December 31, 2019 of $ million primarily relates to net proceeds from the issuance of our Series C convertible preferred units.

Net cash provided by financing activities in the year ended December 31, 2018 of $9.5 million primarily relates to net proceeds from the issuance of our Series B convertible preferred units.

Funding Requirements

Our operating expenses have increased substantially in 2019 and are expected to increase substantially in the future in connection with our ongoing activities.

Specifically, our expenses will increase as we:

- advance the clinical development of ZN-c5, ZN-c3 and ZN-e4 for the treatment of oncology indications;
- pursue the preclinical and clinical development of other current and future research programs and product candidates, including ZN-d5;
- in-license or acquire the rights to other products, product candidates or technologies;
- maintain, expand and protect our intellectual property portfolio;
- hire additional personnel in research, manufacturing and regulatory and clinical development as well as management personnel;
- seek regulatory approval for any product candidates that successfully complete clinical development; and
- expand our operational, financial and management systems and increase personnel, including personnel to support our operations as a public company.

We believe that the anticipated 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 have based these estimates on assumptions that may prove to be imprecise, and we could utilize our available capital resources sooner than we expect.

Because of the numerous risks and uncertainties associated with research, development and commercialization of pharmaceutical drugs, it is difficult to estimate with certainty the amount of our working capital requirements. Our future funding requirements will depend on many factors, including:

- the progress, costs and results of our clinical trials for our programs for ZN-c5, ZN-c3 and ZN-e4;
- the progress, costs and results of additional research and preclinical studies in ZN-d5 and other research programs we initiate in the future;
- the costs and timing of process development and manufacturing scale-up activities associated with our product candidates and other programs we advance them through preclinical and clinical development;
- our ability to establish and maintain strategic collaborations, licensing or other agreements and the financial terms of such agreements;
- the extent to which we in-license or acquire rights to other products, product candidates or technologies; and

- the costs and timing of preparing, filing and prosecuting patent applications, maintaining and protecting our intellectual property rights and defending against any intellectual property-related claims.

Further, our operating results may change in the future, and we may need additional funds to meet operational needs and capital requirements associated with such operating plans.

Until such time, if ever, that we can generate product revenue sufficient to achieve profitability, we expect to finance our cash needs through a combination of equity offerings, debt financings, collaboration agreements, other third-party funding, strategic alliances, licensing arrangements and marketing and distribution arrangements.

We currently have no credit facility or committed sources of capital. 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. If we raise additional funds through other third-party funding, collaboration agreements, strategic alliances, licensing arrangements or marketing and distribution arrangements, we may have to relinquish valuable rights to our technologies, future revenue streams, research programs or product candidates or grant licenses on terms that may not be favorable to us. If we are unable to raise additional funds through equity or debt financings when needed, we may be required to delay, limit, reduce or terminate our product development or future commercialization efforts or grant rights to develop and market products or product candidates that we would otherwise prefer to develop and market ourselves.

Contractual Obligations and Commitments

The following is our contractual obligations and commitments as of December 31, 2019:

	Payments Due By Period				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
	(in thousands)				
Operating lease obligations	$	$	$	$	$

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

We have not included milestone or royalty payments or other contractual payment obligations in the table above if the timing and amount of such obligations are unknown or uncertain.

Off-Balance Sheet Arrangements

We have not entered into any off-balance sheet arrangements.

Quantitative and Qualitative Disclosures about Market Risk

We are exposed to market risks in the ordinary course of our business. These risks primarily include interest rate sensitivities. We held cash and cash equivalents of $ million as of December 31, 2019. We generally hold our cash in interest-bearing money market accounts. 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.

Critical Accounting Policies and Use of Estimates

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

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

Goodwill and In-Process Research and Development

Our goodwill, which has an indefinite useful life, represents the excess of the cost over the fair value of net assets acquired from its business combination. The determination of the value of goodwill and intangible assets arising from business combinations and asset acquisitions requires extensive use of accounting estimates and judgments to allocate the purchase price to the fair value of the net tangible and intangible assets acquired, including capitalized in-process research and development, or IPR&D.

Intangible assets acquired in a business combination that are used for IPR&D activities are considered indefinite lived until the completion or abandonment of the associated research and development efforts. Upon conclusion of the relevant research and development project, we amortize the acquired IPR&D over its estimated useful life or expense the acquired IPR&D should the research and development project be unsuccessful with no future alternative use. We base the useful lives and related amortization expense on our estimate of the period that the assets will generate revenues or otherwise be used. We assess the carrying value of our IPR&D assets at least annually, or more frequently if an event occurs indicating the potential for impairment, which requires us to make assumptions and judgements regarding the future cash flows of these assets. If the assets are considered to be impaired, the impairment we recognize is the amount by which the carrying value of the assets exceeds the fair value of the assets. Fair value is determined by a combination of third-party sources and forecasted discounted cash flows.

Goodwill is reviewed for impairment at least annually, or more frequently if an event occurs indicating the potential for impairment. During the impairment review process, we consider qualitative factors to determine whether it is more likely than not that the fair value of the reporting unit is less than the carrying amount, including goodwill. If we determine that it is not more likely than not that the fair value of our reporting unit is less than the carrying amount, then no additional assessment is deemed necessary. Otherwise, we perform the two-step test for goodwill impairment. The first step involves comparing the estimated fair values of the reporting units with the carrying values, including goodwill. If the carrying amounts of the reporting units exceed the fair values, the second step of the goodwill impairment test is performed to determine the amount of loss, which involves comparing the implied fair values of the goodwill to the carrying values of the goodwill. We completed our most recent annual evaluation for impairment for goodwill and IPR&D as of December 31, 2018 using the qualitative assessment and determined that no impairment existed, and no charges were recorded.

Research and Development Expenses

Research and development expenses consist primarily of costs incurred in connection with the development of our product candidates. We expense research and development costs as incurred.

Expenses related to clinical trials are accrued based on our estimates and/or representations from service providers regarding work performed, including actual level of patient enrollment, completion of patient studies and progress of the clinical trials. Other incidental costs related to patient enrollment or treatment are accrued when reasonably certain. If the amounts we are obligated to pay under our clinical trial agreements are modified (for instance, as a result of changes in the clinical trial protocol or scope of work to be performed), we adjust our accruals accordingly. Revisions to our contractual payment obligations are charged to expense in the period in which the facts that give rise to the revision become reasonably certain.

Incentive Unit-based Compensation

Prior to this offering, we have granted equity awards in the form of Class B common unit awards pursuant to the Zentalis Pharmaceuticals, LLC Profits Interest Plan, or the Profits Interests Plan. Each unvested Class B common unit represents a non-voting equity interest in us that entitles the holder to a percentage of the profits and appreciation in our equity value arising after the date of grant and after such time as an applicable threshold amount is met. Class B common units issued under the Profits Interest Plan with time-based vesting schedules generally vest over a four-year period with cliff vesting for the first year.

The Black Scholes option pricing model, which is a standard option pricing model, is used to estimate the fair value of each profits unit award on the date of grant. This model requires the use of numerous assumptions, including, among others, the expected life of incentive units, volatility of the underlying equity security, risk-free interest rate and dividends. These assumptions reflect our best estimates as we do not have publicly traded equity, have a limited operating history and involve inherent market uncertainties that are outside of our control. The use of different values by management in connection with these assumptions in the Black Scholes option pricing model could produce substantially different results. If we use different assumptions for future grants, unit-based compensation cost could be materially different in future periods.

Determination of the Fair Value of Class B Common Units

As there has been no public market for our common units to date, the estimated fair value of our common units underlying our profit interest awards has been determined on each grant date by our board of directors, with input from management, considering our most recently available third-party valuations of Class B common units. Our third-party valuations resulted in valuations of our Class B common units of $1.47 per unit as of December 21, 2017 and $1.85 per unit as of December 4, 2018. These third-party valuations were performed in accordance with the guidance outlined in the AICPA's Accounting and Valuation Guide, *Valuation of Privately-Held-Company Equity Securities Issued as Compensation.* In addition, our board of directors considered various objective and subjective factors to estimate the estimated fair value of our Class B common units.

Our December 21, 2017 third-party valuation of Class B common units was prepared using the precedent transaction method, a form of the market approach, to estimate our equity value. In order to estimate equity value, the method considers a recent price for preferred units through an arm's length transaction and estimates the total fair value of equity implied by the transaction using an option pricing model. The total fair value of equity on a marketable basis was then allocated between each class of equity, including common units, preferred units, and Profits Interests, utilizing the option pricing model.

Our December 4, 2018 third-party valuation of Class B common units was prepared using the guideline public company method, a form of the market approach, to estimate our equity value. Under the guideline public company method, the total equity value is calculated by identifying and analyzing publicly traded guideline companies. Various financial metrics of these guideline companies, including growth metrics and valuation multiples, are collected and applied to our company to arrive at an equity value. Venture capital rates of return commensurate with the stage of development of the company at the time of valuation were also factored in. The total fair value of equity on a marketable basis was then allocated between each class of equity, including common units, preferred units, and Profits Interests, utilizing the option pricing model.

The assumptions underlying these valuations represent management's best estimates, which involve inherent uncertainties and the application of management judgment. As a result, if factors or expected outcomes change and we use significantly different assumptions or estimates, our share-based compensation expense could be materially different.

Following the closing of this offering, the fair value of our common stock will be determined based on the quoted market price of our common stock.

Profits Interests Granted

The following table summarizes by calendar quarter the number of Profits Interests units granted by us during 2018 as well as the estimated fair value of such grants as of the grant date:

Quarterly Period Ending	Number of Units Granted	Fair Value per Unit Granted
3/31/2018	570,241	$ 1.47
6/30/2018	13,000	$ 1.47
9/30/2018	—	NA
12/31/2018	363,925	$ 1.85
2018 Total	947,166	

Emerging Growth Company Status

We are an "emerging growth company," as defined in the JOBS Act, and we may take advantage of reduced reporting requirements that are otherwise applicable to public companies. Section 107 of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies are required to comply with those standards. We have elected to take advantage of the extended transition period for complying with new or revised accounting standards; and as a result of this election, our financial statements may not be comparable to companies that comply with public company effective dates. The JOBS Act also exempts us from having to provide an auditor attestation of internal control over financial reporting under Sarbanes-Oxley Act Section 404(b).

We will remain an "emerging growth company" until the earliest of (1) the last day of the fiscal year in which we have total annual gross revenues of $1.07 billion or more, (2) the last day of the fiscal year following the fifth anniversary of the completion of this initial public offering, (3) the date on which we have issued more than $1.0 billion in nonconvertible debt during the previous three years or (4) the date on which we are deemed to be a large accelerated filer under the rules of the SEC, which generally is when we have more than $700 million in market value of our stock held by non-affiliates and we have been a public company for at least 12 months and have filed one annual report on Form 10-K.

Recent Accounting Pronouncements

A description of recent accounting pronouncements that may potentially impact our financial position, results of operations or cash flows is disclosed in Note 2 to our audited consolidated financial statements included elsewhere in this prospectus.

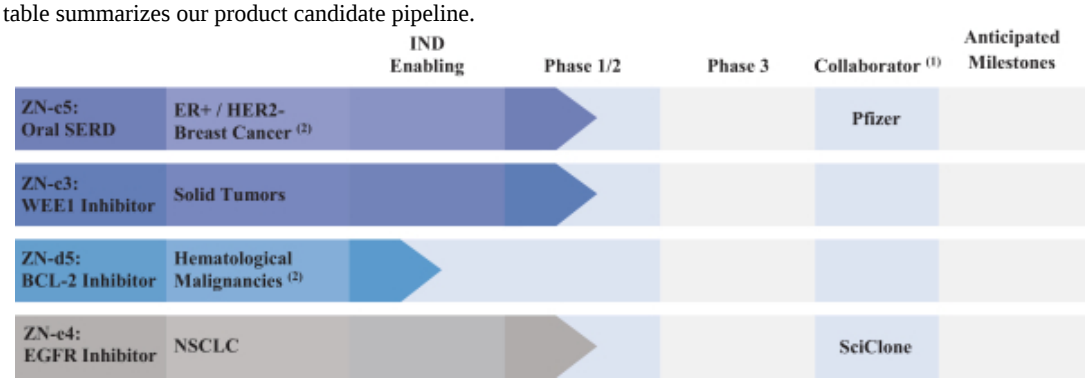
BUSINESS

Overview

We are a clinical-stage biopharmaceutical company focused on discovering and developing clinically differentiated, small molecule therapeutics targeting fundamental biological pathways of cancers. We use our highly efficient drug discovery engine, which we refer to as our Integrated Discovery Engine, to identify targets and develop small molecule new chemical entities with properties that we believe could result in potentially best-in-class product profiles. Our discovery engine combines our extensive experience and capabilities across cancer biology and medicinal chemistry. We believe our product candidates are differentiated from current programs targeting similar pathways and have the potential to significantly impact the lives of patients with cancer.

We are developing a broad pipeline of product candidates with an initial focus on oncology targets that have been validated clinically and have the potential to address large patient populations. Our lead product candidate, ZN-c5, is an oral selective estrogen receptor degrader, or SERD, currently in a Phase 1/2 clinical trial for the treatment of advanced estrogen receptor-positive, human epidermal growth factor receptor 2-negative, or ER+/HER2- advanced or metastatic breast cancer. We have designed ZN-c5 to have properties with the potential to provide a best-in-class product profile, including high potency and selectivity as well as compelling tolerability and pharmacokinetic, or PK, properties. We expect to report data from the monotherapy dose escalation portion of this Phase 1/2 trial in . Our other product candidates include ZN-c3, an inhibitor of WEE1, a protein tyrosine kinase, currently in a Phase 1/2 clinical trial for the treatment of advanced solid tumors; ZN-d5, a selective inhibitor of B-cell lymphoma 2, or BCL-2, initially in development for the treatment of hematological malignancies, and ZN-e4, a third-generation inhibitor of epidermal growth factor receptor, or EGFR, currently in a Phase 1/2 clinical trial for the treatment of advanced non-small cell lung cancer, or NSCLC. We expect to report data from the trials of ZN-c3 and ZN-e4 in and , respectively, and to submit an investigational new drug application, or IND, to the U.S. Food and Drug Administration, or FDA, for ZN-d5 in the first half of 2020. We currently own worldwide development and commercialization rights to each of our product candidates, other than in select Asian countries (including China) for ZN-e4 for which we have out-licensed these rights.

The following table summarizes our product candidate pipeline.



(1) We are currently evaluating ZN-c5 in combination with palbociclib as part of a clinical research collaboration with Pfizer. We maintain full ownership of ZN-c5 in this collaboration with Pfizer. SciClone has development and commercial rights to ZN-e4 in Greater China (including Macau and Hong Kong), South Korea, Taiwan and Vietnam.
(2) We plan to explore the combination potential of ZN-c5, our oral SERD, with ZN-d5, our BCL-2 inhibitor, for the treatment of ER+/HER2- breast cancer.

We are also currently advancing multiple small molecule programs in preclinical development for other cancer indications, including select solid tumors and hematological malignancies. We are now in lead optimization for our fifth product candidate and plan to submit an IND to the FDA in 2021.

In the five years since our inception, we have successfully cleared three INDs with the FDA and expect to submit a fourth IND in the first half of 2020 and a fifth IND in 2021. Our Integrated Discovery Engine has enabled us to take each of our clinical product candidates from initial discovery to IND submission in less than three years in a capital efficient manner. We begin our process of drug discovery by identifying fundamental biological pathways of cancers based on a number of factors, including clinical validation and ability to impact large patient populations. We then analyze existing marketed products and compounds in development that target these cancer pathways and assess their limitations, efficacy, safety, tolerability, PK, patient convenience, and potential to be used in combination with other therapies. Next, we use our medicinal chemistry expertise and extensive understanding of target-drug structure activity to design proprietary NCEs with properties that we believe can address observed limitations and suboptimal drug characteristics of marketed products or other compounds in development, including potency, solubility, route of administration and PK properties. We believe overcoming these limitations may also allow us to develop these product candidates for use in combination with other therapies, including with our internally developed product candidates. Finally, we strive to generate preclinical data to support that such candidates could have a best-in-class product profile in our expected lead indications before advancing a compound into clinical development. We have used our Integrated Discovery Engine to generate a pipeline of four product candidates targeting solid tumors and hematological malignancies. Longer term, we believe our discovery engine has the potential to generate product candidates addressing a wide range of additional therapeutic areas.

Our lead product candidate, ZN-c5, is an oral SERD for the treatment of ER+/HER2- advanced or metastatic breast cancer. ER+/HER2- breast cancer affects approximately 70% of all breast cancer patients in the United States. These tumors depend on the estrogen receptor, or ER, for growth and survival, and are currently treated by a number of approved hormonal therapies. We have designed ZN-c5 to overcome limitations of existing hormonal therapies, including the only FDA-approved SERD, fulvestrant (marketed as Faslodex® by AstraZeneca). Despite its limitations, Faslodex generated worldwide sales of over $1.0 billion in 2018, reflecting part of the significant potential of the SERD therapeutic class in ER+/HER2- breast cancer.

We believe ZN-c5, if approved, may have a potentially best-in-class product profile due to the compelling oral PK data and tolerability observed in clinical trials to date, its preclinical activity, including high potency and selectivity, and convenient oral administration. Additionally, we believe ZN-c5, has the potential to be used as monotherapy and in combinations, and could become the standard of care for hormonal therapy in the treatment of all lines of ER+/HER2- breast cancer. We are currently dosing ZN-c5 in a Phase 1/2 clinical trial in patients with ER+/HER2- advanced or metastatic breast cancer, both as monotherapy and in combination with palbociclib (marketed as Ibrance® by Pfizer) as part of a clinical research collaboration with Pfizer. Palbociclib is an inhibitor of cyclin dependent kinases 4 and 6, or CDK4/6, and is FDA approved for ER+/HER2- advanced or metastatic breast cancer patients in combination with hormonal therapies, such as fulvestrant. We expect to report data from the monotherapy dose escalation portion of this Phase 1/2 trial in .

ZN-c3 is our oral, small molecule inhibitor of WEE1, a DNA damage response protein. The inhibition of WEE1 aims to allow sufficient DNA damage in cancer cells to cause them to undergo programmed cell death, or apoptosis, thereby preventing tumor growth and potentially causing tumor regression. There is currently no FDA-approved WEE1 inhibitor. We believe ZN-c3, if approved, may have broad applicability in a wide range of cancers as monotherapy and in combination, including with chemotherapy agents and other targeted therapies. We are currently conducting a Phase 1/2 clinical trial of ZN-c3 in patients with advanced solid tumors. We expect to report data from the Phase 1 portion of this trial in .

ZN-d5 is our oral, small molecule inhibitor of BCL-2 that we are initially developing for the treatment of hematologic malignancies. We plan to submit an IND to the FDA in the first half of 2020 and initiate a Phase 1 clinical trial of ZN-d5 in patients with acute myeloid leukemia, or AML, or B-cell lymphoma in .

ZN-e4 is our oral, small molecule product candidate being developed as a third generation inhibitor of EGFR. EGFR regulates a number of cellular functions, including cell proliferation and survival, and is a driver of tumor growth in certain cancers, including lung cancer. We have designed ZN-e4 to have improved selectivity compared to the FDA-approved third-generation inhibitor of EGFR, osimertinib (marketed as Tagrisso® by AstraZeneca). We are conducting a Phase 1/2 clinical trial of ZN-e4 in patients with advanced NSCLC with activating EGFR mutations and are currently evaluating potential combination therapies for future clinical development of ZN-e4. We expect to report data from the Phase 1 portion of the trial in .

Our History and Team

We began operations in January 2015. We have assembled a management team of biopharmaceutical experts with extensive experience in building and operating organizations that develop and deliver innovative medicines to patients. Our management team has broad expertise and successful track records in drug discovery, clinical development, regulatory affairs, manufacturing and commercialization of cancer therapies, as well as in business and finance, through previous experiences at leading institutions including Aisling Capital, Array Biopharma, Goldman Sachs, IQVIA, Merck, Morgan Stanley, Novartis, Paratek Pharmaceuticals, Pfizer, PsiOxus Therapeutics, R-Pharm US and Taiho Oncology.

We are guided by our board of directors, scientific advisory board and business advisory board. Our renowned scientific and business advisory boards are comprised of key scientific and clinical thought leaders in oncology: Stephen Ansell, M.D., Ph.D., Andrew Badley, M.D., Robert Glassman, M.D., Shaji Kumar, M.D., Anthony Letai, M.D., Ph.D., Ross Levine, M.D., Donald McDonnell, Ph.D., Jun Qi, Ph.D., Chad Robins, M.B.A., and Kwok-Kin Wong, M.D., Ph.D. These individuals are associated with the following leading institutions: Adaptive Biotechnologies, Credit Suisse, Duke University, Harvard Medical School, Mayo Clinic, Memorial Sloan Kettering Cancer Center and NYU Langone Health.

We believe our experienced and diverse team is well positioned to leverage our highly efficient, Integrated Discovery Engine to identify targets and develop clinically differentiated, potentially best-in-class small molecule NCEs targeting fundamental biological pathways of cancers that address large patient populations.

Strategy

Our goal is to become a leading oncology-focused biopharmaceutical company. Our strategy includes the following key components:

- ***Discover and develop clinically differentiated, best-in-class small molecule NCEs that address large patient populations in cancer.*** We have leveraged our broad industry experience and know-how, and the guidance of our scientific and business advisory boards, to build our Integrated Discovery Engine. This engine integrates our extensive capabilities across cancer biology and medicinal chemistry. We use our Integrated Discovery Engine to identify targets and develop clinically differentiated, potentially best-in-class small molecule NCEs that, if approved, could offer meaningful benefits for patients. We focus on targets that play a fundamental role in cancer biology and that impact large patient populations affected by cancer. We have initially chosen to focus on targets that have been validated clinically and, in most cases, commercially.
- ***Rapidly advance the development of our lead product candidate, ZN-c5, our oral SERD, toward regulatory approval for the treatment of ER+/HER2- advanced or metastatic breast cancer.*** We have designed ZN-c5 to overcome limitations of existing hormonal therapies including fulvestrant, the only FDA-approved SERD. We believe that the potency, selectivity, preclinical anti-tumor activity and tolerability and compelling oral PK data in studies of ZN-c5 amount to a potentially best-in-class product profile, if approved. We are evaluating ZN-c5 as a treatment of ER+/HER2- advanced or metastatic breast cancer. ER+/HER2- breast cancer affects approximately 70% of all breast cancer

patients in the United States. We are currently evaluating ZN-c5 in an ongoing Phase 1/2 clinical trial in patients with ER+/HER2- advanced or metastatic breast cancer and intend to report data from the monotherapy dose escalation portion of this Phase 1/2 trial in .

- ***Advance our additional product candidates, ZN-c3 (WEE1 Inhibitor), ZN-d5 (BCL-2 Inhibitor) and ZN-e4 (EGFR Inhibitor), across multiple cancer indications.*** We are advancing the development of our other small molecule NCEs targeting clinically validated fundamental biological cancer pathways. These product candidates are designed to produce clinically differentiated, potentially best-in-class product profiles. ZN-c3 is currently in a Phase 1/2 clinical trial for the treatment of advanced solid tumors; ZN-d5 is initially in development for the treatment of hematological cancers; and ZN-e4 is currently in a Phase 1/2 clinical trial for the treatment of advanced NSCLC. We expect to report data from the trials of ZN-c3 and ZN-e4 in and , respectively, and to submit an IND to the FDA for ZN-d5 in the first half of 2020.
- ***Continue to evaluate our product candidate pipeline in combination with internally discovered and third-party compounds.*** We believe the future of cancer treatment is to target multiple fundamental biological pathways through combination therapies. In our preclinical studies and clinical trials, our product candidates have shown the potential for combination with other approved and development-stage cancer therapies. For example, we are dosing ZN-c5, our oral SERD, in combination with palbociclib for the treatment of ER+/HER2- advanced or metastatic breast cancer. We also plan to explore other potential combinations for our product candidates with internally developed compounds. For example, we plan to explore the combination potential of ZN-c5, our oral SERD, with ZN-d5, our BCL-2 inhibitor, for the treatment of breast cancer.
- ***Deploy our highly efficient Integrated Discovery Engine to further expand our product candidate pipeline.*** Our robust product candidate pipeline is enabled by our highly efficient drug discovery engine, which we plan to continue to leverage to discover and develop additional clinically differentiated, potentially best-in-class small molecule NCEs for the treatment of cancer. In the five years since our inception, we have successfully cleared three INDs with the FDA and expect to submit a fourth IND in the first half of 2020 and a fifth IND in 2021. Our Integrated Discovery Engine has enabled us to take our clinical product candidates from initial discovery to acceptance of IND in less than three years per program and in a capital efficient manner. We are also currently advancing multiple small molecule programs in preclinical studies for other cancer indications, including select solid tumors and hematological malignancies.
- ***Evaluate strategic opportunities to accelerate development timelines and maximize the value of our product candidate pipeline.*** We currently own the worldwide development and commercial rights to each of our product candidates, other than in greater China (including Macau and Hong Kong), South Korea, Taiwan and Vietnam for ZN-e4 (EGFR Inhibitor) for which we have out-licensed these rights. We intend to evaluate additional collaborations that could maximize the value of our product candidate pipeline, either through the evaluation of our product candidates in combination with compounds owned by third-parties or through geographic collaborations outside of the United States that allow us to leverage the existing infrastructure of other companies.

Our Zentalis Approach

We have leveraged our extensive industry experience and know-how, and the guidance of our scientific advisory board, to build our Integrated Discovery Engine that integrates our extensive capabilities across cancer biology and medicinal chemistry. This engine enables us to identify targets for which small molecule NCEs with high potency, high exposure and other optimized drug properties could yield potentially differentiated or best-in-class product profiles. Our approach centers on utilizing our Integrated Discovery Engine to identify such targets and subsequently develop product candidates that address targets with large cancer patient populations. At the core of our Integrated Discovery Engine is our experienced and proven management team, as well as our renowned chemistry team that has over 150 years of combined discovery expertise and who have collectively

brought 35 product candidates into clinical development, including 27 oncology product candidates. Due in large part to our Integrated Discovery Engine, we have three active INDs with the FDA and expect to submit a fourth IND in the first half of 2020 and a fifth IND in 2021.

Our Integrated Discovery Engine is executed through the following process:

- ***First***, identify fundamental biological pathways of cancers, considering a number of factors, including clinical validation, input from our scientific and business advisory boards, large unmet medical need and market opportunity.
- ***Second***, identify and analyze key products or compounds targeting these cancer pathways and assess their limitations, including with respect to efficacy, safety, tolerability, PK, patient convenience, and their potential to be used in combination.
- ***Third***, use our medicinal chemistry expertise and deep understanding of target-drug structure activity relationships to create proprietary NCEs that are designed to improve upon and address observed limitations of existing products or compounds.
- ***Fourth***, generate strong preclinical data to support our view that such candidates could be potentially differentiated or have a potentially best-in-class product profile in our expected lead indications, if approved, before moving a compound into clinical development.

Our highly efficient Integrated Discovery Engine has enabled us to develop, a diverse pipeline of product candidates entirely in-house and in a capital efficient manner. Across our three clinical programs, we have synthesized an average of approximately 80 compounds and have progressed from initial concept to submission of IND in less than three years per program, a significantly shorter period than the 66 month average among large pharmaceutical institutions. The estimated direct costs of each of these clinical programs from initial concept to acceptance of IND were less than $10.0 million.

First Four Programs Generated Using Zentalis' Integrated Discovery Engine

Programs	Oral SERD	WEE1 Inhibitor	BCL-2 Inhibitor	EGFR Inhibitor
Initial Indication	ER+ / HER2- Breast Cancer	Solid Tumors	Hematological Malignancies	NSCLC
# of Compounds Screened	67	151	86	18
Time to IND	28 months	33 months	40 months (1)	31 months

(1) We plan to submit an IND to the FDA in the first half of 2020; date for IND submission estimated to be June 30, 2020 for purposes of this table.

We have initially chosen to focus on targets that have been validated clinically and, in most cases, commercially. This provides us with a clear understanding of the indications we will target and endpoints that have been required for regulatory approval of products for these indications in the past, as well as the potential for clinical adoption and commercial success. This strategy has enabled us to begin our drug discovery and development process at an advanced state relative to where the process would otherwise begin in focusing on uncharacterized targets. We believe this ability provides us with an efficient path to identifying novel drug compounds and advancing them into clinical development in a capital efficient manner.

Our Product Candidates

ZN-c5, an Oral SERD for the Treatment of ER+/HER2- Breast Cancer

Overview

We are developing ZN-c5, an oral, small molecule product candidate targeting the ER, a key driver of tumor growth and survival in ER+/HER2- breast cancer. These tumors are currently treated by a number of hormonal therapies; however, in contrast to most ER binders that simply block or modulate ER activity, ZN-c5 is also designed to cause degradation of the ER. As such, ZN-c5 is known as a Selective ER Degrader, or SERD. Fulvestrant, marketed as Faslodex® by AstraZeneca, is currently the only FDA-approved SERD. While effective, fulvestrant is limited to its FDA-approved dosing regimen of two painful 5mL concomitant monthly intramuscular injections, thus restricting the level of ER degradation that can be induced in patients, which we believe limits its efficacy. We have applied our expertise to design ZN-c5 as an oral potent and selective SERD with improved solubility, long half-life and other compelling PK properties as compared to fulvestrant, characteristics which we believe may establish higher human exposure and potentially provide improved efficacy. We believe ZN-c5, if approved, has the potential to be used as monotherapy and in combinations and could become the standard of care for hormonal therapy in the treatment of all lines of ER+/HER2- breast cancer.

We are currently conducting a Phase 1/2 clinical trial of ZN-c5 in patients with ER+/HER2- advanced or metastatic breast cancer. ER+/HER2- breast cancer affects approximately 70% of all breast cancer patients in the United States. We continue to enroll patients and collect data for ZN-c5 administered as monotherapy and recently we initiated dose escalation cohorts in combination with palbociclib as part of a clinical research collaboration with Pfizer. Palbociclib, marketed as Ibrance®, is a CDK4/6 inhibitor that is FDA approved for the treatment of ER+/HER2- advanced or metastatic breast cancer in combination with hormonal therapies, such as fulvestrant. We maintain full ownership of ZN-c5 in this collaboration. We expect to report data from the monotherapy dose escalation portion of this Phase 1/2 trial in .

Background on Breast Cancer and Current Treatments

Breast cancer is the most prevalent cancer in women, accounting for 30% of all female cancers and 13% of cancer-related deaths in the United States. The National Cancer Institute estimated that approximately 270,000 new cases of breast cancer would be diagnosed in the United States in 2019, and approximately 42,000 breast cancer patients would die of the disease.

Breast cancer tumor growth is dependent on two main protein receptors: estrogen receptor and human epidermal growth factor receptor 2. Approximately 70% of breast cancers in the United States are ER+/HER2-, meaning that they express ER and not HER2, and therefore depend on estrogen signaling for tumor growth and survival. These ER+ tumors are sometimes referred to as hormone receptor positive, or HR+ tumors, and are currently treated using several approaches:

- by blocking receptor function with selective ER modulators, or SERMs;
- by blocking the synthesis of these hormones with aromatase inhibitors, or AIs; or
- by degrading, and thus potentially eliminating ER receptors with a drug in the SERD class.

AIs have demonstrated superior clinical benefit to SERMs, including tamoxifen, and SERDs have demonstrated superior clinical benefit to AIs.

FDA-Approved SERD, Fulvestrant, and its Limitations

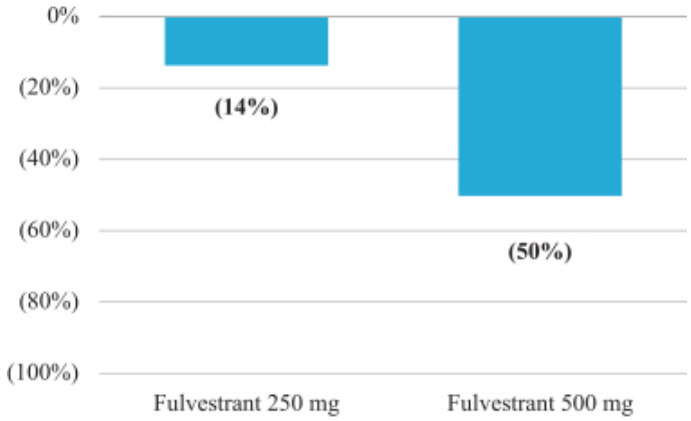
Currently, fulvestrant is the only FDA-approved SERD. Fulvestrant is FDA-approved for first and second-line treatment for women with HR+/HER2- advanced breast cancer both as monotherapy and as combination

therapy with a number of other drug classes. Fulvestrant has demonstrated improved efficacy relative to AIs. In a randomized double-blind, placebo-controlled trial in treatment naïve advanced and metastatic breast cancer patients, treatment with 500 mg of fulvestrant resulted in median progression free survival, or PFS, of 16.6 months versus 13.8 months for anastrozole, an FDA-approved oral AI marketed as Arimidex® by ANI Pharmaceuticals. However, fulvestrant has a number of pharmacological characteristics that require it to be delivered via two painful 5mL concomitant monthly intramuscular injections, which we believe may limit its efficacy and tolerability. Despite these limitations, AstraZeneca reported worldwide sales of Faslodex of over $1.0 billion in 2018.

We believe the following limitations associated with fulvestrant create an opportunity to develop a SERD with a superior product profile:

- ***Route of administration***. Fulvestrant is highly insoluble and must be given via painful intramuscular injection. Fulvestrant is dosed monthly following two initial loading doses administered two weeks apart, and can only be delivered via two painful 5mL concomitant monthly intramuscular injections.
- ***Capped efficacy in humans.*** Results of third-party clinical trials have shown that higher doses of fulvestrant increased ER degradation and efficacy. In a randomized Phase 2 clinical trial evaluating fulvestrant in 211 postmenopausal women with ER+ locally advanced or metastatic breast cancer, 250 mg and 500 mg of fulvestrant achieved a mean change of 14% and 50% of ER degradation, respectively, in each case measured at week 4 from dosing. In addition, in a Phase 3 clinical trial, the 500 mg dose arm achieved a median overall survival of 26.4 months as compared to 22.3 months achieved in the 250 mg dose arm.

Mean Change in ER Expression Levels (Week 4)



In preclinical mouse models, administration of 200 mg/kg of fulvestrant showed meaningful anti-tumor activity. However, based on recent published scientific literature, the human equivalent of the 200 mg/kg dose of fulvestrant results in exposure that is an estimated eight-fold higher than what is clinically achievable with the highest FDA-approved human dose (500 mg) of fulvestrant. Based on these clinical and preclinical data, we believe the overall efficacy that can be achieved with the administration of fulvestrant may be capped by the current FDA-approved dose.

- ***Convenience and resource utilization***. The administration of fulvestrant as an intramuscular injection requires once monthly visits by patients to their health care providers, resulting in patient inconvenience and burden, such as time away from work. These injections also result in injection site pain, as well as bleeding complications in those patients with bleeding tendencies or anticoagulant use. In addition, significant injection related events such as sciatica, neuralgia, neuropathic pain, and

peripheral neuropathy have been reported. Furthermore, we believe the combination of monthly intramuscular injections with a daily oral therapy, such as a CDK4/6 inhibitor, does not achieve optimal patient compliance.

SERD Use in Combination

Fulvestrant is FDA approved as a combination therapy with a number of other drug classes:

- ***CDK4/6 inhibitors***. One common mechanism of resistance to fulvestrant is the activation of the CDK4/6 pathway. Fulvestrant administered in combination with oral CDK4/6 inhibitors has demonstrated improved clinical efficacy when compared with fulvestrant as monotherapy. In a randomized, double-blind clinical trial, treatment of HR+/HER2- advanced breast cancer patients with a combination of fulvestrant and palbociclib demonstrated a median PFS of 9.5 months compared to 4.6 months for those patients dosed with fulvestrant as a single agent. These patients had previously progressed on or after prior endocrine therapy. Worldwide sales of currently marketed CDK4/6 inhibitors, which are indicated for the treatment of breast cancer, were $4.6 billion in 2018, and are expected to grow to $12.2 billion in 2024. Worldwide sales of palbociclib were $4.1 billion in 2018 and are expected to grow to $9.1 billion in 2024.
- ***Phosphoinositide 3-kinase, or PI3K, inhibitors***. Another common mechanism of resistance to fulvestrant is the activation of the PI3K pathway, an important intracellular pathway that regulates cell growth and metabolism. Approximately one third of HR+ breast cancer tumors resistant to endocrine therapy harbor activating mutations of the catalytic subunit of PI3K, referred to as PIK3CA. Fulvestrant used in combination with alpelisib, an oral PI3K inhibitor marketed as Piqray® by Novartis approved by the FDA in May 2019, has demonstrated improved clinical efficacy in patients whose tumors had a PIK3CA mutation. In a randomized, double-blind clinical trial, treatment of HR+/HER2- advanced breast cancer patients with a PIK3CA mutation with a combination of fulvestrant and alpelisib led to a median PFS of 11.0 months compared to 5.7 months for those patients treated with fulvestrant as monotherapy. These patients had previously progressed on or after prior endocrine therapy. Worldwide sales of Piqray®, currently only FDA-approved for the treatment of breast cancer, are expected to grow to $1.0 billion in 2024.

Clinical data has also shown promising results from the use of fulvestrant with other targeted therapies:

- ***Mammalian target of rapamycin, or mTOR, inhibitors***. Similar to CDK4/6 and PI3K, the mTOR pathway has also been identified as a mechanism of resistance to endocrine therapy. Everolimus is an mTOR inhibitor that is currently approved by the FDA for the treatment of HR+/HER2 advanced breast cancer in combination with exemestane, an AI. Everolimus has also shown clinical benefit in combination with fulvestrant. In a randomized, double-blind clinical trial, treatment of HR+/HER2- advanced breast cancer patients with a combination of fulvestrant and everolimus demonstrated a median PFS of 10.3 months compared to 5.1 months for those patients dosed with fulvestrant as monotherapy. These patients had previously progressed on or after prior AI therapy. Worldwide sales in breast cancer of everolimus, marketed as Afinitor® by Novartis and a leading mTOR inhibitor, were approximately $840.0 million in 2018.

Our SERD Solution: ZN-c5

We believe a conveniently administered oral SERD with superior efficacy could be indicated for monotherapy or in combinations, and could become the standard of care for hormonal therapy in the treatment of all lines of ER+/HER2- breast cancer.

ZN-c5 is our oral SERD product candidate, which we believe has the potential to overcome limitations of existing hormonal therapies and, if approved, could have a best-in-class product profile due to the following observed attributes:

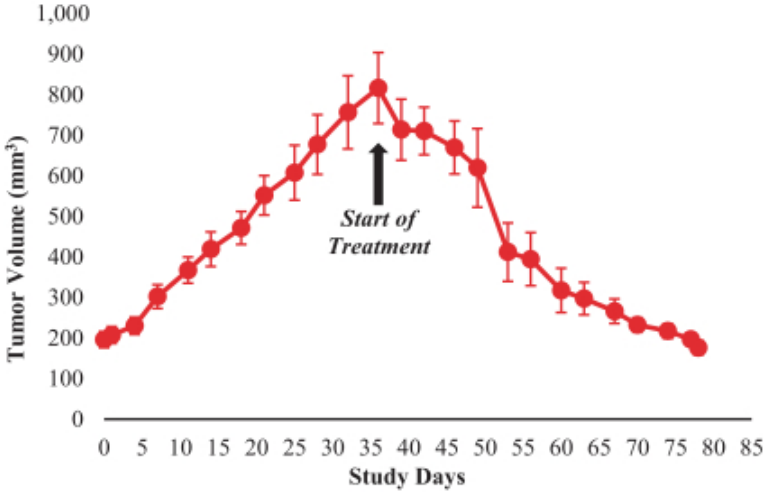
- ***High potency and selectivity.*** In our *in vitro* preclinical studies, ZN-c5 demonstrated high potency and selectivity in binding and degrading the ER, similar to that of fulvestrant. In addition, ZN-c5 has exhibited no agonist activity in animal models which, if present, may compromise its anti-tumor activity.
- ***Strong preclinical anti-tumor activity***. In preclinical studies, ZN-c5 demonstrated anti-tumor activity in multiple breast cancer cell lines, both as monotherapy and in combination with CDK4/6 inhibitors and PI3K inhibitors, as well as superior tumor growth inhibition when compared to fulvestrant.
- ***Compelling PK characteristics***. In preclinical and clinical studies to date, oral dosing of ZN-c5 has shown high exposure levels.
- ***Favorable tolerability profile***. In preclinical studies, ZN-c5 was well tolerated in one-month repeat dose toxicology studies. In addition, based on interim and preliminary data from our Phase 1/2 clinical trial as of the data cutoff date of November 11, 2019, we have observed ZN-c5 to be well tolerated with no dose-limiting toxicities reported.
- ***Convenience of administration.*** ZN-c5 was designed to be a once-daily oral drug. If approved, we believe this would provide patient convenience and the potential for an all oral dosing regimen as monotherapy and in combination with CDK4/6 inhibitors and other oral targeted therapies.

In our Phase 1/2 clinical trial, we are evaluating the potential of ZN-c5 as monotherapy and in combination with palbociclib, a CDK4/6 inhibitor, as part of a clinical development collaboration with Pfizer.

Preclinical Results

Potency of ZN-c5 in Combination Therapy in MCF-7 Breast Cancer Xenograft Model

We have assessed the potency of the combination of ZN-c5 and palbociclib in mice with MCF-7 tumors. In this study, the tumors were initially grown to a large size of over 800 mm^3, at which point treatment began on day 36. We observed that the combination of ZN-c5 and palbociclib, both dosed orally, led to the meaningful shrinkage of these tumors to a mean size of less than 200 mm^3 by day 78, as shown in the graph below.



ER Degradation in MCF-7 Models

In preclinical studies, we observed that ZN-c5 was highly potent in binding to ERa, at 12nM and degrading the ER. In the treatment of MCF-7 breast cancer cells, ZN-c5 was observed to have similar potency to that of fulvestrant, as measured by proliferation inhibition and degradation of ERa, as shown in the table below. In addition, as compared to RAD1901, a SERM/SERD being evaluated by a third party in an ongoing Phase 3 clinical trial, ZN-c5 was observed to have approximately 500 fold greater potency as measured by ERa degradation and similar potency as measured by proliferation inhibition.

COMPOUND	PROLIFERATION INHIBITION IC_{50}(1) MCF-7 (nM)	ERa DEGRADATION EC_{50}(2) MCF-7 (nM)
Fulvestrant	0.73	0.2
RAD1901	0.35	97
ZN-c5	**0.45**	**0.19**

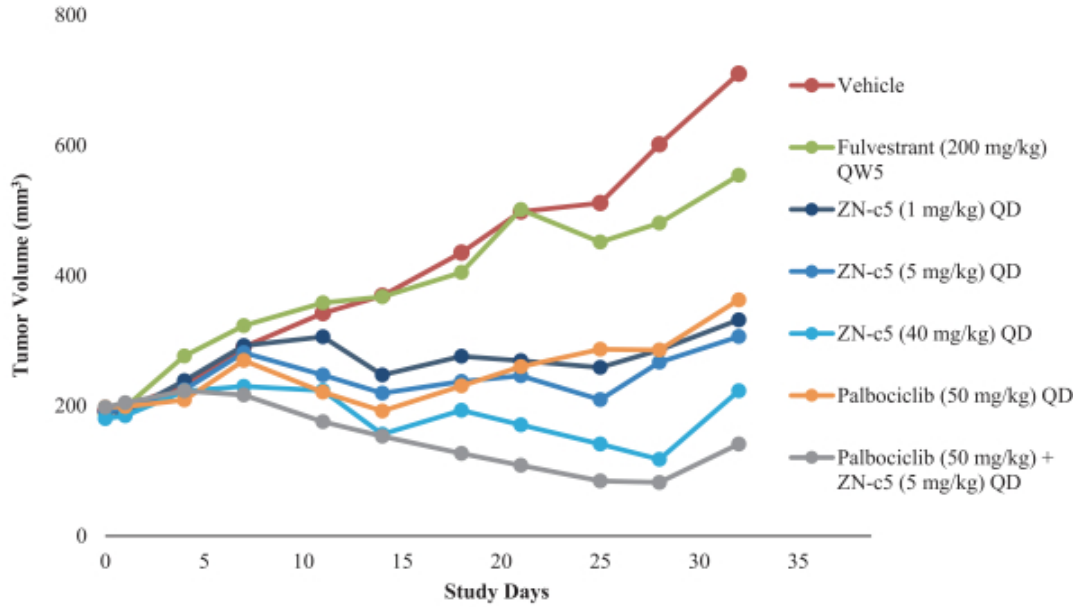
(1) IC_{50}: the concentration of an inhibitor where the response or binding is reduced by half
(2) EC_{50}: the concentration of a drug that gives half-maximal response

Assessment of Agonist Activity

In preclinical studies, we observed no difference in agonist activity of ZN-c5 as compared to vehicle in a standard Uterine Wet Weight (UWW) animal model which, if present, may otherwise compromise anti-tumor activity.

Anti-tumor Activity in MCF-7 Breast Cancer Xenograft Model

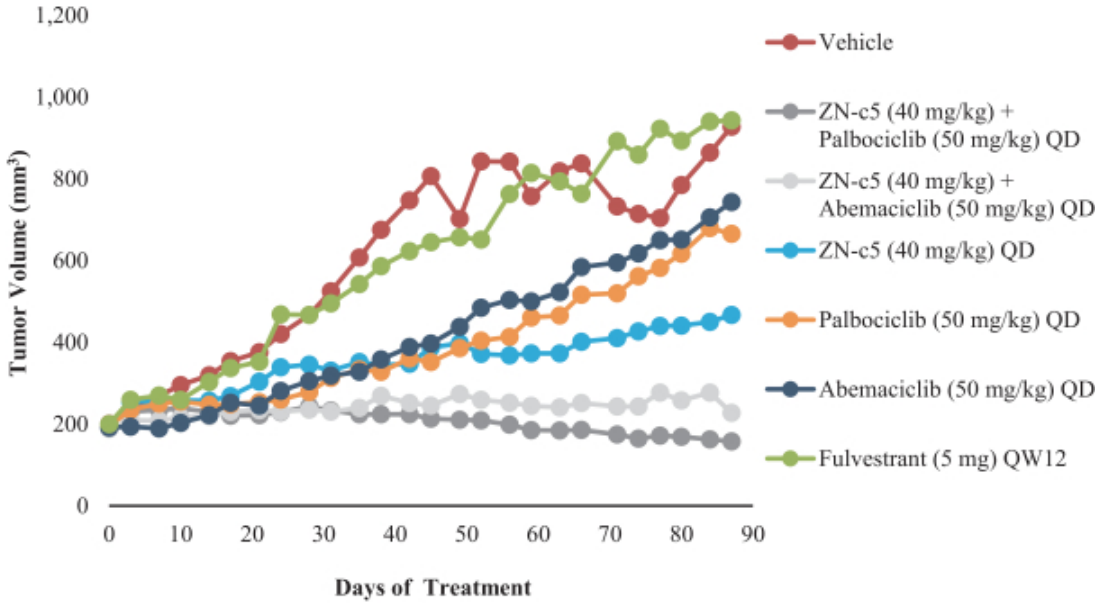
In a preclinical study, we assessed the anti-tumor activity of ZN-c5 in multiple breast cancer cell lines, both as monotherapy and in combination with CDK4/6 inhibitors. As shown in the graph below, in a xenograft model using human MCF-7 breast cancer cells, we observed that ZN-c5 dosed at 1 mg/kg had more potent anti-tumor activity than 200 mg/kg of fulvestrant. Even greater anti-tumor activity was observed by either increasing the dose of ZN-c5 to 40 mg/kg or by combination therapy using 5 mg/kg of ZN-c5 and 50 mg/kg of palbociclib.



Notes:
QW5: Once per week (5 doses in 5 weeks)
QD: Once daily

Anti-Tumor Activity in Breast Cancer Resistance Model (ESR1)

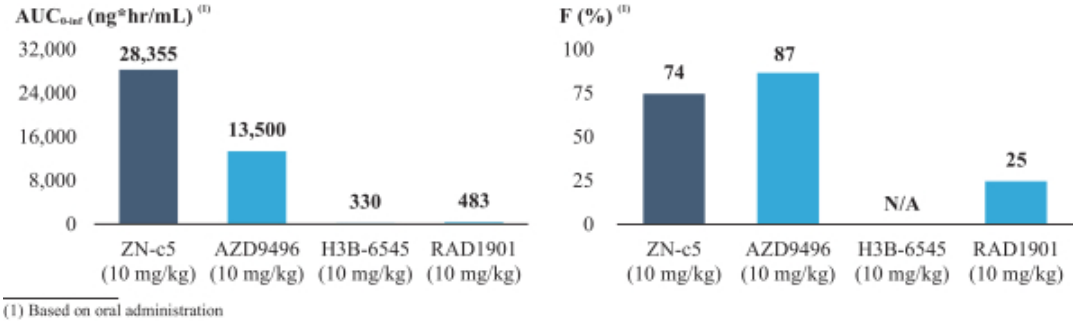
In a preclinical study, we assessed anti-tumor activity of ZN-c5 as monotherapy and in combinations with palbociclib and abemaciclib (marketed as Verzenio® by Eli Lilly) in animal models using patient-derived tumors, referred to as PDX models. In the WHIM20 model, tumors were established in mice from a tumor isolated from a patient with metastatic breast cancer. This tumor contained a mutation in the ESR1, the gene encoding the ER. These mutations are a common mechanism that drives resistance to therapy, with a prevalence of resistance that ranges from 11% to 39%. As shown in the graph below, ZN-c5 was observed to have anti-tumor activity at a concentration of 40 mg/kg as a single agent in this model. As monotherapy, ZN-c5 demonstrated improved anti-tumor activity compared with the fulvestrant dose that results in exposure that is an estimated eight-fold higher than what is clinically achievable with the highest FDA-approved human dose of fulvestrant. Further, tumor shrinkage was observed with doses of 40 mg/kg ZN-c5 in combination with 50 mg/kg palbociclib and in combination with 50 mg/kg abemaciclib.



Notes:
QD: once daily
QW12: once per week (12 doses in 12 weeks)

PK Data Comparison in Mouse Model

In preclinical mouse studies, oral dosing of ZN-c5 resulted in peak concentrations, or C_{max} , of 5,017 ng/mL, which is higher than other selected hormonal therapies in clinical development. As shown below, ZN-c5 also had increased overall drug exposure, or AUC, as measured by ng*hr/mL, and favorable oral bioavailability (F), which the fraction of an oral administered drug that reaches systemic circulation.



(1) Based on oral administration

Toxicology Results

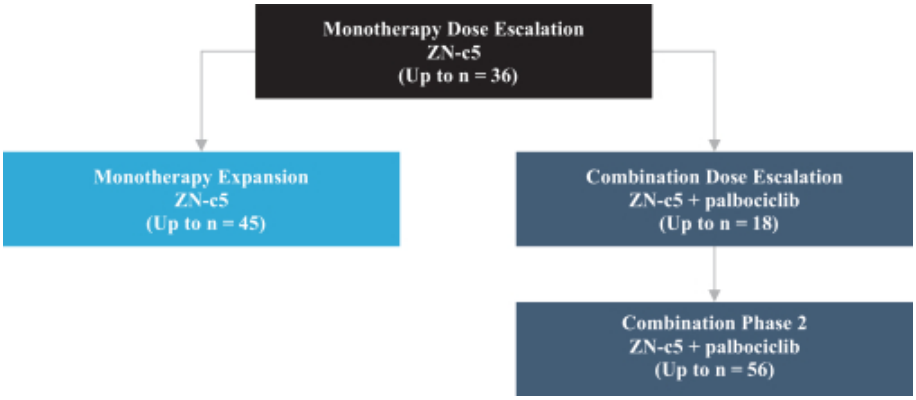
ZN-c5 was well tolerated in 28-day repeat dose toxicology studies and produced no evidence of diarrhea.

Phase 1/2 Clinical Trial of ZN-c5

Trial Design

In December 2018, we initiated enrollment in our Phase 1/2 open label, multi-center trial of ZN-c5 in patients with ER+/HER2- advanced or metastatic breast cancer, which we refer to as our ZN-c5-001 Trial, to assess the safety, tolerability, PK, PD and anti-tumor activity of ZN-c5 as monotherapy and in combination with palbociclib. We plan to enroll a total of approximately 155 patients in the trial, which will be conducted at multiple sites in the United States and Europe.

The Phase 1 portion of our ZN-c5-001 Trial consists of: a monotherapy dose escalation study, a monotherapy expansion study and a combination dose escalation study evaluating ZN-c5 in combination with palbociclib. The Phase 2 portion will evaluate preliminary anti-tumor efficacy of ZN-c5 in combination with palbociclib.



Phase 1, Monotherapy Dose Escalation

The primary objective of the Phase 1, monotherapy dose escalation portion of this trial is to determine the maximum tolerated dose, or MTD, and recommended Phase 2 dose, or RP2D. The secondary objectives include, among others, to assess the PK, safety and tolerability as well as preliminary efficacy of ZN-c5. In addition, biomarkers will be assessed based on availability of patient biopsies.

In the Phase 1, monotherapy dose escalation portion of this trial, ZN-c5 is being evaluated in up to 36 adult patients with ER+/HER2- advanced or metastatic breast cancer who are refractory to or intolerant of established cancer therapies, and who may have received up to two prior chemotherapy regimens for advanced/metastatic breast cancer. ZN-c5 is being orally administered, once daily continuously at sequentially escalating doses starting with 50 mg/day and up to 1,200 mg/day, using a 28-day cycle.

We expect to report data from the monotherapy dose-escalation portion of this Phase 1/2 trial at medical congresses in .

Phase 1, Monotherapy Expansion

During or upon completion of the Phase 1, monotherapy dose escalation portion of the trial, up to 45 additional patients with ER+/HER2- advanced or metastatic breast cancer who have received up to two prior lines of endocrine therapy, and who have may have received at most one prior chemotherapy regimen for advanced/metastatic breast cancer, are expected to be enrolled onto one or more dose levels for the Phase 1, monotherapy expansion portion of this trial.

The primary objective of the Phase 1, monotherapy expansion portion of the trial will be to assess the safety and tolerability of ZN-c5 administered as monotherapy. Secondary objectives of the monotherapy expansion portion of this trial will include, among others, to assess the preliminary anti-tumor efficacy and characterize the PK of ZN-c5.

Phase 1, Combination Dose Escalation

We are also evaluating ZN-c5 in combination with palbociclib in the Phase 1, combination dose escalation portion of this trial in up to 18 adult patients with ER+/HER2- advanced or metastatic breast cancer who are refractory to or intolerant of established therapies known to provide clinical benefit for their malignancy, and who may have received at most one prior chemotherapy regimen for advanced metastatic breast cancer.

The primary objective of the Phase 1, combination dose escalation portion of the trial is to determine the MTD or RP2D for ZN-c5 when administered in combination with palbociclib. Secondary objectives include, among others, to assess the safety and tolerability of ZN-c5 in combination with palbociclib, to assess preliminary efficacy of ZN-c5 in combination with palbociclib and to characterize the individual PK of ZN-c5 and palbociclib when administered in combination.

The dose and schedule of palbociclib in the Phase 1, combination dose escalation portion of this trial will be the FDA-approved dose (125 mg/day), orally administered, once daily for 21 consecutive days, followed by seven days off treatment.

Phase 2

Once the MTD or RP2D have been determined for ZN-c5 as monotherapy and in combination with palbociclib, we plan to initiate enrollment in the Phase 2 portion of the trial to assess preliminary anti-tumor efficacy for ZN-c5 in combination with palbociclib.

The Phase 2 portion of this trial will evaluate ZN-c5 in combination with palbociclib in up to 56 adult patients with ER+/HER2- advanced or metastatic breast cancer and who have received up to one prior line of endocrine therapy, and at most one prior chemotherapy regimen for advanced metastatic breast cancer.

The primary objective of the Phase 2 portion of this trial will be to determine preliminary anti-tumor efficacy for ZN-c5 when administered in combination with palbociclib. The secondary objectives will include, among others, to assess the safety and tolerability of ZN-c5 in combination with palbociclib, and to characterize the individual PK of ZN-c5 and palbociclib when given in combination.

Interim and Preliminary Clinical Results

As of September 10, 2019, we had enrolled 12 patients in the Phase 1, monotherapy dose escalation portion of this trial, three patients each at the dose levels of 50 mg, 75 mg, 100 mg and 150 mg. All patients were female, with a median age of 57 years (range 52 to 69 years) and an Eastern Cooperative Oncology Group performance status, a measurement of a patient's ability tolerate therapies in serious illness, of 0 (n = 8) or 1 (n = 4).

Among the patients enrolled, the median number of prior therapies for advanced disease was four (range two to eight). Ten of the 12 patients received prior treatments of fulvestrant. Of these 12 patients, five are still on treatment and seven discontinued due to disease progression (n = 6) or physician decision (n = 1).

The interim and preliminary data reported herein are subject to change as more data on these patients and additional patients become available and are subject to audit and verification procedures that could result in material changes in the final data.

Interim and Preliminary Safety Results

Based on interim data as of the data cutoff date of November 11, 2019, ZN-c5 has been observed to be well tolerated with no dose-limiting toxicities reported.

Treatment-emergent adverse events, or TEAEs, occurred in each of the 12 patients dosed in the trial. Only nausea and cough were observed in three patients each, while all other adverse events were observed in only one or two patients each. Adverse events occurring in two or more patients included diarrhea (n = 2), nausea (n = 3), fatigue (n = 2), hypophosphatemia (n = 2), myalgia (n = 2), cough (n = 3) and skin mass (n = 2). There was a single case of hypercalcemia, deemed related to the underlying disease reported as having a Grade 3 severity. There was one Grade 3 treatment-emergent serious adverse event deemed unrelated to treatment, hip pain, reported. There were no deaths reported. All other TEAEs were of Grade 1 or Grade 2 in severity.

Investigator assessed treatment-related adverse events occurred in five of 12 patients. Of these treatment-related adverse events, three of five patients reported treatment-related adverse events of Grade 1 severity, and two of five patients reported Grade 2 severity. These treatment-related adverse events included single adverse events of diarrhea, dyspepsia, flatulence, nausea, pain, increase in alanine transferase, or ALT, and myalgia.

Diarrhea, an adverse event of special interest, has been observed in two patients, a Grade 1 adverse event at 50 mg/day, deemed related to treatment, and a Grade 2 adverse event at 150 mg/day, deemed not related to treatment.

The patient with ALT increased had the first dose of 50 mg of ZN-c5 on December 19, 2018. The patient entered the study with a Grade 1 ALT increased, which subsequently worsened to a Grade 2 ALT increased on February 13, 2019, 56 days after the first dose. On March 27, 2019, the patient was taken off treatment for disease progression, and at that time the Grade 2 ALT increased was still ongoing.

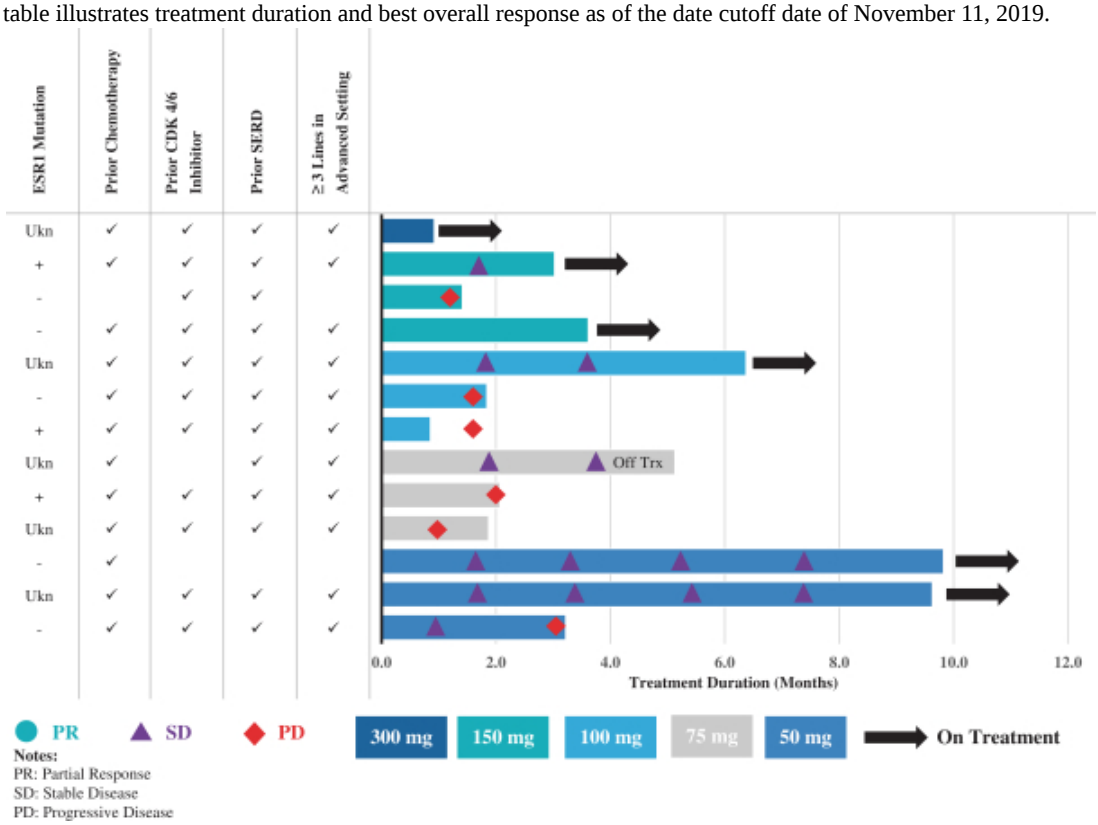
Overall, there was no increase in incidence or in severity of adverse events observed with increasing dosing levels.

Interim and Preliminary Efficacy Results

The primary efficacy is determined by clinical benefit rate, or CBR, which is defined as the percentage of patients who have at least one confirmed response of complete response, or CR, partial response, or PR, or stable disease, or SD, lasting for at least 24 weeks prior to any evidence of progression.

As of the data cutoff date of November 11, 2019, no patients have met the definition of partial response or complete response. While it is anticipated, based on the mechanism of action of ZN-c5 and advanced state of disease of the patients enrolled, that we would not observe tumor regression in this study phase, three of the 12 patients dosed have showed stable disease beyond six months, with two of these patients being dosed at the low dose of 50 mg and showed stable disease close to ten months.

The following table illustrates treatment duration and best overall response as of the date cutoff date of November 11, 2019.



Drug Pharmacokinetics

The PK of ZN-c5 observed in the first 12 patients in our ZN-c5-001 Trial was characterized by fast absorption into the systemic circulation, as evidenced by median time to maximum concentration, or Tmax, of one to two hours. As shown in the table below, the exposures have generally increased with increased doses. Additionally, we have not observed drug accumulation of ZN-c5 at steady state (day 15) as evidenced by day 15 to day 1 AUC ratios of less than 1.0. The estimated mean elimination half-life ranged between 11 and 18 hours

and we believe supports once daily dosing. In addition, ZN-c5 exposure, as measured by AUC, at the 100 mg dose was observed to be 106,000 ng*hr/mL.

DOSE (mg)		DAY 15 (STEADY STATE) Cmax (ng/mL)	Tmax (hr) (1)	AUC0-24hr (ng*h/mL)
50	**Mean**	**5,810**	**1**	**61,300**
(n=3)	*SD(2)*	*405*	*(1-2)*	*10,400*
75	**Mean**	**6,700**	**2**	**64,400**
(n=3)	*SD*	*1,040*	*(1-2)*	*16,000*
100	**Mean**	**9,250**	**2**	**106,000**
(n=3)	*SD*	*5,350*	*(1-2)*	*74,500*
150	**Mean**	**9,210**	**2**	**94,800**
(n=3)	*SD*	*2,820*	*(1-2)*	*41,600*

(1) Median (range) are listed for Tmax
(2) SD: Standard deviation.

ZN-c5 human drug exposure at all dose levels, ranging from 50 mg to 150 mg, exceeds the ZN-c5 effective concentration, 100%, or EC100, observed in our preclinical mouse studies at 10 mg/kg/day, the dose level associated with a 100% tumor growth inhibition in a MCF-7 mouse model. This suggests that the exposures observed in human patients may translate into once daily, oral dosing based on the activity observed in mouse models.

Phase 1 Trial of ZN-c5 (Window of Opportunity Study)

In the first quarter of 2020, we intend to initiate a Phase 1 open label, multi-center, dose escalation trial of ZN-c5, which we refer to as our ZN-c5-002 Trial, at several sites in the United States, in patients with ER+/HER2- breast cancer scheduled to undergo surgical resection of the tumor or start neoadjuvant treatment. We plan to enroll approximately 36 patients in this trial.

This is a Window of Opportunity study, the objective of which is to assess the ER degradation ability of ZN-c5 as a monotherapy over a 21-day treatment period measured using paired biopsies. We intend to evaluate various tissue and functional imaging biomarkers' response to ZN-c5 exposure. These biomarkers will assess ER degradation, progesterone receptor degradation and Ki67, a proliferation marker, relative to baseline. In addition, tumor tissue and plasma concentration of ZN-c5 will be assessed.

ZN-c5 will be evaluated at escalating doses starting at 50 mg, orally administered, once daily. Subsequent dose levels will be determined based on PK profile, safety and any additional biomarker data observed in our ZN-c5-001 Trial.

We believe this trial will assist in determining the precise RP2D of ZN-c5 as a monotherapy, in conjunction with the safety, PK and pharmacodynamics, or PD, data from the ZN-c5-001 Trial. We expect to establish a PK-PD relationship .

Third Party Clinical Data

The table below sets forth the recent safety and PK characteristics of AZD9496, fulvestrant, GDC-9545, SAR439859, LSZ102 and G1T48 based on third-party clinical data.

	FULVESTRANT (AstraZeneca)	AZD9496 (AstraZeneca)	GDC-9545 (Roche)	SAR439859 (Sanofi)	LSZ102 (Novartis)	G1T48 (G1 Therapeutics)
Dose Taken Forward into Additional Trials	500 mg QM IM *(Approved Dose)*	600 mg BID *(Maximal Feasible Dose)*	90 mg QD *(10, 30 and 100 mg Taken Forward)*	400 mg QD	600 mg QD	1,000 mg QD *(600 and 1,000 mg Taken Forward)*
AUC (ng*hr/mL)	13,100	8,676	12,200	~36,600(1)	25,600	2,690
			% Patients Treated with Drug (All Doses Tested)			
% Patients with Diarrhea(2)	6%(3)	38%	28%	38%	62%	31%
% Patients with Nausea(2)	11%(3)	40%	35%	38%	56%	19%

Sources: Based on publicly available third-party data.

QM: Monthly, i.e., per the USPI, Days 1, 15, 29 and monthly thereafter
IM: Intramuscular
QD: Once daily
BID: Twice daily
(1) Visual estimation based on graph
(2) Treatment Emergent Adverse Events (TEAEs)
(3) AEs for approved dose level from FALCON Trial

ZN-c3, an Inhibitor of WEE1 for the Treatment of Solid Tumors and Other Cancers

Overview

We are developing ZN-c3, an oral, small molecule DNA damage response product candidate, targeting WEE1 in cancer. The inhibition of WEE1, a protein tyrosine kinase, aims to generate sufficient DNA damage in cancer cells to undergo apoptosis, thereby preventing tumor growth and potentially causing tumor regression. There is currently no FDA-approved WEE1 inhibitor, and AstraZeneca's AZD1775 is currently the only other WEE1 inhibitor in clinical development of which we are aware. Despite the observed efficacy of AZD1775 in clinical trials, we believe its narrow therapeutic window is a potential limitation affecting its dosing in monotherapy and in combination. We have applied our expertise to design ZN-c3 to have improved solubility, selectivity and PK properties as compared to AZD1775, characteristics we believe may provide a broader therapeutic window and which, if ZN-c3 is approved, may constitute a best-in-class product profile. We believe ZN-c3, if approved, may have broad applicability in a wide range of cancers both as monotherapy and in combination, including with chemotherapy agents, PARP inhibitors and other targeted therapies.

We have initiated a Phase 1/2 clinical trial of ZN-c3 in patients with advanced solid tumors. We plan to report interim data from the Phase 1 portion of the trial in . Upon the completion of the Phase 1 portion of the trial and the determination of MTD and RP2D for ZN-c3, we plan to evaluate ZN-c3 in the Phase 2 portion of the trial.

Background on DNA Damage Repair and WEE1 Inhibitors

The underlying principle behind a number of cancer therapies is to generate sufficient DNA damage in cancer cells, many of which already have deficiencies in DNA damage response, to cause them to undergo

apoptosis. Examples of these therapies include alkylating agents, DNA-binding drugs and the use of radiation. However, cancer cells have developed multiple mechanisms of resistance to these therapies, thereby potentially limiting their therapeutic efficacy.

The regulation of DNA damage response mechanisms in cancer cells may therefore play a crucial role in the induction of apoptosis and the ultimate efficacy of DNA damaging cancer therapies. This is particularly true in cancers with specific mutations in DNA repair proteins that prevent efficient DNA damage response and repair, rendering them particularly vulnerable to any agent that further inhibits the ability of cells to repair DNA damage.

Examples of such cancers are those with mutations in BRCA1 and BCRA2. Inhibitors of PARP, an independent DNA repair protein, work to prevent DNA damage repair, and are FDA approved for the treatment of multiple cancers, such as breast and ovarian cancers associated with BRCA1 and BCRA2 mutations. Sales of FDA-approved PARP inhibitors were approximately $1.0 billion in 2018 and are expected to grow to $6.3 billion in 2024.

Similar to PARP, WEE1 plays a role in cellular regulation and repair, allowing cells with DNA damage to repair and survive. WEE1 is a protein tyrosine kinase that mediates cell cycle arrest by regulating the phosphorylation of cyclin-dependent kinase 1, or CDK1. Inhibition of WEE1 causes dysregulation of DNA replication and inability of DNA response processes to act, leading to an increase in double-strand DNA breaks and subsequently inducing apoptosis. Based on these similar mechanisms of action, we believe the use of WEE1 and PARP, both DNA damage response agents, in combination can have a synergistic effect. In third-party preclinical studies, the combination of PARP and WEE1 has been observed to result in improved anti-tumor activity as compared to the use of each as monotherapy. However, both of these compounds have been associated with bone marrow toxicity, which may limit their concomitant administration.

WEE1 Inhibitor in Clinical Development and Limitations

The only other WEE1 inhibitor currently in clinical development of which we are aware is AZD1775. AZD1775 has been the subject of many publications in the scientific literature and has been explored in numerous clinical trials across multiple tumor types. AZD1775 is currently being evaluated by third parties in Phase 1 and 2 clinical trials in ovarian cancer and a variety of other solid tumors, both as monotherapy and in combination with other cancer therapies. In earlier third-party clinical trials, multiple patients with advanced or metastatic tumors for whom no standard therapy was available achieved partial responses when dosed with AZD1775 in combination with chemotherapy agents. For example, in a Phase 2 clinical trial in 24 patients (21 of such patients were evaluable for efficacy) with relapsed ovarian cancer, the combination of AZD1775 and carboplatin, an FDA-approved chemotherapy, demonstrated an overall response rate of 43% and one patient exhibited a complete response lasting over 42 months.

Further, in a recent Phase 1 clinical trial in patients with locally advanced pancreatic cancer, AZD1775 in combination with gemcitabine, an FDA-approved chemotherapy, and radiation resulted in a median overall survival of 21.7 months. This overall survival was substantially longer than the 11.9 to 13.6 months observed in a prior clinical trial with a similar population of patients combining gemcitabine with or without erlotinib with radiation.

Although AZD1775 has demonstrated promising efficacy in clinical trials, we believe AZD1775 has a narrow therapeutic window, a potential limitation affecting its dosing monotherapy and in combination. Furthermore, the use of AZD1775 in combination with PARP inhibitors in preclinical studies has demonstrated increased bone marrow toxicities, thereby potentially limiting its use in continuous dosing. We believe AZD1775 has a number of characteristics that could be improved upon, including selectivity, solubility, PK properties and tumor concentration.

Our WEE1 Solution: ZN-c3

ZN-c3 is our oral WEE1 inhibitor product candidate that we are currently evaluating for the treatment of advanced solid tumors in an ongoing Phase 1/2 clinical trial. We believe ZN-c3 has the potential to provide a wide therapeutic window due to the following observed attributes:

- ***High potency, selectivity and solubility***. In our preclinical studies, ZN-c3 produced favorable absorption, distribution, metabolism and excretion, or ADME, results. In our *in vitro* preclinical studies, ZN-c3 has shown high potency in inhibiting tumor growth and inducing apoptosis through DNA damage, and has shown higher selectivity for WEE1 relative to that of AZD1775. In addition, preclinical studies have shown ZN-c3's solubility to be approximately 35 times greater than that of AZD1775, which we believe could reduce inter-patient drug exposure variability and limit the toxicity observed in clinical trials of AZD1775.
- ***Strong preclinical anti-tumor activity***. In preclinical studies, ZN-c3 showed anti-tumor activity across a number of cell lines, as well as superior tumor growth inhibition, DNA damage and apoptosis when compared to AZD1775. Anti-tumor activity was observed in both continuous and intermittent dosing, as well as in the shorter of the dosing periods evaluated.
- ***Improved PK properties***. In our preclinical studies, ZN-c3 showed improved PK properties compared to AZD1775, resulting in higher drug exposure in animal models. We believe this increased exposure may contribute to the observed sustained and longer tumor growth inhibition, which may necessitate lower dose intensity thereby potentially increasing the therapeutic window. In addition, we observed that ZN-c3 accumulated to higher levels in tumors compared to AZD1775.
- ***Well tolerated in preclinical studies.*** In preclinical studies, ZN-c3 was observed to be well tolerated across varying dosage levels.

In addition to having a potentially wide therapeutic window, we believe the characteristics of ZN-c3 may allow patients with aggressive solid tumors to be treated with sequential therapy using mechanism of action synergistic multiple agents, including PARP inhibitors. In a third-party preclinical combination study with PARP inhibitors, sequential dosing resulted in favorable tolerability as compared to continuous dosing, while maintaining strong anti-tumor activity.

We have completed the first dose cohort level and started the second dose level cohort. We plan to report data from the Phase 1 portion of the trial in .

Preclinical Results

Potency Across Variety of Solid Tumor Cell Lines

In our *in vitro* preclinical studies, we observed that ZN-c3 is highly potent in inhibiting tumor growth and inducing DNA damage and apoptosis across a variety of solid tumor cell lines.

	CTG IC_{50} (nM)								
	Non-Small Cell Lung Cancer		Small Cell Lung Cancer		Triple Negative Breast Cancer		Ovarian Cancer		Squamous Cell Carcinoma
COMPOUND	A-427	NCI-H23	DMS-53	NCI-H1048	MDA-MB-231	HCC1806	UWB.1.289	OVCAR3	SK-MES-1
AZD1775	94	108	130	97	233	94	57	124	150
ZN-c3	**88**	**124**	**118**	**92**	**190**	**95**	**54**	**69**	**83**

Selectivity of ZN-c3 in Kinase Screening Panel

In our *in vitro* preclinical studies, ZN-c3 was observed to have higher selectivity relative to that of AZD1775. The selectivity profile of ZN-c3 was characterized against a broad kinase panel for WEE1 consisting

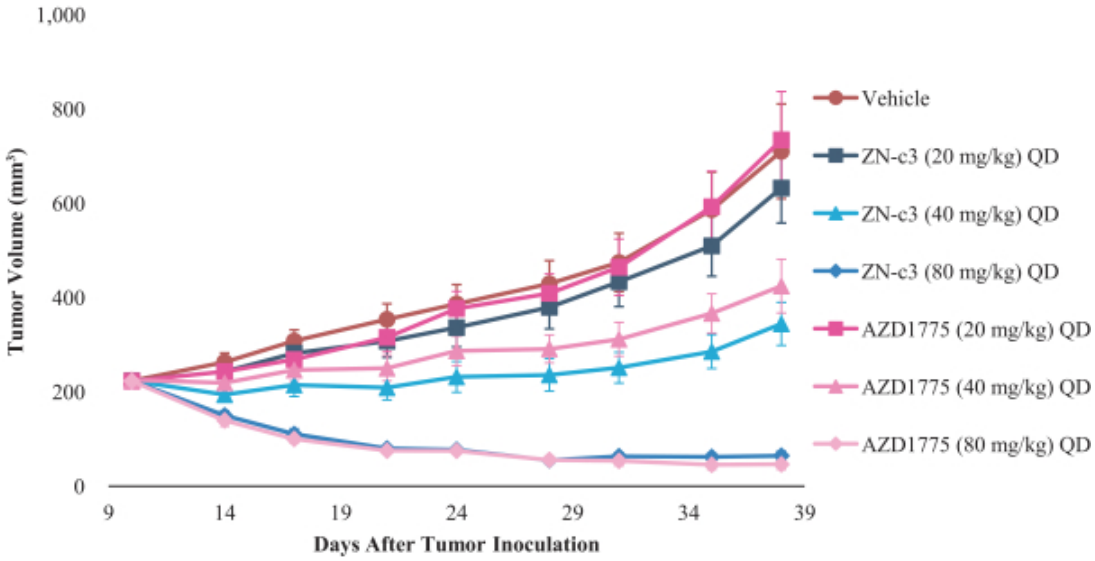
of 485 mammalian serine/threonine and tyrosine. ZN-c3 and AZD1775 were tested at a single concentration to determine the percentage inhibition at 1 µM. ZN-c3 was observed to have higher selectivity relative to that of AZD1775.

Solubility Relative to AZD1775

In a preclinical study, ZN-c3 showed targeted ADME properties, and solubility was observed to be approximately 35 times greater than that of AZD1775 (2,132,000 nM and 60,000 nM of ZN-c5 and AZD1775, respectively). We believe greater solubility may reduce the interpatient variability observed in clinical trial results of AZD1775, and in turn lead to lower toxicity for ZN-c3.

Anti-Tumor Activity in Human Lung Cancer Model

In a preclinical study, we assessed the anti-tumor potential of ZN-c3 in a lung cancer model using human A-427 cells that contained a KRAS mutation. In this model, doses of 40 mg/kg or 80 mg/kg of ZN-c3 demonstrated tumor shrinkage that was evident at the first post-treatment observation at four days and continued through the end of the experiment. Across dose levels there was no statistical difference between ZN-c3 and AZD1775 and each compound produced tumor regression. ZN-c3 was observed to be well-tolerated across all doses.

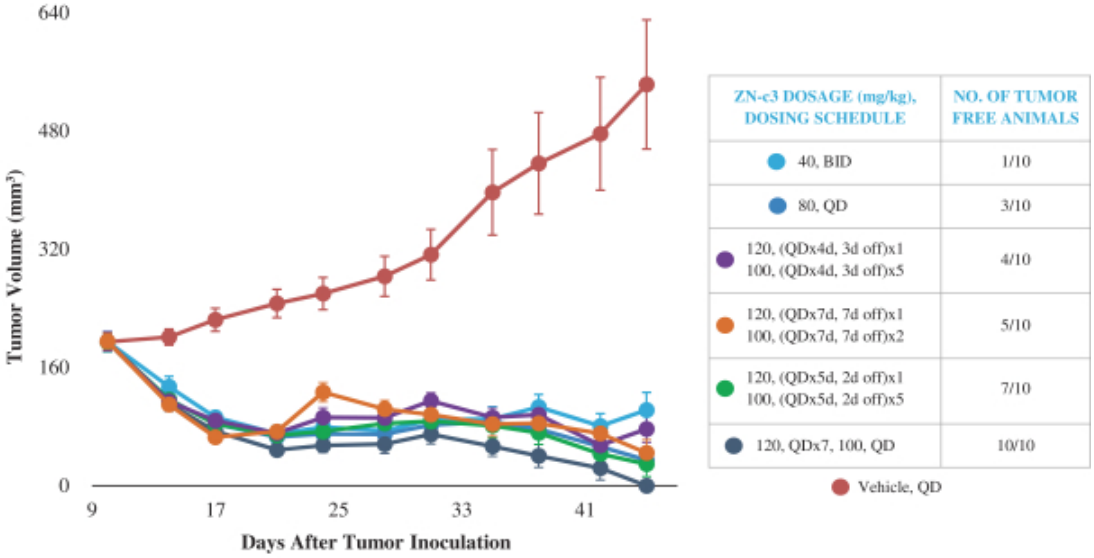


Notes:
QD: once daily

Anti-Tumor Activity in Lung Cancer Model Across Varying Dosage Levels and Intermittent Dosing Regimen

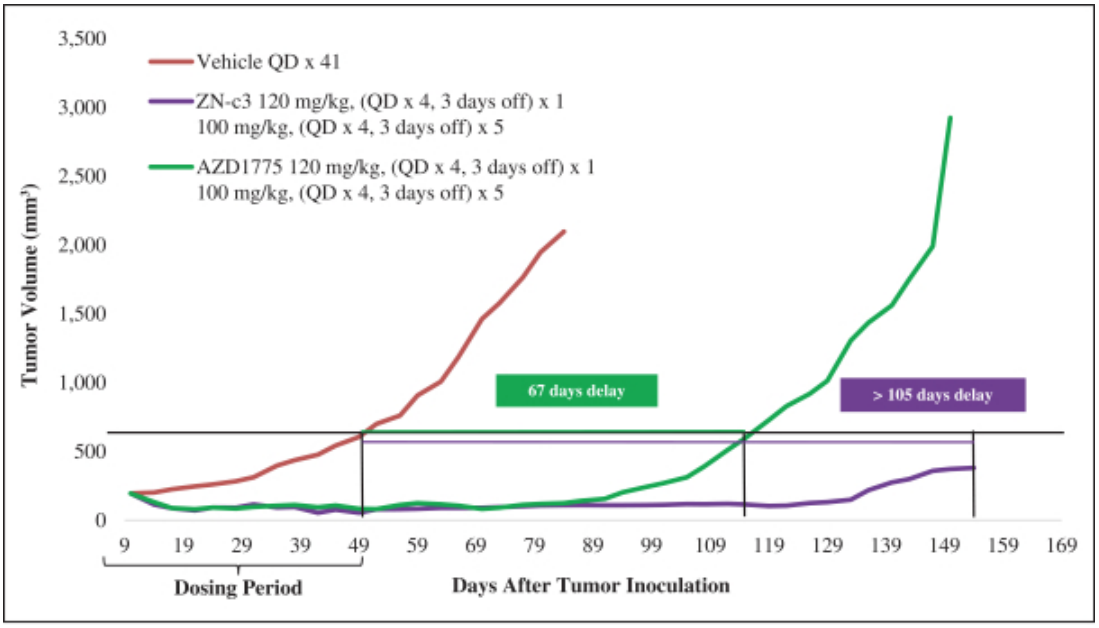
We have explored various dosing regimens of ZN-c3 in preclinical studies. A loading dose of 120 mg/kg daily for seven days followed by once-daily dosing of 100 mg/kg resulted in ten out of ten treated mice being tumor free after five weeks. We also explored the potential of shorter dosing periods or intermittent dosing of ZN-c3 in preclinical studies. A loading dose of 120 mg/kg for five days followed by two days off drug followed by five weeks of 100 mg/kg given five days on, two days off resulted in seven out of ten mice being tumor free as shown in the graph below. A loading dose of 120 mg/kg for seven days followed by seven days off drug

followed by two cycles of seven days on 100 mg/kg drug and seven days off drug resulted in five out of ten mice being tumor free as shown in the graph below.



Notes:
QD: Once daily
BID: Twice daily

Intermittent dosing of ZN-c3 was also observed to result in meaningful tumor growth delay. Dosing of ZN-c3 by using a loading dose of 120 mg/kg for four days followed by three days off drug followed by five week of 100 mg/kg given four days on, three days off resulted in prolonged tumor growth delay than that observed with AZD1775 at the same dosing regimen.



Note:
QD: Once daily

PK Data Comparison in Animal Models

In our preclinical animal models, ZN-c3 showed improved PK properties compared to AZD1775, resulting in higher drug exposures in animal models. In addition, ZN-c3 was observed to selectively accumulate to higher levels in tumors compared to AZD1775. This increased exposure may allow ZN-c3 to inhibit WEE1 to the similar extent as AZD1775 but at lower doses, potentially increasing the therapeutic window.

STUDY	ZN-c3			AZD1775		
Dose (mg/kg/day)	20	40	80	20	40	80
C_{max} (ng/mL)	1,167	1,997	5,100	635	2,460	4,703
T_{max} (hr)	1	1	1	1	1	1
$AUC_{0\text{-}24hr}$ (ng*hr/mL)	4,863	17,088	39,722	1,494	6,313	13,408
Tumor Concentration (ng/mL)	**10.5**	**48.0**	**811**	**BQL**	**BQL**	**6.95**

Note:
BQL: Below Quantifiable Level

Toxicology Results

ZN-c3 was evaluated in 28-day repeat dose toxicology studies. Results of these studies showed many of the toxicities associated with other WEE1 inhibitors in development, including those reported for AZD1775.

Phase 1/2 Clinical Trial of ZN-c3

In November 2019, we initiated a Phase 1/2 open label, multi-center trial of ZN-c3 in patients with advanced solid tumors, which we refer to as our ZN-c3-001 Trial, to assess the safety, tolerability, efficacy, PK properties and pharmacodynamics of ZN-c3. We plan to enroll up to 360 patients in this trial, which will be conducted at several sites in the United States. Our ZN-c3-001 Trial consists of a Phase 1, monotherapy dose escalation portion of the trial and a Phase 2 portion of the trial.

The primary objective of the Phase 1 portion of the trial is to assess the safety and tolerability of ZN-c3 as a single agent and to determine the MTD or RP2D. The secondary objectives are to assess the PK properties and obtain preliminary assessments of anti-tumor efficacy of ZN-c3 as a single agent, as well as exploratory PD characteristics.

We plan to enroll up to 50 patients in the Phase 1 portion of the trial and the patient population will be limited to patients with solid tumors with advanced or metastatic disease who are refractory or ineligible to receive standard therapies, or for whom no standard therapy is available. We have completed the first dose cohort level and started the second dose level cohort.

Upon the completion of the Phase 1 portion of the trial and the determination of MTD and RP2D for ZN-c3, we will evaluate ZN-c3 in the Phase 2 portion of the trial. We are currently considering the plans for the Phase 2 portion of the trial, including trial design, patient population and combination strategies, such as with a PARP inhibitor.

ZN-d5, an Inhibitor of BCL-2 for the Treatment of Hematologic Cancers

Overview

We are developing ZN-d5, an oral selective inhibitor of BCL-2, to promote apoptosis for the treatment of cancers, with an initial focus on hematologic malignancies. We have applied our expertise to design ZN-d5 as an oral BCL-2 inhibitor and to have optimized potency, selectivity and PK.

We plan to submit an IND to the FDA in the first half of 2020 to initiate a Phase 1/2 clinical trial of ZN-d5 in patients with acute myeloid leukemia, or AML, or B-cell lymphoma.

Role of BCL-2 in Hematological Cancers

The BCL-2 family of protein is most notable for its critical role in the regulation of apoptosis at the mitochondrion. Based upon their functions, BCL-2 family proteins are classified into pro-apoptotic and anti-apoptotic members. The anti-apoptotic BCL-2 proteins include BCL-2, B-cell lymphoma extra-large, or BCL-xL, myeloid cell leukemia-1, or MCL-1, and BCL-2 related protein Al.

The overexpression of BCL-2 and/or BCL-xL proteins is frequently detected in many different types of cancers, including chronic lymphatic leukemia, or CLL, SLL, AML, non-Hodgkin's lymphoma, or NHL, follicular lymphoma, or FL, mantle-cell lymphoma, or MCL, Waldenström's macroglobulinemia, diffuse large B-cell lymphoma, or DLBCL, multiple myeloma and small cell lung cancer, or SCLC. These overexpressed proteins prevent apoptosis of cancer cells. We believe the use of small molecule inhibitors to block the protein-protein interactions, or PPI, of BCL-2 and/or BCL-xL with their pro-apoptotic partners will restore the normal apoptosis process in cancer cells and has been pursued as a new cancer therapeutic strategy.

There have been many attempts to develop a new class of anticancer therapies that target BCL-2 and/or BCL-xL proteins. The intracellular localization of the BCL-2 family proteins on the mitochondrial membrane prevents the use of antibodies and other large molecules to target these anti-apoptotic BCL-2 family proteins. The large surface area involved in BCL-2 PPIs also makes BCL-2 family proteins difficult targets for small molecule drugs. Currently, venetoclax is the only FDA-approved BCL-2 inhibitor and, to our knowledge, there are only a small number of additional agents in active clinical development.

FDA-Approved BCL-2 Inhibitor, Venetoclax

Venetoclax, the only FDA-approved BCL-2 inhibitor (marketed by AbbVie and Genentech as Venclexta®), was initially developed to overcome unfavorable side effects of previously tested BCL-2 inhibitors resulting from BCL-xL inhibition. In third-party clinical trials, inhibition of BCL-xL has been shown to lead to thrombocytopenia, an adverse event observed in 29% of patients dosed with venetoclax. Venetoclax has demonstrated clinical efficacy across a range of hematological malignancies and was initially approved by the FDA in April 2016 to treat relapsed or refractory CLL. Venetoclax is now approved in the following indications:

- ***Chronic Lymphocytic Leukemia/Small Lymphocytic Lymphoma, or CLL/SLL***. Venetoclax was initially approved in April 2016 as a monotherapy in patients with CLL with 17p deletion who received at least one prior therapy based on overall response rate of 80% in an open-label, single-arm, multicenter clinical trial. Since then, venetoclax has demonstrated clinical efficacy and gained FDA approval in previously treated and untreated CLL/SLL patients in combination with anti-CD20 antibodies, rituximab and obinutuzumab. In a randomized clinical trial, treatment of CLL patients who had received at least one line of prior therapy with a combination of venetoclax and rituximab reduced the risk of disease progression or death as measured by median PFS by 81% compared to a commonly used standard of care regime of bendamustine, a chemotherapy agent, plus rituximab. Similarly, a randomized clinical trial demonstrated that the combination of venetoclax and obinutuzumab reduced the risk of disease progression or death for previously untreated CLL or SLL patients by 67% compared to a commonly used standard regime of chlorambucil, a chemotherapy agent, plus obinutuzumab.
- ***Acute Myeloid Leukemia, or AML***. In November 2018, the FDA also approved venetoclax in combination with chemotherapy agents, azacitidine, or decitabine, or low-dose cytarabine to treat adults with newly-diagnosed AML who are 75 years of age or older or have other medical conditions that prevent the use of standard chemotherapy. This approval was based on results from two open-label non-randomized trials showing complete remission rates ranging from 21% to 54%, depending on the combination agent.

Third-party trials have also reported promising antitumor activity in other hematologic cancers, often using higher doses of venetoclax than the FDA-approved dosage. A monotherapy trial of venetoclax investigating doses up to 1,200 mg reported that patients with MCL or follicular lymphoma responded well, including complete responses in some patients. Venetoclax is also being studied as monotherapy and in combination for the treatment of myelodysplastic syndrome and multiple myeloma.

Worldwide sales of Venclexta were approximately $344 million in 2018, and are expected to increase to $3.2 billion by 2024.

Emerging Role of BCL-2 in Solid Tumors

Although the development of venetoclax has to date been primarily limited to hematologic cancers, a study in a panel of cell lines derived from a variety of tumors demonstrated that BCL-2 expression and venetoclax sensitivity has been observed in multiple solid tumors. These include SCLC, bone, breast, and nervous system tumors. In a recent third-party Phase 1b clinical trial of venetoclax in combination with tamoxifen in patients with ER+/BCL-2+ metastatic breast cancer, it was observed that a dose of 800 mg venetoclax in combination with 20 mg of tamoxifen was associated with an overall response rate of 54% and clinical benefit rate of 75%. Median PFS was 36 weeks in the overall trial. The authors of this third-party clinical trial cited the high pill burden associated with venetoclax as one reason why the highest dose was limited to 800 mg.

Additionally, the efficacy of venetoclax used in combination with fulvestrant versus fulvestrant administered as monotherapy is being evaluated in an ongoing third-party Phase 2 clinical trial in patients with ER+/HER2- breast cancer.

Our BCL-2 Inhibitor: ZN-d5

ZN-d5 is our oral, small molecule BCL-2 inhibitor product candidate for the treatment of cancers, with the initial focus on hematologic malignancies. We have designed ZN-d5 to have the following characteristics:

- ***High potency***. In our *in vitro* preclinical studies, ZN-d5 has demonstrated high potency for BCL-2.
- ***Selectivity***. In our *in vitro* preclinical studies, ZN-d5 has been observed to have more than 600 times greater selectivity for BCL-2 than BCL-xL. The inhibition of BCL-xL in third-party clinical trials has been shown to lead to thrombocytopenia, an adverse event observed in 29% (20% Grade 3 or higher) of patients dosed with venetoclax and a cause of dose reductions and dosing interruptions. We believe this greater selectivity observed in our preclinical studies may support the use of ZN-d5 in combination with other drugs that have observed incidence in thrombocytopenia.
- ***Well tolerated***. In our in vivo preclinical studies, ZN-d5 has been observed to be well tolerated across various dosage levels.

We believe the observed properties of ZN-d5 make it an attractive candidate for evaluation as monotherapy and in combination with other therapies, initially for the treatment of hematological malignancies. We expect to submit an IND in the first half of 2020 to initiate a Phase 1 clinical trial of ZN-d5 as monotherapy in patients with AML or B-cell lymphoma in . In addition, we intend to explore ZN-d5 in combination with anti-estrogen therapies, including our oral SERD, ZN-c5, for the treatment of breast cancer.

Preclinical Results

Potency and Selectivity Across Hematological Malignancies

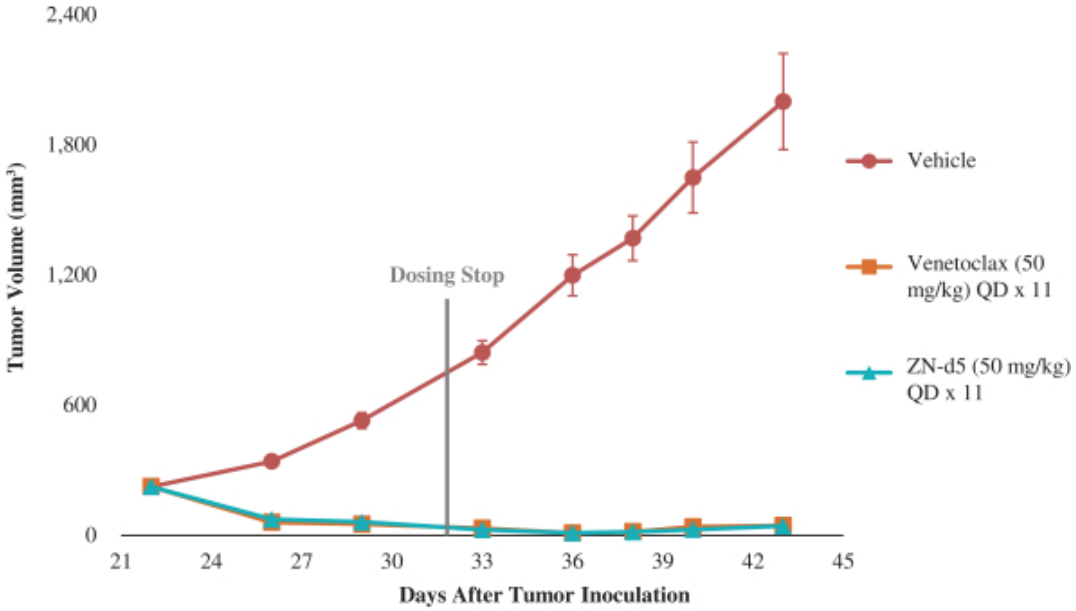
In our *in vitro* preclinical studies, we assessed the selectivity and potency of ZN-d5. As shown in the table below, we assessed the affinity of ZN-d5 as measured in nM in a biochemical assay. Based on these

measurements, ZN-d5 showed 600 times greater selectivity for BCL-2 than BCL-xL, and we believe such selectivity may limit the incidence of thrombocytopenia observed in third-party clinical trials as a result of BCL-xL inhibition. We also observed that ZN-d5 was potent across hematological malignancy cell lines as measured by CellTiter-Glo, or CTG, a cell viability assay, shown in the table below.

	AFFINITY (nM)		CTG IC50 (nM)						
			ALL	MCL	DLBCL		AML		
COMPOUND	BCL-2 Kd	BCL-XL Kd	RS4;11	GRANTA-519	DOHH-2	TOLEDO	HL-60	MOLM-13	MV4-11
Venetoclax	0.69	32	2.6	161	43	191	26	18	3.8
ZN-d5	**0.29**	**190**	**5.1**	**89**	**50**	**92**	**21**	**39**	**5.1**

Anti-Tumor Activity of ZN-d5 in Xenograft Leukemia Model

In our preclinical studies, we assessed the anti-tumor activity of ZN-d5. In a RS4;11 xenograft leukemia mouse model, ZN-d5, dosed at 50 mg/kg daily for a period of 11 days, showed potent anti-tumor activity with tumors shrinking upon treatment and yielding durable complete responses after cessation of dosing to the end of the study, as shown in the graphic below. In this model, we observed similar results with venetoclax.



Note:
QD: Once daily

Toxicology

The IND enabling toxicology studies are currently ongoing.

ZN-e4, an Inhibitor of EGFR for the Treatment of NSCLC

Overview

We are developing ZN-e4, a third-generation inhibitor of EGFR, a regulator of a number of cellular functions, including proliferation and survival, and a driver of tumorigenesis in certain cancers, including lung cancer. We have designed ZN-e4 to have improved selectivity as compared to osimertinib, an EGFR inhibitor marketed as Tagrisso® by AstraZeneca. In addition, we have observed in preclinical studies that the administration of ZN-e4 does not produce a metabolite potent for wild-type EGFR, like osimertinib's AZ5104, that is believed to be responsible for the development of a number of toxicities, including skin rash. We believe that eliminating the formation of such a metabolite will allow for a wider therapeutic window. In addition, we believe a more tolerable third-generation EGFR inhibitor would, if approved, allow for use in combination while limiting the toxicity associated with use in combination.

We are conducting a Phase 1/2 clinical trial of ZN-e4 in patients with advanced NSCLC with activating EGFR mutations, which we refer to as our ZN-e4-001 Trial. We are actively evaluating potential combination therapies for future clinical development of ZN-e4. We will evaluate whether to initiate the Phase 2 portion of this trial upon the completion of the Phase 1 portion and after considering trial design, patient population and combination strategies.

Role of EGFR Inhibition in NSCLC

Lung cancer is the leading cause of cancer death for both men and women, accounting for approximately 18% of all cancer deaths globally. There are an estimated 228,000 new cases of lung cancer diagnosed and 143,000 deaths in the United States annually. More than half of the people with lung cancer die within one year of being diagnosed. Non-small cell lung cancer, or NSCLC, accounts for approximately 80-85% of lung cancer cases. EGFR mutations are detected in approximately 10% to 15% and 30% to 40% of Caucasian and Asian patients, respectively, with NSCLC.

EGFR mutations lead to activation of EGFR signaling and oncogenic transformation both *in vitro* and *in vivo*. Cancers with EGFR mutations depend on EGFR signaling for growth and survival and are often sensitive to treatment with EGFR inhibitors. Two inhibitors of EGFR were approved in the early 2000s to treat patients with advanced NSCLC based on antitumor responses in a subset of patients. These first-generation drugs, erlotinib and gefitinib, were reversible EGFR inhibitors. Although most NSCLC patients with EGFR mutations displayed an initial pronounced response to these first-generation EGFR inhibitors, they acquired resistance to the drugs after approximately nine to 14 months of treatment. The T790M mutation of EGFR was the most common mechanism of such an acquired resistance, having been detected in over 50% of patients treated with EGFR inhibitors.

A second-generation of EGFR inhibitors was developed to address this treatment resistance and to improve upon the efficacy of the first-generation therapies. The second-generation of EGFR inhibitors, including afatinib, marketed as Gilotrif® by Boehringer Ingelheim, and dacomitib, marketed as Vizimpro® by Pfizer, are irreversible inhibitors which covalently bind to EGFR. As such, they are more potent, but are associated with increased toxicity. Further, T790M-mediated acquired resistance occurred at a similar frequency in patients receiving a second-generation therapy as those receiving first generation therapy. Third-generation therapies, such as osimertinib, specifically targeting the T790M mutation have been clinically shown to be a useful strategy in the treatment of NSCLC.

FDA-Approved Third-Generation EGFR Inhibitor, Osimertinib

Osimertinib, which represents the third-generation of EGFR inhibitors, targets EGFR mutations and acquired resistance EGFR mutations such as T790M in order to improve upon the efficacy of previous generations of EGFR inhibitors. In a randomized Phase 3 clinical trial in patients with EGFR-mutated metastatic NSCLC, osimertinib demonstrated a median PFS period of 18.9 months versus 10.2 months for the control arm in which patients received gefitinib or erlotinib. Based on these results, osimertinib was approved by the FDA in November 2015. AstraZeneca reported sales of Tagrisso of $1.9 billion in 2018 and are expected to grow to $6.4 billion in 2024.

Osimertinib was also designed to have reduced potency against non-mutated, or wild-type, EGFR found in heathy cells, thereby minimizing the toxicities associated with first and second-generation EGFR inhibitors. Despite its observed success in addressing the T790M-mediated acquired resistance and improved efficacy, osimertinib has a similar adverse event profile to first and second-generation EGFR inhibitors. As demonstrated by third-party clinical data, approximately 60% of patients dosed with osimertinib reported rashes compared to 80% of those dosed with gefitinib or erlotinib and a range of 70% to 90% for the second-generation EGFR inhibitor, afatinib. In addition, similar levels of gastrointestinal disorders such as diarrhea were observed in each of the patient populations. Osimertinib also has warnings and precautions regarding interstitial lung disease, QT prolongation, a surrogate marker for the risk of developing tachycardias, cardiomyopathy, keratitis and Stevens-Johnson Syndrome.

We believe one of the major metabolites of osimertinib, AZ5104, which accounts for approximately 9% to 10% of the total drug concentration at clinical doses, may be contributing to these toxicities. In addition, the off-target toxicities are exacerbated by the long half-life of osimertinib.

Our EGFR Solution: ZN-e4

ZN-e4 is our irreversible EGFR inhibitor product candidate, which we have designed to achieve osimertinib's potency and ability to inhibit mutant EGFR, including the T790M resistance mutation. We have designed ZN-e4 to improve the selectivity against wild-type EGFR and have observed in preclinical studies that the administration of ZN-e4 does not produce a metabolite potent for wild type EGFR, such as osimertinib's AZ5104. We have also designed ZN-e4 with improved physical-chemical characteristics, including improved solubility. In a preclinical study, ZN-e4 showed greater than 450-fold solubility within 48 hours when compared to osimertinib.

We are evaluating ZN-e4 in our Phase 1/2 clinical trial in patients with advanced NSCLC. We believe ZN-e4, if approved, has the potential to be used as monotherapy and in combination with a number of therapies, including ZN-c3, our WEE1 inhibitor product candidate, if approved. We are actively evaluating potential combinations for future clinical development with ZN-e4.

Preclinical Results

Selectivity Across EGFR Cell Lines

In our preclinical studies, we evaluated the potency of ZN-e4 and osimertnib against three types of EGFR cell lines –double mutant (DM cell), single mutant (AM cell) and wild-type (WT cell). As shown in the table below, we observed similar potency in the DM and AM cell lines and three times greater selectivity than osimertinib based on the wild-type binding. In addition, we also observed that the administration of ZN-e4 did not produce a metabolite potent for wild type EGFR.

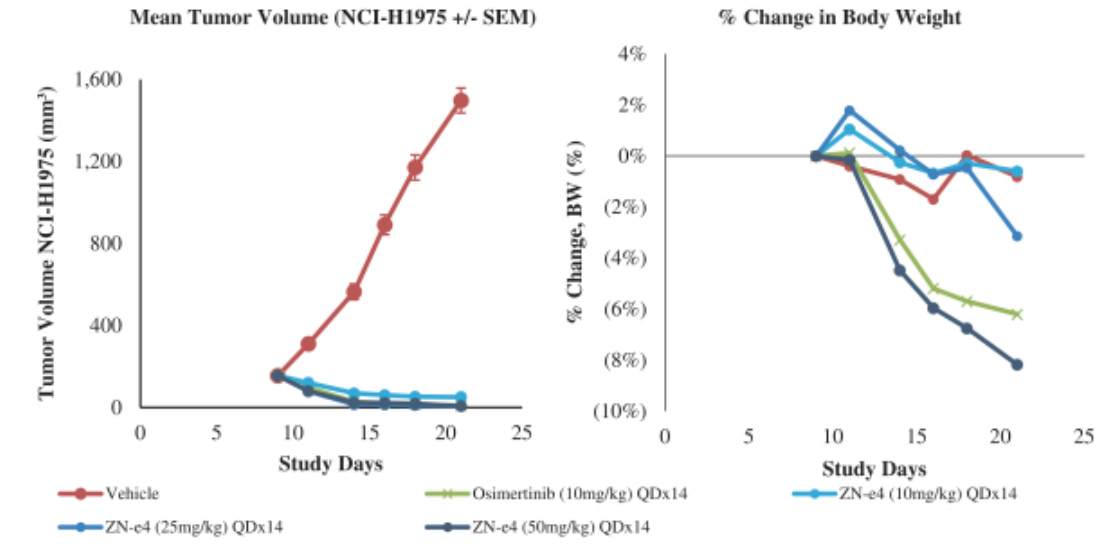
	DOUBLE MUTANT CELL IC_{50} (nM)	SINGLE MUTANT CELL IC_{50} (nM)	WILD-TYPE CELL IC_{50} (nM)
Osimertinib: Core Drug	15	29	294
ZN-e4: Core Drug	**20**	**38**	**839**

	DOUBLE MUTANT CELL IC_{50} (nM)	SINGLE MUTANT CELL IC_{50} (nM)	WILD-TYPE CELL IC_{50} (nM)
Osimertinib: Metabolite AZ5104	2(1)	2(1)	33(1)
ZN-e4: No Metabolite Potent for Wild-Type EGFR		***No Metabolite Potent for Wild-Type EGFR Formed***	

(1) Based on publicly available third-party data.

Anti-tumor Activity, Tolerability and Solubility of ZN-e4

In our preclinical studies, we evaluated anti-tumor activity of ZN-e4. In a NCI-H1975 NSCLC tumor model in which there is a double mutation in EGFR, T790M and L858R, oral dosing of ZN-e4 for 14 days at the lowest dose tested, 10 mg/kg, induced complete tumor regression similar to that observed with 10 mg/kg osimertinib dosed orally. In addition, ZN-e4 at this dose was well tolerated in these models with no apparent loss in body weight throughout the study. In contrast, the 10 mg/kg dose of osimertinib led to a loss of greater than 8% of total body weight. We observed a similar loss of body weight with ZN-e4 when we increased the dose to 50 mg/kg, roughly five times the dose we found to reduce tumor volumes.



Note:
QD: Once daily

In a preclinical study, solubility of ZN-e4 was observed to be 1,614,000 nM as compared to 3,500 nM of osimertinib, or greater than 450 fold. In addition, we did not observe confirmed cardiac toxicity as measured by the standard electrophysiological hERG safety assay.

Phase 1/2 Clinical Trial of ZN-e4

In April 2018, we initiated dosing in a Phase 1/2 open label, multi-center trial of ZN-e4 in patients with advanced NSCLC with activating EGFR mutations who have progressed following therapy with an EGFR tyrosine kinase inhibitor, which we refer to as our ZN-e4-001 Trial, to assess the safety, tolerability, PK and anti-tumor activity of ZN-e4. We plan to enroll a total of up to 186 patients in this trial, which is currently being conducted across multiple sites in the United States. Our ZN-e4-001 Trial consists of a Phase 1, monotherapy 3+3 dose escalation portion of this trial and a Phase 2 portion of this trial.

The primary objective of the Phase 1 portion of this trial is to determine the MTD or RP2D of ZN-e4. The secondary objectives include assessing the safety and tolerability, determining a RP2D and characterizing the PK, of ZN-e4 as an oral monotherapy.

As of November 6, 2019, 18 patients had been enrolled in this trial in seven dose level cohorts.

We expect to report data from the Phase 1 portion of this trial in .

We will evaluate whether to initiate the Phase 2 portion of this trial upon the completion of the Phase 1 portion and after considering trial design, patient population and combination strategies.

Interim and Preliminary Clinical Results

As of the October 30, 2019 data cutoff, we completed dosing in six of our dose escalation cohorts and have enrolled one patient in cohort seven. Seventeen patients have been enrolled and treated with doses of ZN-e4 ranging from 20 mg to 320 mg, once daily. At baseline, the mean age of the enrolled population was 65.3 years (range 38 to 86 years) and consisted of 47% males and 53% females. Of the enrolled patients, six (35.3%) are continuing treatment and 11 (64.7%) have discontinued treatment, seven of which were due to disease progression.

Enrolled patients have received the following prior lines of cancer treatment: EGFR tyrosine kinase inhibitors, excluding investigational EGFR tyrosine kinase inhibitors, EGFR monoclonal antibodies and osimertinib (15 of 17 patients), chemotherapy (11 of 17 patients), osimertinib (ten of 17 patients), immunotherapy (five of 17 patients), investigational EGFR tyrosine kinase inhibitors (two of 17 patients) and EGFR monoclonal antibodies (two of 17 patients). Of the enrolled patients, ten of the 17 had one to three prior systemic cancer regimens, and seven of the 17 had four or more.

The interim and preliminary data described herein are subject to change as more data on these patients and additional patients become available and are subject to authorization and verification procedures that could result in material changes in the final data.

Interim and ZN-e4 Preliminary Safety Results

As of the October 30, 2019 data cutoff, ZN-e4 was generally well tolerated. One patient reported a dose-limiting toxicity at the 320 mg dose level. The trial is currently ongoing at a higher dose level.

Treatment-emergent adverse events, or TEAEs, occurred in 15 of 17 patients. No serious adverse events were reported. Two deaths occurred, each due to progression of disease and were determined to not be related to treatment.

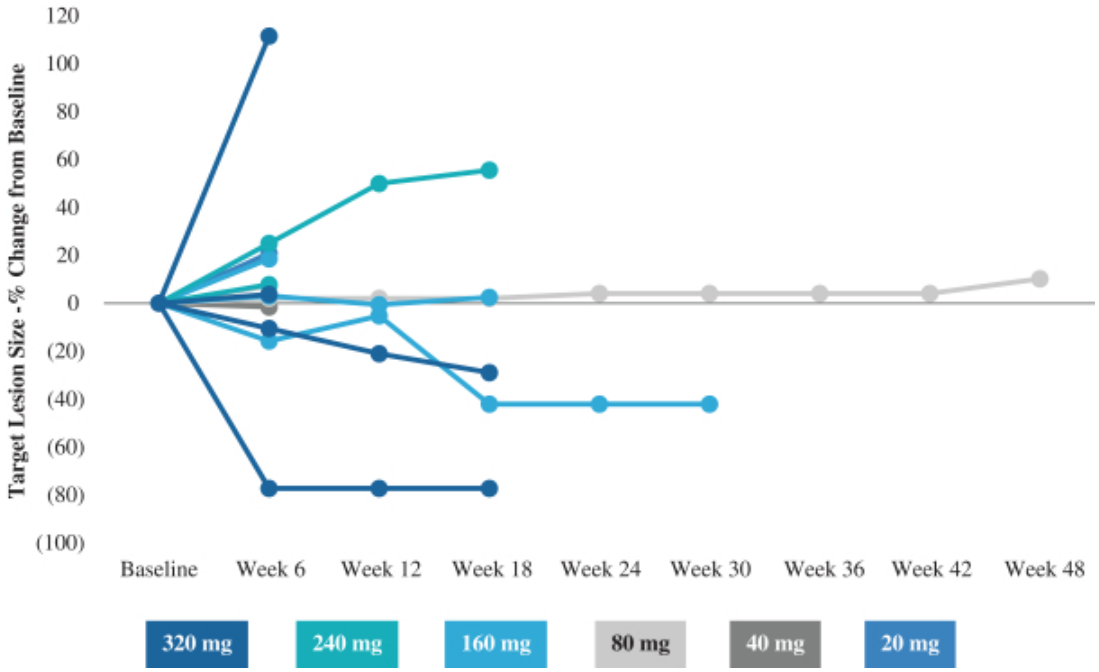
The most frequent of these TEAEs observed were diarrhea (eight of 17 patients), back pain (five of 17 patients), cough (five of 17 patients), nausea (four of 17 patients), vomiting (four of 17 patients) and fatigue (four of 17 patients). All cases of diarrhea were Grade 1 except for one which was Grade 2. Rash of Grade 1 severity was only reported in one patient.

Investigator-assessed, treatment-related adverse events occurred in nine of 17 patients. Of these treatment-related adverse events, seven of 17 patients reported treatment-related adverse events of Grade 1 or Grade 2 severity and two of 17 patients reported treatment-related adverse events of Grade 3 in severity, one case of dysphagia and one case of fatigue.

As of the October 30, 2019 data cutoff, there was no apparent increase of incidence or severity of adverse events with increased dose.

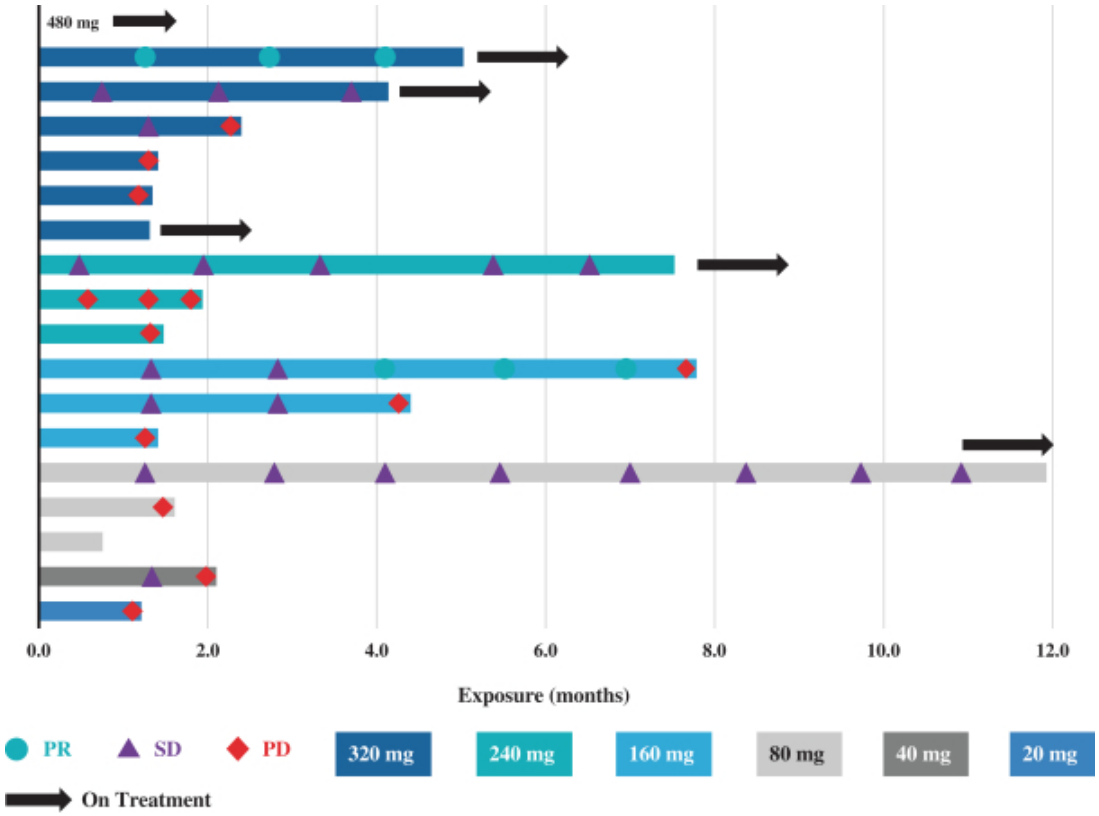
Interim and Preliminary Efficacy Results

As of the October 30, 2019 data cutoff date, we observed that two patients, each of which was osimertinib naïve and one of which had the T790M mutation, had confirmed partial response by RECIST criteria as their best overall response, one dosed at 160 mg and the other dosed at 320 mg. The two patients with partial response had approximately 40% and 80% reduction, respectively, in target lesion size by RECIST criteria. One other patient currently with stable disease had a reduction in target lesion size of approximately 29%.



As of the data cutoff date, one patient had a treatment duration of 48 weeks and two other patients a treatment duration of 18 weeks.

The following table illustrates response, duration of remission and re-dosing of ZN-e4 in this trial as of the data cutoff date.



Notes:
PR: Partial Response
SD: Stable Disease
PD: Progressive Disease

Drug Pharmacokinetics

The PK results from the first 17 patients in our ZN-e4-001 Trial showed rapid absorption into the systemic circulation, with typical median T_{max} values of two to four hours. The exposures were observed to be dose dependent. Little to no ZN-e4 accumulation at steady state on day 15 of once daily dosing was observed with mean day 15 to day one AUC ratios of 1.0-1.8.

		DAY 15 (STEADY STATE)		
DOSE (mg)		Cmax (ng/mL)	Tmax (hr)(1)	AUC0-lostthr (ng*h/mL)
20 (n=1)	**Mean**	**55.9**	**8**	**376**
40 (n=1)	**Mean**	**36.9**	**8**	**179**
80 (n=1)	**Mean**	**144**	**4**	**945**
	SD	*65.3*	*(2-4)*	*487*
160 (n=3)	**Mean**	**382**	**4**	**2,440**
	SD	*274*	*(2-4)*	*1,630*
240 (n=3)	**Mean**	**532**	**4**	**3,730**
	SD	*117*	*(4-6)*	*926*
320 (n=5)	**Mean**	**388**	**4**	**2,550**
	SD	*203*	*(2-4)*	*1,410*

(1) Median (range) are listed for Tmax

Note:

$AUC_{0\text{-}lost}$ is defined as the estimated AUC to the last PK measurement available which is either eight hours or 24 hours (for two patients on the 320 mg dose level)

Manufacturing

We currently do not own or operate any manufacturing facilities. We rely, and expect to continue to rely for the foreseeable future, on third-party contract manufacturing organizations, or CMOs, to produce our product candidates for preclinical and clinical testing, as well as for commercial manufacture if our product candidates receive marketing approval. We require that our CMOs produce bulk drug substances and finished drug products in accordance with current Good Manufacturing Practices, or cGMPs, and all other applicable laws and regulations. We maintain agreements with our manufacturers that include confidentiality and intellectual property provisions to protect our proprietary rights related to our product candidates.

We have engaged CMOs to manufacture and package ZN-c5, ZN-c3, ZN-d5 and ZN-e4 for preclinical and clinical use. Additional CMOs are used to label and distribute ZN-c5, ZN-c3 and ZN-e4 for clinical use. We obtain our supplies from these CMOs on a purchase order basis and do not have long-term supply arrangements in place. Although we do not currently have contractual arrangements in place for redundant supply for all of these product candidates, it is our goal to identify and contract with at least two manufacturers for active pharmaceutical ingredient and two manufacturers for drug product. More broadly, for each of our product candidates, we intend to identify and qualify additional manufacturers to provide the active pharmaceutical ingredient and fill-and-finish services prior to seeking regulatory approval.

Competition

The biotechnology and pharmaceutical industries are characterized by rapid technological advancement, significant competition and an emphasis on intellectual property. We face potential competition from many different sources, including major and specialty pharmaceutical and biotechnology companies, academic research institutions, governmental agencies and public and private research institutions. Any product candidates that we successfully develop and commercialize will compete with current therapies and new therapies that may become available in the future.

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

Our commercial opportunity could be reduced or eliminated if our competitors develop and commercialize medicines that are safer, more effective, have fewer or less severe side effects, are more convenient or less expensive than any medicines we may develop. Our competitors also may obtain FDA or other regulatory approval for their product candidates more rapidly than we may obtain approval for ours, which could result in competitors establishing a strong market position before we are able to enter the market. We believe that the key competitive factors affecting the success of any of our product candidates, if approved, will include efficacy, combinability, safety profile, convenience, cost, level of promotional activity devoted to them and intellectual property protection.

If the product candidates for our priority programs are approved for the indications we are currently targeting, they will compete with the drugs discussed below. Furthermore, it is possible that other companies are also engaged in discovery or preclinical development of drug candidates for the same indications. These competitors, if successful in clinical development, may achieve regulatory approval and market adoption in advance of our product candidates, constraining our ability to gain significant market share for such product candidates. In addition, our product candidates, if approved, will complete with multiple approved drugs or drugs that may be approved for future indications for which we develop such product candidate.

Intellectual Property

We strive to protect the proprietary technology, inventions and improvements that are commercially important to our business, including seeking, maintaining, and defending patent rights, whether developed internally or licensed from third parties. We also rely on know-how relating to our proprietary technology and product candidates and continuing innovation to develop, strengthen and maintain our proprietary position. We also plan to rely on data exclusivity, market exclusivity and patent term extensions when available. Our commercial success will depend in part on our ability to obtain and maintain patent and other proprietary protection for our technology, inventions and improvements; to defend and enforce our proprietary rights, including any patents that we may own in the future; and to operate without infringing the valid and enforceable patents and other proprietary rights of third parties. Intellectual property rights may not address all potential threats to our competitive advantage.

With respect to our product candidates and processes we intend to develop and commercialize in the normal course of business, we intend, or understand that our licensors intend, to pursue patent protection covering, when possible, compositions, methods of use, dosing and formulations. We or our licensors also may pursue patent protection with respect to manufacturing and drug development processes and technologies. Obtaining and maintaining patent protection depends on compliance with various procedural, document submission, fee payment, and other requirements imposed by governmental patent agencies. We or our licensors may not be able to obtain patent protections for our compositions, methods of use, dosing and formulations, manufacturing and drug development processes and technologies throughout the world. Issued patents can provide protection for varying periods of time, depending upon the date of filing of the patent application, the date of patent issuance and the legal term of patents in the countries in which they are obtained. In general, patents issued for applications filed in the United States can provide exclusionary rights for 20 years from the earliest effective filing date. In addition, in certain instances, the term of an issued U.S. patent that is directed to or claims an FDA-approved product can be extended to recapture a portion of the term effectively lost as a result of the FDA

regulatory review period, which is called “patent term extension.” The restoration period cannot be longer than five years and the total patent term, including the restoration period, must not exceed 14 years following FDA approval. The term of patents outside of the United States varies in accordance with the laws of the foreign jurisdiction, but typically is also 20 years from the earliest effective filing date. However, the actual protection afforded by a patent varies on a product-by-product basis, from country-to-country, and depends upon many factors, including the type of patent, the scope of its coverage, the availability of regulatory-related extensions, the availability of legal remedies in a particular country, and the validity and enforceability of the patent. Patent term may be inadequate to protect our competitive position on our products for an adequate amount of time.

The patent positions of companies like ours are generally uncertain and involve complex legal and factual questions. No consistent policy regarding the scope of claims allowable in patents in the field of biopharmaceuticals has emerged in the United States. The relevant patent laws and their interpretation outside of the United States is also uncertain. Changes in either the patent laws or their interpretation in the United States and other countries may diminish our ability to protect our technology or product candidates and could affect the value of such intellectual property. In particular, our ability to stop third parties from making, using, selling, offering to sell or importing products that infringe our intellectual property will depend in part on our success in obtaining and enforcing patent claims that cover our technology, inventions and improvements. We cannot guarantee that patents will be granted with respect to any of our pending patent applications or with respect to any patent applications we may file in the future, nor can we be sure that any patents that may be granted to us in the future will be commercially useful in protecting our products, the methods of use or manufacture of those products. Moreover, even our issued licensed-in patents do not guarantee us the right to practice our technology in relation to the commercialization of our products. Patent and other intellectual property rights in the pharmaceutical and biotechnology space are evolving and involve many risks and uncertainties. For example, third parties may have blocking patents that could be used to prevent us from commercializing our product candidates and practicing our proprietary technology, and our issued licensed-in patents may be challenged, invalidated, deemed unenforceable or circumvented, which could limit our ability to stop competitors from marketing-related products or could limit the term of patent protection that otherwise may exist for our product candidates. In addition, the scope of the rights granted under any issued in-licensed patents may not provide us with protection or competitive advantages against competitors with similar technology. Furthermore, our competitors may independently develop similar technologies that are outside the scope of the rights granted under any issued patents. For these reasons, we may face competition with respect to our product candidates. Moreover, because of the extensive time required for development, testing and regulatory review of a potential product, it is possible that, before any particular product candidate can be commercialized, any patent directed to such product may expire or remain in force for only a short period following commercialization, thereby reducing the commercial advantage the patent provides.

In-licensed Patents and Patent Applications

Recurium IP Holdings, LLC or Zeno Management, Inc., are currently the listed owner/assignee, or retained the exclusive license to 41 families of patent applications directed to our technology across our pipeline. Our in-licensed portfolio consists of ten U.S. patents and seven foreign patents in four jurisdictions, Europe, Japan, Singapore and Taiwan.

Twenty-six of the 41 families have a single application pending, and 15 of 41 families have multiple applications pending. The 41 families include 36 U.S. applications (including pending U.S. provisional patent applications and pending U.S. non-provisional patent applications), eight PCT applications and 132 international applications in approximately 17 countries, including major markets in North America, Europe and Asia, each having a nominal expiration date ranging from 2034 to 2040. The nominal expiration of our patents and patent applications does not account for any applicable patent term adjustments or extensions.

U.S. Patent No. 10,513,509, or the ‘509 Patent, includes claims directed to composition of matter, including ZN-e4, a pharmaceutical composition, a method for inhibiting replication of a malignant growth or a tumor, a

method for ameliorating or treating a cancer and a method for inhibiting the activity of EGFR. The ‘509 Patent has an expected expiration date in May 2037. However, we believe the ‘509 Patent may be eligible for a patent term extension under the Hatch-Waxman Act.

One of the aforementioned pending U.S. and PCT patent applications includes claims directed to ZN-c5, ZN-c3 or ZN-d5, and has an expected expiration in 2037 (ZN-c5) and 2039 (ZN-c3 and ZN-d5). However, there can be no assurance that any of our pending in-licensed patent applications will issue. Furthermore, there can be no assurance that we will benefit from any patent term extension or favorable adjustments to the term of any of our in-licensed issued patents or patents that are issued in the future. The applicable authorities, including the FDA in the United States, may not agree with our assessment of whether such patent term extensions should be granted, and, if granted, they may grant more limited extensions than we request.

Trademarks

Our trademark portfolio currently contains pending U.S. trademark applications for the marks ZENO and ZENTALIS. Applications to register the mark ZENO have been filed internationally. The portfolio has an International Madrid Trademark Application designating Australia, Europe, Israel, India, Japan, Republic of Korea, Mexico, New Zealand, the Russian Federation and Singapore for the mark ZENO. The portfolio also has pending applications for registration in Argentina, Brazil, Canada, Hong Kong, Taiwan and the United Kingdom for the mark ZENO.

Furthermore, we rely upon know-how, continuing technological innovation and potential in-licensing opportunities to develop and maintain our competitive position. We seek to protect our proprietary information, in part, using confidentiality and invention assignment agreements with our commercial partners, collaborators, employees, and consultants. 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 an employee or a third party. These agreements may be breached, and we may not have adequate remedies for any such breach. 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.

Licensing Agreements and Strategic Collaborations

Recurium IP Holdings, LLC

In December 2014, and as amended and restated effective as of December 2017, we entered into a license agreement, or the Recurium Agreement, with Recurium IP Holdings, LLC, or Recurium IP under which we were granted an exclusive worldwide license to certain intellectual property rights owned or controlled by Recurium to develop and commercialize pharmaceutical products for the treatment or preventions of disease, other than for pain. We have the right to sublicense our rights under the Recurium Agreement, subject to certain conditions. We are required to use commercially reasonable efforts to develop and commercialize at least one licensed product that comprises or contains a program compound and to execute certain development activities.

Our payment obligations under the Recurium Agreement are based on the percentage of ownership interest Recurium Equity, LLC, an affiliated company of Recurium IP, has in the Company. Under the terms of the Recurium Agreement, we are obligated to make development and regulatory milestone payments, pay royalties for net sales and make sublicensing payments with respect to certain licensed products directed to one of ten specific biological targets, including ZN-c5, ZN-c3 and ZN-e4. We are obligated to make development and regulatory milestone payments for such licensed products of up to $44.5 million if Recurium Equity, LLC has less than 10% ownership percentage of us, or up to $21.5 million if the ownership percentage is 10% or more but no more than 15%. If the percentage of ownership interest Recurium Equity, LLC has in us is greater than 15% then no development and regulatory milestone payments will be due. In addition, we are obligated to make milestone payments up to $150,000 for certain licensed products used in animals. We are also obligated to pay

royalties on sales of such licensed products at a mid- to high-single digit percentage if Recurium Equity LLC's ownership percentage in us is less than 10%, at a mid-single digit percentage if such ownership percentage is 10% or more but no more than 15%, and at a low-single digit percentage if such ownership percentage is above 15%. In addition, if we choose to sublicense or assign to any third parties our rights under the Recurium Agreement with respect to such licensed products, we must pay to Recurium IP 20% of all revenue received in connection with such transaction if Recurium Equity, LLC has less than 10% ownership percentage of us, or a 10% of all revenue received if the ownership percentage is 10% or more but no more than 15%. If the percentage of ownership interest Recurium Equity, LLC has in us is greater than 15% then no sublicensing payments will be due.

Our royalty obligations will expire on a licensed product-by-licensed product and country-by-country basis on the later of fifteen years from the date of first commercial sale or when there is no longer a valid patent claim covering such licensed product in such country. The Recurium Agreement will expire on the later of on a country-by-country basis the expiration of royalty term for all licensed products in such country and December 21, 2032. The Recurium Agreement may be terminated in its entirety either by Recurium or by us in the event of an uncured material breach by the other party, in the event the other party is subject to specified bankruptcy, insolvency or similar circumstances, or in the event of a force majeure event under certain circumstances.

Upon termination of the Recurium Agreement for any reason, all rights and licenses granted to us under the agreement will terminate and revert to Recurium, and in the event of certain termination events, we would grant Recurium worldwide, royalty-bearing rights to our licensed products and transfer to Recurium any regulatory filings and data for such licensed products.

Mayo Foundation for Medical Education and Research

In February 2016, and as amended in April 2017 and December 2017, we entered into a license agreement, or the Mayo Agreement, with Mayo Foundation for Medical Education and Research under which we were granted an exclusive option to obtain an exclusive worldwide license to know-how and an exclusive worldwide license to related patent rights created by Mayo under the Mayo Agreement. We have the right to sublicense our rights under the Mayo Agreement, subject to certain conditions. We are required to use commercially reasonable efforts to develop and commercialize licensed products. Under the terms of the Mayo Agreement, we are obligated to pay royalties on sales for each licensed product at a low-single digit percentage as well as grants of equity interests to be negotiated on a case-by-case basis. In addition, in consideration for the grant of know-how we provided grants of common stock on the first anniversary and Class A common units on the second and third anniversaries following entry into the Mayo Agreement. As of December 31, 2019, we have granted equity securities which amount to 11,123 Class A common units under the Mayo Agreement. The Mayo Agreement will expire on the date of the last to expire of the Mayo patent rights. The Mayo Agreement may be terminated in its entirety or in part by Mayo in the event of an uncured material breach by us, in the event that we bring suit against Mayo, except for an uncured material breach of the Mayo Agreement by Mayo, or in the event we are subject to specified bankruptcy, insolvency or similar circumstances.

SciClone Pharmaceuticals International (Cayman) Development Ltd.

In December 2014, and as amended in December 2016, we entered into a collaboration and license agreement, or the SciClone Agreement, with SciClone Pharmaceuticals International (Cayman) Development Ltd., or SciClone, under which we granted an exclusive license to certain intellectual property rights in the People's Republic of China (including the territories of Macao and Hong Kong), South Korea, Taiwan and Vietnam, or the SciClone Territory, for SciClone to develop and commercialize a licensed product for the treatment or prevention of oncologic diseases and an exclusive option to obtain a similar license for up to two additional licensed products. Under the SciClone Agreement, SciClone is responsible for clinical development activities required in order to obtain regulatory approval in the SciClone Territory. SciClone paid to us a

one-time up-front payment of $1.0 million upon entering into the SciClone Agreement and has paid us $4.0 million in aggregate milestone payments, and we are entitled to receive a mid-single digit royalty on net sales of licensed products in the SciClone Territory, which royalty is subject to certain reductions in the event that SciClone is unable to achieve certain gross margins or if generic products are sold or if technology covering a licensed product is licensed from a third party. We have also agreed to pay SciClone tiered royalties pursuant to the terms of the SciClone Agreement, the applicable rate of which are determined based on whether a compound is developed to a successful dual IND submission and the costs incurred by SciClone for the development of such product candidate.

Following the December 2016 amendment to the SciClone Agreement, SciClone retains the right to include up to two specified compounds under the SciClone Agreement for which we submit an IND by providing notice and paying $5 million to us. The SciClone Agreement may be terminated in its entirety or on a country-by-country basis by SciClone upon 180 days' notice or either by SciClone or by us in its entirety in the event of an uncured material breach by the other party, in the event the other party is subject to specified bankruptcy, insolvency or similar circumstances, or in the event of a force majeure event under certain circumstances.

Pfizer Clinical Trial Collaboration and Supply Agreement

In May 2018, we entered into a clinical trial collaboration and supply agreement with Pfizer, Inc. to evaluate the safety, tolerability and efficacy of ZN-c5 in combination with their CDK4/6 inhibitor, palbociclib, in our ongoing Phase 1/2 clinical trial of ZN-c5. Pursuant to this agreement, we will be responsible for the conduct and cost of the relevant studies, under the supervision of a joint development committee made up of our representatives and representatives of Pfizer that meets quarterly. Pfizer will supply palbociclib for use in the ZN-c5-001 Trial, at no cost to us. We are required to provide to Pfizer clinical data and other reports upon completion of the ZN-c5-001 Trial.

This agreement does not grant any right of first negotiation to participate in future clinical trials, and each of the parties retains all rights and ability to evaluate their respective compounds in any clinical studies, either as monotherapy or in combination with any other product or compound, in any therapeutic area.

We and Pfizer each have the right to terminate the agreement for material breach by the other party. In addition, the agreement may be terminated by either party due to safety considerations or if either party decides to discontinue development of its own compound for medical, scientific, legal or other reasons or if a regulatory authority takes any action preventing that party from supplying its compound for the study. Pfizer also has the right to terminate this agreement if it notifies us in writing that it reasonably and in good faith believes that palbociclib is being used in an unsafe manner, and we fail to incorporate changes to address such issue, and the joint development committee is unable to resolve the issue following elevation to appropriate parties.

Government Regulation and Product Approval

Government authorities in the United States, at the federal, state and local level, and other countries extensively regulate, among other things, the research, development, testing, manufacture, quality control, approval, labeling, packaging, storage, record-keeping, promotion, advertising, distribution, marketing and export and import of products such as those we are developing. A new drug must be approved by the FDA through the NDA process before it may be legally marketed in the United States.

U.S. Drug Development Process

In the United States, the FDA regulates drugs under the federal Food, Drug, and Cosmetic Act, or the FDCA, and its implementing regulations. The process of obtaining regulatory approvals and the subsequent compliance with appropriate federal, state, local and foreign statutes and regulations require the expenditure of substantial time and financial resources. Failure to comply with the applicable U.S. requirements at any time

during the product development process, approval process or after approval may subject an applicant to administrative or judicial sanctions. These sanctions could include the FDA's refusal to approve pending applications, withdrawal of an approval, a clinical hold, warning letters, product recalls, product seizures, total or partial suspension of production or distribution, injunctions, fines, refusals of government contracts, restitution, disgorgement or civil or criminal penalties. Any agency or judicial enforcement action could have a material adverse effect on us.

The process required by the FDA before a drug may be marketed in the United States generally involves the following:

- completion of preclinical laboratory tests, animal studies and formulation studies in accordance with FDA's good laboratory practice requirements and other applicable regulations;
- submission to the FDA of an IND, which must become effective before human clinical trials may begin;
- approval by an independent IRB ethics committee at each clinical site before each trial may be initiated;
- performance of adequate and well-controlled human clinical trials in accordance with GCP requirements to establish the safety and efficacy of the proposed drug for its intended use;
- submission to the FDA of an NDA after completion of all pivotal trials;
- satisfactory completion of an FDA advisory committee review, if applicable;
- satisfactory completion of an FDA inspection of the manufacturing facility or facilities at which the drug is produced to assess compliance with cGMP requirements to assure that the facilities, methods and controls are adequate to preserve the drug's identity, strength, quality and purity, and of selected clinical investigation sites to assess compliance with GCPs; and
- FDA review and approval of the NDA to permit commercial marketing of the product for particular indications for use in the United States.

Prior to beginning the first clinical trial with a product candidate in the United States, we must submit an IND to the FDA. An IND is a request for authorization from the FDA to administer an investigational new drug product to humans. The central focus of an IND submission is on the general investigational plan and the protocol(s) for clinical studies. The IND also includes results of animal and *in vitro* studies assessing the toxicology, pharmacokinetics, pharmacology, and pharmacodynamic characteristics of the product; chemistry, manufacturing, and controls information; and any available human data or literature to support the use of the investigational product. An IND must become effective before human clinical trials may begin. The IND automatically becomes effective 30 days after receipt by the FDA, unless the FDA, within the 30- day time period, raises safety concerns or questions about the proposed clinical trial. In such a case, the IND may be placed on clinical hold and the IND sponsor and the FDA must resolve any outstanding concerns or questions before the clinical trial can begin. Submission of an IND therefore may or may not result in FDA authorization to begin a clinical trial.

Clinical trials involve the administration of the investigational product to human subjects under the supervision of qualified investigators in accordance with GCPs, which include the requirement that all research subjects provide their informed consent for their participation in any clinical study. Clinical trials are conducted under protocols detailing, among other things, the objectives of the study, the parameters to be used in monitoring safety and the effectiveness criteria to be evaluated. A separate submission to the existing IND must be made for each successive clinical trial conducted during product development and for any subsequent protocol amendments. Furthermore, an independent IRB for each site proposing to conduct the clinical trial must review and approve the plan for any clinical trial and its informed consent form before the clinical trial begins at that site and must monitor the study until completed. Regulatory authorities, the IRB or the sponsor may suspend a clinical trial at any time on various grounds, including a finding that the subjects are being exposed to an

unacceptable health risk or that the trial is unlikely to meet its stated objectives. Some studies also include oversight by an independent group of qualified experts organized by the clinical study sponsor, known as a data safety monitoring board, which provides authorization for whether or not a study may move forward at designated check points based on access to certain data from the study and may halt the clinical trial if it determines that there is an unacceptable safety risk for subjects or other grounds, such as no demonstration of efficacy. There are also requirements governing the reporting of ongoing clinical studies and clinical study results to public registries.

Human clinical trials are typically conducted in three sequential phases that may overlap or be combined:

- Phase 1: The product candidate is initially introduced into healthy human subjects or patients with the target disease or condition. These studies are designed to test the safety, dosage tolerance, absorption, metabolism and distribution of the investigational product in humans, the side effects associated with increasing doses, and, if possible, to gain early evidence on effectiveness. In the case of some products for severe or life-threatening diseases, such as cancer, especially when the product may be too inherently toxic to ethically administer to healthy volunteers, the initial human testing is often conducted in patients.
- Phase 2: The product candidate is administered to a limited patient population with a specified disease or condition to evaluate the preliminary efficacy, optimal dosages and dosing schedule and to identify possible adverse side effects and safety risks. Multiple Phase 2 clinical trials may be conducted to obtain information prior to beginning larger and more expensive Phase 3 clinical trials.
- Phase 3: The product candidate is administered to an expanded patient population to further evaluate dosage, to provide statistically significant evidence of clinical efficacy and to further test for safety, generally at multiple geographically dispersed clinical trial sites. These clinical trials are intended to establish the overall risk/benefit ratio of the investigational product and to provide an adequate basis for product approval.

Post-approval trials, sometimes referred to as Phase 4 studies, may be conducted after initial marketing approval. These trials are used to gain additional experience from the treatment of patients in the intended therapeutic indication. In certain instances, the FDA may mandate the performance of Phase 4 clinical trials as a condition of approval of an NDA.

The FDA or the sponsor may suspend a clinical trial at any time on various grounds, including a finding that the research subjects or patients are being exposed to an unacceptable health risk. Similarly, an IRB can suspend or terminate approval of a clinical trial at its institution if the clinical trial is not being conducted in accordance with the IRB's requirements or if the drug has been associated with unexpected serious harm to patients. In addition, some clinical trials are overseen by an independent group of qualified experts organized by the sponsor, known as a data safety monitoring board or committee. Depending on its charter, this group may determine whether a trial may move forward at designated check points based on access to certain data from the trial.

During the development of a new drug, sponsors are given opportunities to meet with the FDA at certain points. These points may be prior to submission of an IND, at the end of Phase 2, and before an NDA is submitted. Meetings at other times may be requested. These meetings can provide an opportunity for the sponsor to share information about the data gathered to date, for the FDA to provide advice, and for the sponsor and the FDA to reach agreement on the next phase of development. Sponsors typically use the meetings at the end of the Phase 2 trial to discuss Phase 2 clinical results and present plans for the pivotal Phase 3 clinical trials that they believe will support approval of the new drug.

Concurrent with clinical trials, companies usually complete additional animal studies and must also develop additional information about the chemistry and physical characteristics of the drug and finalize a process for manufacturing the product in commercial quantities in accordance with cGMP requirements. The manufacturing process must be capable of consistently producing quality batches of the product candidate and, among other things, the manufacturer must develop methods for testing the identity, strength, quality and purity of the final

drug. In addition, appropriate packaging must be selected and tested, and stability studies must be conducted to demonstrate that the product candidate does not undergo unacceptable deterioration over its shelf life.

While the IND is active and before approval, progress reports summarizing the results of the clinical trials and nonclinical studies performed since the last progress report must be submitted at least annually to the FDA, and written IND safety reports must be submitted to the FDA and investigators for serious and unexpected suspected adverse events, findings from other studies suggesting a significant risk to humans exposed to the same or similar drugs, findings from animal or *in vitro* testing suggesting a significant risk to humans, and any clinically important increased incidence of a serious suspected adverse reaction compared to that listed in the protocol or investigator brochure.

U.S. Review and Approval Process

Assuming successful completion of all required testing in accordance with all applicable regulatory requirements, the results of product development, preclinical and other non-clinical studies and clinical trials, along with descriptions of the manufacturing process, analytical tests conducted on the chemistry of the drug, proposed labeling and other relevant information are submitted to the FDA as part of an NDA requesting approval to market the product. The submission of an NDA is subject to the payment of substantial user fees; a waiver of such fees may be obtained under certain limited circumstances. Additionally, no user fees are assessed on NDAs for products designated as orphan drugs, unless the product also includes a non-orphan indication.

The FDA reviews an NDA to determine, among other things, whether a product is safe and effective for its intended use and whether its manufacturing is cGMP-compliant to assure and preserve the product's identity, strength, quality and purity. Under the Prescription Drug User Fee Act, or PDUFA, guidelines that are currently in effect, the FDA has a goal of ten months from the date of "filing" of a standard NDA for a new molecular entity to review and act on the submission. This review typically takes twelve months from the date the NDA is submitted to FDA because the FDA has approximately two months to make a "filing" decision after it the application is submitted. The FDA conducts a preliminary review of all NDAs within the first 60 days after submission, before accepting them for filing, to determine whether they are sufficiently complete to permit substantive review The FDA may request additional information rather than accept an NDA for filing. In this event, the NDA must be resubmitted with the additional information. The resubmitted application also is subject to review before the FDA accepts it for filing.

The FDA may refer an application for a novel drug to an advisory committee. An advisory committee is a panel of independent experts, including clinicians and other scientific experts, that reviews, evaluates and provides a recommendation as to whether the application should be approved and under what conditions. The FDA is not bound by the recommendations of an advisory committee, but it considers such recommendations carefully when making decisions.

Before approving an NDA, the FDA will typically inspect the facility or facilities where the product is manufactured. The FDA will not approve an application unless it determines that the manufacturing processes and facilities are in compliance with cGMP and adequate to assure consistent production of the product within required specifications. Additionally, before approving a NDA, the FDA will typically inspect one or more clinical sites to assure compliance with GCPs. If the FDA determines that the application, manufacturing process or manufacturing facilities are not acceptable, it will outline the deficiencies in the submission and often will request additional testing or information. Notwithstanding the submission of any requested additional information, the FDA ultimately may decide that the application does not satisfy the regulatory criteria for approval.

After the FDA evaluates an NDA, it will issue an approval letter or a Complete Response Letter. An approval letter authorizes commercial marketing of the drug with prescribing information for specific indications. A Complete Response Letter indicates that the review cycle of the application is complete, and the application will not be approved in its present form. A Complete Response Letter usually describes the specific deficiencies

in the NDA identified by the FDA and may require additional clinical data, such as an additional pivotal Phase 3 trial or other significant and time-consuming requirements related to clinical trials, nonclinical studies or manufacturing. If a Complete Response Letter is issued, the sponsor must resubmit the NDA or, addressing all of the deficiencies identified in the letter, or withdraw the application. Even if such data and information are submitted, the FDA may decide that the NDA does not satisfy the criteria for approval.

If regulatory approval of a product is granted, such approval will be granted for particular indications and may entail limitations on the indicated uses for which such product may be marketed. For example, the FDA may approve the NDA with a REMS to ensure the benefits of the product outweigh its risks. A REMS is a safety strategy to manage a known or potential serious risk associated with a medicine and to enable patients to have continued access to such medicines by managing their safe use, and could include medication guides, physician communication plans, or elements to assure safe use, such as restricted distribution methods, patient registries, and other risk minimization tools. The FDA also may condition approval on, among other things, changes to proposed labeling or the development of adequate controls and specifications. Once approved, the FDA may withdraw the product approval if compliance with pre- and post-marketing requirements is not maintained or if problems occur after the product reaches the marketplace. The FDA may also require one or more Phase 4 post-market studies and surveillance to further assess and monitor the product's safety and effectiveness after commercialization, and may limit further marketing of the product based on the results of these post-marketing studies. In addition, new government requirements, including those resulting from new legislation, may be established, or the FDA's policies may change, which could impact the timeline for regulatory approval or otherwise impact ongoing development programs.

In addition, the Pediatric Research Equity Act, or PREA, requires a sponsor to conduct pediatric clinical trials for most drugs, for a new active ingredient, new indication, new dosage form, new dosing regimen or new route of administration. Under PREA, original NDAs and supplements must contain a pediatric assessment unless the sponsor has received a deferral or waiver. The required assessment must evaluate the safety and effectiveness of the product for the claimed indications in all relevant pediatric subpopulations and support dosing and administration for each pediatric subpopulation for which the product is safe and effective. The sponsor or FDA may request a deferral of pediatric clinical trials for some or all of the pediatric subpopulations. A deferral may be granted for several reasons, including a finding that the drug is ready for approval for use in adults before pediatric clinical trials are complete or that additional safety or effectiveness data needs to be collected before the pediatric clinical trials begin. The FDA must send a non-compliance letter to any sponsor that fails to submit the required assessment, keep a deferral current or fails to submit a request for approval of a pediatric formulation.

Expedited Development and Review Programs

The FDA has a fast track designation program that is intended to expedite or facilitate the process for reviewing new drug products that meet certain criteria. Specifically, new drugs are eligible for Fast Track designation if they are intended to treat a serious or life-threatening disease or condition and demonstrate the potential to address unmet medical needs for the disease or condition. With regard to a fast track product, the FDA may consider for review sections of the NDA on a rolling basis before the complete application is submitted, if the sponsor provides a schedule for the submission of the sections of the NDA, the FDA agrees to accept sections of the NDA and determines that the schedule is acceptable, and the sponsor pays any required user fees upon submission of the first section of the NDA.

Any product submitted to the FDA for approval, including a product with a fast track designation, may also be eligible for other types of FDA programs intended to expedite development and review, such as priority review and accelerated approval. A product is eligible for priority review if it has the potential to provide safe and effective therapy where no satisfactory alternative therapy exists or a significant improvement in the treatment, diagnosis or prevention of a disease compared to marketed products. The FDA will attempt to direct additional resources to the evaluation of an application for a new drug designated for priority review in an effort

to facilitate the review. The FDA endeavors to review applications with priority review designations within six months of the filing date as compared to ten months for review of new molecular entity NDAs under its current PDUFA review goals.

In addition, a product may be eligible for accelerated approval. Drug products intended to treat serious or life-threatening diseases or conditions may be eligible for accelerated approval upon a determination that the product has an effect on a surrogate endpoint that is reasonably likely to predict clinical benefit, or on a clinical endpoint that can be measured earlier than irreversible morbidity or mortality, that is reasonably likely to predict an effect on irreversible morbidity or mortality or other clinical benefit, taking into account the severity, rarity, or prevalence of the condition and the availability or lack of alternative treatments. As a condition of approval, the FDA may require that a sponsor of a drug receiving accelerated approval perform adequate and well-controlled post-marketing clinical trials. In addition, the FDA currently requires pre-approval of promotional materials as a condition for accelerated approval, which could adversely impact the timing of the commercial launch of the product.

The Food and Drug Administration Safety and Innovation Act established a category of drugs referred to as “breakthrough therapies” that may be eligible to receive breakthrough therapy designation. A sponsor may seek FDA designation of a product candidate as a “breakthrough therapy” if the product is intended, alone or in combination with one or more other products, to treat a serious or life-threatening disease or condition and preliminary clinical evidence indicates that the product may demonstrate substantial improvement over existing therapies on one or more clinically significant endpoints, such as substantial treatment effects observed early in clinical development. The designation includes all of the fast track program features, as well as more intensive FDA interaction and guidance. The breakthrough therapy designation is a distinct status from both accelerated approval and priority review, which can also be granted to the same drug if relevant criteria are met. If a product is designated as breakthrough therapy, the FDA will work to expedite the development and review of such drug.

Standards for approval but may expedite the development or approval process. Even if a product qualifies for one or more of these programs, the FDA may later decide that the product no longer meets the conditions for qualification or decide that the time period for FDA review or approval will not be shortened. We may explore some of these opportunities for our product candidates as appropriate.

Post-approval Requirements

Any products manufactured or distributed by us pursuant to FDA approvals are subject to pervasive and continuing regulation by the FDA, including, among other things, requirements relating to record-keeping, reporting of adverse experiences, periodic reporting, product sampling and distribution, and advertising and promotion of the product. After approval, most changes to the approved product, such as adding new indications or other labeling claims, are subject to prior FDA review and approval. There also are continuing, annual program fees for any marketed products. Drug manufacturers and their subcontractors are required to register their establishments with the FDA and certain state agencies, and are subject to periodic unannounced inspections by the FDA and certain state agencies for compliance with cGMP, which impose certain procedural and documentation requirements upon us and our third-party manufacturers. Changes to the manufacturing process are strictly regulated, and, depending on the significance of the change, may require prior FDA approval before being implemented. FDA regulations also require investigation and correction of any deviations from cGMP and impose reporting requirements upon us and any third-party manufacturers that we may decide to use. Accordingly, manufacturers must continue to expend time, money and effort in the area of production and quality control to maintain compliance with cGMP and other aspects of regulatory compliance.

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

imposition of distribution restrictions or other restrictions under a REMS program. Other potential consequences include, among other things:

- restrictions on the marketing or manufacturing of the product, complete withdrawal of the product from the market or product recalls;
- fines, warning letters, or untitled letters;
- clinical holds on clinical studies;
- refusal of the FDA to approve pending applications or supplements to approved applications, or suspension or revocation of product license approvals;
- product seizure or detention, or refusal to permit the import or export of products;
- consent decrees, corporate integrity agreements, debarment or exclusion from federal healthcare programs;
- mandated modification of promotional materials and labeling and the issuance of corrective information;
- the issuance of safety alerts, Dear Healthcare Provider letters, press releases and other communications containing warnings or other safety information about the product; or
- injunctions or the imposition of civil or criminal penalties.

The FDA closely regulates the marketing, labeling, advertising and promotion of drug products. A company can make only those claims relating to safety and efficacy, purity and potency that are approved by the FDA and in accordance with the provisions of the approved label. The FDA and other agencies actively enforce the laws and regulations prohibiting the promotion of off-label uses. Failure to comply with these requirements can result in, among other things, adverse publicity, warning letters, corrective advertising and potential civil and criminal penalties. Physicians may prescribe, in their independent professional medical judgment, legally available products for uses that are not described in the product's labeling and that differ from those tested by us and approved by the FDA. Physicians may believe that such off-label uses are the best treatment for many patients in varied circumstances. The FDA does not regulate the behavior of physicians in their choice of treatments. The FDA does, however, restrict manufacturer's communications on the subject of off-label use of their products. The federal government has levied large civil and criminal fines against companies for alleged improper promotion of off-label use and has enjoined companies from engaging in off-label promotion. The FDA and other regulatory agencies have also required that companies enter into consent decrees or permanent injunctions under which specified promotional conduct is changed or curtailed. However, companies may share truthful and not misleading information that is otherwise consistent with a product's FDA-approved labelling.

Marketing Exclusivity

Market exclusivity provisions authorized under the FDCA can delay the submission or the approval of certain marketing applications. The FDCA provides a five-year period of non-patent marketing exclusivity within the United States to the first applicant to obtain approval of an NDA for a new chemical entity. A drug is a new chemical entity if the FDA has not previously approved any other new drug containing the same active moiety, which is the molecule or ion responsible for the action of the drug substance. During the exclusivity period, the FDA may not approve or even accept for review an abbreviated new drug application, or ANDA, or an NDA submitted under Section 505(b)(2), or 505(b)(2) NDA, submitted by another company for another drug based on the same active moiety, regardless of whether the drug is intended for the same indication as the original innovative drug or for another indication, where the applicant does not own or have a legal right of reference to all the data required for approval. However, an application may be submitted after four years if it contains a certification of patent invalidity or non-infringement to one of the patents listed with the FDA by the innovator NDA holder.

The FDCA alternatively provides three years of marketing exclusivity for an NDA, or supplement to an existing NDA if new clinical investigations, other than bioavailability studies, that were conducted or sponsored

by the applicant are deemed by the FDA to be essential to the approval of the application, for example new indications, dosages or strengths of an existing drug. This three-year exclusivity covers only the modification for which the drug received approval on the basis of the new clinical investigations and does not prohibit the FDA from approving ANDAs or 505(b)(2) NDAs for drugs containing the active agent for the original indication or condition of use. Five-year and three-year exclusivity will not delay the submission or approval of a full NDA. However, an applicant submitting a full NDA would be required to conduct or obtain a right of reference to any preclinical studies and adequate and well-controlled clinical trials necessary to demonstrate safety and effectiveness.

Pediatric exclusivity is another type of marketing exclusivity available in the United States. Pediatric exclusivity provides for an additional six months of marketing exclusivity attached to another period of exclusivity if a sponsor conducts clinical trials in children in response to a written request from the FDA. The issuance of a written request does not require the sponsor to undertake the described clinical trials. In addition, orphan drug exclusivity, as described above, may offer a seven-year period of marketing exclusivity, except in certain circumstances.

Other Healthcare Laws

Pharmaceutical and medical device manufacturers are subject to additional healthcare regulation and enforcement by the federal government and by authorities in the states and foreign jurisdictions in which they conduct their business. Such laws include, without limitation, U.S. federal anti-kickback, fraud and abuse, false claims, consumer fraud, pricing reporting, data privacy and security, and transparency laws and regulations as well as similar foreign laws in the jurisdictions outside the U.S. Similar state and local laws and regulations may also restrict business practices in the pharmaceutical industry, such as state anti-kickback and false claims laws, which may apply to business practices, including but not limited to, research, distribution, sales and marketing arrangements and claims involving healthcare items or services reimbursed by non-governmental third-party payors, including private insurers, or by patients themselves; state laws that require pharmaceutical companies to comply with the pharmaceutical industry's voluntary compliance guidelines and the relevant compliance guidance promulgated by the federal government, or otherwise restrict payments that may be made to healthcare providers and other potential referral sources; state laws and regulations that require drug manufacturers to file reports relating to pricing and marketing information; state and local laws which require tracking gifts and other remuneration and items of value provided to physicians, other healthcare providers and entities or that require the registration of pharmaceutical sales representatives; and state and local laws that require the registration of pharmaceutical sales representatives; and state and local laws governing the privacy and security of health information in some circumstances, many of which differ from each other in significant ways and often are not preempted by HIPAA, thus complicating compliance efforts. Violation of any of such laws or any other governmental regulations that apply may result in penalties, including, without limitation, significant administrative, civil and criminal penalties, damages, fines, additional reporting obligations and oversight if we become subject to a corporate integrity agreement or other agreement to resolve allegations of non-compliance with these laws, the curtailment or restructuring of operations, exclusion from participation in governmental healthcare programs and imprisonment.

Coverage and Reimbursement

Sales of any pharmaceutical product depend, in part, on the extent to which such product will be covered by third-party payors, such as federal, state and foreign government healthcare programs, commercial insurance and managed healthcare organizations, and the level of reimbursement for such product by third-party payors. Significant uncertainty exists as to the coverage and reimbursement status of any newly approved product. Decisions regarding the extent of coverage and amount of reimbursement to be provided are made on a plan-by-plan basis. One third-party payor's decision to cover a particular product does not ensure that other payors will also provide coverage for the product. As a result, the coverage determination process can require manufactures to provide scientific and clinical support for the use of a product to each payor separately and can be a time-consuming process, with no assurance that coverage and adequate reimbursement will be applied

consistently or obtained in the first instance. For products administered under the supervision of a physician, obtaining coverage and adequate reimbursement may be particularly difficult because of the higher prices often associated with such drugs. Additionally, separate reimbursement for the product itself or the treatment or procedure in which the product is used may not be available, which may impact physician utilization. In addition, companion diagnostic tests require coverage and reimbursement separate and apart from the coverage and reimbursement for their companion pharmaceutical or biological products. Similar challenges to obtaining coverage and reimbursement, applicable to pharmaceutical or biological products, will apply to companion diagnostics.

In addition, third-party payors are increasingly reducing reimbursements for pharmaceutical products and services. The U.S. government and state legislatures have continued implementing cost-containment programs, including price controls, restrictions on coverage and reimbursement and requirements for substitution of generic products. Third-party payors are more and more challenging the prices charged, examining the medical necessity and reviewing the cost effectiveness of pharmaceutical products, in addition to questioning their safety and efficacy. Adoption of price controls and cost-containment measures, and adoption of more restrictive policies in jurisdictions with existing controls and measures, could further limit sales of any product. Decreases in third-party reimbursement for any product or a decision by a third-party payor not to cover a product could reduce physician usage and patient demand for the product.

In international markets, reimbursement and healthcare payment systems vary significantly by country, and many countries have instituted price ceilings on specific products and therapies. For example, the European Union provides options for its member states to restrict the range of medicinal products for which their national health insurance systems provide reimbursement and to control the prices of medicinal products for human use. A member state may approve a specific price for the medicinal product or it may instead adopt a system of direct or indirect controls on the profitability of the company placing the medicinal product on the market. Pharmaceutical products may face competition from lower-priced products in foreign countries that have placed price controls on pharmaceutical products and may also compete with imported foreign products. Furthermore, there is no assurance that a product will be considered medically reasonable and necessary for a specific indication, will be considered cost-effective by third-party payors, that an adequate level of reimbursement will be established even if coverage is available or that the third-party payors' reimbursement policies will not adversely affect the ability for manufacturers to sell products profitably.

Healthcare Reform

In the United States and certain foreign jurisdictions, there have been, and we expect there will continue to be, a number of legislative and regulatory changes to the healthcare system. In March 2010, the ACA was signed into law, which substantially changed the way healthcare is financed by both governmental and private insurers in the United States. By way of example, the ACA increased the minimum level of Medicaid rebates payable by manufacturers of brand name drugs from 15.1% to 23.1%; required collection of rebates for drugs paid by Medicaid managed care organizations; imposed a non-deductible annual fee on pharmaceutical manufacturers or importers who sell certain "branded prescription drugs" to specified federal government programs, implemented 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 eligibility criteria for Medicaid programs; creates a new Patient-Centered Outcomes Research Institute to oversee, identify priorities in, and conduct comparative clinical effectiveness research, along with funding for such research; and established a Center for Medicare Innovation at CMS to test innovative payment and service delivery models to lower Medicare and Medicaid spending, potentially including prescription drug spending.

Since its enactment, there have been judicial and Congressional challenges to certain aspects of the ACA, and we expect there will be additional challenges and amendments to the ACA in the future. Since January 2017, President Trump has signed two Executive Orders and other directives 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. 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, two bills affecting the implementation of certain taxes under the ACA have passed. For example, in 2017, Congress enacted the Tax Act, which eliminated the tax-based shared responsibility payment imposed by the ACA on certain individuals who fail to maintain qualifying health coverage for all or part of a year that is commonly referred to as the "individual mandate." In addition, the 2020 federal spending package permanently eliminates, effective January 1, 2020, the ACA-mandated "Cadillac" tax on high-cost employer-sponsored health coverage and medical device tax and, effective January 1, 2021, also eliminates the health insurer tax. On December 14, 2018, a Texas U.S. District Court Judge ruled that the individual mandate is a critical and inseverable feature of the ACA, and therefore, because it was repealed as part of the Tax Act, the remaining provisions of the ACA are invalid as well. Additionally, on December 18, 2019, the U.S. Court of Appeals for the 5th Circuit ruled that the individual mandate was unconstitutional and remanded the case back to the District Court to determine whether the remaining provisions of the ACA are invalid as well. It is unclear how these decisions, future decisions, subsequent appeals, and other efforts to repeal and replace the ACA will impact the ACA.

Other legislative changes have been proposed and adopted since the ACA was enacted, including aggregate reductions of Medicare payments to providers of 2% per fiscal year and reduced payments to several types of Medicare providers, which will remain in effect through 2029 absent additional congressional action. Moreover, there has recently been heightened governmental scrutiny over the manner in which manufacturers set prices for their marketed products, which has resulted in several Congressional inquiries and proposed and enacted legislation designed, among other things, to bring more transparency to product pricing, review the relationship between pricing and manufacturer patient programs and reform government program reimbursement methodologies for pharmaceutical products. For example, at the federal level, the Trump administration released a "Blueprint" to lower drug prices and reduce out of pocket costs of drugs that contains additional proposals to increase manufacturer competition, increase the negotiating power of certain federal healthcare programs, incentivize manufacturers to lower the list price of their products and reduce the other of pocket costs of drug products paid by consumers. Additionally, the Trump administration's budget proposal for the fiscal year 2020 contains further drug price control measures that could be enacted during the budget process or in future legislation, including, for example, measures to permit Medicare Part D plans to negotiate the price of certain drugs under Medicare Part B, to allow some states to negotiate prices under Medicaid, and to eliminate cost sharing for generic drugs for low-income patients. Although a number of these and other measures may require additional authorization to become effective, Congress and the Trump administration have each indicated that it will continue to seek new legislative and/or administrative measures to control drug costs. In addition, individual states in the United States have also become increasingly active in implementing regulations designed to control pharmaceutical 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, mechanisms to encourage importation from other countries and bulk purchasing. Furthermore, there has been increased interest by third party payors and governmental authorities in reference pricing systems and publication of discounts and list prices.

FDA Approval and Regulation of Companion Diagnostics

If safe and effective use of a therapeutic depends on an *in vitro* diagnostic, then the FDA generally will require approval or clearance of that diagnostic, known as a companion diagnostic, at the same time that the FDA approves the therapeutic product. In August 2014, the FDA issued final guidance clarifying the requirements that will apply to approval of therapeutic products and in vitro companion diagnostics. According to the guidance, if FDA determines that a companion diagnostic device is essential to the safe and effective use of a novel therapeutic product or indication, FDA generally will not approve the therapeutic product or new therapeutic product indication if the companion diagnostic device is not approved or cleared for that indication. Approval or clearance of the companion diagnostic device will ensure that the device has been adequately evaluated and has adequate performance characteristics in the intended population. The review of in vitro companion diagnostics in conjunction with the review of our therapeutic treatments for cancer will, therefore, likely involve coordination of review by the FDA's Center for Drug Evaluation and Research and the FDA's Center for Devices and Radiological Health Office of In Vitro Diagnostics and Radiological Health.

Under the FDCA, in vitro diagnostics, including companion diagnostics, are regulated as medical devices. In the United States, the FDCA and its implementing regulations, and other federal and state statutes and regulations govern, among other things, medical device design and development, preclinical and clinical testing, premarket clearance or approval, registration and listing, manufacturing, labeling, storage, advertising and promotion, sales and distribution, export and import, and post-market surveillance. Unless an exemption applies, diagnostic tests require marketing clearance or approval from the FDA prior to commercial distribution. The two primary types of FDA marketing authorization applicable to a medical device are premarket notification, also called 510(k) clearance, and premarket approval, or PMA approval.

The PMA process, including the gathering of clinical and preclinical data and the submission to and review by the FDA, can take several years or longer. It involves a rigorous premarket review during which the applicant must prepare and provide the FDA with reasonable assurance of the device's safety and effectiveness and information about the device and its components regarding, among other things, device design, manufacturing and labeling. PMA applications are subject to an application fee. In addition, PMAs for certain devices must generally include the results from extensive preclinical and adequate and well-controlled clinical trials to establish the safety and effectiveness of the device for each indication for which FDA approval is sought. In particular, for a diagnostic, a PMA application typically requires data regarding analytical and clinical validation studies. As part of the PMA review, the FDA will typically inspect the manufacturer's facilities for compliance with the Quality System Regulation, or QSR, which imposes elaborate testing, control, documentation and other quality assurance requirements.

PMA approval is not guaranteed, and the FDA may ultimately respond to a PMA submission with a not approvable determination based on deficiencies in the application and require additional clinical trial or other data that may be expensive and time-consuming to generate and that can substantially delay approval. If the FDA's evaluation of the PMA application is favorable, the FDA typically issues an approvable letter requiring the applicant's agreement to specific conditions, such as changes in labeling, or specific additional information, such as submission of final labeling, in order to secure final approval of the PMA. If the FDA's evaluation of the PMA or manufacturing facilities is not favorable, the FDA will deny approval of the PMA or issue a not approvable letter. A not approvable letter will outline the deficiencies in the application and, where practical, will identify what is necessary to make the PMA approvable. The FDA may also determine that additional clinical trials are necessary, in which case the PMA approval may be delayed for several months or years while the trials are conducted and then the data submitted in an amendment to the PMA. If the FDA concludes that the applicable criteria have been met, the FDA will issue a PMA for the approved indications, which can be more limited than those originally sought by the applicant. The PMA can include post-approval conditions that the FDA believes necessary to ensure the safety and effectiveness of the device, including, among other things, restrictions on labeling, promotion, sale and distribution. Once granted, PMA approval may be withdrawn by the FDA if compliance with post approval requirements, conditions of approval or other regulatory standards are not maintained or problems are identified following initial marketing.

After a device is placed on the market, it remains subject to significant regulatory requirements. Medical devices may be marketed only for the uses and indications for which they are cleared or approved. Device manufacturers must also establish registration and device listings with the FDA. A medical device manufacturer's manufacturing processes and those of its suppliers are required to comply with the applicable portions of the QSR, which cover the methods and documentation of the design, testing, production, processes, controls, quality assurance, labeling, packaging and shipping of medical devices. Domestic facility records and manufacturing processes are subject to periodic unscheduled inspections by the FDA. The FDA also may inspect foreign facilities that export products to the United States.

Employees

As of December 31, 2019, we had 58 full-time employees, including 26 employees with M.D. or Ph.D. degrees. Of these full-time employees, 45 employees are engaged in research and development activities. None

of our employees is represented by a labor union or covered by a collective bargaining agreement. We consider our relationship with our employees to be good.

Facilities

Our principal executive office is located at 530 Seventh Avenue, Suite 2201, New York, New York, 10018, where we lease approximately 4,800 square feet of office space under a lease that terminates on June 30, 2023. We also occupy approximately 11,100 square feet of office and laboratory space and approximately 2,300 square feet of office and laboratory space, in each case, in San Diego, California, under leases that expire in June 21, 2022 and February 28, 2022, respectively. We believe that our facilities are sufficient to meet our current needs and that suitable additional space will be available as and when needed.

Legal Proceedings

We are not subject to any material legal proceedings.

MANAGEMENT

Executive Officers and Directors

The following table sets forth the name, age as of December 31, 2019, and position of the individuals who currently serve as directors and executive officers of Zentalis Pharmaceuticals, LLC, and will continue to serve as directors and executive officers of Zentalis Pharmaceuticals, Inc. following the Corporate Conversion and the closing of this offering. The following also includes certain information regarding the individual experience, qualifications, attributes and skills of our directors and executive officers as well as brief statements of those aspects of our directors' backgrounds that led us to conclude that they are qualified to serve as directors.

Name	Age	Position
Executive Officers		
Anthony Y. Sun, M.D.	47	President, Chief Executive Officer and Executive Chairman
Melissa B. Epperly	42	Chief Financial Officer
Kevin D. Bunker, Ph.D.	47	Chief Operating Officer
Robert E. Winkler, M.D.	53	Chief Medical Officer
Non-Employee Directors		
Cam S. Gallagher	50	Director
David E. Goel	49	Director
Karan S. Takhar	28	Director
David M. Johnson	54	Director

(1) Member of the audit committee.
(2) Member of the compensation committee.
(3) Member of the nominating and corporate governance committee.

Executive Officers

Anthony Y. Sun, M.D., has served as our President and Chief Executive Officer and a member of our board of directors since 2014. From 2002 to 2015, Dr. Sun served in a variety of positions, including most recently as partner at Aisling Capital, a private equity firm dedicated to investing in life sciences companies. Dr. Sun currently serves on the board of directors of Immusoft Corporation, a pre-clinical gene therapy company, and Eyenovia, a public ophthalmic biopharmaceutical company. Dr. Sun received a B.S. in Electrical Engineering from Cornell University, an M.D. from Temple University School of Medicine, an M.B.A from The Wharton School at the University of Pennsylvania. Dr. Sun trained in internal medicine at the Hospital of the University of Pennsylvania and was board certified in Internal Medicine. We believe Dr. Sun's extensive experience in the life sciences industry and extensive understanding of our business, operations and strategy qualify him to serve on our board of directors.

Melissa B. Epperly has served as our Chief Financial Officer since September 2019. From June 2018 to August 2019, Ms. Epperly served as Chief Financial Officer at PsiOxus Therapeutics, a clinical-stage gene therapy cancer company, where she led the company's financial operations. Prior to joining PsiOxus, Ms. Epperly served as Chief Financial Officer and head of Business Development at R-Pharm US, a commercial-stage oncology company, from October 2015 to June 2018, where she led the company's financial operations and business development. From 2012 to 2015, Ms. Epperly served as a Director at Anchorage Capital Group, a credit-focused hedge fund. Previously, Ms. Epperly was a Vice President at Goldman Sachs in equity research in New York and London, a management consultant with Bain & Company, and a healthcare investment banker at Morgan Stanley. Ms. Epperly received an M.B.A. from Harvard Business School and a B.A. in Biochemistry and Economics from the University of Virginia.

Kevin Bunker, Ph.D., has served as our Chief Operating Officer since 2015. Dr. Bunker also currently serves as Chief Scientific/Operations Officer of Kalyra Pharmaceuticals, Inc., a small-molecule drug discovery and development company, a position he has held since founding the company in 2011. Prior to founding Kalyra, from 2006 to 2011, Dr. Bunker was part of the medicinal chemistry department at Pfizer, including as a Senior Scientist, where he made meaningful contributions to Pfizer's drug discovery research group in La Jolla, California. Dr. Bunker received his B.S. in chemistry from Arizona State University and his PhD in organic chemistry from the University of California, San Diego. He also held a post-doctorate position as a research associate at The Scripps Research Institute under the direction of Professor Dale Boger.

Robert E. Winkler, M.D., has served as our Chief Medical Officer since November 2018. Prior to joining us, Dr. Winkler served as Senior Vice President, Head of Clinical Development at Taiho Oncology, Inc., a clinical and commercial stage oncology-focused biotechnology company, from 2014 to 2018. In 2014, Dr. Winkler served as Vice President, Clinical Research and Development at Array BioPharma, a clinical stage pharmaceutical company and subsidiary of Pfizer. From 2013 to 2014, Dr. Winkler served as Vice President, Global Head of Clinical Development and Operations at Aptalis, a pharmaceutical company focused on rare and gastrointestinal disease drug development, which was acquired by Forest Labs in 2014. From 2011 to 2013, Dr. Winkler served as Vice President, Clinical Research and Operations at Amicus Therapeutics, Inc., a public company focused on rare orphan diseases drug discovery, development and commercialization. Dr. Winkler received his M.D., *cum laude*, and B.Sc. from Hadassah Medical School, The Hebrew University, Jerusalem, Israel and is board certified in internal medicine in Israel.

Non-Employee Directors

Cam S. Gallagher has served as a member of our board of directors since December 2014 and as our Secretary since 2015. Mr. Gallagher currently serves as the Chief Business Officer at Immusoft Corporation, a pre-clinical gene therapy company, a position he has held since April 2018. From 2016 to 2019 Mr. Gallagher served as the Head of Corporate Development at Oncternal Therapeutics, Inc., a clinical-stage oncology biotechnology company, and from 2014 to 2016 Mr. Gallagher served as Chief Business Officer at Retrosense Therapeutics, LLC, a gene therapy company. Mr. Gallagher served on the board of directors of Sorrento Therapeutics, Inc., a clinical stage biopharmaceutical company developing therapies to treat malignant cancers, from September 2012 to August 2014, and on the board of directors of Oncternal Therapeutics, Inc., a clinical-stage oncology biotechnology company, from October 2016 to June 2019. Mr. Gallagher received his M.B.A. from the University of San Diego and a B.S. in Business Administration from Ohio University. We believe Mr. Gallagher's extensive experience in the life sciences industry qualifies him to serve on our board of directors.

David E. Goel has served as a member of our board of directors since December 2017. Mr. Goel is Co-Founder and sole Managing General Partner of Matrix Capital Management Company, LP, an investment fund focused on technology and life sciences. Mr. Goel currently serves on the board of directors of Adaptive Biotechnologies Corporation, a public biotechnology company focused on developing immune-driven medicines, a position he has held since 2016. Mr. Goel serves as a director on several private company boards and previously served as a director of Popular, Inc., a public financial services company. He has served as a member of the Board of Trustees of The Winsor School and the Museum of Fine Arts in Boston, Massachusetts. Mr. Goel received his B.A., *magna cum laude*, from Harvard University. We believe Mr. Goel's extensive experience in the life sciences industry qualifies him to serve on our board of directors.

Karan S. Takhar has served as a member of our board of directors since December 2017. Since 2013, Mr. Takhar has served in a variety of positions, most recently as Managing Director and head of Life Sciences investing, at Matrix Capital Management, L.P., an investment fund focused on technology and life sciences. Mr. Takhar received a B.S. in Economics and Mathematics from the Massachusetts Institute of Technology. We believe Mr. Takhar's extensive experience in the life sciences industry qualifies him to serve on our board of directors.

David M. Johnson has served as a member of our board of directors since January 2020. Mr. Johnson is Chief Executive Officer of VelosBio, a clinical stage, venture backed biopharmaceutical company, a position he has

held since co-founding the company in 2017. From 2013 to 2016, Mr. Johnson was with Acerta Pharma, an oncology focused pharmaceutical company, where he rose to Chief Executive Officer leading the company through the required growth to advance acalabrutinib from early to late-stage global clinical development. His tenure at Acerta culminated in the execution of a strategic transaction with AstraZeneca valued at up to $7 billion. Prior to joining Acerta Pharma, he held various roles with increasing responsibilities within clinical development, medical affairs, pipeline development and commercial at a number of biopharmaceutical and healthcare companies including Calistoga Pharmaceuticals, Gloucester Pharmaceuticals, Millennium Pharmaceuticals, Immunex and Hoffman-La Roche. Mr. Johnson earned his bachelor's degree in economics from Indiana University. We believe Mr. Johnson's extensive experience in the life sciences industry qualifies him to serve on our board of directors.

Family Relationships

There are no family relationships among any of our directors or executive officers.

Board Composition and Election of Directors

Our board of directors currently consists of five members, each of whom serves as a director pursuant to the board composition provisions of our Second Amended and Restated LLC Agreement, or the LLC Agreement, and Second Amended and Restated Voting Agreement, or the Voting Agreement. Pursuant to the LLC Agreement and Voting Agreement our board is composed of:

- one director designated by Matrix Capital Management Master Fund, L.P., for which Karan Takhar has been designated;
- one director designated by Matrix Capital Management Master Fund, L.P., and reasonably acceptable to holders of at least 70% of the outstanding Series B convertible preferred units, voting as a separate class, for which David Goel has been designated;
- one director designated by the holders of a majority of the outstanding Series C convertible preferred units, for which David Johnson has been designated; and
- two directors designated by the holders of a majority of outstanding Class A common units, for which Cam Gallagher and Anthony Sun have been designated.

Each of the LLC Agreement and Voting Agreement will no longer be in effect upon the closing of this offering, and thereafter, none of our stockholders will have any special rights regarding the election or designation of members of our board of directors. See "Certain Relationships and Related Party Transactions—Voting Agreement." Following the completion of the Corporate Conversion, our directors will be elected by the vote of our common stockholders. Under our bylaws to be effective upon the completion of the Corporate Conversion, the number of directors will be determined from time to time by our board of directors.

Director Independence

Our board of directors has determined that, of our directors, , , and do not have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director and that each of these directors is "independent" as that term is defined under the rules of The Nasdaq Stock Market LLC, or the Nasdaq rules. There are no family relationships among any of our directors or executive officers.

Classified Board of Directors

In accordance with our certificate of incorporation and bylaws that will go into effect upon the completion of the Corporate Conversion, our board of directors will be divided into three classes with staggered, three-year

terms. At each annual meeting of stockholders, the successors to directors whose terms then expire will be elected to serve from the time of election and qualification until the third annual meeting following election. Effective upon the closing of this offering, our directors will be divided among the three classes as follows:

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

Our certificate of incorporation and bylaws will go into effect upon the completion of the Corporate Conversion and will provide that the authorized number of directors may be changed only by resolution of the board of directors. Any additional directorships resulting from an increase in the number of directors will be distributed among the three classes so that, as nearly as possible, each class will consist of one-third of the directors. The division of our board of directors into three classes with staggered three-year terms may delay or prevent a change of our management or a change in control of our company. Our directors may be removed only for cause by the affirmative vote of the holders of at least two-thirds of our outstanding voting stock entitled to vote in the election of directors.

Board Leadership Structure

Our board of directors is currently chaired by our chief executive officer, Anthony Y. Sun, M.D. Our corporate governance guidelines will provide that, if the chairman of the board is a member of management or does not otherwise qualify as independent, the independent directors of the board may elect a lead director. The lead director's responsibilities would include, but would not be not limited to: presiding over all meetings of the board of directors at which the chairman is not present, including any executive sessions of the independent directors; approving board meeting schedules and agendas; and acting as the liaison between the independent directors and the chief executive officer and chairman of the board. Our corporate governance guidelines further provide the flexibility for our board of directors to modify our leadership structure in the future as it deems appropriate.

Role of the Board in Risk Oversight

One of the key functions of our board of directors is informed oversight of our risk management process. Our board of directors does not have a standing risk management committee, but rather administers this oversight function directly through our board of directors as a whole, as well as through various standing committees of our board of directors that address risks inherent in their respective areas of oversight. In particular, our board of directors is responsible for monitoring and assessing strategic risk exposure and our audit committee has the responsibility to consider and discuss our major financial risk exposures and the steps our management has taken to monitor and control these exposures, including guidelines and policies to govern the process by which risk assessment and management is undertaken. Our audit committee also monitors compliance with legal and regulatory requirements. Our nominating and corporate governance committee will monitor the effectiveness of our corporate governance practices, including whether they are successful in preventing illegal or improper liability-creating conduct. Our compensation committee assesses and monitors whether any of our compensation policies and programs has the potential to encourage excessive risk-taking. While each committee is responsible for evaluating certain risks and overseeing the management of such risks, our entire board of directors is regularly informed through committee reports about such risks.

Board Committees

Our board of directors has established three standing committees—audit, compensation and nominating and corporate governance—each of which operates under a charter that has been approved by our board of directors.

Upon our listing on The Nasdaq Global Market, each committee's charter will be available under the Corporate Governance section of our website at *www.zentalis.com*. The reference to our website address does not constitute incorporation by reference of the information contained at or available through our website, and you should not consider it to be a part of this prospectus.

Audit Committee

The audit committee's responsibilities include:

- appointing, approving the compensation of, and assessing the independence of our registered public accounting firm;
- overseeing the work of our registered public accounting firm, including through the receipt and consideration of reports from such firm;
- reviewing and discussing with management and the registered public accounting firm our annual and quarterly financial statements and related disclosures;
- coordinating our board of directors' oversight of our internal control over financial reporting, disclosure controls and procedures and code of business conduct and ethics;
- discussing our risk management policies;
- meeting independently with our internal auditing staff, if any, registered public accounting firm and management;
- reviewing and approving or ratifying any related person transactions; and
- preparing the audit committee report required by SEC rules.

The members of our audit committee are , and . serves as the chairperson of the committee. All members of our audit committee meet the requirements for financial literacy under the applicable Nasdaq rules. Our board of directors has determined that and meet the independence requirements of Rule 10A-3 under the Exchange Act and the applicable Nasdaq rules. Our board of directors has determined that is an "audit committee financial expert" as defined by applicable SEC rules and has the requisite financial sophistication as defined under the applicable Nasdaq rules.

Compensation Committee

The compensation committee's responsibilities include:

- reviewing and approving, or recommending for approval by the board of directors, the compensation of our Chief Executive Officer and our other executive officers;
- overseeing and administering our cash and equity incentive plans;
- reviewing and making recommendations to our board of directors with respect to director compensation;
- reviewing and discussing annually with management our "Compensation Discussion and Analysis," to the extent required; and
- preparing the annual compensation committee report required by SEC rules, to the extent required.

The members of our compensation committee are , and . serves as the chairperson of the committee. Our board of directors has determined that each of , and is independent under the applicable Nasdaq rules, including the Nasdaq rules specific to membership on the compensation committee, and is a "non-employee director" as defined in Rule 16b-3 promulgated under the Exchange Act.

Nominating and Corporate Governance Committee

The nominating and corporate governance committee's responsibilities include:

- identifying individuals qualified to become board members;
- recommending to our board of directors the persons to be nominated for election as directors and to each board committee;
- developing and recommending to our board of directors corporate governance guidelines, and reviewing and recommending to our board of directors proposed changes to our corporate governance guidelines from time to time; and
- overseeing a periodic evaluation of our board of directors.

The members of our nominating and corporate governance committee are , and . serves as the chairperson of the committee. Our board of directors has determined that , and are independent under the applicable Nasdaq rules.

Compensation Committee Interlocks and Insider Participation

No member of our compensation committee is or has been our current or former officer or employee. None of our executive officers served as a director or a member of a compensation committee (or other committee serving an equivalent function) of any other entity, one of whose executive officers served as a director or member of our compensation committee during the last completed fiscal year.

Code of Ethics and Code of Conduct

We have adopted a written code of business conduct and ethics that applies to our directors, officers and employees, including our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. Upon our listing on The Nasdaq Global Market, our code of business conduct and ethics will be available under the Corporate Governance section of our website at *www.zentalis.com*. In addition, we intend to post on our website all disclosures that are required by law or the Nasdaq rules concerning any amendments to, or waivers from, any provision of the code. The reference to our website address does not constitute incorporation by reference of the information contained at or available through our website, and you should not consider it to be a part of this prospectus.

EXECUTIVE AND DIRECTOR COMPENSATION

This section discusses the material components of the executive compensation program for our executive officers who are named in the "Summary Compensation Table" below, whom we refer to as our "NEOs."

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

Summary Compensation Table

The following table presents summary information regarding the total compensation that was awarded to, earned by or paid to our NEOs for services rendered during the year ended December 31, 2019.

Name and principal position	Year	Salary ($)	Bonus ($)	Stock awards ($)	Option awards ($)(1)	Non-equity incentive plan compensation ($)	All other compensation ($)	Total ($)
Anthony Sun, M.D. *President and Chief Executive Officer*	2019	455,091	—	—		(2)	—	(3)
Kevin Bunker, Ph.D. *Chief Operating Officer*	2019	360,023	—	—		(2)	—	(3)
Robert Winkler, M.D. *Chief Medical Officer*	2019	461,725	—	—		(2)	—	(3)

(1) Represents the grant date fair value of Class B common units issued as "profits interests" in Zentalis Pharmaceuticals, LLC computed in accordance with FASB ASC 718. See Note to the audited consolidated financial statements for the fiscal year ended December 31, 2019 to be included elsewhere in this prospectus for a description of the assumptions used in valuing our Class B common units. These Class B common units are intended to constitute profits interests for U.S. federal income tax purposes. Despite the fact that the Class B common units do not require the payment of an exercise price, for purposes of this table we believe they are most similar economically to stock options and are properly classified as "options" under the definition provided in Item 402(a)(6)(i) of Regulation S-K as an instrument with an "option-like feature."

(2) Annual bonuses for the NEOs tied to 2019 performance have not yet been determined. The amounts will be included once they have been determined.

(3) Because the annual incentive awards for the NEOs have not yet been determined, total 2019 compensation for the NEOs will be included once such bonuses have been determined.

Narrative Disclosure to Compensation Tables

The primary elements of compensation for our NEOs are base salary, annual performance bonuses and equity awards. The NEOs also participate in employee benefit plans and programs that we offer to our other employees, as described below.

Annual Base Salary

We pay our NEOs a base salary to compensate them for the satisfactory performance of services rendered to us. The base salary payable to each NEO is intended to provide a fixed component of compensation reflecting the executive's skill set, experience, role and responsibilities. Base salaries for our NEOs have generally been set at levels deemed necessary to attract and retain individuals with superior talent.

Effective January 1, 2019, our board of directors approved a base salary increase for Dr. Bunker from $300,800 to $360,023. Upon the closing of Zeno Pharma LLC's Series C financing in September 2019, Dr. Sun received a base salary increase from $437,091 to $455,091, with retroactive effect as of January 1, 2019. Dr. Winkler's base salary was increased from $460,000 to $461,725 effective January 1, 2019.

Bonus Compensation

From time to time our board of directors or compensation committee may approve bonuses for our NEOs based on individual performance, company performance or as otherwise determined appropriate.

For 2019, annual bonuses were based on such factors as the board and the compensation committee deemed appropriate, including clinical developments and achievements and corporate operational objectives and each individual NEO's performance as it relates to his or her area of responsibility.

Pursuant to their respective employment agreements, each NEO has an established target annual bonus amount. The 2019 target annual bonus amounts for each NEO, expressed as a percentage of his annual base salary, were 45% for Dr. Sun, 40% for Dr. Bunker and 40% for Dr. Winkler.

Equity-Based Incentive Awards

Our equity-based incentive awards are designed to align our interests and the interests of our stockholders with those of our employees and consultants, including our named executive officers. The board of directors is responsible for approving equity grants.

Prior to this offering, since the formation of Zentalis Pharmaceuticals, LLC, we have granted equity awards in the form of Class B common unit awards pursuant to the Zentalis Pharmaceuticals, LLC Profits Interest Plan, or Profits Interest Plan, and a profits interest award agreement issued thereunder. These Class B common unit awards are intended to qualify as "profits interests" for U.S. federal income tax purposes entitling the holder to participate in our future appreciation from and after the date of grant of the applicable Class B common units. following this offering, we will grant equity incentive awards under the terms of our 2020 equity incentive plan, or the 2020 Plan. The terms of our equity plans are described below under "—Incentive Award Plans."

On December 3, 2019, we granted awards to Drs. Sun and Bunker of 300,000 and 90,000 Class B Common Units, respectively.

The Class B common units granted to our NEOs are typically subject to time-based vesting conditions and may be subject to accelerated vesting in certain circumstances, including as described below in the Outstanding Equity Awards Table and the sections titled "—Profits Interest Plan and Class B Common Unit Agreements" and "—Termination or Change in Control Benefits."

Employment Agreements with our NEOs

Below are written descriptions of our employment agreements with each of our NEOs. Each of our NEOs' employment is "at will" and may be terminated at any time.

Employment Agreement with Dr. Sun

Effective February 1, 2018, Zeno Management, Inc., or Zeno Management, entered into an employment agreement with Dr. Sun setting forth the terms of his employment as our Chief Executive Officer. We amended and restated the employment agreement with Dr. Sun effective February 1, 2019. Pursuant to his amended and restated employment agreement, Dr. Sun was entitled to an annual base salary of $437,091, which annual base salary rate automatically increased to $455,091 upon the consummation of Zentalis Pharmaceuticals, LLC's series C financing in September 2019. Such increase was effective as of January 1, 2019 and Dr. Sun received a lump sum cash payment in the amount of the incremental base salary that would have been paid to him as if such increased rate had actually been in effect since January 1, 2019. Dr. Sun's base salary is subject to annual review by and at the sole discretion of our board of directors or its designee.

Dr. Sun's employment agreement provides that he may be eligible to earn an annual performance-based bonus with a target amount equal to 45% of his annual base salary.

Pursuant to his employment agreement, if we terminate Dr. Sun's employment other than for cause (as defined below) or Dr. Sun terminates his employment for good reason (as defined below), he is entitled to the following payments and benefits, subject to his timely execution and non-revocation of a general release of claims in favor of the company and his continued compliance with the restrictive covenants set forth in his employment agreement: (1) his fully earned but unpaid base salary and accrued and unused paid time off through the date of termination at the rate then in effect, plus all other amounts under any compensation plan or practice to which he is entitled; (2) a payment equal to 12 months of his then-current base salary, payable in a lump sum payment 60 days following the termination date; (3) a payment equal to his prorated target annual bonus for the year in which the termination date occurs, payable in a lump sum payment 60 days following the termination date (provided that if such termination occurs within 12 months after a change in control (as defined in the Profits Interest Plan), such target annual bonus will not be subject to proration); and (4) payment of the COBRA premiums for him and his eligible dependents until the earliest of (a) the expiration of 12 months following his termination date, (b) expiration of his eligibility for continuation coverage under COBRA, or (c) the date he becomes eligible for health insurance coverage in connection with his new employment.

In the event we terminate Dr. Sun's employment for cause, he terminates his employment without good reason, or upon his death or permanent disability, he is entitled to receive only his fully earned but unpaid base salary and accrued and unused paid time off through the date of termination at the rate then in effect, plus all other amounts under any compensation plan or practice to which he is entitled.

Employment Agreement with Dr. Bunker

Effective January 1, 2019, Zeno Management entered into an employment agreement with Dr. Bunker setting forth the terms of his employment as our Chief Operations Officer. Pursuant to the agreement, Dr. Bunker is entitled to an annual base salary of $360,023, which amount is subject to annual review by and at the sole discretion of our board of directors or its designee.

Dr. Bunker's employment agreement provides that he may be eligible to earn an annual performance-based bonus with a target amount equal to 40% of his annual base salary.

Pursuant to his employment agreement, if we terminate Dr. Bunker's employment other than for cause (as defined below) or Dr. Bunker terminates his employment for good reason (as defined below), he is entitled to the following payments and benefits, subject to his timely execution and non-revocation of a general release of claims in favor of the company and his continued compliance with the restrictive covenants set forth in his employment agreement: (1) his fully earned but unpaid base salary and accrued and unused paid time off through the date of termination at the rate then in effect, plus all other amounts under any compensation plan or practice to which he is entitled; (2) a payment equal to 12 months of his then-current base salary, payable in a lump sum payment 60 days following the termination date; (3) a payment equal to his prorated target annual bonus for the year in which the termination date occurs, payable in a lump sum payment 60 days following the termination date (provided that if such termination occurs within 12 months after a change in control, such target annual bonus will not be subject to proration); and (4) payment of the COBRA premiums for him and his eligible dependents until the earliest of (a) the expiration of 12 months following his termination date, (b) expiration of his eligibility for continuation coverage under COBRA, or (c) the date he becomes eligible for health insurance coverage in connection with his new employment.

In the event we terminate Dr. Bunker's employment for cause, he terminates his employment without good reason, or upon his death or permanent disability, he is entitled to receive only his fully earned but unpaid base salary and accrued and unused paid time off through the date of termination at the rate then in effect, plus all other amounts under any compensation plan or practice to which he is entitled.

Employment Agreement with Dr. Winkler

On February 1, 2019, Zeno Management entered into an employment agreement with Dr. Winkler setting forth the terms of his employment as our Chief Medical Officer. Pursuant to the agreement, Dr. Winkler

is entitled to an annual base salary of $461,725, which amount is subject to annual review by and at the sole discretion of our board of directors or its designee.

Dr. Winkler's employment agreement provides that he may be eligible to earn an annual performance-based bonus with a target amount equal to 40% of his annual base salary.

Pursuant to his employment agreement, if we terminate Dr. Winkler's employment other than for cause (as defined below) or Dr. Winkler terminates his employment for good reason (as defined below), he is entitled to the following payments and benefits, subject to his timely execution and non-revocation of a general release of claims in favor of the company and his continued compliance with the restrictive covenants set forth in his employment agreement: (1) his fully earned but unpaid base salary and accrued and unused paid time off through the date of termination at the rate then in effect, plus all other amounts under any compensation plan or practice to which he is entitled; (2) a payment equal to 9 months of his then-current base salary, payable in a lump sum payment 60 days following the termination date; and (3) payment of the COBRA premiums for him and his eligible dependents until the earliest of (a) the expiration of 9 months following his termination date, (b) expiration of his eligibility for continuation coverage under COBRA, or (c) the date he becomes eligible for health insurance coverage in connection with his new employment.

In the event we terminate Dr. Winkler's employment for cause, he terminates his employment without good reason, or upon his death or permanent disability, he is entitled to receive only his fully earned but unpaid base salary and accrued and unused paid time off through the date of termination at the rate then in effect, plus all other amounts under any compensation plan or practice to which he is entitled.

Defined Terms Applicable To NEO Employment Agreements

For purposes of the employment agreements with Drs. Sun, Bunker and Winkler, "cause" means any of the following: (1) the unauthorized use or disclosure of confidential information or trade secrets of the company or its affiliates or any material breach of a written agreement between the executive and the company or any affiliate, including without limitation a material breach of any employment, confidentiality, non-compete, non-solicit or similar agreement; (2) the commission of, indictment for or the entry of a please of guilty or nolo contendere to a felony under the laws of the United States or any state thereof or any crime involving dishonesty or moral turpitude (or any similar crime in any jurisdiction outside the United States); (3) gross negligence or willful misconduct or willful or repeated failure or refusal to substantially perform assigned duties; (4) any act of fraud, embezzlement, material misappropriation or dishonesty committed by the executive against the company or its affiliates; or (5) any acts, omissions or statements which the company reasonably determines to be materially detrimental or damaging to the reputation, operations, prospects or business relations of the company or its affiliates.

For purposes of the employment agreements with Drs. Sun, Bunker and Winkler, "good reason" means the occurrence of any of the following without the executive's written consent: (1) a change in position or responsibilities that represents a substantial reduction in position or responsibilities as in effect immediately prior thereto; the assignment of any duties or responsibilities that are materially inconsistent with such position or responsibilities; or any removal from or failure to reappoint or reelect the executive to any of such positions, including, for Dr. Sun, his position as a member of our board of directors or the board of directors of Zentalis Pharmaceuticals, LLC, except in connection with the termination of the executive's services for cause, as a result of his permanent disability (as defined in the applicable employment agreement) or death, or by the executive other than for good reason; provided, however, that neither a change in reporting relationship as a result of a change in control nor the fact that his reporting relationship is altered following a change in control because the Company or its successor is a wholly-owned subsidiary of another entity following such change in control shall alone constitute good reason; (2) a material reduction in annual base salary; (3) the requirement that the executive be based at any place outside a ten (10)-mile radius of his then-current place of employment with the Company prior to any such relocation, except for reasonably required travel on the Company's business; or

(4) any material breach by the Company or any affiliate of its obligations to him under any applicable employment or services agreement between the executive and the Company or such affiliate.

Restrictive Covenant Obligations

Pursuant to their employment agreements, each of our NEOs is subject to one-year post-termination non-solicitation of employees and consultants covenants and a perpetual non-disparagement covenant, in addition to his obligations under the Company's standard proprietary information and inventions assignment agreement.

Outstanding Equity Awards at Fiscal Year-End

The following table sets forth information with respect to outstanding Class B common unit awards for each of our NEOs as of December 31, 2019. For the Class B common units, the table reflects both vested and unvested Units. Class B common units are subject to time-based vesting and to an additional requirement that a minimum valuation threshold be met before the holder of the Class B common units is entitled to a distribution in respect of such award.

In connection with the Corporate Conversion, outstanding Class B common units of our NEOs will be converted into shares of common stock. The number of shares of common stock to be issued to each such NEO in respect of his or her Class B common units will be determined based upon . Following the Corporate Conversion, the vesting provisions applicable to the Class B common units as in effect prior to the Corporate Conversion will apply, in substantially the same manner, to any securities issued in respect of such Class B common units in the conversion.

	Option awards				
	Grant Date	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price ($)	Option Expiration Date
Anthony Sun, M.D.	02/13/18	103,125(2)	121,875	(1)	—
	12/03/19	—(2)	300,000	(1)	—
Kevin Bunker, Ph.D.	12/21/17	212,500(3)	—	(1)	—
	03/01/18	41,250(2)	48,750	(1)	—
	12/03/19	—(2)	90,000	(1)	—
Robert Winkler, M.D.	12/04/18	52,212(2)	140,572	(1)	—

(1) These Class B common units were issued as "profits interests" for U.S. federal income tax purposes and do not require the payment of an exercise price, but rather entitle the holder to participate in our future appreciation from and after the date of grant of the applicable Class B common units. Despite this, for purposes of this table we believe they are most similar economically to stock options and are properly classified as "options" under the definition provided in Item 402(a)(6)(i) of Regulation S-K as an instrument with an "option-like feature." Each Class B common unit is granted with a threshold value applicable to such class B common unit. The threshold amount represents the cumulative distributions that must be made by us pursuant to the Zentalis Pharmaceuticals, LLC limited liability company agreement before a grantee is entitled to receive any distributions or payments in respect of such grantee's Class B common units. The threshold amount for Dr. Bunker's grant of Class B common units granted on December 21, 2017 is $134,000,027, the threshold for Drs. Sun and Bunker's grants of Class B common units granted on February 13, 2018 and March 1, 2018 respectively is $143,500,040, the threshold amount for Dr. Winkler's grant of Class B common units granted on December 4, 2018 is $143,800,075; and the threshold amount for Drs. Sun and Bunker's grants of Class B common units granted on December 3, 2019 is $309,824,355.

(2) The awards vest as to 25% of such grant on the one year anniversary of the vesting commencement date (February 13, 2018 for Dr. Sun's February 13, 2018 grant and Dr. Bunker's March 1, 2018 grant,

November 19, 2018 for Dr. Winkler's grant and September 6, 2019 for Drs. Sun and Bunker's December 3, 2019 grants) and monthly thereafter in equal installments until fully vested at the fourth anniversary of the vesting commencement date, subject to accelerated vesting in certain circumstances as described below under "—Profits Interest Plan and Class B Common Unit Agreements" as well as the executive's continued employment or service through the applicable vesting dates.

(3) The award was vested as to 85% of such grant on the grant date, with the remainder of the award scheduled to vest monthly in equal installments until fully vested as of the fourth anniversary of April 9, 2015. Such award is now fully vested.

Effect of the Corporate Conversion and this Offering

Refer to "Corporate Conversion" for more information regarding the distribution of our common stock to employees, including our NEOs, in respect of their holdings of our common units at the time of the Corporate Conversion.

Other Elements of Compensation

Perquisites, Health, Welfare and Retirement Benefits

Our named executive officers are eligible to participate in our employee benefit plans, including our medical, dental, vision, group life, disability and accidental death and dismemberment insurance plans, in each case on the generally on same basis as all of our other employees. We provide a 401(k) plan to our employees, including our current named executive officers, as discussed in the section below titled "—401(k) plan."

We generally do not provide perquisites or personal benefits to our named executive officers, except in limited circumstances. Our board of directors may elect to adopt qualified or non-qualified benefit plans in the future if it determines that doing so is in our best interests.

401(k) plan

We maintain a defined contribution employee retirement plan, or 401(k) plan, for our employees. Our named executive officers are eligible to participate in the 401(k) plan on the same basis as our other employees. The 401(k) plan is intended to qualify as a tax-qualified plan under Section 401(k) of the Internal Revenue Code. The 401(k) plan provides that each participant may make pre-tax deferrals from his or her compensation up to the statutory limit, which is $19,500 for calendar year 2020, and other testing limits. Participants that are 50 years or older can also make "catch-up" contributions, which in calendar year 2020 may be up to an additional $6,500 above the statutory limit. Although the 401(k) plan provides for discretionary matching and profit sharing contributions, we currently do not make either type of contribution to the 401(k) plan. Participant contributions are held and invested, pursuant to the participant's instructions, by the plan's trustee.

Nonqualified Deferred Compensation

We do not maintain nonqualified defined contribution plans or other nonqualified deferred compensation plans. Our board of directors may elect to provide our officers and other employees with non-qualified defined contribution or other nonqualified deferred compensation benefits in the future if it determines that doing so is in our best interests.

Termination or Change in Control Benefits

Our executive officers may become entitled to certain benefits or enhanced benefits in connection with a change in control of our company. Each of our executive officers' employment agreements entitles them to certain benefits, upon a qualifying termination and in connection with a change in control of our company. In addition, the award agreements evidencing the Class B common units granted to our executive officers provide for accelerated vesting under certain circumstances. For additional discussion, please see "—Employment Agreements with our NEOs" above and "—Profits Interest Plan and Class B Common Unit Agreements" below.

Profits Interest Plan and Class B Common Unit Agreements

Prior to this offering, we have granted awards of Class B common units pursuant to the Profits Interest Plan, subject to the terms of the LLC Agreement. These Class B common unit awards are intended to constitute profits interests for U.S. federal income tax purposes to our employees (including our NEOs), non-employee consultants and non-employee directors and those of our affiliates. Under the Profits Interest Plan, our board of directors (or its designee) has been delegated the authority to administer the Profits Interest Plan in order to enhance our ability to attract and retain individuals of exceptional talent to contribute to the sustained progress, growth and profitability of our company and our affiliates.

In addition to the discretion to grant Class B common units under the Profits Interest Plan, our board of directors sets the vesting terms for awards pursuant to a Class B common unit award agreement. Each award of Class B common units is issued with an applicable minimum valuation threshold, or threshold amount, that must be achieved before the interest is entitled to receive any distributions under the LLC Agreement.

As of December 31, 2019, there were million issued and outstanding Class B common units, of which million were vested.

In connection with certain transactions and events, including the Corporate Conversion, that affect our Class B common units, our board of directors has broad discretion to take action under the Profits Interest Plan to prevent the dilution or enlargement of intended benefits under the Profits Interest Plan or with respect to any Class B common units granted thereunder.

In connection with this offering, the Class B common units will be converted into shares of our common stock pursuant to the Corporate Conversion. For more information about the treatment of the Class B common units in the Corporate Conversion, see the section titled “Corporate Conversion”.

We anticipate that the Profits Interest Plan will be replaced by the 2020 Plan.

In connection with their grants of our Class B common units, each of our NEOs entered into a standard form of Profit Interest Award Agreement, which provides for, among other things, full acceleration upon an involuntary termination without cause (or solely with respect to Dr. Winkler, a resignation for good reason) following a change in control.

For purposes of the Profits Interest Plan, a “change in control” means each of the following: (1) a merger or consolidation in which we or one of our subsidiaries is a party and we issue membership interests pursuant to such merger or consolidation, except any such merger or consolidation in which the company’s membership interests outstanding immediately prior to such merger or consolidation continue to represent, or are converted into or exchanged for shares of capital stock or membership interests that represent, immediately following such merger or consolidation, at least a majority, by voting power, of the capital stock or equity interests of the surviving or resulting entity or its parent, or (2) the sale, lease, transfer, exclusive license or other disposition, in a single transaction or series of related transactions, to a third-party by us or any of our subsidiaries of all or substantially all our assets, or the sale or disposition (whether by merger, consolidation or otherwise) of one or more of our subsidiaries if substantially all of our assets are held by such subsidiary or subsidiaries, except for any such sale, lease, transfer, exclusive license or other disposition to another wholly owned subsidiary; or (3) the transfer or sale of units in the company by one or more members to a person or group of related persons (other than to affiliates of the transferring members) representing 50% or more of the units of our company (other than Class B common units that are unvested); provided that the following events shall not constitute a “change in control”: (i) our initial public offering; (ii) a reincorporation of our company solely to change its jurisdiction; or (iii) a transaction undertaken for the primary purpose of creating a holding company that will be owned in substantially the same proportion by the persons who held our securities immediately before such transaction.

Incentive Award Plans

2020 Incentive Award Plan

Prior to this offering, we intend to adopt and ask our stockholders to approve the 2020 Plan, which would become effective in connection with this offering. Under the 2020 Plan, we may grant cash and equity incentive awards to eligible service providers in order to attract, motivate and retain the talent for which we compete. The material terms of the 2020 Plan, as it is currently contemplated, are summarized below. Our board of directors is still in the process of developing, approving and implementing the 2020 Plan and, accordingly, this summary is subject to change.

Eligibility and Administration

Our employees, consultants and directors, and employees and consultants of our subsidiaries, will be eligible to receive awards under the 2020 Plan. Following our initial public offering, the 2020 Plan will generally be administered by our board of directors with respect to awards to non-employee directors and by our compensation committee with respect to other participants, each of which may delegate its duties and responsibilities to committees of our directors and/or officers (referred to collectively as the plan administrator below), subject to certain limitations that may be imposed under the 2020 Plan, Section 16 of the Exchange Act and/or stock exchange rules, as applicable. The plan administrator will have the authority to make all determinations and interpretations under, prescribe all forms for use with, and adopt rules for the administration of, the 2020 Plan, subject to its express terms and conditions. The plan administrator will also set the terms and conditions of all awards under the 2020 Plan, including any vesting and vesting acceleration conditions.

Limitation on Awards and Shares Available

An aggregate of shares of our common stock will initially be available for issuance under awards granted pursuant to the 2020 Plan. The number of shares initially available for issuance will be increased by an annual increase on January 1 of each calendar year beginning in 2021 and ending in 2030, equal to the lesser of (a) of the shares of common stock outstanding on the final day of the immediately preceding calendar year and (b) such smaller number of shares as determined by our board of directors. No more than shares of common stock may be issued upon the exercise of incentive stock options, or ISOs, under the 2020 Plan. Shares issued under the 2020 Plan may be authorized but unissued shares, shares purchased in the open market or treasury shares.

If an award under the 2020 Plan expires, lapses or is terminated, exchanged for cash, surrendered, repurchased, canceled without having been fully exercised or forfeited, any shares subject to such award will, as applicable, become or again be available for new grants under the 2020 Plan. Awards granted under the 2020 Plan upon the assumption of, or in substitution for, awards authorized or outstanding under a qualifying equity plan maintained by an entity with which we enter into a merger or similar corporate transaction will not reduce the shares available for grant under the 2020 Plan.

Awards

The 2020 Plan provides for the grant of stock options, including ISOs, and nonqualified stock options, or NSOs, restricted stock, dividend equivalents, restricted stock units, or RSUs, stock appreciation rights, or SARs, and other stock or cash-based awards. Certain awards under the 2020 Plan may constitute or provide for a deferral of compensation, subject to Section 409A of the Internal Revenue Code, which may impose additional requirements on the terms and conditions of such awards. All awards under the 2020 Plan will be set forth in award agreements, which will detail the terms and conditions of the awards, including any applicable vesting and payment terms and post-termination exercise limitations. A brief description of each award type follows.

Stock options. Stock options provide for the purchase of shares of our common stock in the future at an exercise price set on the grant date. ISOs, by contrast to NSOs, may provide tax deferral beyond exercise and

favorable capital gains tax treatment to their holders if certain holding period and other requirements of the Internal Revenue Code are satisfied. The exercise price of a stock option will not be less than 100% of the fair market value of the underlying share on the date of grant (or 110% in the case of ISOs granted to certain significant stockholders), except with respect to certain substitute options granted in connection with a corporate transaction. The term of a stock option may not be longer than ten years (or five years in the case of ISOs granted to certain significant stockholders). Vesting conditions determined by the plan administrator may apply to stock options and may include continued service, performance and/or other conditions. ISOs generally may be granted only to our employees and employees of our parent or subsidiary corporations, if any.

SARs. SARs entitle their holder, upon exercise, to receive from us an amount equal to the appreciation of the shares subject to the award between the grant date and the exercise date. The exercise price of a SAR will not be less than 100% of the fair market value of the underlying share on the date of grant (except with respect to certain substitute SARs granted in connection with a corporate transaction), and the term of a SAR may not be longer than ten years. Vesting conditions determined by the plan administrator may apply to SARs and may include continued service, performance and/or other conditions.

Restricted stock and RSUs. Restricted stock is an award of nontransferable shares of our common stock that remain forfeitable unless and until specified conditions are met, and which may be subject to a purchase price. RSUs are contractual promises to deliver shares of our common stock in the future, which may also remain forfeitable unless and until specified conditions are met and may be accompanied by the right to receive the equivalent value of dividends paid on shares of our common stock prior to the delivery of the underlying shares. Delivery of the shares underlying RSUs may be deferred under the terms of the award or at the election of the participant, if the plan administrator permits such a deferral. Conditions applicable to restricted stock and RSUs may be based on continuing service, the attainment of performance goals and/or such other conditions as the plan administrator may determine.

Other stock or cash-based awards. Other stock or cash-based awards are awards of cash, fully vested shares of our common stock and other awards valued wholly or partially by referring to, or otherwise based on, shares of our common stock. Other stock or cash-based awards may be granted to participants and may also be available as a payment form in the settlement of other awards, as standalone payments and as payment in lieu of base salary, bonus, fees or other cash compensation otherwise payable to any individual who is eligible to receive awards. The plan administrator will determine the terms and conditions of other stock or cash-based awards, which may include vesting conditions based on continued service, performance and/or other conditions.

Performance Awards

Performance awards include any of the foregoing awards that are granted subject to vesting and/or payment based on the attainment of specified performance goals or other criteria the plan administrator may determine, which may or may not be objectively determinable. Performance criteria upon which performance goals are established by the plan administrator may include: net earnings or losses (either before or after one or more of interest, taxes, depreciation, amortization and non-cash equity-based compensation expense); gross or net sales or revenue or sales or revenue growth; net income (either before or after taxes) or adjusted net income; profits (including, but not limited to, gross profits, net profits, profit growth, net operation profit or economic profit), profit return ratios or operating margin; budget or operating earnings (either before or after taxes or before or after allocation of corporate overhead and bonus); cash flow (including operating cash flow and free cash flow or cash flow return on capital); return on assets; return on capital or invested capital; cost of capital; return on stockholders' equity; total stockholder return; return on sales; costs, reductions in costs and cost control measures; expenses; working capital; earnings or loss per share; adjusted earnings or loss per share; price per share or dividends per share (or appreciation in or maintenance of such price or dividends); regulatory achievements or compliance; implementation, completion or attainment of objectives relating to research, development, regulatory, commercial or strategic milestones or developments; market share; economic value or economic value added models; division, group or corporate financial goals; customer satisfaction/growth;

customer service; employee satisfaction; recruitment and maintenance of personnel; human resources management; supervision of litigation and other legal matters; strategic partnerships and transactions; financial ratios (including those measuring liquidity, activity, profitability or leverage); debt levels or reductions; sales-related goals; financing and other capital raising transactions; cash on hand; acquisition activity; investment sourcing activity; and marketing initiatives, any of which may be measured in absolute terms or as compared to any incremental increase or decrease. Such performance goals also may be based solely by reference to our performance or the performance of a subsidiary, division, business segment or business unit, or based upon performance relative to performance of other companies or upon comparisons of any of the indicators of performance relative to performance of other companies.

Provisions of the 2020 Plan Relating to Director Compensation

The 2020 Plan provides that the plan administrator may establish compensation for non-employee directors from time to time subject to the 2020 Plan's limitations. Prior to commencing this offering, our stockholders will approve the initial terms of our non-employee director compensation program, which is described below under the heading "—Director compensation." Our board of directors or its authorized committee may modify the non-employee director compensation program from time to time in the exercise of its business judgment, taking into account such factors, circumstances and considerations as it shall deem relevant from time to time, provided that the sum of any cash compensation or other compensation and the grant date fair value (as determined in accordance with ASC 718, or any successor thereto) of any equity awards granted as compensation for services as a non-employee director during any fiscal year may not exceed $, increased to $, in the fiscal year of a non-employee director's initial service as a non-employee director. The plan administrator may make exceptions to this limit for individual non-employee directors in extraordinary circumstances, as the plan administrator may determine in its discretion, provided that the non-employee director receiving such additional compensation may not participate in the decision to award such compensation or in other contemporaneous compensation decisions involving non-employee directors.

Certain Transactions

In connection with certain transactions and events affecting our common stock, including a change in control, or change in any applicable laws or accounting principles, the plan administrator has broad discretion to take action under the 2020 Plan to prevent the dilution or enlargement of intended benefits, facilitate such transaction or event, or give effect to such change in applicable laws or accounting principles. This includes canceling awards in exchange for either an amount in cash or other property with a value equal to the amount that would have been obtained upon exercise or settlement of the vested portion of such award or realization of the participant's rights under the vested portion of such award, accelerating the vesting of awards, providing for the assumption or substitution of awards by a successor entity, adjusting the number and type of shares available, replacing awards with other rights or property or terminating awards under the 2020 Plan. In the event of a change in control where the acquirer does not assume awards granted under the 2020 Plan, awards issued under the 2020 Plan shall be subject to accelerated vesting such that 100% of the awards will become vested and exercisable or payable, as applicable. In addition, in the event of certain non-reciprocal transactions with our stockholders, or an "equity restructuring," the plan administrator will make equitable adjustments to the 2020 Plan and outstanding awards as it deems appropriate to reflect the equity restructuring.

Foreign Participants, Claw-back Provisions, Transferability and Participant Payments

With respect to foreign participants, the plan administrator may modify award terms, establish subplans and/or adjust other terms and conditions of awards, subject to the share limits described above. All awards will be subject to the provisions of any claw-back policy implemented by our company to the extent set forth in such claw-back policy or in the applicable award agreement. With limited exceptions for estate planning, domestic relations orders, certain beneficiary designations and the laws of descent and distribution, awards under the 2020 Plan are generally non-transferable prior to vesting and are exercisable only by the participant. With regard to tax

withholding obligations arising in connection with awards under the 2020 Plan and exercise price obligations arising in connection with the exercise of stock options under the 2020 Plan, the plan administrator may, in its discretion, accept cash, wire transfer, or check, shares of our common stock that meet specified conditions, a "market sell order" or such other consideration as it deems suitable or any combination of the foregoing.

Plan Amendment and Termination

Our board of directors may amend or terminate the 2020 Plan at any time; however, except in connection with certain changes in our capital structure, stockholder approval will be required for any amendment that increases the number of shares available under the 2020 Plan. The plan administrator will have the authority, without the approval of our stockholders, to amend any outstanding stock option or SAR to reduce its price per share. No award may be granted pursuant to the 2020 Plan after the tenth anniversary of the date on which our board of directors adopts the 2020 Plan.

Securities Laws

The 2020 Plan is intended to conform to all provisions of the Securities Act, and the Exchange Act and any and all regulations and rules promulgated by the SEC thereunder, including, without limitation, Rule 16b-3. The 2020 Plan will be administered, and awards will be granted and may be exercised, only in such a manner as to conform to such laws, rules and regulations.

Federal Income Tax Consequences

The material federal income tax consequences of the 2020 Plan under current federal income tax law are summarized in the following discussion, which deals with the general tax principles applicable to the 2020 Plan. The following discussion is based upon laws, regulations, rulings and decisions now in effect, all of which are subject to change. Foreign, state and local tax laws, and employment, estate and gift tax considerations are not discussed due to the fact that they may vary depending on individual circumstances and from locality to locality.

Stock options and SARs. A 2020 Plan participant generally will not recognize taxable income and we generally will not be entitled to a tax deduction upon the grant of a stock option or SAR. The tax consequences of exercising a stock option and the subsequent disposition of the shares received upon exercise will depend upon whether the option qualifies as an ISO or an NSO. Upon exercising an NSO when the fair market value of our stock is higher than the exercise price of the option, a 2020 Plan participant generally will recognize taxable income at ordinary income tax rates equal to the excess of the fair market value of the stock on the date of exercise over the purchase price, and we (or our subsidiaries, if any) generally will be entitled to a corresponding tax deduction for compensation expense, in the amount equal to the amount by which the fair market value of the shares purchased exceeds the purchase price for the shares. Upon a subsequent sale or other disposition of the option shares, the participant will recognize a short-term or long-term capital gain or loss in the amount of the difference between the sales price of the shares and the participant's tax basis in the shares.

Upon exercising an ISO, a 2020 Plan participant generally will not recognize taxable income, and we will not be entitled to a tax deduction for compensation expense. However, upon exercise, the amount by which the fair market value of the shares purchased exceeds the purchase price will be an item of adjustment for alternative minimum tax purposes. The participant will recognize taxable income upon a sale or other taxable disposition of the option shares. For federal income tax purposes, dispositions are divided into two categories: qualifying and disqualifying. A qualifying disposition generally occurs if the sale or other disposition is made more than two years after the date the option was granted and more than one year after the date the shares are transferred upon exercise. If the sale or disposition occurs before these two periods are satisfied, then a disqualifying disposition generally will result.

Upon a qualifying disposition of ISO shares, the participant will recognize long-term capital gain in an amount equal to the excess of the amount realized upon the sale or other disposition of the shares over their

purchase price. If there is a disqualifying disposition of the shares, then the excess of the fair market value of the shares on the exercise date (or, if less, the price at which the shares are sold) over their purchase price will be taxable as ordinary income to the participant. If there is a disqualifying disposition in the same year of exercise, it eliminates the item of adjustment for alternative minimum tax purposes. Any additional gain or loss recognized upon the disposition will be recognized as a capital gain or loss by the participant.

We will not be entitled to any tax deduction if the participant makes a qualifying disposition of ISO shares. If the participant makes a disqualifying disposition of the shares, we should be entitled to a tax deduction for compensation expense in the amount of the ordinary income recognized by the participant.

Upon exercising or settling an SAR, a 2020 Plan participant will recognize taxable income at ordinary income tax rates, and we should be entitled to a corresponding tax deduction for compensation expense, in the amount paid or value of the shares issued upon exercise or settlement. Payments in shares will be valued at the fair market value of the shares at the time of the payment, and upon the subsequent disposition of the shares the participant will recognize a short-term or long-term capital gain or loss in the amount of the difference between the sales price of the shares and the participant's tax basis in the shares.

Restricted stock and RSUs. A 2020 Plan participant generally will not recognize taxable income at ordinary income tax rates and we generally will not be entitled to a tax deduction upon the grant of restricted stock or RSUs. Upon the termination of restrictions on restricted stock or the payment of RSUs, the participant will recognize taxable income at ordinary income tax rates, and we should be entitled to a corresponding tax deduction for compensation expense, in the amount paid to the participant or the amount by which the then fair market value of the shares received by the participant exceeds the amount, if any, paid for them. Upon the subsequent disposition of any shares, the participant will recognize a short-term or long-term capital gain or loss in the amount of the difference between the sales price of the shares and the participant's tax basis in the shares. However, a 2020 Plan participant granted restricted stock that is subject to forfeiture or repurchase through a vesting schedule such that it is subject to a "risk of forfeiture" (as defined in Section 83 of the Code) may make an election under Section 83(b) of the Code to recognize taxable income at ordinary income tax rates, at the time of the grant, in an amount equal to the fair market value of the shares of common stock on the date of grant, less the amount paid, if any, for such shares. We will be entitled to a corresponding tax deduction for compensation, in the amount recognized as taxable income by the participant. If a timely Section 83(b) election is made, the participant will not recognize any additional ordinary income on the termination of restrictions on restricted stock, and we will not be entitled to any additional tax deduction.

Other stock or cash-based awards. A 2020 Plan participant will not recognize taxable income and we will not be entitled to a tax deduction upon the grant of other stock or cash-based awards until cash or shares are paid or distributed to the participant. At that time, any cash payments or the fair market value of shares that the participant receives will be taxable to the participant at ordinary income tax rates and we should be entitled to a corresponding tax deduction for compensation expense. Payments in shares will be valued at the fair market value of the shares at the time of the payment, and upon the subsequent disposition of the shares, the participant will recognize a short-term or long-term capital gain or loss in the amount of the difference between the sales price of the shares and the participant's tax basis in the shares.

2020 Employee Stock Purchase Plan

In connection with this offering, we intend to adopt and ask our stockholders to approve the ESPP, which would become effective in connection with this offering. The material terms of the ESPP, as it is currently contemplated, are summarized below. Our board of directors is still in the process of considering the ESPP and, accordingly, this summary is subject to change.

Shares available; administration. A total of shares of our common stock are initially reserved for issuance under our ESPP. In addition, the number of shares available for issuance under the ESPP will be

annually increased on January 1 of each calendar year beginning in 2021 and ending in 2030, by an amount equal to the lesser of: (a) of the shares outstanding on the final day of the immediately preceding calendar year and (b) such smaller number of shares as is determined by our board of directors. In no event will more than shares of our common stock be available for issuance under the ESPP.

Our board of directors or its committee will have authority to interpret the terms of the ESPP and determine eligibility of participants. We expect that the compensation committee will be the initial administrator of the ESPP.

Eligibility. Our employees are eligible to participate in the ESPP if they meet the eligibility requirements under the ESPP established from time to time by the plan administrator. However, an employee may not be granted rights to purchase stock under our ESPP if such employee, immediately after the grant, would own (directly or through attribution) stock possessing 5% or more of the total combined voting power or value of all classes of our common or other class of stock.

Grant of rights. The ESPP is intended to qualify under Section 423 of the Internal Revenue Code and stock will be offered under the ESPP during offering periods. The length of the offering periods under the ESPP will be determined by the plan administrator and may be up to 27 months long. Employee payroll deductions will be used to purchase shares on each purchase date during an offering period. The number of purchase periods within, and purchase dates during each offering period will be established by the plan administrator prior to the commencement of each offering period. Offering periods under the ESPP will commence when determined by the plan administrator. The plan administrator may, in its discretion, modify the terms of future offering periods.

The ESPP permits participants to purchase common stock through payroll deductions of up to % of their eligible compensation, which includes a participant's gross base compensation for services to us, including overtime payments and excluding sales commissions, incentive compensation, bonuses, expense reimbursements, fringe benefits and other special payments. The plan administrator will establish a maximum number of shares that may be purchased by a participant during any offering period, which, in the absence of a contrary designation, will be shares. In addition, no employee will be permitted to accrue the right to purchase stock under the ESPP at a rate in excess of $25,000 worth of shares during any calendar year during which such a purchase right is outstanding (based on the fair market value per share of our common stock as of the first day of the offering period).

On the first trading day of each offering period, each participant will automatically be granted an option to purchase shares of our common stock. The option will be exercised on the applicable purchase date(s) during the offering period, to the extent of the payroll deductions accumulated during the applicable purchase period. The purchase price of the shares, in the absence of a contrary determination by the plan administrator, will be 85% of the lower of the fair market value of our common stock on the first trading day of the offering period or on the applicable purchase date, which will be the final trading day of the applicable purchase period. Participants may voluntarily end their participation in the ESPP at any time at least one week prior to the end of the applicable offering period (or such shorter or longer period specified by the plan administrator), and will be paid their accrued payroll deductions that have not yet been used to purchase shares of common stock. Participation ends automatically upon a participant's termination of employment.

A participant may not transfer rights granted under the ESPP other than by will, the laws of descent and distribution or as otherwise provided under the ESPP.

Certain Transactions. In the event of certain transactions or events affecting our common stock, such as any stock dividend or other distribution, change in control, reorganization, merger, consolidation or other corporate transaction, the plan administrator will make equitable adjustments to the ESPP and outstanding rights. In addition, in the event of the foregoing transactions or events or certain significant transactions, including a change in control, the plan administrator may provide for (1) either the replacement of outstanding rights with

other rights or property or termination of outstanding rights in exchange for cash, (2) the assumption or substitution of outstanding rights by the successor or survivor corporation or parent or subsidiary thereof, if any, (3) the adjustment in the number and type of shares of stock subject to outstanding rights, (4) the use of participants' accumulated payroll deductions to purchase stock on a new purchase date prior to the next scheduled purchase date and termination of any rights under ongoing offering periods or (5) the termination of all outstanding rights. Under the ESPP, a change in control has the same definition as given to such term in the 2020 Plan.

Plan amendment; Termination. The plan administrator may amend, suspend or terminate the ESPP at any time. However, stockholder approval of any amendment to the ESPP will be obtained for any amendment which increases the aggregate number or changes the type of shares that may be sold pursuant to rights under the ESPP, changes the corporations or classes of corporations whose employees are eligible to participate in the ESPP or changes the ESPP in any manner that would cause the ESPP to no longer be an employee stock purchase plan within the meaning of Section 423(b) of the Internal Revenue Code. The ESPP will terminate on the tenth anniversary of the date it is initially approved by our board of directors.

Securities Laws. The ESPP has been designed to comply with various securities laws in the same manner as described above in the description of the 2020 Plan.

Federal Income Taxes. The material federal income tax consequences of the ESPP under current federal income tax law are summarized in the following discussion, which deals with the general tax principles applicable to the ESPP. The following discussion is based upon laws, regulations, rulings and decisions now in effect, all of which are subject to change. Foreign, state and local tax laws, and employment, estate and gift tax considerations are not discussed due to the fact that they may vary depending on individual circumstances and from locality to locality.

The ESPP, and the right of participants to make purchases thereunder, is intended to qualify under the provisions of Section 423 of the Code. Under the applicable Code provisions, no income will be taxable to a participant until the sale or other disposition of the shares purchased under the ESPP. This means that an eligible employee will not recognize taxable income on the date the employee is granted an option under the ESPP (i.e., the first day of the offering period). In addition, the employee will not recognize taxable income upon the purchase of shares. Upon such sale or disposition, the participant will generally be subject to tax in an amount that depends upon the length of time such shares are held by the participant prior to disposing of them. If the shares are sold or disposed of more than two years from the first day of the offering period during which the shares were purchased and more than one year from the date of purchase, or if the participant dies while holding the shares, the participant (or his or her estate) will recognize ordinary income measured as the lesser of: (1) the excess of the fair market value of the shares at the time of such sale or disposition over the purchase price; or (2) an amount equal to 15% of the fair market value of the shares as of the first day of the offering period. Any additional gain will be treated as long-term capital gain. If the shares are held for the holding periods described above but are sold for a price that is less than the purchase price, there is no ordinary income and the participating employee has a long-term capital loss for the difference between the sale price and the purchase price.

If the shares are sold or otherwise disposed of before the expiration of the holding periods described above, the participant will recognize ordinary income generally measured as the excess of the fair market value of the shares on the date the shares are purchased over the purchase price and we will be entitled to a tax deduction for compensation expense in the amount of ordinary income recognized by the employee. Any additional gain or loss on such sale or disposition will be long-term or short-term capital gain or loss, depending on how long the shares were held following the date they were purchased by the participant prior to disposing of them. If the shares are sold or otherwise disposed of before the expiration of the holding periods described above but are sold for a price that is less than the purchase price, the participant will recognize ordinary income equal to the excess of the fair market value of the shares on the date of purchase over the purchase price (and we will be entitled to a

corresponding deduction), but the participant generally will be able to report a capital loss equal to the difference between the sales price of the shares and the fair market value of the shares on the date of purchase.

Director Compensation

During 2019, none of our non-employee directors received any cash or equity compensation other than Mr. Gallagher. Dr. Sun and who serves as both executive officer and director, did not receive any additional compensation for his service on our board of directors. At the time of the filing of the registration statement of which this prospectus forms a part, we are in the process of determining the composition of the compensation committee of our board of directors and the philosophy and design of our compensation plans and programs. We will identify our directors and include the relevant disclosure relating to their future compensation in subsequent amendments to the registration statement, of which this prospectus is a part, and prior to the completion of this offering.

In connection with this offering, we intend to adopt and ask our stockholders to approve the initial terms of our non-employee director compensation program. Our board of directors is still in the process of considering the non-employee director compensation policy.

Compensation under our non-employee director compensation policy will be subject to the annual limits on non-employee director compensation set forth in the 2020 Plan, as described above. Our board of directors or its authorized committee may modify the non-employee director compensation program from time to time in the exercise of its business judgment, taking into account such factors, circumstances and considerations as it shall deem relevant from time to time, subject to the annual limit on non-employee director compensation set forth in the 2020 Plan. As provided in the 2020 Plan, our board of directors or its authorized committee may make exceptions to this limit for individual non-employee directors in extraordinary circumstances, as the board of directors or its authorized committee may determine in its discretion, provided that the non-employee director receiving such additional compensation may not participate in the decision to award such compensation or in other compensation decisions involving non-employee directors.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

The following includes a summary of transactions since January 1, 2017 to which we have been a party in which the amount involved exceeded or will exceed $120,000, and in which any of our directors, executive officers or, to our knowledge, beneficial owners of more than 5% of our capital stock, or 5% Security Holders, or any member of the immediate family of any of the foregoing persons had or will have a direct or indirect material interest, other than equity and other compensation, termination, change in control and other arrangements, which are described under "Executive and Director Compensation." We also describe below certain other transactions with our directors, executive officers and stockholders.

Equity Financings

Series B Convertible Preferred Units

In December 2017, we issued and sold to investors in a private placement an aggregate of 2,735,320 Series B Preferred Units at a purchase price of $12.43 per unit, for aggregate consideration of approximately $34.0 million. In a subsequent closing in January 2018, we issued and sold an additional 764,281 Series B convertible preferred units for an aggregate consideration of approximately $9.5 million. In a second subsequent closing in July 2018, we issued and sold an additional 24,138 Series B convertible preferred units for an aggregate consideration of $0.3 million.

The following table sets forth the aggregate number of Series B preferred units acquired by 5% Security Holders in the financing transactions described above.

Participants	Series B Preferred Units	Aggregate Purchase Price (in thousands)
Greater than 5% Stockholders(1)		
Matrix Capital Management Master Fund, LP(2)	2,011,264	$ 25,000
Viking Global Opportunities Illiquid Investments Sub-Master LP	643,605	$ 8,000

(1) Additional details regarding these stockholders and their equity holdings are provided in this prospectus under the caption "Principal Stockholders."
(2) Messrs. David Goel and Karan Takhar, members of our board of directors, are affiliated with Matrix Capital Management Master Fund, LP.

Series C Convertible Preferred Units

In September 2019, we issued and sold to investors in a private placement an aggregate of 4,847,106 Series C convertible preferred units at a purchase price of $17.50 per unit, for aggregate consideration of approximately $84.8 million.

The following table sets forth the aggregate number of Series C convertible preferred units acquired by 5% Security Holders in the financing transactions described above.

Participants	Series C Preferred Units	Aggregate Purchase Price (in thousands)
Greater than 5% Stockholders(1)		
Matrix Capital Management Master Fund, LP(2)	742,858	$ 13,000
Viking Global Opportunities Illiquid Investments Sub-Master LP	742,858	$ 13,000

(1) Additional details regarding these stockholders and their equity holdings are provided in this prospectus under the caption "Principal Stockholders."
(2) Messrs. David Goel and Karan Takhar, members of our board of directors, are affiliated with Matrix Capital Management Master Fund, LP.

Investors' Rights Agreement

In September 2019, we entered into an amended and restated investors' rights agreement, which we refer to as our Investors' Rights Agreement, with certain of our investors, including Matrix Capital Management Master Fund, LP and Viking Global Opportunities Illiquid Investments Sub-Master LP, two of our 5% Security Holders. The Investors' Rights Agreement imposes certain affirmative obligations on us and also grants certain rights to holders, including certain registration rights with respect to the securities held by them, certain information and observer rights, and certain additional rights. Certain provisions of the Investors' Rights Agreement will terminate in connection with this offering. See "Description of Capital Stock—Registration Rights" for additional information.

Corporate Conversion

We currently operate as a Delaware limited liability company under the name Zentalis Pharmaceuticals, LLC. In connection with this offering, we will convert from a Delaware limited liability company to a Delaware corporation pursuant to a statutory conversion and change our name to Zentalis Pharmaceuticals, Inc. Existing holders, including our 5% Security Holders, executive officers and directors, of our class A common units, class B common units, series A convertible preferred units, series B convertible preferred units and series C convertible preferred units, will receive the number of shares of common stock described in this prospectus as a result of the Corporate Conversion. See "Corporate Conversion" for more information.

Transactions with Kalyra Pharmaceuticals, Inc.

In December 2017, we acquired 17,307,692 shares of Series B convertible preferred stock of Kalyra Pharmaceuticals, Inc., or Kalyra, for a price per share of $0.26 or approximately $4,500,000. We have determined that Kalyra is a variable interest entity, of which we are the primary beneficiary. Anthony Y. Sun, M.D., our Chief Executive Officer and a member of our board of directors, Kevin Bunker, our Chief Operating Officer and a member of our board of directors, and Cam Gallagher, our Chief Business Officer and a member of our board of directors, are affiliated with Kalyra.

We entered into an intercompany services agreement, or ISA, with Kalyra in January 2018 which states that we may provide research and development services to Kalyra and that Kalyra shall reimburse such expenses on a time and materials basis. For the year ended December 31, 2018, we provided $544,898 of research and development services to Kalyra. As of December 31, 2018, $544,898 was due from Kalyra under the ISA.

Transactions with Recurium IP Holdings, LLC

In December 2014, and as amended and restated in December 2017 and September 2019, we entered into the Recurium Agreement with Recurium IP under which we were granted an exclusive worldwide license to certain intellectual property rights owned or controlled by Recurium IP. See the section titles "Business–Licensing Agreements and Strategic Collaborations–Recurium IP Holdings, LLC" for more information. Kevin Bunker, our Chief Operating Officer, and Cam Gallagher, a member of our board of directors, are affiliated with Recurium IP.

Employment Agreements

We have entered into employment agreements or consulting agreements with each of our executive officers. See "Executive Compensation—Employment Agreements with our NEOs" for a further discussion of these arrangements.

Indemnification Agreements

We intend to enter into indemnification agreements with each of our directors and executive officers. These agreements, among other things, require us or will require us to indemnify each director and executive officer to the fullest extent permitted by Delaware law, including indemnification of expenses such as attorneys' fees, judgments, fines and settlement amounts incurred by the director or executive officer in any action or proceeding, including any action or proceeding by or in right of us, arising out of the person's services as a director or executive officer. For further information, see "Executive and Director Compensation—Limitations of Liability and Indemnification."

Policies and Procedures for Related Person Transactions

Our board of directors has adopted a written related person transaction policy, to be effective immediately prior to the effectiveness of the registration statement of which this prospectus forms a part, setting forth the policies and procedures for the review and approval or ratification of related person transactions. This policy will cover, with certain exceptions set forth in Item 404 of Regulation S-K under the Securities Act, any transaction, arrangement or relationship, or any series of similar transactions, arrangements or relationships, in which we were or are to be a participant, where the amount involved exceeds $120,000 in any fiscal year and a related person had, has or will have a direct or indirect material interest, including without limitation, purchases of goods or services by or from the related person or entities in which the related person has a material interest, indebtedness, guarantees of indebtedness and employment by us of a related person. In reviewing and approving any such transactions, our audit committee is tasked to consider all relevant facts and circumstances, including, but not limited to, whether the transaction is on terms comparable to those that could be obtained in an arm's length transaction and the extent of the related person's interest in the transaction. All of the transactions described in this section occurred prior to the adoption of this policy.

PRINCIPAL STOCKHOLDERS

The following table sets forth information as of , 2019 with respect to the beneficial ownership of our common stock, giving pro forma effect to the Corporate Conversion, by:

- each person, or group of affiliated persons, known by us to beneficially own more than 5% of our outstanding shares of common stock
- each of our named executive officers;
- each of our directors; and
- all of our executive officers and directors as a group.

The number of shares beneficially owned by each stockholder is determined in accordance with the rules issued by the SEC, and the information is not necessarily indicative of beneficial ownership for any other purpose. Under these rules, beneficial ownership includes any shares as to which the individual or entity has sole or shared voting power or investment power, which includes the power to dispose of or to direct the disposition of such security. Except as indicated in the footnotes below, we believe, based on the information furnished to us, that the individuals and entities named in the table below have sole voting and investment power with respect to all shares of common stock beneficially owned by them, subject to any community property laws.

Percentage ownership of our common stock before this offering is based on shares of common stock outstanding as of December 31, 2019, after giving effect to the Corporate Conversion. Percentage ownership of our common stock after this offering is based on shares of common stock as of December 31, 2019, after giving effect to the Corporate Conversion and our issuance of shares of our common stock in this offering. In computing the number of shares beneficially owned by an individual or entity and the percentage ownership of that person, shares of common stock subject to options, warrants or other rights held by such person that are currently exercisable or will become exercisable within 60 days of December 31, 2019 are considered outstanding, although these shares are not considered outstanding for purposes of computing the percentage ownership of any other person. Unless noted otherwise, the address of all listed stockholders is 530 Seventh Avenue, Suite 2201, New York, New York 10018.

	Shares Beneficially Owned Prior to Offering		Shares Beneficially Owned After Offering	
Name of Beneficial Owner	Number	Percentage	Number	Percentage
5% or Greater Stockholders				
Recurium Equity, LLC(1)		%		%
Matrix Capital Management Master Fund, LP(2)				
Viking Global Opportunities Illiquid Investment Sub-Master LP(3)				
Named Executive Officers and Directors				
Anthony Y. Sun, M.D.				
Kevin Bunker, Ph.D.(4)				
Robert Winkler, M.D.				
Cam Gallagher(5)				
David Goel(6)				
Karan Takhar				
David Johnson				
All executive officers and directors as a group (8 persons)				

* Represents beneficial ownership of less than 1%.

(1) Consists of shares of common stock held by Recurium Equity, LLC, or Recurium. Cam Gallagher, a member of our board of directors, Kevin Bunker, our Chief Operating Officer, Ned Israelsen

and Cam Garner are the managing members of Recurium and may be deemed to share voting and dispositive power over the shares held by Recurium. The mailing address for Recurium is 10835 Road to the Cure, #205, San Diego, California 92121.

(2) Consists of shares held by Matrix Capital Management Master Fund, LP, or Matrix. David Goel, a member of our board of directors, is the sole managing general partner of Matrix and may be deemed to have voting and dispositive power over the shares held by Matrix. The mailing address for Matrix is 1000 Winter Street, Suite 4500, Waltham, Massachusetts 02451.

(3) Consists of shares held by Viking Global Opportunities Illiquid Investment Sub-Master LP, or Viking. The mailing address for Viking is 55 Railroad Avenue, Greenwich, Connecticut 06830.

(4) Consists of (i) shares of common stock held by Mr. Bunker and (ii) shares of common stock held by Recurium, which shares Mr. Bunker may be deemed to beneficially own. See footnote (1) above.

(5) Consists of (i) shares of common stock held by Mr. Gallagher and (ii) shares of common stock held by Recurium, which shares Mr. Gallagher may be deemed to beneficially own. See footnote (1) above.

(6) Consists of (i) shares of common stock held by Mr. Goel and (ii) shares held by Matrix, which shares Mr. Goel may be deemed to beneficially own. See footnote (2) above.

DESCRIPTION OF CAPITAL STOCK

The following description summarizes important terms of our capital stock and certain provisions of our certificate of incorporation and bylaws, each of which will be in effect upon the closing of this offering. Copies of these documents will be filed with the SEC as exhibits to our registration statement, of which this prospectus forms a part. The descriptions of our common stock and preferred stock reflect the completion of the Corporate Conversion that will occur prior to the closing of this offering.

General

Following the closing of this offering, our authorized capital stock will consist of shares of common stock, par value $0.001 per share, and shares of preferred stock, par value $0.001 per share.

As of December 31, 2019, after giving effect to the Corporate Conversion, there were shares of our common stock, held by approximately stockholders of record. No shares of our preferred stock are designated, issued or outstanding.

Common Stock

Voting

Holders of our common stock will be entitled to one vote for each share held on all matters submitted to a vote of stockholders and will not have cumulative voting rights. An election of directors by our stockholders shall be determined by a plurality of the votes cast by the stockholders entitled to vote on the election. Subject to the supermajority votes for some matters, other matters shall be decided by the affirmative vote of our stockholders having a majority in voting power of the votes cast by the stockholders present or represented and voting on such matter. Our certificate of incorporation and bylaws will also provide that our directors may be removed only for cause and only by the affirmative vote of the holders of at least two-thirds in voting power of the outstanding shares of capital stock entitled to vote thereon. In addition, the affirmative vote of the holders of at least two-thirds in voting power of the outstanding shares of capital stock entitled to vote thereon will be required to amend or repeal, or to adopt any provision inconsistent with, several of the provisions of our certificate of incorporation. See below under "—Anti-Takeover Effects of Delaware Law and Our Certificate of Incorporation and Bylaws—Amendment of Charter Provisions."

Dividends

Holders of common stock will be entitled to receive proportionately any dividends as may be declared by our board of directors, subject to any preferential dividend rights of any series of preferred stock that we may designate and issue in the future.

Liquidation

In the event of our liquidation or dissolution, the holders of our common stock will be entitled to receive proportionately our net assets available for distribution to stockholders after the payment of all debts and other liabilities and subject to the prior rights of any outstanding preferred stock. Holders of our common stock will have no preemptive, subscription, redemption or conversion rights. The rights, preferences and privileges of holders of common stock will be subject to and may be adversely affected by the rights of the holders of shares of any series of preferred stock that we may designate and issue in the future.

Rights and Preferences

Holders of our common stock will have no preemptive, conversion or subscription rights, and there will be no redemption or sinking funds provisions applicable to our common stock. The rights, preferences and privileges of the holders of our common stock will be subject to, and may be adversely affected by, the rights of the holders of share of any series of our preferred stock that we may designate and issue in the future.

Fully Paid and Nonassessable

All of our outstanding shares of common stock are, and the shares of common stock to be issued in this offering will be, fully paid and nonassessable.

Preferred Stock

Under our certificate of incorporation that will be in effect upon the closing of this offering, our board of directors will be authorized to direct us to issue shares of preferred stock in one or more series without stockholder approval. Our board of directors has the discretion to determine the rights, preferences, privileges and restrictions, including voting rights, dividend rights, conversion rights, redemption privileges and liquidation preferences, of each series of preferred stock.

The purpose of authorizing our board of directors to issue preferred stock and determine its rights and preferences is to eliminate delays associated with a stockholder vote on specific issuances. The issuance of preferred stock, while providing flexibility in connection with possible acquisitions, future financings and other corporate purposes, could have the effect of making it more difficult for a third-party to acquire, or could discourage a third-party from seeking to acquire, a majority of our outstanding voting stock. Upon the closing of this offering, there will be no shares of preferred stock outstanding, and we have no present plans to issue any shares of preferred stock.

Registration Rights

Under our Investors' Rights Agreement, following the consummation of this offering, holders of approximately shares of our common stock will be entitled to certain rights with respect to the registration of such shares for public resale under the Securities Act, until the rights otherwise terminate pursuant to the terms of the Investors' Rights Agreement. The registration of shares of common stock as a result of the following rights being exercised would enable holders to trade these shares without restriction under the Securities Act when the applicable registration statement is declared effective.

Form S-1 Registration Rights

If at any time beginning 180 days after the closing date of this offering the holders of registrable securities request in writing that we effect a registration with respect to all or part of such registrable securities then outstanding and having an anticipated aggregate offering price that would exceed $10,000,000, net of expenses, we may be required to register their shares. We are obligated to effect at most two registrations in response to these demand registration rights. If the holders requesting registration intend to distribute their shares by means of an underwriting, the managing underwriter of such offering will have the right to limit the numbers of shares to be underwritten for reasons related to the marketing of the shares.

Piggyback Registration Rights

If at any time after this offering we propose to register any shares of our common stock under the Securities Act, subject to certain exceptions, the holders of registrable securities will be entitled to notice of the registration and to include their shares of registrable securities in the registration. If our proposed registration involves an underwriting, the managing underwriter of such offering will have the right to limit the number of shares to be underwritten for reasons related to the marketing of the shares.

Form S-3 Registration Rights

If, at any time after we become entitled under the Securities Act to register our shares on a registration statement on Form S-3, the holders of the registrable securities request in writing that we effect a registration

with respect to registrable securities at an aggregate price to the public in the offering of at least $1,000,000, we will be required to effect such registration; provided, however, that we will not be required to effect such a registration if, within any twelve month period, we have already effected two registrations on Form S-3 for the holders of registrable securities.

Expenses and Indemnification

Ordinarily, other than underwriting discounts and commissions, we will be required to pay all expenses incurred by us related to any registration effected pursuant to the exercise of these registration rights. These expenses may include all registration and filing fees, printing expenses, fees and disbursements of our counsel, reasonable fees and disbursements of a counsel for the selling securityholders and blue sky fees and expenses. Additionally, we have agreed to indemnify selling stockholders for damages, and any legal or other expenses reasonably incurred, arising from or based upon any untrue statement of a material fact contained in any registration statement, an omission or alleged omission to state a material fact in any registration statement or necessary to make the statements therein not misleading, or any violation or alleged violation by the indemnifying party of securities laws, subject to certain exceptions.

Termination of Registration Rights

The registration rights terminate upon the earliest of, with respect to a particular holder, (i) such time as that holder and its affiliates may sell all of their shares of common stock pursuant to Rule 144 under the Securities Act or similar exemption during a three-month period without registration, (ii) five years after the effective date of the registration statement of which this prospectus is a part, and (ii) the closing of a deemed liquidation event, as defined in the Investors' Rights Agreement.

Anti-Takeover Provisions

Some provisions of Delaware law and our certificate of incorporation and our bylaws that will be in effect upon the closing of this offering could make the following transactions more difficult: an acquisition of us by means of a tender offer; an acquisition of us by means of a proxy contest or otherwise; or the removal of our incumbent officers and directors. It is possible that these provisions could make it more difficult to accomplish or could deter transactions that stockholders may otherwise consider to be in their best interests or in our best interests, including transactions that provide for payment of a premium over the market price for our shares.

These provisions, summarized below, are intended to discourage coercive takeover practices and inadequate takeover bids. These provisions are also designed to encourage persons seeking to acquire control of us to first negotiate with our board of directors. We believe that the benefits of the increased protection of our potential ability to negotiate with the proponent of an unfriendly or unsolicited proposal to acquire or restructure us outweigh the disadvantages of discouraging these proposals because negotiation of these proposals could result in an improvement of their terms.

Undesignated Preferred Stock

The ability of our board of directors, without action by our stockholders, to issue up to shares of undesignated preferred stock with voting or other rights or preferences as designated by our board of directors could impede the success of any attempt to effect a change in control of our company. These and other provisions may have the effect of deferring hostile takeovers or delaying changes in control or management of our company.

Stockholder Meetings

Our bylaws will provide that a special meeting of stockholders may be called only by the chairman of our board of directors, our chief executive officer or president (in the absence of a chief executive officer), or by a resolution adopted by a majority of our board of directors.

Requirements for Advance Notification of Stockholder Nominations and Proposals

Our bylaws will establish advance notice procedures with respect to stockholder proposals to be brought before a stockholder meeting and the nomination of candidates for election as directors, other than nominations made by or at the direction of our board of directors of a committee of our board of directors.

Elimination of Stockholder Action by Written Consent

Our certificate of incorporation will eliminate the right of stockholders to act by written consent without a meeting.

Staggered Board

Our board of directors will be divided into three classes. The directors in each class will serve a three-year term, with one class being elected each year by our stockholders. For more information on our classified board, see "Management—Board Composition and Election of Directors." This system of electing and removing directors may tend to discourage a third party from making a tender offer or otherwise attempting to obtain control of us, because it generally makes it more difficult for stockholders to replace a majority of the directors.

Removal of Directors

Our certificate of incorporation will provide that no member of our board of directors may be removed from office by our stockholders except for cause and, in addition to any other vote required by law, upon the approval of the holders of at least two-thirds in voting power of the outstanding shares of stock entitled to vote in the election of directors.

Stockholders Not Entitled to Cumulative Voting

Our certificate of incorporation will not permit stockholders to cumulate their votes in the election of directors. Accordingly, the holders of a majority of the outstanding shares of our common stock entitled to vote in any election of directors will be able to elect all of the directors standing for election, if they choose, other than any directors that holders of our convertible preferred stock may be entitled to elect.

Choice of Forum

Our certificate of incorporation will provide that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware will be the sole and exclusive forum for (1) any derivative action or proceeding brought on our behalf, (2) any action asserting a claim of breach of a fiduciary duty or other wrongdoing by any of our directors, officers, employees or agents to us or our stockholders, (3) any action asserting a claim against us arising pursuant to any provision of the DGCL or our certificate of incorporation or bylaws, (4) any action to interpret, apply, enforce or determine the validity of our certificate of incorporation or bylaws, or (5) any action asserting a claim governed by the internal affairs doctrine. Under our certificate of incorporation, this exclusive form provision will not apply to claims which are vested in the exclusive jurisdiction of a court or forum other than the Court of Chancery of the State of Delaware, or for which the Court of Chancery of the State of Delaware does not have subject matter jurisdiction. For instance, the provision would not apply to actions arising under federal securities laws, including suits brought to enforce any liability or duty created by the Securities Act, the Exchange Act, or the rules and regulations thereunder. This provision would not apply to suits brought to enforce a duty or liability created by the Exchange Act. Our certificate of incorporation will also provide that any person or entity holding, purchasing or otherwise acquiring any interest in shares of our capital stock will be deemed to have notice of and to have consented to this choice of forum provision. It is possible that a court of law could rule that the choice of forum provision contained in our certificate of incorporation is inapplicable or unenforceable if it is challenged in a proceeding or otherwise.

Amendment of Charter Provisions

The amendment of any of the above provisions, except for the provision making it possible for our board of directors to issue preferred stock and the provision prohibiting cumulative voting, would require approval by holders of at least two-thirds in voting power of the outstanding shares of stock entitled to vote thereon.

The provisions of Delaware law, and our certificate of incorporation and bylaws that will be in effect upon the closing of this offering, could have the effect of discouraging others from attempting hostile takeovers and, as a consequence, they may also inhibit temporary fluctuations in the market price of our common stock that often result from actual or rumored hostile takeover attempts. These provisions may also have the effect of preventing changes in the composition of our board and management. It is possible that these provisions could make it more difficult to accomplish transactions that stockholders may otherwise deem to be in their best interests

Section 203 of the Delaware General Corporation Law

We are subject to Section 203 of the DGCL, which prohibits persons deemed to be "interested stockholders" from engaging in a "business combination" with a publicly held Delaware corporation for three years following the date these persons become interested stockholders unless the business combination is, or the transaction in which the person became an interested stockholder was, approved in a prescribed manner or another prescribed exception applies. Generally, an "interested stockholder" is a person who, together with affiliates and associates, owns, or within three years prior to the determination of interested stockholder status did own, 15% or more of a corporation's voting stock. Generally, a "business combination" includes a merger, asset or stock sale, or other transaction resulting in a financial benefit to the interested stockholder. The existence of this provision may have an anti-takeover effect with respect to transactions not approved in advance by our board of directors.

Limitations on Liability and Indemnification Matters

Our certificate of incorporation, which will be in effect upon the closing of this offering, will limit our directors' liability to the fullest extent permitted under Delaware law, which prohibits our certificate of incorporation from limiting the liability of our directors for the following:

- any breach of the director's duty of loyalty to us or our stockholders;
- acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law;
- unlawful payment of dividends or unlawful stock repurchases or redemptions; or
- any transaction from which the director derived an improper personal benefit.

If Delaware law is amended to authorize corporate action further eliminating or limiting the personal liability of a director, then the liability of our directors will be eliminated or limited to the fullest extent permitted by Delaware law, as so amended. This limitation of liability does not apply to liabilities arising under the federal securities laws and does not affect the availability of equitable remedies such as injunctive relief or rescission.

Our bylaws, which will be in effect upon the closing of this offering, will provide that we will indemnify our directors and officers to the fullest extent permitted under Delaware law and that we shall have the power to indemnify our employees and agents to the fullest extent permitted by law. Our bylaws will also permit us to secure insurance on behalf of any officer, director, employee or other agent for any liability arising out of his or her actions in this capacity, regardless of whether we would have the power to indemnify such person against such expense, liability or loss under the DGCL.

We also intend to enter into separate indemnification agreements with our directors and executive officers, in addition to indemnification provided for in our bylaws. These agreements, among other things, to provide for

indemnification of our directors and executive officers for expenses, judgments, fines and settlement amounts incurred by such persons in any action or proceeding arising out of this person's services as a director or executive officer or at our request. We believe that these provisions in our certificate of incorporation and bylaws and indemnification agreements are necessary to attract and retain qualified persons as directors and executive officers.

The above description of the limitation of liability and indemnification provisions of our certificate of incorporation, our bylaws and our indemnification agreements is not complete and is qualified in its entirety by reference to these documents, each of which will be filed as an exhibit to this registration statement to which this prospectus forms a part.

The limitation of liability and indemnification provisions in our certificate of incorporation and bylaws may discourage stockholders from bringing a lawsuit against our directors for breach of their fiduciary duties. They may also reduce the likelihood of derivative litigation against directors and officers, even though an action, if successful, might benefit us and our stockholders. A stockholder's investment may be harmed to the extent we pay the costs of settlement and damage awards against directors and officers pursuant to these indemnification provisions. Insofar as indemnification for liabilities under the Securities Act may be permitted to directors, officers or persons controlling us pursuant to the foregoing provisions, we have been informed that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable. There is no pending litigation or proceeding naming any of our directors or officers as to which indemnification is being sought, nor are we aware of any pending or threatened litigation that may result in claims for indemnification by any director or officer.

Listing

We intend to apply to have our common stock listed on The Nasdaq Global Market under the symbol " ."

Transfer Agent and Registrar

The transfer agent and registrar for our common stock will be .

SHARES ELIGIBLE FOR FUTURE SALE

Immediately prior to this offering, there was no public market for our Units or our common stock, and no predictions can be made about the effect, if any, that market sales of our common stock or the availability of such shares for sale will have on the market price prevailing from time to time. Nevertheless, future sales of our common stock in the public market, or the perception that such sales may occur, could adversely affect the market price of our common stock and could impair our ability to raise capital through future sales of our securities. See "Risk Factors—Risks Related to this Offering and Ownership of Our Common Stock— Sales of a substantial number of shares of our common stock in the public market could cause our stock price to fall." Furthermore, although we intend to apply to have our common stock listed on The Nasdaq Global Market, we cannot assure you that there will be an active public trading market for our common stock.

Upon the closing of this offering, based on the number of shares of our common stock outstanding as of December 31, 2019 and after giving effect to the Corporate Conversion, we will have an aggregate of shares of our common stock outstanding (or shares of our common stock if the underwriters exercise in full their option to purchase additional shares). Of these shares of our common stock, all of the shares sold in this offering (or shares if the underwriters exercise in full their option to purchase additional shares) will be freely tradable without restriction or further registration under the Securities Act, except for any shares purchased by our "affiliates," as that term is defined in Rule 144 under the Securities Act, whose sales would be subject to the Rule 144 resale restrictions described below, other than the holding period requirement.

The remaining shares of our common stock will be "restricted securities," as that term is defined in Rule 144 under the Securities Act. These restricted securities are eligible for public sale only if they are registered under the Securities Act or if they qualify for an exemption from registration under Rules 144 or 701 under the Securities Act, which are summarized below. We expect that substantially all of these shares will be subject to the 180-day lock-up period under the lock-up agreements described below. Upon expiration of the lock-up period, we estimate that approximately shares of our common stock will be available for sale in the public market, subject in some cases to applicable volume limitations under Rule 144.

Lock-up Agreements

We and each of our directors and executive officers and holders of substantially all of our outstanding capital stock, have agreed that, without the prior written consent of Morgan Stanley & Co. LLC, Jefferies LLC and SVB Leerink LLC, we and they will not, subject to certain exceptions, during the period ending 180 days after the date of this prospectus, offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any shares of our common stock or any securities convertible into or exercisable or exchangeable for common stock; or enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of our common stock, whether any transaction described above is to be settled by delivery of our common stock or such other securities, in cash or otherwise. Morgan Stanley & Co. LLC, Jefferies LLC and SVB Leerink LLC may waive the provisions of these agreements, in full or in part, at any time in their sole discretion.

Upon the expiration of the applicable lock-up periods, substantially all of the shares subject to such lock-up restrictions will become eligible for sale, subject to the limitations discussed above. For a further description of these lock-up agreements, please see "Underwriters."

Rule 144

Affiliate Resales of Restricted Securities

In general, beginning 90 days after the effective date of the registration statement of which this prospectus is a part, a person who is an affiliate of ours, or who was an affiliate at any time during the 90 days before a sale,

who has beneficially owned shares of our common stock for at least six months would be entitled to sell in "brokers transactions" or certain "riskless principal transactions" or to market makers, a number of shares within any three month-period that does not exceed the greater of:

- 1% of the number of our common stock then outstanding, which will equal approximately shares of our common stock immediately after this offering; or
- the average weekly reported trading volume in shares of our common stock on The Nasdaq Global Market during the four calendar weeks preceding the date on which a notice of the sale on Form 144 is filed with the SEC with respect to such sale.

Affiliates resales under Rule 144 are also subject to the availability of current public information about us. In addition, if the number of shares being sold under Rule 144 by an affiliate during any three-month period exceeds 5,000 shares or has an aggregate sale price in excess of $50,000, the seller must file a notice on Form 144 with the SEC and Nasdaq concurrently with either the placing of a sale order with the broker or the execution directly with a market maker.

Non-Affiliate Resales of Restricted Securities

In general, beginning 90 days after the effective date of the registration statement of which this prospectus is a part, a person who is not an affiliate of ours at the time of sale, and has not been an affiliate at any time during the three months preceding a sale, and who has beneficially owned shares of our common stock for at least six months but less than a year, is entitled to sell such shares subject only to the availability of current public information about us. If such person has held our shares for at least one year, such person can resell under Rule 144(b)(1) without regard to any Rule 144 restrictions, including the 90-day public company requirement and the current public information requirement.

Non-affiliate resales are not subject to manner of sale, volume limitation or notice filing provisions of Rule 144.

Rule 701

In general, under Rule 701 of the Securities Act, each of our employees, officers, directors, consultants or advisors who purchases shares of our common stock from us in connection with a compensatory stock or option plan or other written agreement executed before the effective date of the registration statement under the Securities Act is entitled to resell such shares 90 days after such effective date in reliance on Rule 144. An affiliate of ours can resell shares in reliance on Rule 144 without having to comply with the holding period requirement, and non-affiliates of ours can resell shares in reliance on Rule 144 without having to comply with the current public information and holding period requirements.

The SEC has indicated that Rule 701 will apply to typical options granted by an issuer before it becomes subject to the reporting requirements of the Exchange Act, along with the shares acquired upon exercise of such options, including exercises after an issuer becomes subject to the reporting requirements of the Exchange Act.

Equity Incentive Plans

We intend to file with the SEC a registration statement on Form S-8 under the Securities Act covering the shares of common stock reserved for issuance under our equity incentive plans. The registration statement is expected to be filed and become effective as soon as practicable after the closing of this offering. Accordingly, shares registered under the Form S-8 registration statement will be available for sale in the open market following the registration statement's effective date, subject to Rule 144 volume limitations and the lock-up agreements described above, if applicable.

Registration Rights

Upon the closing of this offering, the holders of shares of common stock or their transferees will be entitled to various rights with respect to the registration of these shares under the Securities Act. Registration of these shares under the Securities Act would result in these shares becoming fully tradable without restriction under the Securities Act immediately upon the effectiveness of the registration, except for shares purchased by affiliates. See "Description of Capital Stock—Registration Rights" for additional information. Shares covered by a registration statement will be eligible for sale in the public market upon the expiration or release from the terms of the lock-up agreement described above.

MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES TO NON-U.S. HOLDERS

The following discussion is a summary of the material U.S. federal income tax consequences to non-U.S. holders (as defined below) of the purchase, ownership and disposition of our common stock issued pursuant to this offering, but does not purport to be a complete analysis of all potential tax effects. The effects of other U.S. federal tax laws, such as estate and gift tax laws, and any applicable state, local or foreign tax laws are not discussed. This discussion is based on the Code, Treasury Regulations promulgated thereunder, judicial decisions, and published rulings and administrative pronouncements of the U.S. Internal Revenue Service, or IRS, in effect as of the date of this offering. These authorities may change or be subject to differing interpretations. Any such change or differing interpretation may be applied retroactively in a manner that could adversely affect a non-U.S. holder of our common stock. We have not sought and will not seek any rulings from the IRS regarding the matters discussed below. There can be no assurance the IRS or a court will not take a contrary position regarding the tax consequences of the purchase, ownership and disposition of our common stock.

This discussion is limited to non-U.S. holders that hold our common stock as a "capital asset" within the meaning of Section 1221 of the Code (property held for investment). This discussion does not address all U.S. federal income tax consequences relevant to a non-U.S. holder's particular circumstances, including the impact of the alternative minimum tax or the unearned income Medicare contribution tax. In addition, it does not address consequences relevant to holders subject to particular rules, including, without limitation:

- U.S. expatriates and certain former citizens or long-term residents of the United States;
- persons holding our common stock as part of a hedge, straddle or other risk reduction strategy or as part of a conversion transaction or other integrated investment;
- banks, insurance companies, and other financial institutions;
- brokers, dealers or traders in securities or currencies;
- persons that hold more than 5% of our common stock, directly or indirectly;
- "controlled foreign corporations," "passive foreign investment companies," and corporations that accumulate earnings to avoid U.S. federal income tax;
- corporations organized outside of the United States, any state thereof or the District of Columbia that are nonetheless treated as U.S. taxpayers for U.S. federal income tax purposes;
- partnerships or other entities or arrangements treated as partnerships for U.S. federal income tax purposes (and investors therein);
- tax-exempt organizations or governmental organizations;
- persons deemed to sell our common stock under the constructive sale provisions of the Code;
- persons for whom our common stock constitutes "qualified small business stock" within the meaning of Section 1202 of the Code;
- persons who hold or receive our common stock pursuant to the exercise of any employee stock option or otherwise as compensation;
- qualified foreign pension funds as defined in Section 897(l)(2) of the Code and entities all of the interests of which are held by qualified foreign pension funds;
- persons subject to special tax accounting rules as a result of any item of gross income with respect to our common stock being taken into account in an applicable financial statement; and
- tax-qualified retirement plans.

If a partnership (or other entity treated as a partnership for U.S. federal income tax purposes) holds our common stock, the tax treatment of a partner in the partnership will depend on the status of the partner, the activities of the partnership and certain determinations made at the partner level. Accordingly, partnerships holding our common stock and the partners in such partnerships should consult their tax advisors regarding the U.S. federal income tax consequences to them.

THIS DISCUSSION IS FOR INFORMATION PURPOSES ONLY AND IS NOT INTENDED AS LEGAL OR TAX ADVICE. INVESTORS SHOULD CONSULT THEIR TAX ADVISORS WITH RESPECT TO THE APPLICATION OF THE U.S. FEDERAL INCOME TAX LAWS TO THEIR PARTICULAR SITUATIONS AS WELL AS ANY TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF OUR COMMON STOCK ARISING UNDER THE U.S. FEDERAL ESTATE OR GIFT TAX LAWS OR UNDER THE LAWS OF ANY STATE, LOCAL OR NON-U.S. TAXING JURISDICTION OR UNDER ANY APPLICABLE INCOME TAX TREATY.

Definition of a Non-U.S. Holder

For purposes of this discussion, a "non-U.S. holder" is any beneficial owner of our common stock that is neither a "U.S. person," nor an entity treated as a partnership for U.S. federal income tax purposes. A U.S. person is any person that, for U.S. federal income tax purposes, is or is treated as any of the following:

- an individual who is a citizen or resident of the United States;
- a corporation created or organized under the laws of the United States, any state thereof, or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income tax regardless of its source; or
- a trust that (1) is subject to the primary supervision of a U.S. court and which has one or more U.S. persons (within the meaning of Section 7701(a)(30) of the Code) who have the authority to control all substantial decisions of the trust, or (2) has a valid election in effect under applicable Treasury Regulations to be treated as a U.S. person.

Distributions

As described in the section titled "Dividend Policy," we do not anticipate declaring or paying dividends to holders of our common stock in the foreseeable future. However, if we do make distributions on our common stock, such distributions of cash or property on our common stock will constitute dividends for U.S. federal income tax purposes to the extent paid from our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Amounts not treated as dividends for U.S. federal income tax purposes will constitute a return of capital and first be applied against and reduce a non-U.S. holder's adjusted tax basis in its common stock, but not below zero. Any excess will be treated as capital gain and will be treated as described below under "—Sale or Other Disposition of Common Stock."

Subject to the discussion below on backup withholding and foreign accounts, dividends paid to a non-U.S. holder of our common stock that are not effectively connected with the non-U.S. holder's conduct of a trade or business within the United States will be subject to U.S. federal withholding tax at a rate of 30% of the gross amount of the dividends (or such lower rate specified by an applicable income tax treaty).

Non-U.S. holders will be entitled to a reduction in or an exemption from withholding on dividends as a result of either (a) an applicable income tax treaty or (b) the non-U.S. holder holding our common stock in connection with the conduct of a trade or business within the United States and dividends being effectively connected with that trade or business. To claim such a reduction in or exemption from withholding, the non-U.S. holder must provide the applicable withholding agent with a properly executed (a) IRS Form W-8BEN or W-8BEN-E (or other applicable documentation) claiming an exemption from or reduction of the withholding tax

under the benefit of an income tax treaty between the United States and the country in which the non-U.S. holder resides or is established, or (b) IRS Form W-8ECI stating that the dividends are not subject to withholding tax because they are effectively connected with the conduct by the non-U.S. holder of a trade or business within the United States, as may be applicable. These certifications must be provided to the applicable withholding agent 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 will then be required to provide certification to us or our paying agent, either directly or through other intermediaries. Non-U.S. holders that do not timely provide the applicable withholding agent with the required certification, but that qualify for a reduced rate under an applicable income tax treaty, may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS.

If dividends paid to a non-U.S. holder are effectively connected with the non-U.S. holder's conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, the non-U.S. holder maintains a permanent establishment in the United States to which such dividends are attributable), then, although exempt from U.S. federal withholding tax (provided the non-U.S. holder provides appropriate certification, as described above), the non-U.S. holder will be subject to U.S. federal income tax on such dividends on a net income basis at the regular U.S. federal income tax rates. In addition, a non-U.S. holder that is a corporation may be subject to a branch profits tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty) on its effectively connected earnings and profits for the taxable year that are attributable to such dividends, as adjusted for certain items. Non-U.S. holders should consult their tax advisors regarding their entitlement to benefits under any applicable income tax treaty.

Sale or Other Disposition of Common Stock

Subject to the discussions below on backup withholding and foreign accounts, a non-U.S. holder will not be subject to U.S. federal income tax on any gain realized upon the sale or other disposition of our common stock unless:

- the gain is effectively connected with the non-U.S. holder's conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, the non-U.S. holder maintains a permanent establishment in the United States to which such gain is attributable);
- the non-U.S. holder is a nonresident alien individual present in the United States for 183 days or more during the taxable year of the disposition and certain other requirements are met; or
- our common stock constitute U.S. real property interests, or USRPIs, by reason of our status as a U.S. real property holding corporation, or USRPHC, for U.S. federal income tax purposes.

Gain described in the first bullet point above will generally be subject to U.S. federal income tax on a net income basis at the regular U.S. federal income tax rates. A non-U.S. holder that is a foreign corporation also may be subject to a branch profits tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty) on its effectively connected earnings and profits, as adjusted for certain items, which will include such effectively connected gain.

A non-U.S. holder described in the second bullet point above will be subject to U.S. federal income tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty) on any gain derived from the disposition, which may be offset by certain U.S. source capital losses of the non-U.S. holder (even though the individual is not considered a resident of the United States) provided the non-U.S. holder has timely filed U.S. federal income tax returns with respect to such losses.

With respect to the third bullet point above, we would be a USRPHC if our USRPIs comprise (by fair market value) at least half of our business assets. We believe we are not currently and do not anticipate becoming

a USRPHC. Because the determination of whether we are a USRPHC depends on the fair market value of our USRPIs relative to the fair market value of our other business assets and our non-U.S. real property interests, however, there can be no assurance we are not a USRPHC or will not become one in the future. Even if we are or were to become a USRPHC, gain arising from the sale or other taxable disposition by a non-U.S. holder of our common stock will not be subject to U.S. federal income tax if our common stock are "regularly traded," as defined by applicable Treasury Regulations, on an established securities market, and such non-U.S. holder owned, actually and constructively, 5% or less of our common stock throughout the shorter of the five-year period ending on the date of the sale or other taxable disposition or the non-U.S. holder's holding period.

Non-U.S. holders should consult their tax advisors regarding potentially applicable income tax treaties that may provide for different rules.

Information Reporting and Backup Withholding

Subject to the discussion below on foreign accounts, a non-U.S. holder will not be subject to backup withholding with respect to distributions on our common stock we make to the non-U.S. holder, provided the applicable withholding agent does not have actual knowledge or reason to know such holder is a U.S. person and the holder certifies its non-U.S. status, such as by providing a valid IRS Form W-8BEN, W-8BEN-E or W-8ECI, or other applicable certification. However, information returns generally will be filed with the IRS in connection with any distributions (including deemed distributions) made on our common stock to the non-U.S. holder, regardless of whether any tax was actually withheld. Copies of these information returns may also be made available under the provisions of a specific treaty or agreement to the tax authorities of the country in which the non-U.S. holder resides or is established.

Information reporting and backup withholding may apply to the proceeds of a sale or other taxable disposition of our common stock within the United States, and information reporting may (although backup withholding generally will not) apply to the proceeds of a sale or other taxable disposition of our common stock outside the United States conducted through certain U.S.-related financial intermediaries, in each case, unless the beneficial owner certifies under penalty of perjury that it is a non-U.S. holder on IRS Form W-8BEN or W-8BEN-E, or other applicable form (and the payor does not have actual knowledge or reason to know that the beneficial owner is a U.S. person) or such owner otherwise establishes an exemption. Proceeds of a disposition of our common stock conducted through a non-U.S. office of a non-U.S. broker generally will not be subject to backup withholding or information reporting.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against a non-U.S. holder's U.S. federal income tax liability, provided the required information is timely furnished to the IRS.

Additional Withholding Tax on Payments Made to Foreign Accounts

Withholding taxes may be imposed under Sections 1471 to 1474 of the Code, such Sections commonly referred to as the Foreign Account Tax Compliance Act, or FATCA, on certain types of payments made to non-U.S. financial institutions and certain other non-U.S. entities. Specifically, a 30% withholding tax may be imposed on dividends paid on our common stock, or (subject to the proposed Treasury Regulations discussed below) gross proceeds from the sale or other disposition of our common stock paid to a "foreign financial institution" or a "non-financial foreign entity" (each as defined in the Code) (including, in some cases, when such foreign financial institution or non-financial foreign entity is acting as an intermediary), unless (1) the foreign financial institution undertakes 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. 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. Foreign financial institutions located in jurisdictions that have an intergovernmental agreement with the United States governing FATCA may be subject to different rules.

Under the applicable Treasury Regulations and administrative guidance, withholding under FATCA generally applies to payments of dividends paid on our common stock. While withholding under FATCA would have applied also to payments of gross proceeds from the sale or other disposition of our common stock, recently proposed Treasury Regulations, if finalized in their present form, would eliminate FATCA withholding on payments of gross proceeds from a sale or other disposition of our common stock. In its preamble to such proposed regulations, the U.S. Treasury Department stated that taxpayers generally may rely on these proposed Treasury Regulations until final Treasury Regulations are issued. Prospective investors should consult their tax advisors regarding the potential application of FATCA.

UNDERWRITERS

Under the terms and subject to the conditions in an underwriting agreement dated the date of this prospectus, the underwriters named below, for whom Morgan Stanley & Co. LLC, Jefferies LLC and SVB Leerink LLC are acting as representatives, have severally agreed to purchase, and we have agreed to sell to them, severally, the number of shares indicated below:

Underwriter	Number of Shares
Morgan Stanley & Co. LLC	
Jefferies LLC	
SVB Leerink LLC	
Guggenheim Securities, LLC	
Total:	

The underwriters and the representatives are collectively referred to as the "underwriters" and the "representatives," respectively. The underwriters are offering the shares of common stock subject to their acceptance of the shares from us and subject to prior sale. The underwriting agreement provides that the obligations of the several underwriters to pay for and accept delivery of the shares of common stock offered by this prospectus are subject to the approval of certain legal matters by their counsel and to certain other conditions. The underwriters are obligated to take and pay for all of the shares of common stock offered by this prospectus if any such shares are taken. However, the underwriters are not required to take or pay for the shares covered by the underwriters' over-allotment option described below.

The underwriters initially propose to offer part of the shares of common stock directly to the public at the offering price listed on the cover page of this prospectus and part to certain dealers at a price that represents a concession not in excess of $ per share under the public offering price. After the initial offering of the shares of common stock, the offering price and other selling terms may from time to time be varied by the representative.

We have granted to the underwriters an option, exercisable for 30 days from the date of this prospectus, to purchase up to additional shares of common stock at the public offering price listed on the cover page of this prospectus, less underwriting discounts and commissions. The underwriters may exercise this option solely for the purpose of covering over-allotments, if any, made in connection with the offering of the shares of common stock offered by this prospectus. To the extent the option is exercised, each underwriter will become obligated, subject to certain conditions, to purchase about the same percentage of the additional shares of common stock as the number listed next to the underwriter's name in the preceding table bears to the total number of shares of common stock listed next to the names of all underwriters in the preceding table.

The following table shows the per share and total public offering price, underwriting discounts and commissions, and proceeds before expenses to us. These amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase up to an additional shares of common stock.

		Total	
	Per Share	No Exercise	Full Exercise
Public offering price	$	$	$
Underwriting discounts and commissions to be paid by us	$	$	$
Proceeds, before expenses, to us	$	$	$

The estimated offering expenses payable by us, exclusive of the underwriting discounts and commissions, are approximately $. We have agreed to reimburse the underwriters for expenses relating to clearance of this offering with the Financial Industry Regulatory Authority up to $.

The underwriters have informed us that they do not intend sales to discretionary accounts to exceed 5% of the total number of shares of common stock offered by them.

Our common stock has been approved for quotation on The Nasdaq Global Market under the trading symbol “ ”.

We and all directors and officers and the holders of substantially all of our outstanding stock and stock options have agreed that, without the prior written consent of Morgan Stanley & Co. LLC, Jefferies LLC and SVB Leerink LLC on behalf of the underwriters, we and they will not, during the period ending 180 days after the date of this prospectus (the “restricted period”):

- offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any shares of our common stock beneficially owned (as such term is used in Rule 13d-3 of the Exchange Act) or any other securities so owned convertible into or exercisable or exchangeable for common stock, or make any public announcement of an intention to do any of the foregoing;
- file any registration statement with the Securities and Exchange Commission relating to the offering of any shares of our common stock or any securities convertible into or exercisable or exchangeable for common stock; or
- enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the common stock,

whether any such transaction described above is to be settled by delivery of common stock or such other securities, in cash or otherwise. In addition, we and each such person agrees that, without the prior written consent of the representatives on behalf of the underwriters, we or such other person will not, during the restricted period, make any demand for, or exercise any right with respect to, the registration of any shares of common stock or any security convertible into or exercisable or exchangeable for common stock.

The restrictions described in the immediately preceding paragraph do not apply to our directors, officers and securityholders with respect to:

- transactions of shares of common stock or any other securities acquired in open market transactions after the completion of the offering (other than issuer-directed shares of common stock purchased by officers or directors), provided that no filing under Section 16(a) of the Exchange Act is required or voluntarily made in connection with subsequent sales of our common stock or other securities acquired in such open market transactions;
- transfers of common stock or any security convertible into or exercisable or exchangeable for common stock (i) as a bona fide gift or charitable contribution, (ii) by will or intestacy or to any immediate family of such person or to a trust whose beneficiaries consist exclusively of one or more of such person and/or any immediate family, (iii) to limited partners, members, stockholders or holders of similar equity interests of such person or (iv) to another corporation, partnership, limited liability company, trust or other business entity that is an affiliate of such person, or to any investment fund or other entity controlled or managed by such person or affiliates of such person; *provided* that (A) each transferee, donee or distributee shall sign and deliver a lock-up letter and (B) no filing under Section 16(a) of the Exchange Act, reporting a reduction in beneficial ownership of shares of common stock, shall be required or shall be voluntarily made during the restricted period;
- transfers of common stock or any security convertible into or exercisable or exchangeable for common stock by operation of law pursuant to a qualified domestic order or other court order or in connection with a divorce settlement; *provided* that (i) any filing under Section 16(a) of the Exchange Act made during the restricted period shall clearly indicate in the footnotes thereto that (A) the filing relates to

the circumstances described herein and (B) no securities were sold by such person and (ii) such person does not otherwise voluntarily effect any other public filing or report regarding such transfers during the restricted period;

- the receipt by such person from the company of shares of common stock upon the transfer or disposition of shares of common stock or any securities convertible into common stock to the company upon a vesting or settlement event of the company's securities or upon the exercise of options to purchase the company's securities on a "cashless" or "net exercise" basis, in each case pursuant to any equity incentive plan of the company described herein and to the extent permitted by the instruments representing such options outstanding as of the date of the hereof (and solely to cover withholding tax obligations in connection with such transaction and any transfer to the company for the payment of taxes as a result of such transaction), *provided* that (i) the shares received upon exercise or settlement of the option are subject to the terms of a lock-up letter, (ii) no public disclosure or filing under Section 16(a) of the Exchange Act shall be voluntarily made during the restricted period and (iii) to the extent a filing under Section 16(a) of the Exchange Act is required during the restricted period as a result of transfers described herein, it shall (A) clearly indicate that the filing relates to the circumstances described herein, including that the securities remain subject to the terms of a lock-up letter and (B) no securities were sold by such person other than as contemplated hereby;
- transfers to the company in connection with the repurchase of common stock in connection with the termination of such person's employment with the company pursuant to contractual agreements with the company as in effect as of the date of this prospectus, *provided* that no public disclosure or filing under Section 16(a) of the Exchange Act shall be required or shall be voluntarily made during the restricted period;
- the conversion of the outstanding common units or preferred units of the company described herein into shares of common stock of the company, *provided* that such shares of common stock remain subject to the terms of this letter;
- the establishment of a trading plan pursuant to Rule 10b5-1 under the Exchange Act for the transfer of shares of common stock, *provided* that (i) such plan does not provide for the transfer of common stock during the restricted period and (ii) to the extent a public announcement or filing under the Exchange Act, if any, is required of or voluntarily made by or on behalf of such person or the company regarding the establishment of such plan, such announcement or filing shall include a statement to the effect that no transfer of common stock may be made under such plan during the restricted period; or
- transfers pursuant to a bona fide third-party tender offer for all outstanding common stock of the company, merger, consolidation or other similar transaction approved by the company's board of directors and made to all holders of the company's securities involving a change of control of the company; *provided* that in the event that such tender offer, merger, consolidation or other such transaction is not completed, such securities held by such person shall remain subject to the provisions of the lock-up letter.

The restrictions on transfers or other dispositions by us described above do not apply to:

- the shares to be sold in this offering;
- the issuance by us of shares of common stock upon the exercise of an option or warrant or the conversion of a security outstanding on the date of this prospectus of which the underwriters have been advised in writing;
- grants of options, restricted stock or other equity awards and the issuance of common stock or securities convertible into or exercisable for common stock pursuant to the terms of a plan in effect on the date of this prospectus and described herein;
- the filing of a registration statement on Form S-8 to register common stock issuable pursuant to any employee benefit plans, qualified stock option plans or other employee compensation plans;

- common stock or any securities convertible into, or exercisable or exchangeable for, common stock, or the entrance into an agreement to issue common stock or any securities convertible into, or exercisable or exchangeable for, common stock, in connection with any merger, joint venture, strategic alliances, commercial or other collaborative transaction or the acquisition or license of the business, property, technology or other assets of another individual or entity or the assumption of an employee benefit plan in connection with a merger or acquisition; provided that the aggregate number of common stock or any securities convertible into, or exercisable or exchangeable for, common stock that the Company may issue or agree to issue shall not exceed % of the total outstanding shares of common stock of the company immediately following the completion of this offering; and provided further that the recipients thereof sign a lock-up letter; or
- the establishment of a trading plan pursuant to Rule 10b5-1 under the Exchange Act for the transfer of shares of common stock, provided that (i) such plan does not provide for the transfer of common stock during the restricted period and (ii) to the extent a public announcement or filing under the Exchange Act, if any, is required of or voluntarily made by the company regarding the establishment of such plan, such announcement or filing shall include a statement to the effect that no transfer of common stock may be made under such plan during the restricted period.

Morgan Stanley & Co. LLC, Jefferies LLC and SVB Leerink LLC, in their sole discretion, may release the common stock and other securities subject to the lock-up agreements described above in whole or in part at any time.

In order to facilitate the offering of the common stock, the underwriters may engage in transactions that stabilize, maintain or otherwise affect the price of the common stock. Specifically, the underwriters may sell more shares than they are obligated to purchase under the underwriting agreement, creating a short position. A short sale is covered if the short position is no greater than the number of shares available for purchase by the underwriters under the over-allotment option. The underwriters can close out a covered short sale by exercising the over-allotment option or purchasing shares in the open market. In determining the source of shares to close out a covered short sale, the underwriters will consider, among other things, the open market price of shares compared to the price available under the over-allotment option. The underwriters may also sell shares in excess of the over-allotment option, creating a naked short position. The underwriters must close out any naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the common stock in the open market after pricing that could adversely affect investors who purchase in this offering. As an additional means of facilitating this offering, the underwriters may bid for, and purchase, shares of common stock in the open market to stabilize the price of the common stock. These activities may raise or maintain the market price of the common stock above independent market levels or prevent or retard a decline in the market price of the common stock. The underwriters are not required to engage in these activities and may end any of these activities at any time.

We and the underwriters have agreed to indemnify each other against certain liabilities, including liabilities under the Securities Act.

A prospectus in electronic format may be made available on websites maintained by one or more underwriters, or selling group members, if any, participating in this offering. The representatives may agree to allocate a number of shares of common stock to underwriters for sale to their online brokerage account holders. Internet distributions will be allocated by the representatives to underwriters that may make Internet distributions on the same basis as other allocations.

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. Certain of the underwriters and their respective affiliates have, from time to time, performed, and may in the

future perform, various financial advisory and investment banking services for us, for which they received or will receive customary fees and expenses.

In addition, in the ordinary course of their various business activities, the underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve our securities and instruments. The underwriters and their respective affiliates may also make investment recommendations or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long or short positions in such securities and instruments.

Pricing of the Offering

Prior to this offering, there has been no public market for our common stock. The initial public offering price was determined by negotiations between us and the representatives. Among the factors considered in determining the initial public offering price were our future prospects and those of our industry in general, our sales, earnings and certain other financial and operating information in recent periods, and the price-earnings ratios, price-sales ratios, market prices of securities, and certain financial and operating information of companies engaged in activities similar to ours.

Selling Restrictions

Canada

The shares may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 *Prospectus Exemptions* or subsection 73.3(1) of the *Securities Act* (Ontario), and are permitted clients, as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*. Any resale of the shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105 *Underwriting Conflicts* (NI 33-105), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Regulation, or each, a Relevant Member State, an offer to the public of any shares of our common stock may not be made in that Relevant Member State, except that an offer to the public in that Relevant Member State of any shares of our common stock may be made at any time under the following exemptions under the Prospectus Regulation, if they have been implemented in that Relevant Member State:

(i) to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

(ii) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the representatives for any such offer; or

(iii) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of shares of our common stock shall result in a requirement for the publication by us or any underwriter of a prospectus pursuant to Article 3 of the Prospectus Regulation.

For the purposes of this provision, the expression an "offer to the public" in relation to any shares of our common stock in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any shares of our common stock to be offered so as to enable an investor to decide to purchase any shares of our common stock, and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129.

United Kingdom

Each underwriter has represented and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 ("FSMA) received by it in connection with the issue or sale of the shares of our common stock in circumstances in which Section 21(1) of the FSMA does not apply to us; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the shares of our common stock in, from or otherwise involving the United Kingdom.

Hong Kong

Shares of our common stock may not be offered or sold by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong), (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong) and any rules made thereunder or (iii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong), and no advertisement, invitation or document relating to shares of our common stock may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to shares of our common stock which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong) and any rules made thereunder.

Japan

No registration pursuant to Article 4, paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended) (the "FIEL") has been made or will be made with respect to the solicitation of the application for the acquisition of the shares of common stock.

Accordingly, the shares of common stock have not been, directly or indirectly, offered or sold and will not be, directly or indirectly, offered or sold in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements, and otherwise in compliance with, the FIEL and the other applicable laws and regulations of Japan.

For Qualified Institutional Investors ("QII")

Please note that the solicitation for newly-issued or secondary securities (each as described in Paragraph 2, Article 4 of the FIEL) in relation to the shares of common stock constitutes either a "QII only private placement" or a "QII only secondary distribution" (each as described in Paragraph 1, Article 23-13 of the FIEL). Disclosure regarding any such solicitation, as is otherwise prescribed in Paragraph 1, Article 4 of the FIEL, has not been made in relation to the shares of common stock. The shares of common stock may only be transferred to QIIs.

For Non-QII Investors

Please note that the solicitation for newly-issued or secondary securities (each as described in Paragraph 2, Article 4 of the FIEL) in relation to the shares of common stock constitutes either a "small number private placement" or a "small number private secondary distribution" (each as is described in Paragraph 4, Article 23-13 of the FIEL). Disclosure regarding any such solicitation, as is otherwise prescribed in Paragraph 1, Article 4 of the FIEL, has not been made in relation to the shares of common stock. The shares of common stock may only be transferred en bloc without subdivision to a single investor.

Singapore

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of shares of our common stock may not be circulated or distributed, nor may the shares of our common stock be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore, or the SFA, (ii) to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where shares of our common stock are subscribed or purchased under Section 275 by a relevant person which is: (i) a corporation (which is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (ii) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest in that trust shall not be transferable for 6 months after that corporation or that trust has acquired shares of our common stock under Section 275 except: (a) to an institutional investor under Section 274 of the SFA or to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA; (b) where no consideration is given for the transfer; or (c) by operation of law.

LEGAL MATTERS

The validity of the shares of common stock offered hereby and certain other legal matters will be passed upon for us by Latham & Watkins LLP. Certain legal matters in connection with this offering will be passed upon for the underwriters by Cooley LLP, New York, New York. Latham & Watkins LLP and certain attorneys and investment funds affiliated with the firm own our convertible preferred units which will be converted into less than 1% of our common stock in connection with this offering.

EXPERTS

Ernst & Young LLP, independent registered public accounting firm, has audited our consolidated financial statements at December 31, 2018 and for the year then ended, as set forth in their report. We have included our financial statements in the prospectus and elsewhere in the registration statement in reliance on Ernst & Young LLP's report, given on their authority as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the Securities and Exchange Commission a registration statement on Form S-1 under the Securities Act with respect to the shares of common stock offered hereby. This prospectus, which constitutes a part of the registration statement, does not contain all of the information set forth in the registration statement or the exhibits and schedules filed therewith. For further information about us and the shares of common stock offered hereby, we refer you to the registration statement and the exhibits and schedules filed thereto. Statements contained in this prospectus regarding the contents of any contract or any other document that is filed as an exhibit to the registration statement are not necessarily complete, and each such statement is qualified in all respects by reference to the full text of such contract or other document filed as an exhibit to the registration statement. Upon completion of this offering, we will be required to file periodic reports, proxy statements, and other information with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934. You may read and copy this information at the Public Reference Room of the Securities and Exchange Commission, 100 F Street, N.E., Room 1580, Washington, District of Columbia. 20549. You may obtain information on the operation of the public reference rooms by calling the Securities and Exchange Commission at 1-800-SEC-0330. The Securities and Exchange Commission also maintains an Internet website that contains reports, proxy statements and other information about registrants, like us, that file electronically with the Securities and Exchange Commission. The address of that site is *www.sec.gov*.

ZENTALIS PHARMACEUTICALS, LLC

INDEX TO FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Members and Board of Directors of Zentalis Pharmaceuticals, LLC

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheet of Zentalis Pharmaceuticals, LLC (the Company) as of December 31, 2018, the related consolidated statements of operations, changes in members' equity and cash flows for the year then ended, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2018, and the results of its operations and its cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2019.

San Diego, California
January 8, 2020

Zentalis Pharmaceuticals, LLC

FINANCIAL STATEMENTS

Consolidated Balance Sheet

	December 31, 2018
Assets	
Current assets	
Cash and cash equivalents	$ 25,154,249
Accounts receivable from government grants, net	916,776
Prepaid expenses and other current assets	606,111
Total current assets	26,677,136
Property and equipment, net	260,267
Prepaid expenses and other assets	1,524,904
Goodwill	3,736,119
In-process research and development	8,800,000
Total assets	$ 40,998,426
Liabilities and Equity	
Current Liabilities	
Accounts payable	$ 3,431,605
Accrued expenses	2,544,995
Deferred rent, current	9,203
Deferred grant proceeds	223,423
Total current liabilities	6,209,226
Deferred rent, long-term	16,062
Deferred tax liability	2,462,557
Other long-term liabilities	4,751
Total liabilities	8,692,596
Commitments and contingencies	
Equity	
Series A convertible preferred units; 1,638,000 units authorized; 1,579,309 units issued and outstanding at December 31, 2018; liquidation value of $18,319,984 at December 31, 2018	18,225,809
Series B convertible preferred units; 3,621,000 units authorized; 3,523,739 units issued and outstanding at December 31, 2018; liquidation value of $43,800,076 at December 31, 2018	41,603,945
Class A common units; 15,000,000 units authorized; 5,594,385 units issued and outstanding at December 31, 2018	672,341
Class B common units, 2,154,816 units authorized; 1,612,311 units issued and outstanding at December 31, 2018	1,597,815
Accumulated deficit	(37,329,876)
Total Zentalis Pharmaceuticals, LLC members' equity	24,770,034
Noncontrolling interests	7,535,796
Total equity	32,305,830
Total liabilities and equity	$ 40,998,426

Zentalis Pharmaceuticals, LLC

Consolidated Statement of Operations

	Year Ended December 31, 2018
Revenue	$ 13,922
Operating Expenses	
Research and development	18,921,439
General and administrative	4,875,954
Total operating expenses	23,797,393
Operating loss	(23,783,471)
Other Income	
Interest Income	354,929
Net loss before income taxes	(23,428,542)
Income tax expense	3,925
Net loss	(23,432,467)
Net loss attributable to noncontrolling interests	(2,365,351)
Net loss attributable to Zentalis Pharmaceuticals, LLC	$ (21,067,116)
Net loss per Class A common unit attributable to Zentalis Pharmaceuticals, LLC, basic and diluted	$ (3.77)
Weighted average Class A common units outstanding, basic and diluted	5,594,385

Zentalis Pharmaceuticals, LLC

Consolidated Statement of Changes in Members' Equity

	Series A Convertible Preferred Units		Series B Convertible Preferred Units		Class A Common Units		Class B Common Units		Accumulated Deficit	Total Zentalis Pharmaceuticals, LLC Members' Equity	Noncontrolling Interest	Total Equity
	Units	Amount	Units	Amount	Units	Amount	Units	Amount				
Balance at December 31, 2017	1,579,309	$18,225,809	2,735,320	$32,147,962	5,594,385	$643,352	703,000	$1,318,443	$ (17,124,564)	$ 35,211,002	$ 9,885,147	$ 45,096,149
Cumulative-effect adjustment from adoption of ASU 2014-09	—	—	—	—	—	—	—	—	861,804	861,804	—	861,804
Issuance of Series B convertible preferred units at $12.43 per unit net of issuance costs	—	—	788,419	9,455,983	—	—	—	—	—	9,455,983	—	9,455,983
Issuance of profit interest awards, net	—	—	—	—	—	—	909,311	—	—	—	—	—
Share-based compensation expense	—	—	—	—	—	28,989	—	279,372	—	308,361	—	308,361
Proceeds from exercise of equity awards from consolidated VIE	—	—	—	—	—	—	—	—	—	—	16,000	16,000
Net loss attributable to noncontrolling interest	—	—	—	—	—	—	—	—	—	—	(2,365,351)	(2,365,351)
Net loss attributable to Zentalis Pharmaceuticals, LLC	—	—	—	—	—	—	—	—	(21,067,116)	(21,067,116)	—	(21,067,116)
Balance at December 31, 2018	1,579,309	$18,225,809	3,523,739	$41,603,945	5,594,385	$672,341	1,612,311	$1,597,815	$ (37,329,876)	$ 24,770,034	$ 7,535,796	$ 32,305,830

Zentalis Pharmaceuticals, LLC

Consolidated Statement of Cash Flows

	Year Ended December 31, 2018
Operating Activities:	
Consolidated net loss	$ (23,432,467)
Adjustments to reconcile net loss to net cash used in operating activities:	
Depreciation and amortization	51,491
Share-based compensation	308,361
Recognition of deferred rent	(42,607)
Deferral of rent expense	2,167
Changes in operating assets and liabilities:	
Accounts receivable	(253,578)
Prepaid expenses and other current assets	(1,815,955)
Accounts payable and accrued liabilities	976,785
Other assets	(44,921)
Net cash used in operating activities	(24,250,724)
Investing activities:	
Purchases of property and equipment	(227,322)
Net cash used in investing activities	(227,322)
Financing Activities:	
Proceeds from the issuance of Series B convertible preferred units, net	9,455,983
Issuance of common stock under VIE equity incentive plan	16,000
Net cash provided by financing activities	9,471,983
Decrease in cash and cash equivalents	(15,006,063)
Cash and cash equivalents at beginning of year	40,160,312
Cash and cash equivalents at end of year	$ 25,154,249
Supplemental disclosure of cash flow information:	
Income taxes paid	$ 3,925
Supplemental disclosure of non-cash investing activities:	
Amounts accrued for purchases of property and equipment	$ 9,737

Zentalis Pharmaceuticals, LLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Organization and Business

Organization

Zentalis Pharmaceuticals, LLC ("Zentalis", "We" or "the Company") is a clinical-stage pharmaceutical company focused on discovering and developing clinically differentiated, novel small molecule therapeutics targeting fundamental biological pathways of cancer. The Company was formed and incorporated in the state of Delaware as Zeno Pharmaceuticals, Inc. on December 23, 2014. Effective November 21, 2017, Zeno Pharma, LLC was formed by the shareholders of Zeno Pharmaceuticals, Inc. On December 21, 2017, Zeno Pharmaceuticals, Inc. became a wholly owned subsidiary of Zeno Pharma, LLC. In connection with this restructuring, the rights and preferences of the Preferred Stock of Zeno Pharmaceuticals, Inc. were exchanged for preferred units with similar rights and preferences of Zeno Pharma, LLC. As part of the restructuring, the employees, consultants and board members of Zeno Pharmaceuticals, Inc. exchanged their equity grants in Zeno Pharmaceuticals, Inc. stock in exchange for Class B common incentive units in Zeno, LLC. Additionally, existing common stock holders of Zeno Pharmaceuticals, Inc. exchanged their common stock for Class A common units in Zeno Pharma, LLC. All exchanges were made on a one-for-one basis. The restructuring was accounted for as a common control transaction. In December 2019, the Company was renamed to Zentalis Pharmaceuticals, LLC. See Members' Equity note 8 for additional information.

Zentalis Pharmaceuticals, LLC is a is a Delaware limited liability company. The Company manages its operations as a single segment for the purposes of assessing performance and making operating decisions. To date, all of the Company's revenue has been generated in the United States. All of the Company's tangible assets are held in the United States.

Liquidity

The accompanying financial statements have been prepared assuming that we will continue as a going concern. Management evaluates whether there are relevant conditions and events that in aggregate raise substantial doubt about our ability to continue as a going concern and to meet our obligations as they become due within one year from the date the financial statements are issued.

We are subject to risk and uncertainties common to early-stage biotechnology companies including, but not limited to significant competition from therapies in development by other companies or already approved for sale by the U.S. Food and Drug Administration, protection of intellectual property, dependence on key personnel and compliance with government regulations.

Management has prepared cash flow forecasts which indicate that there is not substantial doubt about our ability to continue as a going concern for the twelve months after the date the financial statements for the year ended December 31, 2018 are issued. We expect to incur substantial operating losses to continue development of drug candidates, including preclinical and clinical testing and regulatory approval prior to commercialization. Even if our drug development efforts are successful, it is uncertain when, if ever, we will realize significant revenue from product sales.

2. Summary of Significant Accounting Policies

Basis of Presentation

The consolidated financial statements have been prepared in conformity with U.S. GAAP generally accepted accounting principles ("U.S. GAAP") and include our wholly-owned subsidiaries and variable interest entity ("VIE"), Kalyra Pharmaceuticals, Inc. ("Kalyra"), for which we are the primary beneficiary. All intercompany transactions and balances have been eliminated in consolidation.

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We evaluate our ownership, contractual and other interests in entities that are not wholly-owned to determine if these entities are VIEs, and, if so, whether we are the primary beneficiary of the VIE. In determining whether we are the primary beneficiary of a VIE and therefore required to consolidate the VIE, we apply a qualitative approach that determines whether we have both (1) the power to direct the activities of the VIE that most significantly impact the VIE's economic performance and (2) the obligation to absorb losses of, or the rights to receive benefits from, the VIE that could potentially be significant to that VIE. On December 21, 2017, the Company acquired a 25% equity interest in Kalyra. Based on our assessment, we concluded that Kalyra is a variable interest entity and we are the primary beneficiary. Prior to the acquisition, Zeno and Kalyra transacted for the delivery of research and development services and support. The financial position and results of operations of Kalyra have been included in the Company's consolidated financial statements from December 21, 2017, the date we became the primary beneficiary. The liabilities recognized as a result of consolidating Kalyra do not represent additional claims on the Company's general assets.

We will continuously assess whether we are the primary beneficiary of a VIE, as changes to existing relationships or future transactions may result in the consolidation or deconsolidation of such VIE. During the period presented, we have not provided any other financial or other support to our VIE that we were not contractually required to provide.

Noncontrolling Interests

Noncontrolling interests represent the portion of equity (net assets) in Kalyra, our consolidated but not wholly-owned entity, that is neither directly nor indirectly attributable to us.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in our consolidated financial statements and accompanying notes. On an ongoing basis, we evaluate our estimates and judgments, which are based on historical and anticipated results and trends and on various other assumptions that management believes to be reasonable under the circumstances. By their nature, estimates are subject to an inherent degree of uncertainty and, as such, actual results may differ from management's estimates.

Cash and Cash Equivalents

Cash equivalents are comprised of short-term, highly-liquid investments with maturities of 90 days or less at the date of purchase. As of December 31, 2018, our cash equivalents consisted of money market funds.

Fair Value of Financial Instruments

The authoritative guidance defines fair value and requires us to establish a framework for measuring fair value and disclosure about fair value measurements using a three-tier approach. These tiers include: Level 1, defined as observable inputs such as quoted prices in active markets; Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions.

Our financial instruments include cash equivalents, accounts receivable, prepaid expenses and other assets, accounts payable and accrued expenses. Fair value estimates of these instruments are made at a specific point in time, based on relevant market information. These estimates may be subjective in nature and involve uncertainties and matters of significant judgement and therefore cannot be determined with precision. The carrying amount of cash equivalents, account receivable, prepaid expenses and other assets, accounts payable and accrued expenses are generally considered to be representative of their respective values because of the short-term nature of those instruments.

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Concentrations of Credit Risk, Sources of Supply and Significant Customers

We are subject to credit risk from our portfolio of cash equivalents. We maintain our cash and cash equivalent balances with two major commercial banks. Deposits held with the financial institutions exceed the amount of insurance provided on such deposits. We are exposed to credit risk in the event of a default by the financial institutions holding our cash and cash equivalents to the extent recorded on the consolidated balance sheets.

We are also subject to credit risk from our accounts receivable related to our revenues under our license and collaboration agreement and reimbursements under our government grants. We have a license and collaboration agreement under which we receive payments for license fees, milestone payments and reimbursements of research and development services. Management monitors our exposure to accounts receivable by periodically evaluating the collectability of the accounts receivable based on a variety of factors including the length of time the receivables are past due, the financial health of the customer and historical experience. Based upon the review of these factors, we recorded no allowance for doubtful accounts at December 31, 2018. As of December 31, 2018, all of the outstanding accounts receivables is due from government entities.

We rely on third-party manufacturers for the supply of active pharmaceutical ingredients.

Accounts Receivable, Net

Accounts receivable is recorded at the invoiced amount and is non-interest bearing. Accounts receivable is recorded net of allowances for doubtful accounts. We recorded no allowance for doubtful accounts at December 31, 2018 as the collectability of accounts receivable was reasonably assured.

Property and Equipment, Net

Property and equipment are recorded at cost, less accumulated depreciation and amortization. Equipment is depreciated using the straight-line method over its estimated useful life ranging from three to five years and leasehold improvements are amortized using the straight-line method over the estimated useful life of the asset or the lease term, whichever is shorter. Repair and maintenance costs are expensed as incurred.

Impairment of Long-Lived Assets

We account for long-lived assets in accordance with authoritative guidance for impairment or disposal of long-lived assets. Long-lived assets are reviewed for events or changes in circumstances, which indicate that their carrying value may not be recoverable. To date, we have not experienced any significant impairment losses.

Goodwill and In-Process Research and Development

Our goodwill, which has an indefinite useful life, represents the excess of the cost over the fair value of net assets acquired from its business combination. The determination of the value of goodwill and intangible assets arising from business combinations and asset acquisitions requires extensive use of accounting estimates and judgments to allocate the purchase price to the fair value of the net tangible and intangible assets acquired, including capitalized in-process research and development (“IPR&D”).

Intangible assets acquired in a business combination that are used for IPR&D activities are considered indefinite lived until the completion or abandonment of the associated research and development efforts. Upon conclusion of the relevant research and development project, we will amortize the acquired IPR&D

over its estimated useful life or expense the acquired IPR&D should the research and development project be unsuccessful with no future alternative use. We base the useful lives and related amortization expense on our estimate of the period that the assets will generate revenues or otherwise be used. We assess the carrying value of our IPR&D assets at least annually, or more frequently if an event occurs indicating the potential for impairment, which requires us to make assumptions and judgements regarding the future cash flows of these assets. If the assets are considered to be impaired, the impairment we recognize is the amount by which the carrying value of the assets exceeds the fair value of the assets. Fair value is determined by a combination of third-party sources and forecasted discounted cash flows.

Goodwill is reviewed for impairment at least annually, or more frequently if an event occurs indicating the potential for impairment. During the impairment review process, we consider qualitative factors to determine whether it is more likely than not that the fair value of the reporting unit is less than the carrying amount, including goodwill. If we determine that it is not more likely than not that the fair value of our reporting unit is less than the carrying amount, then no additional assessment is deemed necessary. Otherwise, we perform the two-step test for goodwill impairment. The first step involves comparing the estimated fair values of the reporting units with the carrying values, including goodwill. If the carrying amounts of the reporting units exceed the fair values, the second step of the goodwill impairment test is performed to determine the amount of loss, which involves comparing the implied fair values of the goodwill to the carrying values of the goodwill. We completed our most recent annual evaluation for impairment for goodwill and IPR&D as of December 31, 2018 using the qualitative assessment and determined that no impairment existed, and no charges were recorded.

Deferred Rent

Rent expense is recorded on a straight-line basis over the initial term of the lease. The difference between rent expense accrued and amounts paid under lease agreements is recorded as deferred rent and is included in accrued expenses and other long-term liabilities, as applicable, in the accompanying consolidated balance sheets.

Revenue Recognition

In May 2014, the Financial Accounting Standards Board (“FASB”) issued accounting guidance on the recognition of revenue from customers. This guidance supersedes the revenue recognition requirements we previously followed in Accounting Standards Codification, or ASC, Topic 605, *Revenue Recognition*, or ASC 605, and created a new Topic 606, *Revenue from Contracts with Customers*, or ASC 606. Under ASC 606, an entity will recognize revenue when it transfers control of promised goods or services to customers in an amount that reflects what the entity expects to receive in exchange for the goods or services, and the performance obligation(s) under the related contracts are satisfied. To determine revenue recognition for contracts with customers we perform the following five steps: (i) identify the promised goods or services in the contract; (ii) identify the performance obligations in the contract, including whether they are distinct in the context of the contract; (iii) determine the transaction price, including the constraint on variable consideration; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognize revenue when (or as) we satisfy the performance obligations.

We generate revenues from payments received under a collaboration arrangement which included payments for nonrefundable fees at the inception of the agreement, license fees, milestone-based payments and reimbursements for research and development efforts. As of January 1, 2018, we adopted ASC 606, *Revenue from Contracts with Customers*. We applied the provisions of ASC 606 using the modified retrospective approach, with the cumulative effect of the adoption recognized as of January 1, 2018, to the contract that had not been completed as of that date. Amounts received prior to satisfying the revenue recognition criteria are recorded as contract liabilities in the Company’s consolidated balance sheets. Amounts expected to be recognized as revenue within the 12 months following the balance sheet date are classified as contract liabilities in current liabilities. Amounts not expected to be recognized as revenues within the 12 months following the balance sheet date are classified as contract liabilities in long-term liabilities.

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Prior to the ASC 606 adoption, revenue was recognized when all the following criteria were met; (i) persuasive evidence of an arrangement exists; (ii) delivery has occurred or services have been rendered; (iii) the seller's price to the buyer is fixed or determinable; and (iv) collectability is reasonably assured. Under the previous guidance, we recognized the upfront payment received from our collaborative partner on a straight-line basis over the performance period arrangement or from receipt until May 2036. There were no other adoption differences in revenue recognized due to the transition from the previously applied authoritative accounting literature to ASC 606.

Upon the adoption of ASC 606, we concluded that all services had been rendered over the research period and recognized an adjustment to decrease deferred revenues and accumulated deficit by $861,804. The impact of applying the provisions of ASC 606 in the year ended December 31, 2018 was to decrease revenues by $46,024. Under the previously existing authoritative accounting literature, at December 31, 2018 our deferred revenue would have been $815,780 higher than the amounts reported in our consolidated balance sheet. ASC 606 did not have an aggregate impact on our net cash used in operating activities but resulted in offsetting changes in net loss and liabilities within net cash used in operating activities in the consolidated statement of cash flows.

Revenue under Collaborative Agreements

We have entered into a collaboration and license agreement ("the agreement") with a specialty pharmaceutical company for the development and commercialization of products and product candidates for the treatment of various diseases and conditions relating to the field of oncology. Pursuant to the terms of the agreement, the collaborator has made an upfront non-refundable license payment to us and could be required to make various payments to us for milestones, the reimbursement of research and development expenses and/or royalties on sales of products in the collaborator's territories resulting from the collaborative arrangement. Although this agreement is, in form, structured as a collaboration agreement, we concluded for accounting purposes that it represents a contract with a customer, and is not subject to accounting literature on collaborative arrangements. This is because we grant licenses to our intellectual property and provide research and development services which are all outputs of our ongoing activities in exchange for consideration. We do not share in significant risks of their development or commercialization activities.

Our collaboration partner can select additional compounds to add to the licenses granted. We consider these rights to be options without material rights, as these rights do not represent discounts to similar licenses to a new collaboration partner and include fees, milestone payment requirements and future royalties. We consider grants of additional licenses upon exercises to be separate contracts.

We provide standard indemnification and protection of licensed intellectual property for our customers. These provisions are part of assurance that the licenses meet the agreement's representations and are not an obligation to provide goods or services.

Research and Development Expenses

Research and development expenses include salaries and benefits, facilities and other overhead expenses, external clinical trial expenses, research related manufacturing services, contract services and other outside expenses. Research and development expenses are charged to operating expenses as incurred when these expenditures relate to our research and development efforts and have no alternative future uses. Reimbursed research and development costs under government grant arrangements are recorded as a reduction to research and development expenses and are recognized in the period in which the related costs are incurred.

We are obligated to make upfront payments upon execution of certain research and development agreements. Advance payments, including nonrefundable amounts, for goods or services that will be used or

rendered for future research and development activities are deferred. Such amounts are recognized as expense as the related goods are delivered or the related services are performed, or such time when we do not expect the goods to be delivered or services to be performed.

Clinical Trial Expenses

We make payments in connection with our clinical trials under contracts with contract research organizations that support conducting and managing clinical trials. The financial terms of these agreements are subject to negotiation and vary from contract to contract and may result in uneven payment flows. Generally, these agreements set forth the scope of work to be performed at a fixed fee, unit price or on a time and materials basis. A portion of our obligation to make payments under these contracts depends on factors such as the successful enrollment or treatment of patients or the completion of other clinical trial milestones.

Expenses related to clinical trials are accrued based on our estimates and/or representations from service providers regarding work performed, including actual level of patient enrollment, completion of patient studies and progress of the clinical trials. Other incidental costs related to patient enrollment or treatment are accrued when reasonably certain. If the amounts we are obligated to pay under our clinical trial agreements are modified (for instance, as a result of changes in the clinical trial protocol or scope of work to be performed), we adjust our accruals accordingly. Revisions to our contractual payment obligations are charged to expense in the period in which the facts that give rise to the revision become reasonably certain.

Share-Based Compensation

We record share-based compensation expense associated with equity instruments in accordance with the authoritative guidance for stock-based compensation. The cost of employee services received in exchange for an award of an equity instrument is measured at the grant date based on the estimated fair value of the award and is recognized as expense on a straight-line basis over the requisite service period of the award. Share-based compensation expense for an award with a performance condition is recognized when the achievement of such performance condition is determined to be probable. If the outcome of such performance condition is not determined to be probable or is not met, no compensation expense is recognized, and any previously recognized compensation expense is reversed. Forfeitures are recognized as a reduction of share-based compensation expense as they occur.

Income Taxes

Deferred income taxes are recognized for the tax consequences in future years of differences between the tax basis of assets and liabilities and their financial reporting amounts at each year end based on enacted tax laws and statutory tax rates applicable to the periods in which the differences are expected to affect taxable income. A provision has been made for income taxes due on taxable income and for the deferred taxes on temporary differences. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment. Realization of the deferred income tax asset is dependent on gathering sufficient taxable income in future years.

Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. Income tax expense is the combination of the tax payable for the period and the change during the period in deferred tax assets and liabilities. We follow the accounting guidance on accounting for uncertainty in income taxes. The guidance prescribes a recognition threshold and measurement attribute criteria for the financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more likely than not to be sustained upon examination by taxing authorities based on the technical merits of the position.

Comprehensive Loss

Comprehensive loss is equal to net loss for the year ended December 31, 2018.

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Net Loss per Class A Common Unit

Basic net loss per Class A common unit is computed by dividing net loss, after adjusting for preferred unit dividends, if declared by the weighted-average number of Class A common units outstanding during the period. Diluted net loss per common unit is computed using the weighted-average number of Class A common units outstanding during the period and, if dilutive, the weighted average number of potential shares of Class A common units. The effect of the conversion of preferred units into Class A common units is excluded from the computation of diluted net loss per common unit for the period as their effect is antidilutive. Additionally, Class A common unit equivalents are excluded from the computation of diluted net loss per common unit for all periods as their effect is antidilutive.

Adoption and Pending Adoption of Recent Accounting Pronouncements

The following table provides a brief description of recently issued accounting standards, those adopted in the current period and those not yet adopted:

Standard	Description	Effective Date	Effect on the Financial Statements or Other Significant Matters
In August 2016, the FASB issued ASU 2016-15, Statement of Cash Flows: Classification of Certain Cash Receipts and Cash Payments. In November 2016, the FASB issued ASU 2016-18, Statement of Cash Flows: Restricted Cash.	Current U.S. GAAP either is unclear or does not include specific guidance on the eight cash flow classification issues included in ASU 2016-15. The new guidance is an improvement to U.S. GAAP and is intended to reduce the current and potential future diversity in practice. ASU 2016-18 provides additional classification guidance for restricted cash, which requires that restricted cash be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows.	January 1, 2018	We have elected to early adopt the guidance as of January 1, 2017. The adoption did not have a material impact on our consolidated statement of cash flows.
In January 2016, the FASB issued ASU 2016-01, Financial Instruments—Overall; Recognition and Measurement of Financial Assets and Financial Liabilities.	The new guidance supersedes the guidance to classify equity securities with readily determinable fair values into different categories (that is, trading or available-for-sale) and requires equity securities to be measured at fair value with changes in the fair value recognized through net income. The new guidance requires public business entities that are required to disclose fair value of financial instruments measured at amortized cost on the balance sheet to measure that fair value using the exit price notion consistent with Topic 820, Fair Value Measurement.	January 1, 2018	We currently do not hold equity securities and therefore the adoption did not have a material impact on our consolidated financial position or results of operations.
In May 2014, the FASB issued ASU 2014-09, Revenue	The new standard will supersede nearly all existing revenue recognition guidance. Under Topic 606, an entity is required to	January 1, 2019	We have adopted the new guidance on January 1, 2018 using

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Standard	Description	Effective Date	Effect on the Financial Statements or Other Significant Matters
from Contracts with Customers (Topic 606). In March, April, May and December 2016, the FASB issued additional guidance related to Topic 606.	recognize revenue upon transfer of promised goods or services to customers in an amount that reflects the expected consideration to be received in exchange for those goods or services. Topic 606 defines a five-step process in order to achieve this core principle, which may require the use of judgment and estimates, and also requires expanded qualitative and quantitative disclosures relating to the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers, including significant judgments and estimates used. The new standard also defines accounting for certain costs related to origination and fulfillment of contracts with customers, including whether such costs should be capitalized. The new standard permits adoption either by using (i) a full retrospective approach for all periods presented in the period of adoption or (ii) a modified retrospective approach where the new standard is applied in the financial statements starting with the year of adoption. Under both approaches, cumulative impact of the adoption is reflected as an adjustment to retained earnings (accumulated equity (deficit)) as of the earliest date presented in accordance with the new standard.		the modified retrospective approach. Refer to Note 2 “Revenue Recognition” for additional detail regarding the impact of the adoption.
In June 2018, the FASB issued ASU 2018-07, Compensation—Stock Compensation (Topic 718): Improvements to Nonemployee Share- Based Payment Accounting	The FASB issued the new guidance as part of its ongoing Simplification Initiative. The ASU supersedes Subtopic 505-50 by expanding the scope of Topic 718 to include nonemployee awards and generally aligning the accounting for nonemployee awards with the accounting for employee awards with limited exceptions.	January 1, 2019	We have adopted the new guidance on January 1, 2018. The impact of the adoption was not material to the consolidated financial statements.
In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842).	This guidance revises the accounting related to leases by requiring lessees to recognize a lease liability and a right-of-use asset for all leases. The new lease guidance also simplifies the accounting for sale-leaseback transactions.	January 1, 2019	We plan to implement the guidance on January 1, 2019 using a modified retrospective transition basis for leases existing as of the period

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Standard	Description	Effective Date	Effect on the Financial Statements or Other Significant Matters
			of adoption. To adopt the new standard, we will be using available practical expedients for lease accounting. The practical expedients allow us to carry forward our historical assessment of whether existing agreements are or contain a lease and the classification of our existing lease arrangements. We expect all of our real-estate operating lease commitments will be recognized as lease liabilities with corresponding right-of-use assets upon adoption, resulting in an increase in the assets and liabilities on the consolidated balance sheet. Management is finalizing its assessment of this new standard and we anticipate that the adoption will have a material impact on our consolidated financial statements.
In June 2016, the FASB issued ASU 2016-13, Financial Instruments—Credit Losses (Topic 326), Measurement of Credit Losses on Financial Instruments. In November 2018 and April and May of 2019, the FASB issued additional guidance related to Topic 326.	The standard amends the impairment model by requiring entities to use a forward-looking approach based on expected losses to estimate credit losses for most financial assets and certain other instruments that aren't measured at fair value through net income.	January 1, 2020	We do not believe the adoption will have a material impact on our consolidated financial position or results of operations.

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3. Business Combinations

Kalyra Pharmaceuticals, Inc.

On December 21, 2017, we acquired $4.5 million of Kalyra Pharmaceuticals, Inc.'s Series B Preferred Stock representing a 25% equity interest in Kalyra Pharmaceuticals, Inc. for purposes of entering the analgesics therapeutic research space. The acquisition price was paid entirely in cash.

In accordance with the authoritative guidance, we concluded that Kalyra is a business consisting of inputs, employees, intellectual property and processes capable of producing outputs. Additionally, we have concluded that Kalyra is a variable interest entity, we are the primary beneficiary and have the power to direct the activities that most significantly affect Kalyra's economic performance through common management and our board representation. Prior to the change of control, Zeno and Kalyra transacted for the delivery of research and development services and support. The financial position and results of operations of Kalyra have been included in our consolidated financial statements from the date of the initial investment.

Pursuant with authoritative guidance, we have recorded the identifiable assets, liabilities and noncontrolling interests in the VIE at their fair value upon initial consolidation. The identified goodwill is comprised of the workforce and expected synergies from combining the entities. Total assets and liabilities of Kalyra as of December 31, 2018 are as follows:

	December 31, 2018
Cash and cash equivalents	$ 1,482,094
Other current assets	933,332
In-process research and development	8,800,000
Goodwill	3,736,119
Other long-term assets	48,038
Accounts payable and accrued expenses	1,224,208
Deferred tax liability	2,462,557
Noncontrolling interests	$ 7,535,796

The liabilities recognized as a result of consolidating Kalyra do not represent additional claims on our general assets. Pursuant to the authoritative guidance, the equity interest in Kalyra not owned by Zeno is reported as a noncontrolling interest on our consolidated balance sheet.

The following is a reconciliation of equity (net assets) attributable to the noncontrolling interest:

	For the year ended December 31, 2018
Noncontrolling interest at beginning of period	$ 9,885,147
Net loss attributable to noncontrolling interest	(2,365,351)
Issuance of VIE shares under equity incentive plan	16,000
Noncontrolling interest at end of period	$ 7,535,796

4. Fair Value Measurement

As of December 31, 2018, we held $23,226,178 of money market funds measured at fair value on a recurring basis and categorized as level 1 securities using the fair value hierarchy.

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There were no transfers between Level 1 and Level 2 of the fair value hierarchy during the year ended December 31, 2018. We had no instruments that were classified within Level 3 as of December 31, 2018.

5. Prepaid Expenses and Other Assets

Prepaid expenses and other assets consisted of the following:

	December 31, 2018
Prepaid insurance	$ 98,464
Prepaid software licenses and maintenance	125,696
Prepaid research and development expenses	1,714,581
Prepaid rent and related security deposits	104,278
Other prepaid expenses	87,996
Total prepaid expenses and other current assets	2,131,015
Less long-term portion	1,524,904
Total prepaid expenses and other assets, current	$ 606,111

6. Property and Equipment, net

Property and equipment, net consisted of the following:

	December 31, 2018
Computer and Office Equipment	$ 39,074
Lab Equipment	277,399
Subtotal	316,473
Accumulated depreciation and amortization	(56,206)
Property and equipment, net	$ 260,267

Depreciation and amortization expense was $51,491 for the year ended December 31, 2018.

7. Accrued Expenses

Accrued expenses consist of the following:

	December 31, 2018
Accrued legal expenses	$ 146,660
Accrued research and development expenses	1,137,148
Accrued employee expenses	1,022,581
Other	238,606
Total accrued expenses	$ 2,544,995

8. Members' Equity

In November 2017, Zentalis Pharmaceuticals, LLC was formed in the state of Delaware. In conjunction with a corporate restructuring, Zeno Pharmaceuticals, Inc., a Delaware Corporation formed in December 2014, was

acquired by the Company pursuant to a merger agreement and became a wholly owned subsidiary of the Company. Per the terms of the merger agreement, each share of Zeno Pharmaceuticals, Inc. common stock issued and outstanding immediately prior to the effective time of the merger was converted into the right to receive one Class A common unit and each share of Zeno Pharmaceuticals, Inc. Series A preferred stock issued and outstanding immediately prior to the effective date of the merger converted into the right to receive one Series A preferred unit. As of the effective time of the merger agreement, all outstanding options to purchase shares of Zeno Pharmaceuticals, Inc. common stock were cancelled and replaced with profit interest awards in the LLC.

In connection with the December 2017 corporate restructuring, we amended and restated the LLC agreement, and as amended, the capital units of the Company consisted of 1,638,000 authorized Series A preferred units, 3,621,000 authorized Series B preferred units, 15,000,000 authorized Class A common units and 872,620 authorized Class B common units.

Class A Common Units

In conjunction with the corporate restructuring in December 2017, 5,187,554 shares of common stock issued and outstanding and 406,831 shares of common stock subject to future vesting provisions of Zeno Pharmaceuticals, Inc. were converted into an equal number of Class A common units of Zentalis Pharmaceuticals, LLC. During the year ended December 31, 2018, no additional Class A common units were issued. As of December 2018, 24,236 shares of Class A common units were subject to future vesting conditions.

Class B Common Units

In conjunction with the corporate restructuring in December 2017, 703,000 options exercisable into Zeno Pharmaceuticals, Inc. common stock were converted into an equal number of Class B Common Units of Zentalis Pharmaceuticals, LLC. In February 2018, the number of authorized Class B common units was increased to 2,154,816.

Series A Convertible Preferred Units

In September 2015, Zeno Pharmaceuticals, Inc. entered into a Series A Preferred Stock Purchase Agreement (the “Series A Preferred Agreement”). Under the terms of the Series A Preferred Agreement, Zeno Pharmaceuticals, Inc. issued 1,293,104 shares of Series A convertible preferred stock at $11.60 per share for gross proceeds of $15,000,006. The net proceeds of this financing were $14,945,085 after issuance costs of $54,921. In February and March 2016, Zeno Pharmaceuticals, Inc. issued an aggregate of 286,205 additional shares of Series A convertible preferred stock at $11.60 per share for additional gross proceeds of $3,319,978. The net proceeds of this additional financing were $3,280,724 after issuance costs of $39,254. All Series A convertible preferred stock issued and outstanding by Zeno Pharmaceuticals, Inc. was converted into Series A convertible preferred units of Zentalis Pharmaceuticals, LLC in conjunction with the corporate restructuring and merger.

Series B Convertible Preferred Units

In December 2017, Zentalis Pharmaceuticals, LLC entered into a Series B Preferred Unit Purchase Agreement (the “Series B Preferred Agreement”). Under the terms of the Series B Preferred Agreement, Zentalis Pharmaceuticals, LLC issued 2,735,320 Series B preferred units at $12.43 per unit for gross proceeds of $34,000,028. The net proceeds of this financing were $32,147,962 after issuance costs of $1,852,066. In January and August 2018, Zentalis Pharmaceuticals, LLC issued an aggregate of 788,419 additional shares of Series B preferred units at $12.43 per unit for additional gross proceeds of $9,800,048. The net proceeds of this additional financing were $9,455,983 after issuance costs of $344,065.

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Dividends

Dividends are payable if and when declared by the Board of Directors. No dividends were declared during the year ending December 31, 2018.

Conversion

Each Series A preferred unit and each Series B preferred unit shall be convertible at the option of the holder thereof, at any time after the issuance of such unit, into Class A common units at a conversion price equal to the original purchase price (subject to anti-dilution adjustments, discussed below) which is $11.60 and $12.43 per unit. The convertible preferred unit will automatically convert at the then applicable conversion rate upon the closing of a firm commitment underwritten public offering of shares of a successor corporations' common stock, at a public offering price per share of equal to or greater than the Series B original purchase price (as adjusted for any stock splits, stock dividends, combinations or other similar recapitalization) resulting in aggregate gross cash proceeds of at least $50,000,000 (a "Qualified IPO"). Additionally, the convertible preferred unit will be automatically converted into common stock, at the then applicable conversion rate, upon written consent of a majority of the then outstanding Series A and Series B convertible preferred units.

Anti-dilution protection

The holders of the convertible preferred unit have proportional anti-dilution protection for unit splits, unit dividends and similar recapitalizations. Subject to certain exclusions, anti-dilution price protection for additional sales of securities by us for consideration per unit less than the applicable conversion price per unit of any series of convertible preferred stock, shall be on a broad-based weighted average basis.

Protective rights

The holders of the convertible preferred unit have certain protective rights, including, without limitation, regarding the authorization, alteration, redemption, or sale of Class B common units; commencement of a liquidation or deemed liquidation event; entrance into a joint venture or partnership; any incurrence of indebtedness; certain transactions that exceed a certain dollar threshold; changes to our governing documents; or the declaration of any dividends. Such actions must be approved by a majority of the then outstanding Series A and Series B convertible preferred unit holders (voting as a single class and on an as-converted basis), as specified in the amended and restated LLC agreement. An increase or decrease in the authorized number of Directors constituting the Board or the creation of a membership interest or equity security senior to or pari passu with Series B convertible preferred units must be approved by a majority of the then outstanding Series B convertible preferred Units (voting as a separate class on an as converted basis).

Redemption

The Series A and Series B convertible preferred units are not redeemable except in the event of certain effected deemed liquidation events.

Liquidation preference

In the event of the liquidation, dissolution or winding up of the Company the holders of Series A and Series B convertible preferred units are entitled to receive, on a pro rata basis in respect of each Preferred Unit in proportion to the relative preference amount of each preferred unit, a preference amount of $11.60 and $12.43 per unit of Series A and Series B convertible preferred units (as adjusted for any unit splits, dividends, combinations, recapitalizations or the like), respectively.

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After payment of the initial preference amounts, Series A and Series B convertible preferred units are entitled to receive, on an as converted to common unit pro rata basis, an amount equal to distributions made to Class A common units prior to all unit classes sharing in distributions on a pro rata basis. Thereafter, Series A and Series B convertible preferred units and Series A and Series B common units are entitled to receive the remaining assets of the Company available for distribution to its unit holders pro rata based on the number of common units held by each holder, treating for these purposes as if all units had been converted to common units.

Voting Rights

The holders of all units other than Class B common units that are unvested shall vote together as a single class. Each holder of Series A and Series B convertible preferred units shall be entitled to the number of votes calculated on an as converted to Class A common unit basis.

Equity Awards

The Zentalis Pharmaceuticals, LLC Profit Interest Plan

We currently grant profit interest awards to employees, consultants and non-employee members of our Board of Directors under the Zeno Pharma, LLC 2017 Profit Interest Plan (“the Plan”) as approved and adopted by the Board of Directors on December 21, 2017. The Plan and related Amended and Restated Limited Liability Agreement of Zeno Pharma, LLC (“the LLC Agreement”) provides for the grant of up to 2,154,816 shares of Class B common units, subject to restrictions as described in the Plan. Each unvested Class B common unit represents a non-voting equity interest in Zentalis Pharmaceuticals, LLC that entitles the holder to a percentage of the profits and appreciation in the equity value of Zentalis Pharmaceuticals, LLC arising after the date of grant and after such time as an applicable threshold amount is met. Class B common units issued under the Plan with time-based vesting schedules generally vest over a four-year period with cliff vesting for the first year. Other Class B common awards utilize performance-based vesting schedules related to certain milestones at the Company.

The fair value of the profit interest awards is estimated using an option pricing model with the following assumptions:

	For the year ended December 31, 2018
Members’ equity value	$ 96,100,000
Threshold amounts	$ 134,000,000 - $143,800,000
Risk free rate	2.8%
Volatility	75.0%
Time to liquidity (in years)	1.3
Lack of marketability discount	25.0%
Grant date fair value	$ 1.85 - $2.01

The Black Scholes option pricing model is used to estimate the fair value of each profits unit award on the date of grant. The members’ equity value was based on a recent enterprise valuation analysis performed. The threshold amounts are based on the discretion of the Board of Directors at the time of grant. The expected life of the Class B Common Unit awards granted during the period presented was determined based on an expected liquidation event under the plan. We apply the risk-free interest rate based on the U.S. Treasury yield in effect at the time of the grant consistent with the life of the award. The expected volatility is based on a peer group in the industry in which the Company does business consistent with the expected time to liquidity. The dividend yield was set at zero as the underlying security does not and is not expected to pay a dividend. The Finnerty model method was used to estimate the discount for lack of marketability inherent to the awards.

The Class B common units issued have been classified as equity awards and share-based compensation expense is based on the grant date fair value of the award.

The following table provides a summary of the Class B common unit activity under the Plan. The amounts include incentive units granted to both employees and non-employees:

	Number of Units	Weighted Average Fair Value
Outstanding at December 31, 2017	703,000	$ 1.47
Granted	947,166	$ 1.62
Forfeited	(37,855)	$ 1.47
Outstanding at December 31, 2018	1,612,311	$ 1.56

At December 31, 2018, there are 591,422 and 1,020,880 Class B common performance units vested and unvested, respectively, and 542,505 Class B common units were available for future grants.

During 2018, the share-based compensation expense included in the statement of operations was as follows:

	Year Ended December 31, 2018
Research and development expense	$ 158,448
General and administrative expense	149,913
Total share-based compensation expense	$ 308,361

As of December 31, 2018, there was $1,375,760 of total unrecognized compensation expense related to unvested profit interest award compensation arrangements granted under the Plan. The cost is expected to be recognized over a weighted average period of 3.5 years.

9. Commitments and Contingencies

Operating Leases

We entered into a non-cancellable operating lease agreement in January 2016 to lease laboratory and office space. In December 2018, we entered into an amendment to the lease to extend the term of the agreement through June 2022. The lease is subject to further extension or earlier termination and subject to approximately 3% annual increases throughout the term of the lease. We also pay a pro rata share of operating costs, including utilities, maintenance, insurance costs and real property taxes. As part of the amendment, we received incentives in the form of a base rate abatement period.

The future minimum lease obligations under the amendment are as follows:

Year-ending December 31,	Payment Amount
2019	$ 434,542
2020	544,885
2021	560,899
2022	271,664
Total:	$ 1,811,990

Under the terms of our lease agreement, payments escalate during the life of the lease. We have recorded a deferred rent liability of $25,265 at December 31, 2018 to account for the lease on a straight-line basis over the life of the lease.

Zentalis Pharmaceuticals, LLC

Rent expense recorded by the Company under the lease was $447,127 for the year ended December 31, 2018.

10. Income Taxes

Zentalis Pharmaceuticals, LLC is treated as a partnership for tax purposes, and thus, not subject to income taxes. It is the responsibility of the LLC members to report their proportion share of any taxable income or loss generated by Zentalis Pharmaceuticals, LLC to the appropriate taxing authorities and pay the associated taxes, if any. With respect to our consolidated subsidiaries and variable interest entity, these entities are treated as corporations for tax purposes and are subject to income taxes which have been included in the consolidated financial statements. All pre-tax losses have been incurred in the United States.

The following table presents the current and deferred income tax provision (benefit) for federal and state income taxes:

	2018
Current tax provision:	
Federal	$ —
State	3,925
	3,925
Deferred tax provision:	
Federal	—
State	—
Total provision for income taxes:	$3,925

A reconciliation of the expected tax computed at the U.S. statutory federal income tax rate to the total provision for income taxes at December 31 follows:

	2018	
Expected tax at 21%	$(4,920,198)	21.00%
State income tax, net of federal tax	(1,934,764)	8.25%
Limited liability company loss	8,138	-0.03%
Non-deductible expenses	187,389	-0.80%
Research credits	(791,811)	3.38%
Other	191,211	-0.82%
Change in valuation allowance	7,263,960	-31.00%
Provision for income taxes	$ 3,925	-0.02%

On December 22, 2017, the U.S. government enacted comprehensive tax legislation commonly referred to as the Tax Cuts and Jobs Act (the “Tax Act”). The Tax Act makes broad and complex changes to the U.S. tax code, including but not limited to, bonus depreciation that will allow for full expensing of qualified property, permanent disallowance of 100% of entertainment related expenses, and a 50% addback of all meal related expenses. The Tax Act also establishes new tax laws including, but not limited to, (1) reduction of the U.S. federal corporate tax rate from 34% to 21%; (2) a new limitation on deductible interest expense; (3) limitations on net operating losses (“NOL”s) generated after December 31, 2018, to 80 percent of taxable income, (4) removal of the Domestic Production Activities Deduction, and (5) a credit for paid Family and Medical Leave.

Zentalis Pharmaceuticals, LLC

As a result of the Tax Act, we have remeasured our deferred tax assets based on the rates at which they are expected to reverse in the future, resulting in a reduction in the net deferred tax asset balance of $1,761,000, offset by a corresponding valuation allowance.

In conjunction with the tax law changes, the Securities and Exchange Commission staff issued Staff Accounting Bulletin 118 ("SAB 118") to address the effects of the Tax Act within a year from the enactment date. The re-measurement of deferred tax assets and liabilities was not provisional at December 31, 2017, and as of December 22, 2018, the Company's accounting for the Tax Act is complete.

Deferred income taxes as of the following period reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

Significant components of our net deferred tax asset or liability at December 31, 2018 are as follows:

	2018
Deferred tax assets	
Net operating loss	$ 12,424,815
Compensation	13,417
Deferred rent	5,358
State tax	872
Research credits	2,079,173
Total gross deferred tax assets	14,523,635
Valuation allowance	(14,477,372)
Net deferred tax assets	46,263
Deferred tax liabilities	
Depreciable assets	(46,263)
In-process research and development	(2,462,557)
Deferred tax liabilities	(2,508,820)
Net deferred tax liabilities	$ (2,462,557)

Realization of a portion of our deferred tax assets is dependent upon our generating sufficient taxable income in future years to obtain benefit from the reversal of temporary differences.

Management considered all available evidence under existing tax law and anticipated expiration of tax statutes and determined that a valuation allowance of $14,477,372 was required as of December 31, 2018, for those deferred tax assets that are not expected to provide future tax benefits.

The acquisition of Kalyra (see footnotes 2 and 3) resulted in an allocation of the purchase price to In-process Research and Development (IPR&D). Intangible assets acquired in a business combination that are used for IPR&D activities are considered indefinite lived until the completion or abandonment of the associated research and development efforts. As a result of being treated as an indefinite lived asset, the deferred tax liability is not considered to be a future source of taxable income for purposes of determining the Company's realizability of definite lived deferred tax assets and the amount of the valuation allowance to record. We have adopted an accounting policy to not consider indefinite lived deferred tax liabilities as a future source of taxable income with respect to determining the realizability of indefinite lived deferred tax assets and the amount of valuation allowance recorded against the deferred asset related to the federal net operating losses generated beginning January 1, 2018 and the California R&D tax credits, which do not expire.

Zentalis Pharmaceuticals, LLC

At December 31, 2018, we have available net operating loss carryforwards of approximately $44,100,000 for the federal income tax purposes, of which $23,000,000 were generated in 2018 and can be carried forward indefinitely under the Tax Cuts and Jobs Act. The remaining federal net operating loss of $21,100,000, which were generated prior to 2018, will start to expire in 2033 if not utilized.

At December 31, 2018, the net operating losses for state purposes are $45,400,000 and will begin to expire in 2033 if not utilized.

At December 31, 2018, we have federal and state income tax credit carryforwards, net of reserves, of approximately $1,304,000 and $855,000, respectively. The federal credit carryforwards begin to expire in 2033. The state credit carryforwards do not expire.

We have not completed a study to determine whether an ownership change per the provisions of Section 382 of the Internal Revenue Code of 1986, as amended, as well as similar state provisions, has occurred. Utilization of our net operating loss and income tax credit carryforwards may be subject to a substantial annual limitation due to ownership changes that may have occurred or that could occur in the future. These ownership changes may limit the amount of the net operating loss and income tax credit carryover that can be utilized annually to offset future taxable income. In general, an “ownership change” as defined by Section 382 of the Code results from a transaction or series of transactions over a three-year period resulting in an ownership change of more than 50 percentage points of the outstanding stock of a company by certain stockholders.

Uncertain Tax Positions

In accordance with authoritative guidance, the impact of an uncertain income tax position on the income tax return must be recognized at the largest amount that is more-likely-than-not to be sustained upon audit by the relevant taxing authority. An uncertain income tax position will not be recognized if it has less than a 50% likelihood of being sustained.

The following table reconciles the beginning and ending amount of unrecognized tax benefits for the year ended December 31, 2018:

	2018
Gross unrecognized tax benefits at the beginning of the year	$ 324,366
Additions from tax positions taken in the current year	416,277
Gross unrecognized tax benefits at end of the year	$ 740,643

Of the total unrecognized tax benefits at December 31, 2018, no amount will impact our effective tax rate due to the Company’s full valuation allowance. We do not anticipate that there will be a substantial change in unrecognized tax benefits within the next 12 months.

We recognize interest and penalties related to unrecognized tax positions within the income tax expense line in the accompanying consolidated statements of operations. There were no accrued interest and penalties associated with uncertain tax positions as of December 31, 2018.

We and our subsidiaries are subject to U.S. federal and state income tax, and in the normal course of business, its income tax returns are subject to examination by the relevant taxing authorities. As of December 31, 2018, the 2015—2018 tax years remain subject to examination in the U.S. federal tax and various state tax jurisdictions. However, to the extent allowed by law, the taxing authorities may have the right to examine the period from 2013 through 2018 where net operating losses and income tax credits were generated and carried forward and make adjustments to the amount of the net operating loss and income tax credit carryforward amount. We are not currently under examination by federal or state jurisdictions.

Zentalis Pharmaceuticals, LLC

11. Net Loss Per Class A Common Unit

Basic and diluted net loss per Class A common unit were calculated as follows:

	2018
Net loss attributable to Zentalis Pharmaceuticals, LLC	$ (21,067,116)
Weighted average number of common units outstanding, basic and diluted	5,594,385
Net loss per Class A common unit	$ (3.77)

Our potential and dilutive securities, which include preferred units, have been excluded from the computation of diluted net loss per Class A common unit as the effect would be to reduce the net loss per Class A common unit. We considered the impact of presenting a separate earnings per unit calculation for Class B common units. However, as earnings and losses are only allocable to Class B common units after the applicable threshold has been met, and such thresholds have not been met for earnings per unit purposes, no losses were allocated to Class B common units.

The following Class A common unit equivalents have been excluded from the calculations of diluted net loss per Class A common unit because their inclusion would be antidilutive.

	2018
Preferred units, as if converted to Class A common units	5,103,048
Incentive units—Class B common units	1,612,311
	6,715,359

12. Employee Savings Plan

We have an employee savings plan pursuant to Section 401(k) of the Internal Revenue Code. All employees are eligible to participate provided that they meet the requirements of the plan. The Company does not make matching contributions under the plan.

13. Related Party Disclosures

On December 21, 2017, we acquired 17,307,692 shares of Series B preferred stock of Kalyra Pharmaceuticals, Inc. for a per share price of twenty-six cents ($0.26) or approximately $4,500,000. The management team and stockholders of Kalyra are also stockholders of the Company.

Prior to the investment, we entered into a license agreement and a master services agreement with Kalyra. The license agreement was signed and commenced on December 31, 2014 for the exclusive rights to develop and commercialize products derived from Kalyra's technology in the initial area of oncology. The license agreement and all rights was subsequently sold from Kalyra to Recurium IP Holdings, LLC ("Recurium IP"), an entity with common ownership to Kalyra prior to the Zentalis investment. Under the agreement, we have agreed to make payments to Recurium IP based on specific milestones and based on Recurium Equity, LLC's equity ownership stake in us at the time the milestone is earned. Recurium Equity, LLC ("Recurium Equity") is also an entity with common ownership to Kalyra prior to the Zentalis investment. In addition, the Company shall pay low to mid-single digit percentage royalties on net product sales to Recurium IP and sublicense fees on any consideration paid to us by a sublicensor. The royalty payments are also based on Recurium Equity's then equity ownership in us. The license agreement will terminate upon the later of the last expiration of the patent rights or 15 years from the date of commencement.

The Master Services Agreement ("MSA") was entered into in January 2015 and states that Kalyra may provide research and development services to us and that we shall reimburse such expenses on a time and

materials basis based on the initial statements of work. For the year ended December 31, 2018, we incurred $1,262,677 of expense with Kalyra that was eliminated in consolidation for research and development services provided. As of December 31, 2018, $1,233,871 was due to Kalyra and eliminated in consolidation.

We entered into an Intercompany Services Agreement ("ISA") with Kalyra in January 2018 which states that we may provide research and development services to Kalyra and that Kalyra shall reimburse such expenses on a time and materials basis. For the year ended December 31, 2018, we provided $544,898 of research and development services to Kalyra that was eliminated in consolidation. As of December 31, 2018, $544,898 was due from Kalyra and eliminated in consolidation.

14. Subsequent Events

Series C Preferred Unit Issuance

In September 2019, we entered into a Series C Preferred Unit Purchase Agreement (the "Series C Agreement"). Under the terms of the Series C Agreement, we issued 4,847,106 units of Series C convertible preferred units at $17.50 per unit for gross proceeds of $84,824,355. The net proceeds of this financing were $81,883,147 after issuance costs of $2,941,208. After the initial closing of the Series C preferred unit financing, the Company may sell, on the same terms and conditions as those contained in the Series C Agreement additional Series C preferred units with a value of up to $15,175,645 to one or more additional investors within 90 days of the initial closing.

San Diego office expansion

In August 2019, we entered into a sublease for approximately 2,333 square feet of office space in San Diego, California. The lease commenced in October 2019 and continues through February 2022. The lease is subject to approximately 3% annual increases throughout the term of the lease. We also pay for various operating costs, including utilities and real property taxes. The agreement does not contain a renewal option or an early termination provision.

The future minimum lease obligations under the agreement are as follows:

Year-ending December 31,	Payment Amount
2019	$ 30,446
2020	122,696
2021	126,063
2022	10,767
Total:	$ 289,972

New York office lease

In April 2019, we entered into a lease for approximately 4,800 square feet of office space in New York, New York. The lease commenced in May 2019 and continues through June 30, 2023. The lease is subject to approximately 3.0% annual increases throughout the term of the lease. We received lease incentives under the agreement, including tenant allowances and a free rent period. We also pay for various operating costs, including utilities and real property taxes. The agreement does not contain a renewal option but does contain an early termination provision.

Zentalis Pharmaceuticals, LLC

The future minimum lease obligations under the agreement are as follows:

Year-ending December 31,	Payment Amount
2019	$ 227,200
2020	347,280
2021	357,195
2022	367,406
2023	187,192
Total:	$ 1,486,273

We have evaluated subsequent events through the report date.

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Shares

PROSPECTUS

Morgan Stanley

Jefferies

SVB Leerink

Guggenheim Securities

, 2020

Part II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution.

The following table indicates the expenses to be incurred in connection with the offering described in this registration statement, other than underwriting discounts and commissions, all of which will be paid by us. All amounts are estimated except the Securities and Exchange Commission registration fee, the Financial Industry Regulatory Authority, Inc., or FINRA, filing fee and the Nasdaq listing fee.

	Amount
Securities and Exchange Commission registration fee	$ *
FINRA filing fee	*
Initial listing fee	*
Accountants' fees and expenses	*
Legal fees and expenses	*
Blue Sky fees and expenses	*
Transfer Agent's fees and expenses	*
Printing and engraving expenses	*
Miscellaneous	*
Total expenses	$ *

* To be filed by amendment.

Item 14. Indemnification of Directors and Officers.

Prior to the closing of the offering to which this Registration Statement relates, Zentalis Pharmaceuticals, LLC intends to convert into a Delaware corporation pursuant to a statutory conversion, and will change its name to Zentalis Pharmaceuticals, Inc. Section 102 of the DGCL permits a corporation to eliminate the personal liability of directors of a corporation to the corporation or its stockholders for monetary damages for a breach of fiduciary duty as a director, except where the director breached his duty of loyalty, failed to act in good faith, engaged in intentional misconduct or knowingly violated a law, authorized the payment of a dividend or approved a stock repurchase in violation of Delaware corporate law or obtained an improper personal benefit. Our certificate of incorporation to be effective upon the corporate conversion will provide that no director of the Registrant shall be personally liable to it or its stockholders for monetary damages for any breach of fiduciary duty as a director, notwithstanding any provision of law imposing such liability, except to the extent that the DGCL prohibits the elimination or limitation of liability of directors for breaches of fiduciary duty.

Section 145 of the DGCL provides that a corporation has the power to indemnify a director, officer, employee, or agent of the corporation, or a person serving at the request of the corporation for another corporation, partnership, joint venture, trust or other enterprise in related capacities against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by the person in connection with an action, suit or proceeding to which he was or is a party or is threatened to be made a party to any threatened, ending or completed action, suit or proceeding by reason of such position, if such person acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation, and, in any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful, except that, in the case of actions brought by or in the right of the corporation, no indemnification shall be made with respect to any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation unless and only to the extent that the Court of Chancery or other adjudicating court determines that, despite the adjudication of liability but in view of all of the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

Our certificate of incorporation to be effective upon the corporate conversion will provide that we will indemnify each person who was or is a party or threatened to be made a party to any threatened, pending or completed action, suit or proceeding (other than an action by or in the right of us) by reason of the fact that he or she is or was, or has agreed to become, a director or officer, or is or was serving, or has agreed to serve, at our request as a director, officer, partner, employee or trustee of, or in a similar capacity with, another corporation, partnership, joint venture, trust or other enterprise (all such persons being referred to as an "Indemnitee"), or by reason of any action alleged to have been taken or omitted in such capacity, against all expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred in connection with such action, suit or proceeding and any appeal therefrom, if such Indemnitee acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, our best interests, and, with respect to any criminal action or proceeding, he or she had no reasonable cause to believe his or her conduct was unlawful. Our restated certificate of incorporation provides that we will indemnify any Indemnitee who was or is a party to an action or suit by or in the right of us to procure a judgment in our favor by reason of the fact that the Indemnitee is or was, or has agreed to become, a director or officer, or is or was serving, or has agreed to serve, at our request as a director, officer, partner, employee or trustee of, or in a similar capacity with, another corporation, partnership, joint venture, trust or other enterprise, or by reason of any action alleged to have been taken or omitted in such capacity, against all expenses (including attorneys' fees) and, to the extent permitted by law, amounts paid in settlement actually and reasonably incurred in connection with such action, suit or proceeding, and any appeal therefrom, if the Indemnitee acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, our best interests, except that no indemnification shall be made with respect to any claim, issue or matter as to which such person shall have been adjudged to be liable to us, unless a court determines that, despite such adjudication but in view of all of the circumstances, he or she is entitled to indemnification of such expenses. Notwithstanding the foregoing, to the extent that any Indemnitee has been successful, on the merits or otherwise, he or she will be indemnified by us against all expenses (including attorneys' fees) actually and reasonably incurred in connection therewith. Expenses must be advanced to an Indemnitee under certain circumstances.

We intend to enter into indemnification agreements with each of our directors and officers. These indemnification agreements may require us, among other things, to indemnify our directors and officers for some expenses, including attorneys' fees, judgments, fines and settlement amounts incurred by a director or officer in any action or proceeding arising out of his or her service as one of our directors or officers, or any of our subsidiaries or any other company or enterprise to which the person provides services at our request.

We maintain a general liability insurance policy that covers certain liabilities of directors and officers of our corporation arising out of claims based on acts or omissions in their capacities as directors or officers.

In any underwriting agreement we enter into in connection with the sale of common stock being registered hereby, the underwriters will agree to indemnify, under certain conditions, us, our directors, our officers and persons who control us within the meaning of the Securities Act, against certain liabilities.

Item 15. Recent Sales of Unregistered Securities.

Set forth below is information regarding unregistered securities issued by us within the past three years. Also included is the consideration received by us for such unregistered securities and information relating to the section of the Securities Act, or rule of the Securities and Exchange Commission, under which exemption from registration was claimed.

1. In December 2017, we issued and sold 2,735,320 Series B convertible preferred units for an aggregate purchase price of $34,000,027.
2. In January 2018, we issued and sold an additional 764,281 Series B convertible preferred units for an aggregate purchase price of $9,500,023.

3. In August 2018, we issued and sold an additional 24,138 Series B convertible preferred units for an aggregate purchase price of $300,035.

4. In September 2019, we issued and sold 4,847,106 Series C convertible preferred units for an aggregate purchase price of $84,824,355.

The offer and sale of all securities listed in this item 15 was made to a limited number of accredited investors and qualified institutional buyers in reliance upon exemptions from the registration requirements pursuant to Section 4(a)(2) under the Securities Act and Regulation D promulgated under the Securities Act. Individuals who purchased securities as described above represented their intention 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 affixed to the share certificates issued in such transactions.

Item 16. Exhibits and Financial Statement Schedules.

(a) Exhibits.

Exhibit Number	Description of Exhibit
1.1*	Form of Underwriting Agreement
2.1*	Form of Plan of Conversion
2.2*	Form of Certificate of Conversion of Zentalis Pharmaceuticals, LLC
3.1*	Form of Certificate of Incorporation of Zentalis Pharmaceuticals, Inc., to be in effect upon completion of the Registrant's conversion from a limited liability company to a corporation
3.2*	Form of Bylaws of Zentalis Pharmaceuticals, Inc., to be in effect upon completion of the Registrant's conversion from a limited liability company to a corporation
3.3	Second Amended and Restated Limited Liability Company Agreement of Zentalis Pharmaceuticals, LLC
4.1*	Amended and Restated Investors' Rights Agreement, dated as of September 6, 2019, by and among Zentalis Pharmaceuticals, LLC and the investors party thereto
4.2*	Specimen Common Stock Certificate evidencing the shares of common stock
5.1*	Opinion of Latham & Watkins LLP
10.1	Zentalis Pharmaceuticals, LLC 2017 Profits Interest Plan as amended, and form of profit interest award agreement thereunder
10.2*	2020 Incentive Award Plan and form of option agreements thereunder
10.3*	Non-Employee Director Compensation Program
10.4*	2020 Employee Stock Purchase Plan
10.5*	Form of Indemnification Agreement for Directors and Officers
10.6*	Lease Agreement, dated April 12, 2019, between Zeno Management, Inc. and G&S Realty I, LLC
10.7*	Sublease Agreement, dated September 16, 2019, between Zeno Management, Inc. and Lundbeck La Jolla Research Center, Inc.
10.8*	Lease Agreement, dated November 12, 2015, between the Registrant and BMR-Road to the Cure, LP
10.9*	First Amendment to Lease Agreement, dated December 6, 2018, between the Registrant and BMR-Road to the Cure, LP
10.10	Amended and Restated Employment Agreement, dated February 1, 2019, by and between Zeno Management, Inc. and Anthony Y. Sun, M.D.

Exhibit Number	Description of Exhibit
10.11	Employment Agreement, dated September 5, 2019, by and between the Zeno Management, Inc. and Melissa Epperly
10.12	Employment Agreement, dated February 1, 2019, by and between Zeno Management, Inc. and Kevin Bunker, Ph.D.
10.13	Employment Agreement, dated February 1, 2019, by and between Zeno Management, Inc. and Robert Winkler, M.D.
10.14	Consulting Agreement, dated February 1, 2019, by and between Zeno Management, Inc. and Cam Gallagher
10.15*†	Second Amended and Restated License Agreement, dated September 6, 2019, between the Registrant and Recurium IP Holdings, LLC
21.1*	Subsidiaries of the Registrant
23.1*	Consent of Independent Registered Public Accounting Firm
23.2*	Consent of Latham & Watkins LLP (included in Exhibit 5.1)
24.1*	Power of Attorney (included on signature page)

* To be filed by amendment.
\# Indicates management contract or compensatory plan.
† Portions of this exhibit (indicated by asterisks) have been redacted in compliance with Regulation S-K Item 601(b)(10)(iv).

(b) Financial Statement Schedules. Schedules not listed above have been omitted because the information required to be set forth therein is not applicable or is shown in the consolidated financial statements or notes thereto.

Item 17. Undertakings.

The undersigned registrant hereby undertakes to provide to the underwriter, at the closing specified in the underwriting agreement, certificates in such denominations and registered in such names as required by the underwriter to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned 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.

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SIGNATURES

Pursuant to the requirements of the Securities Act, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in , , on this day of , 2020.

ZENTALIS PHARMACEUTICALS, LLC

By: _____

Anthony Y. Sun, M.D.
Chief Executive Officer and Chairman

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SIGNATURES AND POWER OF ATTORNEY

We, the undersigned officers and directors of Zentalis Pharmaceuticals, LLC, hereby severally constitute and appoint Anthony Y. Sun and Melissa Epperly, and each of them singly (with full power to each of them to act alone), our true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution in each of them for him and in his name, place and stead, and in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement (or any other registration statement for the same offering that is to be effective upon filing pursuant to Rule 462(b) under the Securities Act of 1933), and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite or necessary to be done in and about the premises, as full to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or their or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities held on the dates indicated.

Signature	Title	Date
Anthony Y. Sun, M.D.	Chief Executive Officer and Chairman (principal executive officer)	, 2020
Melissa B. Epperly	Chief Financial Officer (principal financial officer and principal accounting officer)	, 2020
Cam S. Gallagher	Director	, 2020
David E. Goel	Director	, 2020
Karan S. Takhar	Director	, 2020
David M. Johnson	Director	, 2020

Exhibit 3.3

SECOND AMENDED AND RESTATED

LIMITED LIABILITY COMPANY AGREEMENT

OF

ZENO PHARMA, LLC

Dated as of September 6, 2019

LIMITED LIABILITY COMPANY INTERESTS IN ZENO PHARMA, LLC, A DELAWARE LIMITED LIABILITY COMPANY, HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED, THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER APPLICABLE SECURITIES LAWS AND HAVE NOT OTHERWISE BEEN REGISTERED WITH OR QUALIFIED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR ANY OTHER JURISDICTION. THE INTERESTS ARE BEING SOLD IN RELIANCE UPON EXEMPTIONS FROM SUCH REGISTRATION OR QUALIFICATION REQUIREMENTS. THE INTERESTS MUST BE ACQUIRED FOR INVESTMENT ONLY AND CANNOT BE SOLD, PLEDGED, HYPOTHECATED, TRANSFERRED, ASSIGNED OR OTHERWISE DISPOSED OF AT ANY TIME EXCEPT IN COMPLIANCE WITH (i) THE RESTRICTIONS ON TRANSFERABILITY CONTAINED IN THIS SECOND AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT OF ZENO PHARMA, LLC, AND (ii) APPLICABLE FEDERAL, STATE AND OTHER SECURITIES LAWS. THEREFORE, PURCHASERS OF THE INTERESTS WILL BE REQUIRED TO BEAR THE RISK OF THEIR INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

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SECOND AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT
OF
ZENO PHARMA, LLC

This **Second Amended and Restated Limited Liability Company Agreement** of **Zeno Pharma, LLC**, a Delaware limited liability company (the "Company"), is dated as of September 6, 2019 (the "Effective Date"), by and among the Company, each Person listed in the books and records of the Company and signatory hereto as of the Effective Date, as Members, and each Additional Member and Substitute Member from time to time admitted to the Company following the Effective Date in accordance with this Agreement, in each case for so long such party remains a Member of the Company. Unless defined elsewhere in this Agreement, capitalized terms used herein are defined in Section 1.1 hereof.

RECITALS

WHEREAS, a Certificate of Formation of the Company was executed and filed with the Office of the Delaware Secretary on November 21, 2017, thereby forming the Company as a limited liability company under and pursuant to the Act;

WHEREAS, the members of the Company as of December 21, 2017 (the "Series B Initial Closing Date") entered into that certain Amended and Restated Limited Liability Company Agreement of the Company (the "Prior Agreement"), dated as of the Series B Initial Closing Date;

WHEREAS, in connection with a corporate restructuring (the "Restructuring"), on the Series B Initial Closing Date, Zeno Pharmaceuticals, Inc., a Delaware corporation ("Zeno Inc."), was acquired by the Company pursuant to that certain Agreement and Plan of Merger (the "Merger Agreement") made and entered into as of November 21, 2017 by and among the Company, Zeno Merger Sub, Inc. ("Merger Sub") and Zeno Inc., which effected a merger of Merger Sub with and into Zeno Inc., with Zeno Inc. surviving the merger as a wholly owned subsidiary of the Company (the "Merger"), upon the terms and subject to the conditions of the Merger Agreement;

WHEREAS, pursuant to the Merger Agreement, as of the Series B Initial Closing Date, (i) each share of Zeno Inc. Common Stock issued and outstanding immediately prior to the effective time of the Merger was converted into the right to receive one (1) Class A Common Unit and (ii) each share of Zeno Inc. Series A Preferred Stock issued and outstanding immediately prior to the effective time of the Merger converted into the right to receive one (1) Series A Preferred Unit.

WHEREAS, in connection with the Restructuring, the Company sold and issued Series B Preferred Units (i) as authorized under the Prior Agreement and (ii) pursuant to that certain Series B Preferred Unit Purchase Agreement, by and among the Company and the investors listed on Exhibit A thereto (such agreement, the "Series B Purchase Agreement");

WHEREAS, the Company desires to raise additional equity capital by issuing and selling up to $100.0 million of Series C Preferred Units to certain qualified investors;

WHEREAS, as of the Effective Date, the Company has sold and issued Series C Preferred Units (i) as authorized under this Agreement and (ii) pursuant to that certain Series C Preferred Unit Purchase Agreement, by and among the Company and the investors listed on Exhibit A thereto (such agreement, the "Series C Purchase Agreement," and such transaction, the "Series C Financing"); and

WHEREAS, the parties hereto desire to amend and restate the Prior Agreement in its entirety as set forth in this Agreement to, among other things: (i) admit each recipient of Series C Preferred Units pursuant to the Series C Financing signatory hereto as of the Effective Date as a Member; (ii) provide for the management of the Company; (iii) set forth the rights and obligations of the Members; and (iv) continue the Company as a limited liability company in accordance with the Act.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual representations, warranties and covenants set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE 1

DEFINED TERMS

1.1 Definitions. Unless the context otherwise requires, the terms defined in Exhibit A attached hereto shall, for the purposes of this Agreement, have the meanings therein specified.

ARTICLE 2

CONTINUATION AND ORGANIZATION

2.1 Continuation and Name. The Company shall continue as a limited liability company under the Act for the purposes and upon the terms and conditions hereinafter set forth. The Members hereby amend and restate the Prior Agreement, which is replaced and superseded in its entirety by this Agreement. The rights and obligations of the Members and the administration and termination of the Company shall be governed by this Agreement and the Act. This Agreement shall be considered the "limited liability company agreement" of the Company within the meaning of Section 18-101(7) of the Act. In the event of any inconsistency between any terms and conditions contained in this Agreement and any non-mandatory provisions of the Act, the terms and conditions contained in this Agreement shall govern. The name of the Company is Zeno Pharma, LLC. All Company business shall be conducted in the name of "Zeno Pharma, LLC" or such other names that comply with applicable law as the Board of Directors of the Company (the "Board," and each member thereof being referred to for purposes of this Agreement as a "Director") may select from time to time. Upon the Effective Date, (a) each Member signatory to the Prior Agreement and identified in the books and records of the Company immediately prior to the Effective Date hereby continues as a Member of the Company and (b) each other Member signatory hereto on the Effective Date and identified in the books and records of the Company is admitted to the Company as a Member.

2.2 Principal Place of Business; Other Places of Business. The principal office of the Company as of the Effective Date is located at 10835 Road to The Cure, Suite 205, San Diego, CA 92121, and may be changed to such other place within or without the State of Delaware as may be determined from time to time by the Board. The Company also maintains an office at 530 Seventh Avenue, Suite 2201, New York, NY 10018. The Company may maintain offices and places of business at such other place or places within or without the State of Delaware as may be determined from time to time by the Board.

2.3 Registered Office and Registered Agent. As of the Effective Date: (a) the address of the registered office of the Company in the State of Delaware is Corporation Service Company, 251 Little Falls Drive, Wilmington, Delaware 19808; and (b) the Company's registered agent for service of process at such address is Corporation Service Company. The Company may change its registered agent or registered office to any other place or places in the State of Delaware as may be determined from time to time by the Board.

2.4 Term. The term of the Company commenced with the filing of the Certificate of Formation with the Office of the Delaware Secretary and shall continue until the Company is dissolved and all of its assets are liquidated in accordance with the provisions of this Agreement. Notwithstanding the dissolution of the Company, the existence of the Company shall continue until its termination pursuant to this Agreement.

2.5 No State Law Partnership. The Members intend that the Company (a) shall be taxed as a partnership for all applicable federal, state and, to the extent applicable, local income tax purposes, and (b) shall not be a partnership or joint venture for any other purpose, and that no Member or any Director shall, by virtue of this Agreement, be a partner or joint venturer of any other Member or Director. Except as otherwise specifically provided in Article 8, none of the Company, any Member or any Assignee shall make any election or take any other action inconsistent with such intent.

2.6 Ownership of Company Property. All property acquired by the Company, real or personal, tangible or intangible, shall be owned by the Company as an entity and no Member or Assignee, individually, shall have any ownership interest therein solely due to its capacity as a Member or Assignee.

ARTICLE 3
PURPOSE AND POWERS OF THE COMPANY

3.1 Purpose. The primary purpose of the Company is to acquire, own, maintain, manage and distribute interests in (a) Zeno Inc. (or any successor or parent entity thereof) and (b) any subsidiary of the Company established to (x) pursue separate development programs with separate intellectual property, (y) hold, license and/or sublicense such intellectual property or (z) employ and/or contract with one or more Persons to provide services to the Company, its Affiliates, and/or their respective subsidiaries, and, in each case, any proceeds arising therefrom. The Company may also (i) carry on any other lawful business, purpose or activity permitted to be carried on by limited liability companies under the Act as the Board determines, (ii) exercise all rights and powers granted to the Company under this Agreement and any other agreements

contemplated hereby, as the same may be amended from time to time and (iii) engage in any other lawful acts or activities incidental or ancillary thereto as the Board deems necessary or advisable for which limited liability companies may be organized under the Act. The Company shall have (1) all such powers as are necessary and appropriate to carry out such purposes of the Company and (2) all rights and powers granted to the Company under this Agreement and any other agreements contemplated hereby, as the same may be amended from time to time.

3.2 Powers of the Company. Subject to the provisions of this Agreement, the Company shall have the power and authority to take any and all actions necessary, appropriate, proper, advisable, incidental or convenient to or for the furtherance of the purposes set forth in Section 3.1.

3.3 UBTI. The Company shall, and shall cause its direct Subsidiaries to, use commercially reasonable efforts to operate in a manner that will not cause any Member (or any of such Member's direct or indirect owners) subject to Section 511 of the Code, to recognize any unrelated business taxable income under Section 512 of the Code or unrelated debt-financed income under Section 514 of the Code. The Company shall not directly invest in, or directly own, any other entity that is transparent for U.S. federal income tax purposes unless such entity is subject to similar restrictions regarding unrelated business taxable income and unrelated debt-financed income. The covenants set forth in the foregoing provisions of this Section 3.3 with respect to Sections 511 and 512 of the Code will be deemed satisfied in respect of each direct or indirect asset of the Company that is held by the Company indirectly through one or more entities treated as corporations for U.S. federal income tax purposes. Subject to the other provisions of this Section 3.3, in the event the Company determines that it will cause any Member (or any of such Member's direct or indirect owners) subject to Section 511 of the Code, to recognize any unrelated business taxable income under Section 512 of the Code or unrelated debt-financed income under Section 514 of the Code, the Company will notify Members within ten (10) Business Days.

3.4 ECI. The Company shall, and shall cause its Subsidiaries to, use best efforts to conduct their respective affairs so that the Company's Members (or any direct or indirect owners of such Members) will not be treated as engaged in a U.S. trade or business, and will not recognize income that is, or is treated as, effectively connected with the conduct of a U.S. trade or business for purposes of Sections 864, 881, 882, 884, 897 or 1446 of the Code solely as a result of the activities and/or investments of the Company and/or its Subsidiaries. In furtherance thereof, the Company shall, and shall cause its Subsidiaries to, use best efforts not to:

(a) acquire or own an interest or option to acquire an equity interest in any partnership, limited liability company, trust or other entity which is not treated as a corporation for United States tax purposes, other than an interest solely as a creditor, unless (A) the Company determines, after consultation with its tax advisors, that such proposed acquisition (and in the case of an acquisition of an option to acquire an equity interest, the acquisition of such equity interest upon exercise of the option) shall not cause its Members (or any of such Member's direct or indirect owners) to be treated as engaged in a U.S. trade or business within the meaning of the Code Sections specified above in this Section 3.4 and (B) such entity agrees to be bound contractually by restrictions substantially similar to those set forth in this paragraph; provided that the covenants set forth in the foregoing provisions of this Section 3.4 will be deemed satisfied in respect of each direct or indirect assets of the Company that is held by the Company indirectly through one or more entities treated as corporations for U.S. federal income tax purposes; provided

further that such corporation(s) are not and have not been within the five years immediately preceding such acquisition United States real property holding corporations as defined in Section 897(c)(2) of the Code and the Company does not currently own an interest in any entity that is not classified as a corporation for United States tax purposes; or

(b) engage in or hold itself out as engaging in the performance of services for compensation or otherwise carry on a United States trade or business within the meaning of the Code Sections specified in Section 3.4.

The provisions of this Section 3.4 (other than the immediately following sentence) may be waived in whole or in part by written consent of each 10% Member, Surveyor, Redmile and Viking. Subject to the other provisions of this Section 3.4, in the event the Company determines that it will cause any Member (or any direct or indirect owners of such Members) to be treated as engaged in a U.S. trade or business and/or to recognize income that is, or is treated as, effectively connected with the conduct of a U.S. trade or business for purposes of Sections 864, 881, 882, 884, 897 or 1446 of the Code as a result of the activities and/or investments of the Company and/or its Subsidiaries, the Company will notify Members by the earlier of (x) five (5) Business Days prior to the end of the calendar month in which the Company determines that it will cause any Member to recognize such income; provided that such notice shall not be required before the date that is the fifth (5th) Business Day following such determination; and (y) the tenth (10th) Business Day following such determination.

3.5 PFIC.

(a) The Company shall use commercially reasonable efforts to avoid any of its direct Subsidiaries being a "passive foreign investment company" as defined in Section 1297 of the Code (a "PFIC"); provided, however, that the Company shall be permitted to form and own non-U.S. entities that are holding companies for intellectual property.

(b) The Company shall make due inquiry with its U.S. tax advisors at least annually, and in any event no later than 30 days following the end of the Company's taxable year, regarding the status of its Subsidiaries as PFICs and if any Subsidiaries become a PFIC, or if there is a likelihood of Subsidiaries being a PFIC for any taxable year, the Company shall promptly notify each Member of such status or risk, as the case may be.

(c) If any Subsidiary is a PFIC for a particular tax year, the Company shall (x) make a "qualified electing fund" election as defined in Section 1295 of the Code (a "QEF Election") with respect to such Subsidiary, (y) use commercially reasonable efforts to avoid incurring income with respect to such Subsidiary that would be includible in income of the Company or any Member (or any direct or indirect owners of such Members) under Section 1293 of the Code and (z) provide any Member the reasonably necessary information as reasonably requested in writing by such Member to accurately prepare its U.S. tax returns and comply with any other reporting requirements, including, without limitation, information necessary with respect to such QEF Election and any related "PFIC Annual Information Statement" as described under Treasury Regulations Section 1.1295-1(g), in each case, to the extent the provision of such information does not unduly burden the Company or any Affiliate thereof.

3.6 CFC. The Company shall, and shall cause its direct Subsidiaries to, use commercially reasonable efforts to avoid generating any income of a character that would be includible in the gross income of any Member (or any direct or indirect owners of such Members) under Section 951 or Section 951A of the Code; provided, however, that the Company may form and own non-U.S. entities if (x) they are not treated as corporations for United States tax purposes, (y) they are not owned directly by the Company, but rather by a subsidiary of the Company which is both a corporation and a United States person for United States tax purposes, or (z) their formation and ownership is approved by holders of a majority of the outstanding Preferred Units, voting together as a separate class (which holders must include Viking and Matrix). Not later than 30 days following the end of the Company's taxable year, the Company shall provide, upon the written request of any Member holding Units representing 10% or more of the aggregate then-outstanding Units (assuming conversion into Class A Common Units for all Preferred Units (and for any other Units convertible into Class A Common Units outstanding)) (a "10% Member"), such 10% Member with the Company's capitalization table as of the end of such taxable year. The Company shall provide, upon the request of a 10% Member, such 10% Member with access to other Company information as may be required to determine such 10% Member's status as "United States shareholder" of a "controlled foreign corporation" and to determine whether such 10% Member (or any direct or indirect owners of such 10% Member) is required to include any amount of the Company's or its Subsidiaries' undistributed earnings in its gross income for U.S. federal income tax purposes. In order to achieve the purposes of this Section 3.6, the Company shall consider in good faith relying on any proposed regulation upon which reliance is permitted, effect shall be given to Treasury Regulation 1.951A-1(e) ("Treatment of Domestic Partnerships"), and the Company shall consider in good faith making an election for application of the high tax exception pursuant to proposed Treasury Regulation 1.951A-2(c)(6) if and when such proposed regulation is made final with a view to minimizing gross income inclusions to the Company's Members that qualify as "United States shareholder" as defined in Section 951 of the Code.

3.7 Political Contributions. The Company shall, so long as Mayo Clinic ("Mayo") is a Member, refrain from (a) carrying on propaganda, or otherwise attempting to influence any legislation and (b) participating in, or intervening in (including the publishing or distributing of statements), any political campaign on behalf of (or in opposition to) any candidate for public office, unless specific permission is sought from and granted by Mayo.

3.8 Reports. Following the end of each Fiscal Year, on or before March 15th, the Company shall provide to Members an annual IRS Schedule K-1 (or any estimated equivalent form) for such Fiscal Year in sufficient detail to enable the Members and their respective direct or indirect owners to prepare and file their U.S. federal, state and/or local tax returns, as applicable.

ARTICLE 4

UNITS, CAPITAL CONTRIBUTIONS, NATURE OF INTERESTS AND ESTABLISHMENT OF CAPITAL ACCOUNTS

4.1 Units.

(a) Authorized and Issued Units. There are hereby established and authorized for issuance the following Membership Interests:

(i) 1,579,309 Series A Preferred Units, of which as of the Effective Date 1,579,309 are issued and outstanding;

(ii) 3,523,739 Series B Preferred Units, of which as of the Effective Date 3,523,739 are issued and outstanding;

(iii) 5,714,300 Series C Preferred Units, of which as of the Effective Date (after giving effect to the transactions contemplated by the Series C Purchase Agreement that were consummated on the Effective Date) 4,847,106 are issued and outstanding;

(iv) 20,000,000 Class A Common Units, of which as of the Effective Date 5,601,478 are issued and outstanding (including 19,144 Class A Common Units that are Unvested Units as of the Effective Date and were issued in respect of Common Stock of Zeno Inc. awards under the Zeno Inc. 2014 Equity Incentive Plan) and 10,817,348 are reserved for conversion of the Preferred Units;

(v) 3,458,522 Class B Common Units, of which as of the Effective Date 1,669,561 are issued and outstanding; provided that upon the repurchase or forfeiture pursuant to an applicable Award Agreement (as defined below) of any Class A Common Units that were Unvested Units as of the Effective Date and were issued in respect of Common Stock of Zeno Inc. awards under the Zeno Inc. 2014 Equity Incentive Plan and immediately prior to such repurchase or forfeiture, such number of authorized Class B Common Units shall automatically be increased by a number equal to the number of such Class A Common Units so repurchased or forfeited, as applicable. The books and records of the Company shall be updated to reflect any changes to the number of authorized Units.

The name, address and amount and type of Units of each Member and Assignee shall be as set forth in the books and records of the Company. With respect to Class B Common Units, the books and records of the Company shall set forth the date of each issuance of such Class B Common Units and for each date of issuance the number of Class B Common Units issued, the applicable vesting schedule and the applicable Threshold Amount. With respect to Class A Common Units that are Unvested Units as of the date of issuance thereof, the books and records of the Company shall set forth the date of each issuance of such Class A Common Units and for each date of issuance the number of Class A Common Units issued and the applicable vesting schedule. No Units or other interests purporting to confer Membership Interests shall be issued unless they have been authorized for issuance by the Company under the terms of this Agreement. The number of authorized Units of any one or more classes of Units set forth above available for issuance may be increased from time to time upon and with the approval of the Board, Preferred Super Approval

and such other Member approvals as may be required by Sections 6.4(c), Section 6.4(d), Section 6.4(e) and Section 6.4(f), as applicable, and, with respect to the Class B Common Units, as set forth in any applicable Class B Common Unit Plan.

(b) Class A Common Units Subject to Vesting; Class B Common Units.

(i) The Company is authorized to issue from time to time Class B Common Units to any Person pursuant to the terms of this Section 4.1(b), provided that the total number of Class B Common Units issued at any point in time does not exceed the then authorized number of Class B Common Units set forth herein and in any applicable Class B Common Unit Plan.

(ii) The terms of any Class B Common Unit Plan and any award agreement for the grant of Class A Common Units or Class B Common Units (an "Award Agreement") shall supplement but not supersede the terms of this Agreement. In the event any Class A Common Units or Class B Common Units are repurchased or forfeited pursuant to the terms and conditions specified in any applicable Class B Common Unit Plan (in the case of Class B Common Units), any applicable Award Agreement or in this Agreement, an equivalent number of Class B Common Units, as applicable, may be issued by the Company on terms and conditions as the Board deems appropriate in accordance with any applicable Class B Common Unit Plan (in the case of Class B Common Units), any applicable Award Agreement and this Agreement.

(iii) The Class B Common Units and the rights and privileges associated with the Class B Common Units, collectively, are intended to qualify as "profits interests" in the Company within the meaning of Revenue Procedure 93-27, 1993-2 C.B. 343 as clarified by Revenue Procedure 2001-43, 2001-2 C.B. 191. As such, (A) none of the Persons issued Class B Common Units shall make Capital Contributions on the date of grant in connection with the acquisition of such Class B Common Units, (B) all Class B Common Units shall be issued with an applicable "Threshold Amount" set at an amount equal to the amount that would need to be distributed, in the aggregate, with respect to each Class A Common Unit and each Preferred Unit outstanding on the date of the issuance of such Class B Common Unit so as to qualify such Class B Common Units as "profits interests" (as determined by the Board in good faith), and (C) the Company shall treat such Persons as holding "profits interests" for all purposes of this Agreement. In furtherance of the foregoing, unless otherwise determined by the Board, no distributions shall be made with respect to a Class B Common Unit that would cause the holder of such Class B Common Unit to have a deficit balance in its Adjusted Capital Account to the extent attributable to such Class B Common Unit. In the event that the U.S. Internal Revenue Service issues any additional guidance concerning the taxation of the Class B Common Units after the execution of this Agreement, the Board is hereby authorized to take any action required by such guidance, including the filing of tax elections thereunder and the adoption of additional provisions to this Agreement that are binding on the Company, the Members and Assignees under the Act, to achieve the same tax treatment for the Class B Common Units as is applicable on the date of execution of this Agreement. For the avoidance of doubt, none of the Company, the Board nor any Member of the Company is providing any covenant or guarantee that the characterization of the Class B Common Units as a "profits interest" as described in this Section 4.1(b) shall be accepted by any government authority or a court of law.

(iv) Class A Common Units or Class B Common Units may be subject to vesting as determined by the Board and set forth in an applicable Class B Common Unit Plan (with respect to Class B Common Units) or in an applicable Award Agreement.

(v) Every Person receiving Class B Common Units shall timely make an election under Section 83(b) of the Code with respect to any Class B Common Units received by such Person upon their issuance, in a manner prescribed by the Company, provided that the fair market value of such Class B Common Units for purposes of such election shall be reported as zero.

(vi) Allocations of Profit or Loss pursuant to Section 5.1 shall be made with respect to any Class A Common Units that are Unvested Units or any Class B Common Units that are Unvested Units the same as if they were vested. Notwithstanding anything to the contrary in this Agreement (including Section 5.3), but subject to Section 5.4, any distributions pursuant to Section 5.3 hereof with respect to any Class A Common Units that are Unvested Units or Class B Common Units that are Unvested Units shall be held by the Company in a segregated account until such Units vest, at which time any such retained distributions shall be released to the holder of such then Vested Units at the end of the next fiscal quarter following vesting. Solely for purposes of the allocation provisions of Section 5.1 and determining the amount of Profits and Losses to be allocated with respect to an Unvested Unit, each Member holding an Unvested Unit will be treated as being entitled to receive the amount deposited into the segregated account with respect to such Unvested Unit. Any retained distributions pursuant to the foregoing sentence that relate to Class A Common Units that are Unvested Units or Class B Common Units that are Unvested Units, in each case, that are forfeited or fail to vest for whatever reason (or amounts that are otherwise not distributable to a Member pursuant to an applicable Award Agreement) shall be distributed by the Company to the other holders of Units that would have received such distributions in accordance with Section 5.3(a) had such Class A Common Units and/or Class B Common Units never been issued. The terms of any repurchase option or forfeiture with respect to Unvested Units shall be determined by the Board and set forth in the applicable Vesting Agreement.

(c) Increase of Authorized Common Units. Each Member agrees that the Company shall take all necessary actions to increase the number of authorized Common Units from time to time to ensure that there will be sufficient Common Units reserved and available for conversion of all of the Preferred Units outstanding at any given time.

(d) Units Uncertificated; Legend. Unless and until the Board shall determine otherwise, Units shall be uncertificated and recorded in the books and records of the Company. If at any time the Board shall determine to certificate Units (at the request of a holder of such Units or otherwise), such certificates shall be in the form approved by the Board from time to time and shall contain such legends as may be required pursuant to the Governing Documents, and the Preferred Unit Purchase Agreements and any additional legends as the Board shall reasonably determine are necessary and recorded in the books and records of the Company. The Board may determine the conditions upon which a new Unit certificate may be issued in place of a certificate that is alleged to have been lost, stolen or destroyed and may, in its discretion, require the owner of such certificate or its legal representative to give a bond, with sufficient surety, to indemnify the Company and each transfer agent and registrar agent, if any, against any and all losses and

claims that may arise as a result of the issuance of a new certificate in place of the one so lost, stolen or destroyed. Each Member agrees that the Company may instruct its transfer agent to impose transfer restrictions on the Units represented by certificates bearing the legend(s) as determined by the Board in accordance with this Section 4.1(d) to enforce the provisions of this Agreement, and the Company agrees to promptly do so. The Company shall supply, free of charge, a copy of this Agreement and the other referenced agreements (as applicable) to any holder of a certificate evidencing Units upon written request from such holder to the Company at its principal office. The failure to cause the certificates evidencing the Units to bear the legend(s) as determined by the Board in accordance with this Section 4.1(d) and/or the failure of the Company to supply, free of charge, a copy of this Agreement as provided herein shall not affect the validity or enforcement of this Agreement.

4.2 Capital Contributions.

(a) Pursuant to the Merger Agreement, each holder of Series A Preferred Units and/or Common Units as of the Series B Initial Closing Date received such Units in exchange for certain consideration as described in the Merger Agreement and are deemed to have made Capital Contributions on the Series B Initial Closing Date in the respective amount reflected in the books and records of the Company. The Members hereby approve all such issuances and such deemed Capital Contributions related thereto.

(b) Pursuant to the Series B Purchase Agreement, the holders of Series B Preferred Units prior to the Effective Date, collectively, purchased 3,523,739 Series B Preferred Units from the Company in accordance with the terms of the Series B Purchase Agreement.

(c) Pursuant to the Series C Purchase Agreement, the holders of Series C Preferred Units as of the Effective Date, collectively, have purchased 4,847,106 Series C Preferred Units from the Company in accordance with the terms of the Series C Purchase Agreement. Additional Series C Preferred Units may be issued on one more dates following the Effective Date, in each case, in accordance with the terms of the Series C Purchase Agreement.

(d) Other than as set forth in this Section 4.2, no Member or Assignee shall be permitted or required to make any additional Capital Contribution to the Company, unless otherwise mutually agreed to by the Company and such Member or Assignee.

4.3 Nature Of Interests. The Units shall for all purposes be personal property. No Member or Assignee has any interest in specific Company property. Each Member hereby waives any and all rights such Person may have to initiate or maintain any suit or action for partition of the Company's assets.

4.4 Capital Accounts. An individual Capital Account shall be established and maintained for each Member and Assignee in accordance with the rules of Treasury Regulations Section 1.704-1(b)(2)(iv). Each Member's and Assignee's Capital Account shall be increased by (i) the amount of money contributed (or deemed contributed) by such Member or Assignee to the Company, (ii) the Gross Asset Value of property contributed (or deemed contributed) by such Member or Assignee to the Company (net of liabilities secured by the contributed property that the Company is considered to assume or take subject to under Section 752 of the Code), and

(iii) allocations to such Member or Assignee of Profits (and any items in the nature of income or gain separately allocated to such Member or Assignee). Each Member's or Assignee's Capital Account shall be decreased by (x) the amount of money distributed to such Member or Assignee by the Company, (y) the Gross Asset Value of property distributed to such Member or Assignee by the Company (net of liabilities secured by the distributed property that the Member or Assignee is considered to assume or take subject to under Section 752 of the Code), and (z) allocations to such Member or Assignee of Losses (and any items in the nature of losses or deductions separately allocated to such Member or Assignee). The Capital Accounts also shall be maintained and adjusted as permitted by the provisions of Treasury Regulation Section 1.704-1(b)(2)(iv)(f) and as required by the other provisions of Treasury Regulation Sections 1.704-1(b)(2)(iv) and 1.704-1(b)(4). On the transfer of all or a portion of a Member's or Assignee's Units, the Capital Account of the transferor that is attributable to the transferred Units shall carry over to the transferee Member or Assignee in accordance with the provisions of Treasury Regulation Section 1.704-1(b)(2)(iv)(1).

4.5 Negative Capital Accounts. No Member shall be required to pay to any other Member or the Company any deficit or negative balance that may exist from time to time in such Member's Capital Account (including upon and after dissolution of the Company).

4.6 No Withdrawal. No Member or Assignee shall be entitled to resign from the Company or withdraw all or any portion of such Member's or Assignee's Capital Contributions or the balance of such Member's or Assignee's Capital Account, or to receive any distribution from the Company, except as expressly provided herein.

4.7 Loans From Members. To the extent the Board unanimously determines necessary or advisable for the business of the Company, one or more Members may, but shall not be obligated to, make loans or otherwise lend funds to, act as surety or endorser for, assume one or more specific obligations of, provide collateral for, or enter into other credit, guarantee, financing or refinancing arrangements with or for the benefit of, the Company. Any loans by Members to the Company shall not be considered Capital Contributions. If any Member advances funds to the Company in excess of the amounts required hereunder to be contributed by such Member to the capital of the Company, the making of such advances shall not result in any increase in the amount of the Capital Account of such Member unless (a) otherwise agreed by the Company and such Member and (b) any other consent (if any) required under Section 6.4(c), Section 6.4(d), Section 6.4(e) and/or Section 6.4(f) is provided. The amount of any such advances that are not agreed to be additional Capital Contributions shall be a debt of the Company to such Member and shall be payable or collectible in accordance with the terms and conditions upon which such advances are made.

ARTICLE 5

ALLOCATIONS AND DISTRIBUTIONS

5.1 Allocations of Profit and Loss. Except as otherwise provided in this Article 5, Profits and Losses for each Fiscal Period shall be allocated to the Members as set forth below in this Section:

(a) Subject to Section 5.1(b), Section 5.1(c) and Section 5.1(d), Profits or Losses for each Fiscal Period, after taking into account all distributions made in such Fiscal Period, shall be allocated to the Members in amounts that would result, to the greatest extent possible, in Adjusted Capital Account balances for each Member being equal to the amount required to be distributed pursuant to Section 5.3(c)(iii) to such Member as a result of a Deemed Liquidation Event in accordance with the priority and manner provided therein on a hypothetical liquidation of the Company. In determining the amounts distributable to the Members under Section 5.3(c)(iii) upon a hypothetical liquidation, it shall be presumed that (i) all of the Company's remaining assets are sold at their respective Gross Asset Value, (ii) all Company liabilities are satisfied (limited with respect to each nonrecourse liability to the Gross Asset Value of the asset securing such liability), and (iii) the proceeds of such hypothetical sale are applied and distributed in accordance with Section 5.3(c)(iii) hereof.

(b) The Losses allocated in accordance with Section 5.1(a) shall not exceed the maximum amount of Losses that can be so allocated without causing any Member to have an Adjusted Capital Account Deficit at the end of any Fiscal Period. All Losses in excess of such limitation shall be allocated to the Members who would not have an Adjusted Capital Account Deficit as a result of such allocation (pro rata in proportion to the excess of each such Member's Capital Account balance over the amount of such allocations that would cause such Member to have an Adjusted Capital Account Deficit). Once all of the Members have been allocated enough Losses that the allocation of any additional Losses would either create or increase an Adjusted Capital Account Deficit for all of the Members, any additional Losses shall be allocated among the Members owning Units on a Per Unit Pro Rata Basis.

(c) Special Allocations.

(i) Qualified Income Offset. In the event any Member unexpectedly receives any adjustments, allocations, or distributions described in Treasury Regulation Sections 1.704-1(b)(2)(ii)(d)(4), (d)(5) or (d)(6), items of Company income and gain shall be specially allocated to each such Member in an amount and manner sufficient to eliminate, to the extent required by the Treasury Regulations, the Adjusted Capital Account Deficit of such Member as quickly as possible, provided that an allocation pursuant to this Section 5.1(c)(i) shall be made if and only to the extent that such Member would have an Adjusted Capital Account Deficit after all other allocations provided for in this Article 5 have been tentatively made as if this Section 5.1(c)(i) were not a term of this Agreement. This Section 5.1(c)(i) is intended to constitute a "qualified income offset" provision as described in Treasury Regulation Section 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

(ii) Gross Income Allocation. In the event any Member has a deficit Capital Account at the end of any Fiscal Period which is in excess of the amount such Member is deemed to be obligated to restore pursuant to the penultimate sentences of Treasury Regulation Sections 1.704-2(g)(1) and 1.704-2(i)(5), each such Member shall be specially allocated items of Company income and gain in the amount of such excess as quickly as possible, provided that an allocation pursuant to this Section 5.1(c)(ii) shall be made if and only to the extent that such Member would have a deficit Capital Account in excess of such sum after all other allocations provided for in this Section 5.1(c) have been tentatively made as if this Section 5.1(c)(ii) and Section 5.1(c)(i) hereof were not in the Agreement.

(iii) Minimum Gain Chargeback. If there is a net decrease in Company Minimum Gain during a Company taxable year, then each Member shall be allocated items of Company income and gain for such taxable year (and, if necessary, for subsequent years) in an amount equal to such Member's share of the net decrease in Company Minimum Gain, determined in accordance with Regulations Section 1.704-2(g)(2). This Section 5.1(c)(iii) is intended to comply with the minimum gain chargeback requirement of Regulations Section 1.704-2(f) and shall be interpreted consistently therewith.

(iv) Member Minimum Gain Chargeback. If there is a net decrease in Member Minimum Gain attributable to a Member Nonrecourse Debt during any Company taxable year, each Member who has a share of the Member Minimum Gain attributable to such Member Nonrecourse Debt, determined in accordance with Regulations Section 1.704-2(i)(5), shall be specially allocated items of Company income and gain for such taxable year (and, if necessary, subsequent years) in an amount equal to such Member's share of the net decrease in Member Minimum Gain attributable to such Member Nonrecourse Debt, determined in a manner consistent with the provisions of Regulations Section 1.704-2(g)(2). This Section 5.1(c)(iv) is intended to comply with the partner nonrecourse debt minimum gain chargeback requirement of Regulations Section 1.704-2(i)(4) and shall be interpreted consistently therewith.

(v) Certain Additional Adjustments. To the extent that an adjustment to the adjusted tax basis of any Company asset pursuant to Section 734(b) or Section 743(b) of the Code is required, pursuant to Regulations Section 1.704-1(b)(2)(iv)(m)(2) or Regulations Section 1.704-1(b)(2)(iv)(m)(4), to be taken into account in determining Capital Accounts as the result of a distribution to a Member in complete liquidation of its interest in the Company, the amount of such adjustment to the Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis), and such gain or loss shall be specially allocated to the Members in accordance with their interests in the Company in the event that Regulations Section 1.704-1(b)(2)(iv)(m)(2) applies, or to the Member to whom such distribution was made in the event that Regulations Section 1.704-1(b)(2)(iv)(m)(4) applies.

(vi) Nonrecourse Deductions. The Nonrecourse Deductions for each taxable year of the Company shall be allocated to the Members on a Per Unit Pro Rata Basis.

(vii) Member Nonrecourse Deductions. The Member Nonrecourse Deductions shall be allocated each year to the Member that bears the economic risk of loss (within the meaning of Regulations Section 1.752-2) for the Member Nonrecourse Debt to which such Member Nonrecourse Deductions are attributable in accordance with Treasury Regulations Section 1.704-2(i)(1).

(viii) Curative Allocations. The allocations set forth in Section 5.1(b) and Sections 5.1(c)(i) through 5.1(c)(vii) hereof (collectively, the "Regulatory Allocations") are intended to comply with requirements of the Treasury Regulations. It is the intent of the parties hereto that, to the extent possible, all Regulatory Allocations shall be offset either with other Regulatory Allocations or with special allocations of other items of Company income, gain, loss, or deduction pursuant to this Section 5.1(c)(viii). Therefore, notwithstanding any other provision of Article 5 (other than the Regulatory Allocations), the Board shall make such offsetting special allocations of Company income, gain, loss, or deduction in whatever manner it determines appropriate so that, after such offsetting allocations are made, each Member's Capital Account balance is, to the extent possible, equal to the Capital Account such Member would have had if the Regulatory Allocations were not terms of this Agreement and all Company items were allocated pursuant to Section 5.1.

(ix) Allocations of Withholding. To the extent the Company receives (or is deemed to receive) an amount of income that is net of any withholding tax, (A) such income shall be allocated among the Members as if the Company received the gross amount of such income before giving effect to the payment of the withholding tax and (B) any resulting tax credit shall be allocated among the Members in proportion to such Member's allocated share of income or withholding amount (including income allocated pursuant to Section 704(c) of the Code) to which the credit or withholding amount relates.

(d) Special Allocation to Initial Class B Common Units. In the event that Liquidating Gains are allocated under this Section 5.1(d), Profits allocable under Section 5.1(a) and any Losses allocable under Section 5.1(a) shall be recomputed without regard to the Liquidating Gains so allocated. After giving effect to the special allocations set forth in Section 5.1(c) hereof, and notwithstanding the provisions of Section 5.1(a) above, any Liquidating Gains that would otherwise have been allocated to the Class A Common Units shall first be allocated to the holders of Initial Class B Common Units (on a per unit basis) until the Economic Capital Account Balances of such holders, to the extent attributable to each such holder's ownership of an Initial Class B Common Unit, are equal to an amount equal to (i) the Common Unit Economic Balance, *less* (ii) the Original Exercise Price of such Initial Class B Common Unit. Any such allocations shall be made among the holders of Initial Class B Common Units in proportion to the amounts required to be allocated to each under this Section 5.1(d). The parties agree that the intent of this Section 5.1(d) is to make the Capital Account balances of the holders of Initial Class B Common Units economically equivalent to the Capital Account balance of the Class A Common Units (on a per Unit basis), but only to the extent that, at the time any Liquidating Gains is to be allocated, the Company has recognized cumulative Profits with respect to its assets since the issuance of the Initial Class B Common Units, as applicable. Notwithstanding the foregoing, Liquidating Gains shall only be allocated to Initial Class B Common Units to the extent that, since the date of issuance of such Initial Class B Common Units, such Initial Class B Common Units when aggregated with other Liquidating Gains realized since the date of issuance of such Initial Class B Common Units exceeds Liquidating Losses realized since the date of issuance of such Initial Class B Common Units. The Threshold Amount with respect to each Initial Class B Common Unit shall be reduced on a dollar-for-dollar basis by the aggregate amount of any

allocation of Profit to the holders of such Initial Class B Common Units in respect of such Initial Class B Common Units pursuant to this Section 5.1(d), and the books and records of the Company shall be updated to reflect the same.

5.2 Tax Allocations.

(a) Generally. Except as otherwise provided in this Section 5.2, taxable income and loss and all items thereof shall be allocated to the Members to the greatest extent practicable in a manner consistent with the manner set forth in Section 5.1 and Sections 704(b) and 704(c) of the Code. Allocations pursuant to this Section 5.2 are solely for federal income tax purposes and shall not affect, or in any way be taken into account in computing, any Member's Capital Account or share of Profits and Losses, other items or distributions pursuant to any provision of this Agreement.

(b) Section 704(c) of the Code. In accordance with Section 704(c) of the Code, income, gain, loss and deduction with respect to any property contributed to the capital of the Company shall, solely for income tax purposes, be allocated among the Members so as to take account of any variation between the adjusted basis of such property to the Company for federal income tax purposes and its initial Gross Asset Value.

(c) Adjustments under Section 704(c) of the Code. In the event the Gross Asset Value of any Company asset is adjusted pursuant to paragraph (b) of the definition of "Gross Asset Value" in Exhibit A, subsequent allocations of income, gain, loss and deduction with respect to such asset shall take account of any variation between the adjusted tax basis of such asset and its Gross Asset Value in the same manner as, but not necessarily under the same convention(s) or method(s) specifically used by the Company for its allocations made or to be made, under Section 704(c) of the Code and Treasury Regulations thereunder.

(d) Decisions Relating to Section 704(c) of the Code. Any elections or other decisions relating to allocations under this Section 5.2, including the selection of any allocation method permitted under Treasury Regulation Section 1.704-3, shall be made by the Board. The Board is hereby authorized to amend this Agreement as necessary to implement the method selected under Treasury Regulation Section 1.704-3.

(e) Changes in Members' Interests. If during any Fiscal Period or other accounting period of the Company there is a change in any Member's interest in the Company, the Board shall allocate Profits or Losses to the Members in the Company in a manner that complies with the provisions of Section 706 of the Code. For purposes of making such allocations, the Board is hereby authorized to select any method, convention or extraordinary item permitted under Regulations Section 1.706-4 as the Board determines necessary or appropriate, which selection shall be set forth in a dated, written statement maintained with the Company's books and records. The Members hereby agree that any such selection by the Board is made by "agreement of the partners" within the meaning of Regulations Section 1.706-4(f).

5.3 Distributions. Subject to the provisions of Section 5.4, the Company shall make distributions, if any, to the Members as follows:

(a) Distributions. Subject to the provisions of Section 5.3(c), any distributions that the Company may make to the Members shall be made at such times and in such amounts as the Board in its sole discretion may determine, and when made, shall be made in the following order of priority:

(i) Series C Preferred Units Preference. First, (x) 70% to the holders of Series C Preferred Units, on a pro rata basis in respect of each such Preferred Unit, (y) 15% to the holders of Series A Preferred Units and Series B Preferred Units, on a pro rata basis in respect of each such Preferred Unit in proportion to the relative Preference Amount of each such Preferred Unit (i.e., not pro-rated based on number of Units) and (z) 15% to the holders of Class A Common Units and Class B Common Units equally on a Per Unit Pro Rata Basis, until the Company has distributed, in respect of each Series C Preferred Unit, an aggregate amount through the date of such distribution equal to the Series C Preference Amount.

(ii) Series A and Series B Preferred Units Preference. Second, (x) 85% to the holders of Series A Preferred Units and Series B Preferred Units, on a pro rata basis in respect of each such Preferred Unit in proportion to the relative Preference Amount of each such Preferred Unit (i.e., not pro-rated based on number of Units) and (y) 15% to the holders of Class A Common Units and Class B Common Units equally on a Per Unit Pro Rata Basis, until the Company has distributed pursuant to Section 5.3(a)(i) and this Section 5.3(a)(ii): (aa) in respect of each Series A Preferred Unit, an aggregate amount through the date of such distribution equal to the Series A Preference Amount; and (bb) in respect of each Series B Preferred Unit, an aggregate amount through the date of such distribution equal to the Series B Preference Amount.

(iii) Preferred Units Initial Catch-Up. Third, (x) 85% to the holders of Series A Preferred Units, Series B Preferred Units and Series C Preferred Units equally on a Per Unit Pro Rata Basis and (y) 15% to the holders of Class A Common Units and Class B Common Units equally on a Per Unit Pro Rata Basis, until the aggregate amount distributed with respect to each Preferred Unit, calculated on an as converted to Common Unit basis, pursuant to this Section 5.3(a)(iii) is equal to the aggregate amount distributed per Measurement Class A Common Unit pursuant to Section 5.3(a)(i), Section 5.3(a)(ii) and this Section 5.3(a)(iii).

(iv) Pro Rata All Units. Thereafter, any remaining amount, to the holders of Series A Preferred Units, Series B Preferred Units, Series C Preferred Units, Class A Common Units, and Class B Common Units, on a Per Unit Pro Rata Basis;

provided that, in respect of any distributions pursuant to Section 5.3(a)(i), Section 5.3(a)(ii), Section 5.3(a)(iii) and Section 5.3(a)(iv), any amounts not distributed to holders of Class B Common Units due to application of the applicable Threshold Amount as described in Section 5.3(a)(v) shall instead be distributed to the other holders of Units that would have received such distributions in accordance with Section 5.3(a) had such Class B Common Units never been issued.

(v) Threshold Amounts for Class B Common Units. Notwithstanding anything to the contrary in this Agreement, with respect to all Class B Common Units having a Threshold Amount, no distributions will be paid with respect to such Class B Common Units under this Section 5.3(a) or Section 5.3(c) until the aggregate amount of all distributions under this Section 5.3(a), Section 5.3(c)(iii) and Section 5.4 from and after the date of issuance of such Class B Common Units exceed the applicable Threshold Amount associated with such Class B Common Units (*i.e.*, Class B Common Units that were issued with different Threshold Amounts shall commence their pro rata participation under this Section 5.3(a) or Section 5.3(c)(iii) only once the aggregate amount of all distributions under this Section 5.3(a), Section 5.3(c)(iii) or Section 5.4 equals the applicable Threshold Amount with respect to such Class B Common Units). In the event the Threshold Amount in respect of an Initial Class B Common Unit has been reduced pursuant to Section 5.1(d) or otherwise in accordance with this Agreement such that the holder of such Initial Class B Common Unit would have participated in any amount of any prior distribution(s) made pursuant to this Article 5 had such reduction in such Threshold Amount occurred on or prior to the date of such distribution(s) (such amount with respect to an Initial Class B Common Unit, the "Initial Class B Common Unit Distribution Catch-Up Amount"), then, notwithstanding anything to the contrary in this Section 5.3(a) or Section 5.3(c), any distribution that would otherwise be made to the holders of Common Units under Section 5.3(a) or Section 5.3(c) shall first be made to the holders of each such Initial Class B Common Unit on a per Unit pro rata basis until the holder of each such Initial Class B Common Unit has received pursuant to this sentence, in respect of such Initial Class B Common Unit, an aggregate amount equal to the Initial Class B Common Unit Distribution Catch-Up Amount for such Initial Class B Common Unit.

(b) Fees and Expenses. For the avoidance of doubt, if any fees are paid, or expenses are paid or reimbursed, to a holder of Units or its Affiliates, such amounts shall not be considered distributions for any purpose under this Section 5.3 or otherwise hereunder.

(c) Dissolution and Liquidation or Deemed Liquidation Event. In the event of the dissolution, liquidation, merger or winding up of the Company, or any Deemed Liquidation Event, the assets of the Company shall be disbursed in the following order of priority:

(i) first, to make payment of all debts and liabilities owing to creditors and the expenses of dissolution or liquidation;

(ii) second, to establish such reserves as may be necessary for any contingent or unforeseen liabilities or obligations of the Company, as reasonably determined by the Board; and

(iii) thereafter, as follows:

A. Series C Preferred Units Liquidating Preference. First, 100% to the holders of Series C Preferred Units, on a pro rata basis in respect of each such Preferred Unit, until the Company has distributed pursuant to Section 5.3(a)(i) and this Section 5.3(c)(iii), in respect of each Series C Preferred Unit, an aggregate amount through the date of such distribution equal to the Series C Preference Amount.

B. Series A and Series B Preferred Units Liquidating Preference. Second, 100% to the holders of Series A Preferred Units and Series B Preferred Units, on a pro rata basis in respect of each such Preferred Unit in proportion to the relative Preference Amount of each such Preferred Unit (i.e., not pro-rated based on number of Units), until the Company has distributed pursuant to Section 5.3(a)(i), Section 5.3(a)(ii) and this Section 5.3(c)(iii): (x) in respect of each Series A Preferred Unit, an aggregate amount through the date of such distribution equal to the Series A Preference Amount; and (y) in respect of each Series B Preferred Unit, an aggregate amount through the date of such distribution equal to the Series B Preference Amount.

C. Preferred Units Catch-Up. Third, 100% to the holders of Series A Preferred Units, Series B Preferred Units and Series C Preferred Units equally on a Per Unit Pro Rata Basis until the aggregate amount distributed with respect to each Preferred Unit, calculated on an as converted to Common Units basis, pursuant to Section 5.3(a)(iii) and this Section 5.3(c)(iii)(C) is equal to the aggregate amount distributed per Measurement Class A Common Unit pursuant to Section 5.3(a)(i), Section 5.3(a)(ii) and Section 5.3(a)(iii).

D. Pro Rata All Units. Thereafter, any remaining amount to the Members in accordance with Section 5.3(a)(iv).

The Company shall not have the power to effect a Deemed Liquidation Event unless the applicable sale agreement or plan of merger or consolidation for such transaction provides that the consideration payable to the Members of the Company shall be allocated among the holders of Units in accordance with Section 5.3(c) hereof. Upon the occurrence of any Deemed Liquidation Event that would involve the distribution of assets other than cash, the amount of such distribution shall be deemed to be the fair market value thereof at the time of such distribution as determined in good faith by the Board, including at least a Preferred Director Majority. In the event of a Deemed Liquidation Event, if any portion of the consideration payable to the Members for the Units is payable only upon satisfaction of contingencies (the "Additional Consideration"), the applicable merger agreement or sale 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 Units in accordance with Section 5.3(c) 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 Members upon satisfaction of such contingencies shall be allocated among the holders of Units in accordance with Section 5.3(c) after taking into account the previous payment of the Initial Consideration as part of the same transaction. For the purposes of this Section 5.3(c), 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.

(d) Sale of the Company. In connection with any Company Unit Sale, each Member covenants and agrees that any agreement that such Member enters into with respect to such Company Unit Sale shall allocate the aggregate purchase price paid to all Members for their Units among each Member based on the amount that each Member would receive if the aggregate economic consideration payable in such Company Unit Sale were distributed pursuant to this Section 5.3 as if a Deemed Liquidation Event.

(e) In-Kind Distributions. If so directed by the Board, including at least a Preferred Director Majority, the Company may distribute the Company's assets to the Members in kind to the extent such assets consist of Capital Securities of Subsidiaries or other Persons that are, in each case, a corporation, in lieu of liquidating such assets, provided that (i) to the extent such assets consist of different Capital Securities, such assets shall be distributed to the Members so that as nearly as practicable each Member receives in accordance with Section 5.3(c) such Member's pro rata share of each different type of asset being distributed and (ii) if any assets of the Company are to be distributed in kind, the Capital Accounts of the Members shall be adjusted in accordance with Treasury Regulation Section 1.704-1(b)(2)(iv)(e) (pursuant to paragraph (iii) of the definition of "Profits" and "Losses" in Exhibit A), and such assets shall be distributed on the basis of the Gross Asset Value. The fair market value of such assets shall be that which is determined in good faith by the Board, including at least a Preferred Director Majority, and any Capital Securities to be distributed in such event shall be valued as follows:

(i) Capital Securities not subject to investment letter or other similar restrictions on free marketability covered by Section 5.3(e)(ii) hereof:

A. if traded on a securities exchange, the value shall be deemed to be the average of the closing prices of the securities on such exchange over the 30-day period ending three (3) Business Days prior to the closing;

B. if actively traded over-the-counter, the value shall be deemed to be the average of the closing bid or sale prices (whichever is applicable) over the 30-day period ending three (3) Business Days prior to the closing; and

C. if there is no active public market, the value shall be the fair market value thereof, as reasonably determined in good faith by the Board, including at least a Preferred Director Majority.

(ii) The method of valuation of Capital Securities subject to investment letter or other restrictions on free marketability (other than restrictions arising solely by virtue of a Member's status as an Affiliate or former Affiliate of the Company, if any) shall be to make an appropriate discount from the market value determined as provided in Section 5.3(e)(i), to reflect the adjusted fair market value thereof as reasonably determined in good faith by the Board, including at least a Preferred Director Majority.

(f) Former Members. Notwithstanding any provision of the Act, except as otherwise provided in this Agreement, no Person that ceases to be a Member of the Company shall be entitled to receive the fair value of such Person's interest in the Company prior to the dissolution and winding up of the Company.

5.4 Tax Distributions. On or before April 15th of each Fiscal Year, to the extent of any available cash, the Company shall distribute to each Member with respect to each Fiscal Year of the Company an amount of cash equal to the product of (a) the excess (if any) of the total amount of taxable income and gain of the Company over the total amount of losses, deductions (and credits, properly adjusted to equal the equivalent of a deduction) the Company allocated to the Member for such Fiscal Year for federal income tax purposes (as will be reflected on such Members' Schedule K-1 to the Company's IRS Form 1065) and taxable income and gain otherwise attributable to the Company and (b) the highest aggregate applicable federal and state individual

or corporate marginal tax rate applicable to any Member with respect to the type of income being taxed (adjusted for the deductibility of state and local taxes) (i.e., the same rate shall be applied to each Member). Distributions pursuant to this Section 5.4 shall be made periodically during a Fiscal Year to correspond (i) with the timing of any estimated tax payments to the U.S. Internal Revenue Service (or other taxing authority) required of the Members based on the estimation of the Company's net taxable income for the Fiscal Year and (ii) to the first due date of the income tax return of the Members (without regard to extensions) relating to such Fiscal Year. Notwithstanding the foregoing, (i) distributions payable to a Member for a Fiscal Year under this Section 5.4 shall be reduced by any distribution made to such Member under Section 5.3 with respect to such Fiscal Year such that no distributions shall be made pursuant to this Section 5.4 if distributions made with respect to a Fiscal Year under Section 5.3 exceed the distributions otherwise payable to a Member pursuant to this Section 5.4, and (ii) distributions made under this Section 5.4 to a Member shall be treated as advances against subsequent distributions otherwise payable to such Member pursuant to Section 5.3.

5.5 Withholding. Each Member hereby authorizes the Company to withhold from or pay on behalf of or with respect to such Member any amount of federal, state, local or foreign taxes that the Board determines the Company is required to withhold or pay with respect to any amount distributable or allocable to such Member pursuant to this Agreement. Any Imputed Underpayment shall be treated as if it were paid by the Company as a withholding tax with respect to the appropriate Members. The Board shall reasonably determine the portion of an Imputed Underpayment attributable to each Member or former Member, taking into account the economic arrangement of this Agreement and the identity and tax characteristics of the Members consistent with Section 5.7. The portion of the Imputed Underpayment that the Board attributes to a Member shall be treated as a withholding tax with respect to such Member. The portion of the Imputed Underpayment that the Board attributes to a former Member of the Company shall be treated as a withholding tax with respect to both such former Member and such former Member's transferee(s) or assignee(s), as applicable, and the Board may in its discretion exercise the Company's rights pursuant to this Section 5.5 in respect of either or both of the former Member and its transferee or assignee. Any Imputed Underpayment treated as withholding tax also shall include any Imputed Underpayment by any entity treated as a partnership for U.S. federal income tax purposes in which the Company holds (or has held) a direct or indirect interest other than through entities treated as corporations for U.S. federal income tax purposes to the extent that the Company bears the economic burden of such amounts, whether by law or agreement. The amount of any such taxes paid by or withheld from direct or indirect receipts of the Company will be allocated among the Members as determined in good faith by the Board, in accordance with applicable law. All amounts withheld pursuant to the Code or any provision of tax laws with respect to any payment or distribution to the Members from the Company shall, at the option of the Board, (a) be treated as amounts distributed to the Member or Members subject to such withholding obligation in accordance with this Agreement and, accordingly, shall be credited to each Member as if such Member had received such distribution in accordance with Section 5.3(a), or (b) constitute a loan by the Company to such Member, which loan shall be repaid by such Member within 15 days after notice from the Company that such payment must be made unless: (i) the Company withholds such payment from a distribution that would otherwise be made to the Member or (ii) the Board determines in its sole discretion that such payment may be satisfied out of amounts determined by the Board to be available therefor which would, but for such payment, be distributed to the Member.

5.6 Allocations and Distributions to Assignees. For purposes of this Article 5 (other than Section 5.7), "Member" shall be understood to mean each Member and each Assignee (and/or any successor, executor, administrator, trustee or receiver, as applicable).

5.7 Tax Matters Partner.

(a) The Board shall appoint a Member to be the "tax matters partner" of the Company (the "Tax Matters Partner") for purposes of Section 6231(a)(7) of the Code for the year ended December 31, 2017. The Tax Matters Partner is hereby authorized to and shall perform all duties of a "tax matters partner" under the Code and shall serve as Tax Matters Partner until his, her or its resignation or until the designation of his, her or its successor, whichever occurs sooner; provided, however, that the Tax Matters Partner shall take any action, and refrain from taking any action, as directed by the Board; provided, further, that the Tax Matters Partner shall not settle any Audit (as defined below) or take any other action, or refrain from taking any action, without the consent of a 10% Member, if such settlement, action or inaction could have a disproportionate adverse effect on such 10% Member, when compared to other holders of Membership Interests.

(b) For taxable years ending after December 31, 2017, the Board shall appoint a person to be the "partnership representative" of the Company (the "Partnership Representative") within the meaning of Section 6223(a) of the Code (as in effect under the Budget Act). The Partnership Representative shall have sole authority to act on behalf of the Company for purposes of subchapter C of Chapter 63 of the Code and any comparable provisions of state or local income tax laws and shall serve as the Company's "partnership representative" until his, her or its resignation or until the designation of his, her or its successor, whichever occurs sooner; provided, however, that the Partnership Representative shall take any action, and refrain from taking any action, as directed by the Board; provided, further, that the Partnership Representative shall not settle any Audit (as defined below) or take any other action, or refrain from taking any action, without the consent of a 10% Member, if such settlement, action or inaction could have a disproportionate adverse effect on such 10% Member, when compared to other holders of Membership Interests. The Partnership Representative shall keep the Members fully and timely informed by written notice of the commencement of any material tax audit, investigation, claim, controversy or other proceedings involving the Company (each an "Audit"), as well as the material developments and status of any Audit, and shall notify the Members, in writing, within ten (10) days of receiving a notice of final partnership adjustment (or equivalent under applicable laws) or a final decision of a court or U.S. Internal Revenue Service Appeals panel (or equivalent body under applicable laws). Upon the written request of a Member, the Partnership Representative and the Company shall promptly provide such Member with copies of all material correspondence between the Company or the Partnership Representative, on the one hand, and any tax authority or tribunal, on the other hand, in connection with such Audit. Notwithstanding the foregoing, the obligations of the Partnership Representative and the Company to inform the Members and provide copies of correspondence shall not extend to routine or minor events.

(c) In the event that the Company intends to make any election under Section 6221(b) or Section 6226 of the Code (as enacted by the Budget Act), the Company and the Partnership Representative shall notify the Members in writing of such intention at least ten (10) Business Days prior to the making of any such election.

(d) The Members agree that, upon the Partnership Representative's request, they shall (i) provide the Partnership Representative with information regarding their individual tax returns and liabilities that may be necessary under Section 6225(c) of the Code (as enacted by the Budget Act) or other state or local rule and, (ii) in the event that failure of a Member to file amended tax returns as provided in Section 6225(c) of the Code (as enacted by the Budget Act) or the applicable state or local laws, with timely payment of any tax due, in each case, would create a material burden on the Company, then such Member shall file amended tax returns as provided in Section 6225(c) of the Code (as enacted by the Budget Act) or the applicable state or local laws, with timely payment of any tax due; provided that such Member may, upon written notice to the Company, elect to not file such amended tax returns and hereby agrees that, in any such case, such Member shall promptly, upon notice from the Company, reimburse the Company for the full amount of any imputed underpayment related thereto and all direct related costs of the Company and its Affiliates. Such obligations will continue with respect to each Member until such Member is released in writing by the Company from such obligation, even if such Member ceases to be a Member. If any Member ceases to be a Member, such Member shall keep the Company advised of its contact information until released in writing by the Company from such obligation.

ARTICLE 6

MANAGEMENT OF COMPANY

6.1 Management by Board of Directors.

(a) Except for situations in which the approval of one or more Members is expressly required by this Agreement (including Section 6.4) or by nonwaivable provisions of applicable law, (i) the powers of the Company, including converting the Company into a corporation as contemplated by Article 8 and in accordance with Section 265 of the Delaware General Corporation Law, shall be exercised by or under the authority of, and the business and affairs of the Company shall be managed under the direction of, a Board and (ii) the Board may make all decisions and take all actions for the Company not otherwise provided in this Agreement.

(b) There shall initially be four (4) Directors (who need not be Members) immediately upon the effectiveness of this Agreement: (i) Anthony Y. Sun, M.D.; (ii) Cam Gallagher; (iii) Karan Takhar; and (iv) David Goel (the "Initial Board"). On or following the Effective Date, in accordance with the Voting Agreement, the Initial Board shall appoint an additional director, who shall be a Series C Director under the Voting Agreement. From and after the appointment of such additional director, there shall be five (5) Directors (who need not be Members) who shall be appointed, approved, elected, replaced and/or removed in accordance with the Voting Agreement; provided that the authorized number of Directors constituting the Board may be increased or decreased from time to time in accordance with this Agreement and the Voting Agreement.

(c) No Liability for Nomination, Appointment or Election of Directors. No Member, nor any Affiliate of any Member, shall have any liability as a result of designating a person for election as a Director for any act or omission by such designated person in his or her capacity as a Director, nor shall any Member have any liability as a result of voting for any such designee in accordance with the provisions of this Agreement and the Voting Agreement.

(d) Compensation of Directors. Unless otherwise restricted by this Agreement, the Board shall have the authority to fix the compensation of Directors. The Directors may be paid their reasonable expenses, if any, of attendance at each meeting of the Board and may be paid a fixed sum for attendance at each meeting of the Board or a stated salary as Director. No such payment shall preclude any Director from serving the Company in any other capacity and receiving compensation therefor. Members of Committees of the Board may be allowed like compensation for attending Committee meetings.

(e) Chairperson of the Board of Directors. The Board may designate one of its members to serve as chairperson of the Board (the "Chairperson of the Board"), and if so, the Chairperson of the Board shall, if present, preside at all meetings of the Board, and exercise and perform such other powers and duties as may be from time to time assigned to him or her by the Board or prescribed by this Agreement. The Board hereby designates Anthony Y. Sun, M.D., as the initial Chairperson of the Board as of the Effective Date.

6.2 Meetings of Board of Directors.

(a) The Company shall call and hold meetings of the Board in accordance with this Agreement. Regular meetings of the Board may be held without notice at such time and place as shall from time to time be determined by the Board and at least quarterly, unless otherwise approved by the affirmative vote of a majority of the members of the Board. Special meetings of the Board may be called by the President on forty-eight (48) hours' notice to each Director in accordance with Section 12.8; special meetings of the Board shall be called by the Chairperson of the Board, President or the Secretary in like manner and on like notice on the written request of a majority of the Directors unless the Board consists of only one Director; in which case special meetings shall be called by the Chairperson of the Board, President or Secretary in like manner or on like notice on the written request of the sole Director.

(b) At all meetings of the Board a majority of the then-authorized number of Directors shall be necessary and sufficient to constitute a quorum (a "Quorum") for the transaction of business, and the vote of a majority of the Directors present at any meeting at which there is a Quorum, shall be the act of the Board, except as may be otherwise specifically provided by this Agreement; provided that, if only one Director is authorized, such sole Director shall constitute a Quorum. If a Quorum shall not be present at any meeting of the Board, the Directors present at such meeting may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a Quorum shall be present.

(c) Unless otherwise restricted by this Agreement, any action required or permitted to be taken at any meeting of the Board or of any Committee may be taken without a meeting, if all then-existing members of the Board or such Committee, as the case may be, consent thereto in writing or by electronic transmission and the writing or writings or electronic transmission or transmissions are filed with the minutes of proceedings of the Board or such Committee.

(d) Unless otherwise restricted by this Agreement, members of the Board, or any Committee, may participate in a meeting of the Board, or any such Committee, by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at such meeting.

6.3 Committees of the Board. The Board may, by resolution passed by a majority of the whole Board, designate one or more committees of the Board (each, a "Committee"), each such Committee to consist of one or more of the Directors; provided that, any Series B Director or Series C Director may elect to serve on any Committee. 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 of a Committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or she or they constitute a quorum, may unanimously appoint another member of the Board 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, shall have and may exercise all the powers and authority of the Board in the management of the business and affairs of the Company; but no such Committee shall have the power or authority in reference to amending the Certificate of Formation, amending this Agreement, adopting an agreement of merger or consolidation, recommending to the Members the sale, lease or exchange of all or substantially all of the Company's property and assets, recommending to the Members a dissolution of the Company or a revocation of a dissolution; and, unless the resolution designating such Committee expressly so provides, no such Committee shall have the power or authority to make any distribution pursuant to this Agreement or to authorize the issuance of any Unit(s). Each Committee shall keep regular minutes of its meetings and report the same to the Board when required by the Board.

6.4 Powers of Members; Consents of Members.

(a) Members. Except as otherwise provided in this Agreement or the other Governing Documents or required by the Act, (i) no Member, Members, Assignee or Assignees (or other Person or Persons) other than members of the Board acting as Directors under the authority of this Agreement and persons authorized by the Board in accordance with Section 6.3 and Section 6.7 acting under the authority of the Board (and not in their respective capacities as Members, if any), shall have the power to act for or on behalf of, or to bind, the Company, and (ii) no Member or Assignee shall have the right to vote upon or consent to any matter, including any matter that would otherwise be the subject of a vote pursuant to Section 18-209 of the Act or any other provision of the Act. No Member or Assignee shall take any action in the name of or on behalf of the Company, including assuming any obligation or responsibility on behalf of the Company, unless such action, and the taking thereof by such Member or Assignee, shall have been expressly authorized by the Board in writing or shall be expressly and specifically authorized by this Agreement.

(b) Member Voting. Except as otherwise expressly provided in this Agreement the other Governing Documents, any action to be taken by the Members shall be taken by the Members holding a majority of the Voting Units then outstanding, voting as a single class. Whenever the consent of Members or any group thereof is required, such consent shall be evidenced by a writing setting forth such consent and executed by the Members holding at least the number of Units necessary for such consent to be effected.

(c) Consent of Preferred Members. For as long as any Preferred Units remain outstanding, the Company 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 this Agreement) the Company's receipt of written consent of a Preferred Majority, given in writing or by vote at a meeting, and any such act or transaction entered into without such consent or vote shall be null and void *ab initio*, and of no force or effect:

(i) enter into or commence any Deemed Liquidation Event;

(ii) commence any bankruptcy, liquidation, winding-up or dissolution of the Company or its Subsidiaries or any general assignment to the Company's or its Subsidiaries' respective creditors or any similar transaction, or consent to any of the foregoing;

(iii) sell, lease, transfer, exclusively license or otherwise dispose of (or permit any Subsidiary to sell, lease, transfer, exclusively license or otherwise dispose of) any assets of the Company or its Subsidiaries outside of the ordinary course of business or in excess of $1,000,000 in the aggregate in any sale or transaction or series of related sales or transactions, and which are not part of an Approved Sale; provided, however, that no such Preferred Majority consent shall be required in respect of (1) transactions among any of the Company and its Subsidiaries or (2) transactions expressly contemplated by Section 12.25;

(iv) Enter into any joint venture or partnership with any Person, or making loans to or other investments in another Person; provided, however, that no such Preferred Majority consent shall be required in respect of (1) transactions among any of the Company and its Subsidiaries or (2) transactions expressly contemplated by Section 12.25;

(v) (A) any incurrence (or related incurrences) of indebtedness by the Company or any of its Subsidiaries or any guarantee made by the Company or any of its Subsidiaries, and (B) any amendment, modification, or extension of, or suspension of performance under any agreement documenting the foregoing, in the case of each of the foregoing clauses (A) and (B) other than the incurrence of indebtedness or any guarantee made in an aggregate principal amount for all such indebtedness and guarantees (including the principal amount of all payment and performance guarantees) not to exceed $1,000,000 on a cumulative basis, or in connection with any amendment, modification, or extension of, or suspension of performance under any agreement documenting the foregoing (it being understood that any such amendment or modification to increase the amount of such indebtedness or guarantee is subject to the foregoing $1,000,000 cumulative cap);

(vi) consummate any public offering of the Company, the IPO Corporation or any Subsidiary, other than a Qualified IPO;

(vii) purchase or redeem (or permit any Subsidiary to purchase or redeem) or pay or declare any dividend or make any distribution on, any Units or Membership Interest of the Company (including distributions in accordance with Section 5.3) other than (i) distributions in accordance with Section 5.4, (ii) dividends or other distributions payable on the

Class A Common Units and/or Class B Common Units solely in the form of additional Class A Common Units, or (iii) Class A Common Units or Class B Common Units repurchased from or forfeited by former employees, officers, consultants or directors of the Company or any Subsidiary in connection with cessation of services pursuant to Vesting Agreements at the lesser of cost and fair market value or Units purchased or redeemed as otherwise specifically provided for herein or in the ROFR/Co-Sale Agreement;

(viii) create, or hold Capital Securities in, (or permit any Subsidiary to create, or hold Capital Securities in) any Subsidiary that is not wholly owned (either directly or through one or more other Subsidiaries) by the Company, or sell, transfer or otherwise dispose of (or permit any Subsidiary to sell, transfer or otherwise dispose of) any Capital Securities of any direct or indirect Subsidiary of the Company (other than to one or more other direct or indirect Subsidiaries);

(ix) increase the aggregate number of Common Units authorized and/or reserved for issuance as Class B Common Units or profits interests of any type, or issue or grant any other equity incentive compensation other than pursuant to any applicable Class B Common Unit Plan and this Agreement; and

(x) amend, alter, repeal or waive this Section 6.4(c).

(d) Consent of Series A Preferred Units. In addition, for as long as there are any Series A Preferred Units outstanding following the Effective Date, the Company 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 this Agreement) the approval of the Members holding a majority of Series A Preferred Units then outstanding, each voting as a separate class on an as converted to Common Units basis, given in writing or by vote at a meeting, and any such act or transaction entered into without such consent or vote shall be null and void *ab initio*, and of no force or effect:

(i) amend, amend and restate or otherwise modify this Agreement and/or any Award Agreement in any manner that would adversely amend, alter, affect, repeal, change, or waive any of the powers, preferences, privileges or rights of the Series A Preferred Units, or the Series A Preferred Units as a class;

(ii) create, authorize or issue, after the Effective Date, any additional Series A Preferred Units; and

(iii) amend, alter, repeal or waive this Section 6.4(d).

(e) Consent of Series B Preferred Units. In addition, for as long as there are any Series B Preferred Units outstanding following the first issuance of any Series B Preferred Units, the Company 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 this Agreement) the approval of the Members holding a majority of Series B Preferred Units then outstanding, voting as a separate class on an as converted to Common Units basis, given in writing

or by vote at a meeting, and any such act or transaction entered into without such consent or vote shall be null and void *ab initio*, and of no force or effect:

(i) amend, amend and restate or otherwise modify this Agreement and/or any Award Agreement in any manner that would adversely amend, alter, affect, repeal, change, or waive any of the powers, preferences, privileges or rights of the Series B Preferred Units, or the Series B Preferred Units as a class;

(ii) create, authorize or issue, after the Effective Date, any additional Series B Preferred Units;

(iii) increase or decrease the authorized number of Directors constituting the Board or otherwise alter the composition of the Board, except as permitted under the Voting Agreement;

(iv) create, authorize or issue, after the Effective Date, other than pursuant to the Series C Purchase Agreement, any other Membership Interests (of any existing or newly created class) or equity securities of any Subsidiary of the Company, in each case, senior to or *pari passu* with the Series B Preferred Units in respect of distributions on the liquidation, dissolution or winding up of the Company or a Deemed Liquidation Event or the payment of distributions or rights of redemption; and

(v) amend, alter, repeal or waive this Section 6.4(e).

(f) Consent of Series C Preferred Units. In addition, for as long as there are any Series C Preferred Units outstanding following the first issuance of any Series C Preferred Units, the Company 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 this Agreement) the approval of the Members holding a majority of Series C Preferred Units then outstanding, voting as a separate class on an as converted to Common Units basis, given in writing or by vote at a meeting, and any such act or transaction entered into without such consent or vote shall be null and void *ab initio*, and of no force or effect:

(i) amend, amend and restate or otherwise modify this Agreement and/or any Award Agreement in any manner that would adversely amend, alter, affect, repeal, change, or waive any of the powers, preferences, privileges or rights of the Series C Preferred Units, or the Series C Preferred Units as a class;

(ii) create, authorize or issue, after the Effective Date, other than pursuant to the Series C Purchase Agreement, any additional Series C Preferred Units;

(iii) increase or decrease the authorized number of Directors constituting the Board or otherwise alter the composition of the Board, except as permitted under the Voting Agreement;

(iv) create, authorize or issue, after the Effective Date, other than pursuant to the Series C Purchase Agreement, any other Membership Interests (of any existing or newly created class) or equity securities of any Subsidiary of the Company, in each case, senior to

or *pari passu* with the Series C Preferred Units in respect of distributions on the liquidation, dissolution or winding up of the Company or a Deemed Liquidation Event or the payment of distributions or rights of redemption;

(v) enter into or commence any Deemed Liquidation Event if any Series C Preferred Unit would receive, in connection with such Deemed Liquidation Event, distributions or other amounts, together with all prior distributions from the Company to such Series C Preferred Unit, less than the Series C Preference Amount; and

(vi) amend, alter, repeal or waive this Section 6.4(f).

(g) In connection with the giving or withholding of any such consent pursuant to this Section 6.4, (i) no Member shall have any duty (fiduciary or otherwise) to give any consideration to any interest of or factors affecting the Company or the other Members and (ii) each Member shall (A) be entitled to consider only such interests and factors as such Member elects (whether or not such interests conflict with the interests of the Company or any other Member) and (B) have no duty to disclose any such real, perceived or potential conflicts.

(h) Any Member may authorize any Authorized Person(s) to act for him, her or it by proxy on all matters in which such Member is entitled to participate, including waiving notice of any meeting, or voting or participating at a meeting. Every proxy must be signed by such Member or its attorney-in-fact. Every proxy, other than an irrevocable proxy, shall be revocable at the pleasure of the Member executing it.

6.5 Insurance. The Company shall obtain and maintain, from financially sound and reputable insurers, Directors and Officers liability insurance and term "key-person" insurance on Anthony Y. Sun, M.D., each in an amount and on terms and conditions satisfactory to the Board, including at least a Preferred Director Majority, and will use commercially reasonable efforts to cause such insurance policies to be maintained until such time as the Board determines that such insurance should be discontinued. The key-person policy shall name the Company as loss payee, and neither policy shall be cancelable by the Company without prior approval by the Board, including at least a Preferred Director Majority.

6.6 Duties of Directors and Members. The Directors shall owe the same fiduciary duty to the Company, the Members and Assignees as directors of a corporation owe to such corporation and its stockholders under Delaware law. The Members and Assignees shall have no duties, fiduciary or otherwise, to the Company or any other Member or Assignee, in each case, other than to comply with the contractual covenant of good faith and fair dealing in complying with any contractual obligations applicable hereunder in accordance with Section 18-1101(e) of the Act. Other than as expressly and specifically provided herein, it is not intended that any provision or principle of the General Corporation Law of the State of Delaware (or any successor statute thereto) be incorporated into this Agreement. Without limiting the generality of the foregoing, except as expressly and specifically provided herein, the applicability of the General Corporation Law of the State of Delaware (or any successor statute thereto), or any provision thereof, is hereby disclaimed.

6.7 Officers.

(a) Officers Generally. The Board may, from time to time, delegate to one or more individuals (each an "Officer") such authority and duties as the Board deems advisable, and such individuals shall owe the same fiduciary duty to the Company, the Members and the Assignees as officers of a corporation owe to such corporation and its stockholders under Delaware law. In addition, the Board may assign titles to Officers and, unless the Board decides otherwise, the assignment of such title shall constitute the delegation to such Officer of the authority and duties that are normally associated with that office. Any delegation pursuant to this Section 6.7 may be revoked at any time by the Board, in its sole and absolute discretion. The officers of Company shall include a President and a Secretary. The Company may also have at the discretion of the Board such other officers as are desired, including a Vice-Chairperson of the Board, a Chief Executive Officer, a Chief Financial Officer or Treasurer, one or more Vice Presidents, one or more Assistant Secretaries and Assistant Treasurers, and such other officers as may be appointed in accordance with the provisions of Section 6.7(c). In the event there are two or more Vice Presidents, then one or more may be designated as Executive Vice President, Senior Vice President, or other similar or dissimilar title. At the time of the election of Officers, the Directors may by resolution determine the order of their rank. Any number of offices may be held by the same person, unless this Agreement otherwise provides.

(b) Initial Officers. The Board hereby designates the following initial Officers as of the Effective Date:

Name	**Officer Title**
Anthony Y. Sun, M.D.	President and Chief Executive Officer
Cam Gallagher	Secretary

(c) Subordinate Officers. The Board may appoint such other Officers and agents as it shall deem necessary who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board.

(d) Compensation of Officers. The salaries and other material compensation, including, but not limited to, equity compensation and bonuses, of all Officers of the Company shall be fixed by the Board.

(e) Term of Office; Removal; Vacancies. The Officers shall hold office until their respective successors are chosen and qualify in their stead. Any officer elected or appointed by the Board may be removed at any time by the affirmative vote of a majority of the Board. If the office of any officer or officers becomes vacant for any reason, the vacancy shall be filled by the Board.

(f) President. The office of President of the Company is hereby established. Subject to such supervisory powers, if any, as may be given by the Board to the Chairperson of the Board, the President shall be the Chief Executive Officer of the Company and shall, subject to the control of the Board, have general supervision, direction and control of the business and officers of the Company. In the absence of the Chairperson of the Board, the President shall preside at all meetings of the Board. He or she shall be an ex-officio member of all Committees

and shall have the general powers and duties of management usually vested in the office of President and Chief Executive Officer of corporations, and shall have such other powers and duties as may be prescribed by the Board or this Agreement.

(g) Vice Presidents. The Board may establish office(s) of the Vice President(s) of the Company. In the absence or disability of the President, the Vice Presidents (if any) in order of their rank as fixed by the Board, or if not ranked, the Vice President designated by the Board, shall perform all 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 have such other duties as from time to time may be prescribed for them, respectively, by the Board.

(h) Secretary. The office of Secretary of the Company is hereby established. The Secretary shall attend all sessions of the Board and all meetings of the Members and record all votes and the minutes of all proceedings in a book to be kept for that purpose; and shall perform like duties for the Committees when required by the Board. He or she shall give, or cause to be given, notice of all meetings of the Members and of the Board, and shall perform such other duties as may be prescribed by the Board or this Agreement.

(i) Assistant Secretary. The Board may establish office(s) of the Assistant Secretary(ies) of the Company. The Assistant Secretary (if any), or if there be more than one, the Assistant Secretaries in the order determined by the Board, or if there be no such determination, the Assistant Secretary designated by the Board, shall, in the absence or disability of the Secretary, perform the duties and exercise the powers of the Secretary and shall perform such other duties and have such other powers as the Board may from time to time prescribe.

(j) Chief Financial Officer; Treasurer. The Board may establish office of the Chief Financial Officer or Treasurer of the Company. The Chief Financial Officer or Treasurer (if any) shall have the custody of the Company funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Company and shall deposit all moneys, and other valuable effects in the name and to the credit of the Company, in such depositories as may be designated by the Board. He or she shall disburse the funds of the Company as may be ordered by the Board, taking proper vouchers for such disbursements, and shall render to the Board, at its regular meetings, or when the Board so requires, an account of all his or her transactions as Chief Financial Officer or Treasurer, as applicable, and of the financial condition of the Company. If required by the Board, he or she shall give the Company a bond, in such sum and with such surety or sureties as shall be satisfactory to the Board, for the faithful performance of the duties of his or her office and for the restoration to the Company, in case of his or her death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his or her possession or under his or her control belonging to the Company.

(k) Assistant Treasurer. The Board may establish office(s) of the Assistant Treasurer(s) of the Company. The Assistant Treasurer (if any), or if there shall be more than one, the Assistant Treasurers in the order determined by the Board, or if there be no such determination, the Assistant Treasurer designated by the Board, shall, in the absence or disability of the Chief Financial Officer or Treasurer, perform the duties and exercise the powers of the Chief Financial Officer or Treasurer and shall perform such other duties and have such other powers as the Board may from time to time prescribe.

6.8 Reliance by Third Parties. Any Person dealing with the Company, a Director or any Officer may rely upon a certificate signed by a Director or any Officer as to:

(a) The identity of the Directors, any Member, any Assignee or any Officer;

(b) The existence or non-existence of any fact or facts which constitute a condition precedent to acts by the Directors or Officers or in any other manner germane to the affairs of the Company;

(c) The Persons who are authorized to execute and deliver any instrument or document for or on behalf of the Company; or

(d) Any act or failure to act by the Company or as to any other matter whatsoever involving the Company, any Director, any Member, any Assignee or any Officer (in each case in relation to this Agreement or the business of the Company).

ARTICLE 7

GENERAL RESTRICTIONS ON TRANSFER; ADMISSION OF NEW MEMBERS; RIGHT OF FIRST REFUSAL; SPECIAL REPURCHASE

7.1 General Restrictions on Transfer.

(a) Except as otherwise provided elsewhere in this Agreement, no Member or Assignee may Transfer all or any part of the Units held by it to any Person except in compliance with the provisions of this Article 7, the Investor Rights Agreement (as applicable to any Member or Assignee subject to such agreement and to the extent such agreement is in effect at the time of the proposed Transfer), the ROFR/Co-Sale Agreement (as applicable to any Member or Assignee subject to such agreement and to the extent such agreement is in effect at the time of the proposed Transfer) and any Vesting Agreement to which such Units may be subject at the time of such proposed Transfer. Any transferee of Units transferred in compliance with such agreements must, as a condition to such Transfer, agree in writing to be bound by the terms of this Agreement in the same manner as the Member or Assignee, as applicable, from which such Person acquired the Units was bound.

(b) The Company shall not be required to recognize any Transfer of Units until the instrument conveying such Units, in form and substance reasonably satisfactory to the Company has been delivered to the Company at its principal office for recordation on the books of the Company. The Company shall be entitled to treat the record owner of any Units as the absolute owner thereof in all respects, and shall incur no liability for distributions of cash or other property made in good faith to such owner until such time as the instrument conveying such Units, in form and substance reasonably satisfactory to the Company, has been received and accepted by the Company and recorded on the books of the Company.

(c) Notwithstanding anything to the contrary contained in this Agreement, no Transfer of Units by a Member shall be made without prior approval thereof by the Board if the Company is advised by its counsel that such assignment (i) may not be effected without registration under the Securities Act, (ii) would result in the violation of any applicable state securities laws, (iii) would result in a termination of the Company under Section 708 of the Code or otherwise cause material adverse tax consequences to the Company or the Members or (iv) would result in the treatment of the Company as an association taxable as a corporation, or as a "publicly traded partnership" within the meaning of Section 7704 of the Code.

7.2 Admission of Additional Members. Subject to obtaining any Member approvals required under Section 6.4(c), Section 6.4(d), Section 6.4(e) or Section 6.4(f) as applicable, the Board may, subject to the preemptive rights set forth in the Investor Rights Agreement, authorize and cause the Company to issue additional Units, including any existing or new class or series of Units, on terms, including relative rights and preferences, to be set forth in an amendment to or an amendment and restatement of this Agreement, such amendment or amendment and restatement in a form approved by the Board and by the Members as required under Section 6.4 and Section 12.14, as the Board shall deem necessary or appropriate in connection with the authorization and issuance of such additional Units. No Person acquiring any such additional Units that is not currently a Member shall be admitted as a Member unless such Person shall execute and deliver a counterpart of this Agreement, upon which delivery such Person shall be admitted to the Company as a Member (an "Additional Member"). Notwithstanding anything to the contrary herein, Unvested Units issued as of the Effective Date may vest in accordance with the applicable Unit Agreement, and any such vesting shall not constitute issuance of a Membership Interest in the Company.

7.3 Allocations Between Assignor and Assignee. If a Member Transfers Units in accordance with this Agreement, each other Governing Document and/or any Vesting Agreement, as applicable, then the transferor and transferee shall each be entitled to distributions and allocations as hereafter provided in this Section 7.3. Unless the transferor and transferee shall agree otherwise and so provide in an instrument of assignment pursuant to which such transfer is effected that is satisfactory to the Board, in its sole discretion, and provide the Company with a copy thereof at the time of such transfer, distributions shall be made to the Person owning the Units at the date of distribution and Profits and Losses shall be allocated between the transferor and transferee by taking into account their varying interests during the period in accordance with Section 706(d) of the Code, using any conventions permitted by law and selected by the Board.

7.4 Rights of Assignees.

(a) Rights of Transferees. Until such time, if any, as a transferee of any permitted Transfer pursuant to this Article 7 is admitted to the Company as a Substitute Member pursuant to Section 7.5: (i) such transferee shall be an Assignee with an Economic Interest only, and only shall receive from the Company, to the extent Transferred, the distributions and allocations of income, gain, loss, deduction, credit, or similar items to which the Member which Transferred its Economic Interest would be entitled, (ii) such Assignee shall not have any right or interest greater than that of the Membership Interest from which its Economic Interest is derived, (iii) such Assignee shall be subject to all of the obligations of, and restrictions applicable to, the Membership Interest (or portion thereof) from which its Economic Interest is derived (including any capital contribution

obligations) (*provided that*, until such time as such Assignee is admitted to the Company as a Substitute Member pursuant to this Agreement, the transferring Member shall not be released from its obligations to make capital contributions should the Assignee fail to meet such obligations in a timely manner, nor shall the transferring Member otherwise be relieved of any of the obligations or restrictions applicable to it hereunder), (iv) such Assignee shall have a separate Capital Account, which Capital Account shall be maintained in a manner consistent with this Agreement, and (v) such Assignee shall not be entitled or enabled to exercise any other rights or powers of a Member (including any rights to vote or participate in the management of the Company or any right to information concerning the business and affairs of the Company), such other rights relating to, or in connection with, such Membership Interest, remaining with the Transferring Member. In such a case, the Transferring Member shall remain a Member even if it has Transferred its entire Economic Interest to one or more Assignees until such time as each Assignee is admitted to the Company as a Substitute Member pursuant to Section 7.5.

(b) General. An Assignee shall hold only an Economic Interest and shall not be a member of the Company for Delaware state law purposes. In the event any Assignee desires to make an assignment of any Economic Interest in the Company, such Assignee shall be subject to all of the provisions of this Agreement to the same extent and in the same manner as any Member desiring to make such an assignment and such Assignee's successors and assigns shall acquire only an Economic Interest. Wherever the term "Member" is used in this Agreement in connection with any restriction, obligations, representation or warranty applicable to a Member, such restriction, obligation, representation or warranty shall apply to an Assignee, and an Assignee shall be subject (in respect of its Economic Interest) to all of the obligations of, and restrictions applicable to, the Membership Interest (or portion thereof) from which it derives.

7.5 Admission of Assignees as Substitute Members.

(a) An Assignee shall become a Substitute Member only if and when each of the following conditions is satisfied:

(i) such Assignee sends written notice to the Board requesting the admission of such Assignee as a Substitute Member and setting forth the name and address of such Assignee, the Units transferred, and the effective date of the Transfer; and

(ii) the Company receives from such Assignee (A) such representations and other information concerning such Assignee's financial capacities and investment experience as the Company may reasonably request, (B) an executed counterpart to this Agreement and (C) other written instruments (including copies of any instruments of Transfer and confirmation that such Assignee is able to and does make each of the representations set forth in Section 12.16) that are in a form reasonably satisfactory to the Company.

(b) Upon the admission of any Substitute Member, the Board or an Officer shall cause the books and records of the Company to be amended to reflect the name, address and initial Units of such Substitute Member and to eliminate or adjust, if necessary, the name, address and then-current Units of the predecessor of, or the Member Transferring Units to, such Substitute Member.

7.6 Right of First Refusal.

(a) Restriction On Transfer. No Member or Assignee shall Transfer any Common Units (other than Common Units converted from Preferred Units in accordance with this Agreement) owned by such Person unless such Person previously complied with all provisions of this Section 7.6. Any Transfer not made in accordance with this Section 7.6 shall be void, and the Company shall not treat the transferee of such Units in such transaction as a Member for any purpose.

(b) Notice Requirement. If a Member seeks to Transfer any Common Units (other than Common Units converted from Preferred Units in accordance with this Agreement), whether voluntarily or involuntarily, such Member (the "Offering Member") shall first give simultaneous written notice of such intention ("Notice of Transfer") to the Board. The Notice of Transfer shall specify the number and type of Common Units to be transferred (the "Offered Units"), and state the price and all other terms of the proposed transaction. The Notice of Transfer shall constitute an irrevocable offer to sell the Offered Units during the periods described below in this Section 7.6.

(c) Option of the Company. For twenty-five (25) days following the delivery of a Notice of Transfer (the "Option Period"), the Company shall have an irrevocable right to purchase all or a portion of the Offered Units in accordance with the terms stated in the Notice of Transfer. Such right may be exercised by a written notice from the Company to the Offering Member (the "Company Notice"), stating that the Company desires to purchase the Offered Units and tendering the purchase price therefor. Such Company Notice and the purchase price for the Offered Units shall be delivered to the Offering Member before expiration of the Option Period. Failure by the Company to so respond within the Option Period to the Notice of Transfer shall be deemed an irrevocable waiver by the Company of its right in this Section 7.6(c) to acquire the Offered Units. The Company shall effect the purchase of the Offered Units, including payment of the purchase price, not more than five (5) business days after delivery of the Company Notice, and at such time the Offering Member shall deliver to the Company certificate(s) representing the Offered Units to be purchased by the Company (if any), each certificate to be properly endorsed for transfer. Any Common Unit so purchased by the Company shall thereupon be cancelled and cease to be issued and outstanding Units.

(d) Special Provisions Regarding Exchanges. If the Notice of Transfer specifies consideration other than cash, then the Offered Units may be purchased in cash for the fair market value of such property, as determined in good faith by the Board, including at least a Preferred Director Majority. In the event that the Board decides to hire an independent appraiser in connection with such determination, all expenses for such independent appraiser shall be borne by the Offering Member.

(e) Effect of Purchase. For purposes of Section 7.6(c), the purchase price for Offered Units shall be deemed tendered, and said Offered Units shall be deemed purchased, at such time as the Offering Member receives written notice enclosing a cashier's check for the purchase price or, if any such Offered Units are represented by certificates, stating that the purchase price has been delivered to a third party (such as counsel to the Company) with instructions to deliver such amount to the Offering Member upon surrender of any such

certificates, duly endorsed with signatures guaranteed. All rights accorded the Offering Member with respect to the Offered Units, other than the right to payment therefor, shall cease at that time. If payment is tendered directly to the Offering Member, the Offering Member shall promptly, but in no event later than five (5) Business Days, cause to be delivered certificate(s) representing the Offered Units (if any), duly endorsed with signatures guaranteed, to the Company.

(f) Certain Transfers Exempt. Notwithstanding anything else contained in this Section 7.6 to the contrary, an Offering Member shall be permitted to make Transfers of certain Common Units held by such Offering Member without complying with the provisions of Section 7.6(a) through Section 7.6(e) if such Transfer is:

(i) to the Offering Member's (or, if such Offering Member is an entity and controlled by an individual, such individual or such individual's) spouse, parents, children, siblings or other members of the Offering Member's (or such individual's) family (including relatives by marriage), or to a trust for the benefit of the Offering Member (or such individual) or any of the foregoing members of his or her family, or to a custodian, trustee or other fiduciary for the account of the Offering Member (or such individual) or any of the foregoing members of his or her family in connection with a bona fide estate planning transaction or (where the Offering Member is a trust) to any beneficiary of the trust, any of the foregoing family members of a beneficiary or any other trust established for the benefit of any such beneficiary or family member thereof; provided, however, that this Section 7.6(f) shall not permit any Transfer to be made by the Offering Member in connection with the dissolution of the Offering Member's (or such individual's) marriage or the legal separation of the Offering Member (or such individual) and Offering Member's (or such individual's) spouse to such spouse on the account of any settlement of any community property or other marital property rights such spouse may have in such Common Units;

(ii) by way of bequest or inheritance upon death;

(iii) to any person, association or entity that, directly or indirectly, through one or more intermediaries, has voting control or has its voting controlled by, or is under common voting control with, such Offering Member (or, if such Offering Member is an entity, the individual that, directly or indirectly, through one or more intermediaries, has voting control of such Offering Member), including without limitation to any general partner, retired partner, managing member, officer or director of such Offering Member or any 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 Offering Member;

(iv) by way of a bona fide gift;

(v) in connection with a Change of Control;

(vi) pursuant to a dividend, distribution or similar direction of a Member to its own stockholders, members or other equity holders;

(vii) subject to an alternative right of first refusal or similar right granted by the Offering Member to the Company, including in certain circumstances, but not limited to, restricted unit purchase agreements, co-sale agreements (including the ROFR/Co-Sale Agreement) and equity incentive award plans; or

(viii) effected pursuant to Section 3 of the Voting Agreement.

(g) Limitations on Right of First Refusal. The restrictions imposed by this Section 7.6 shall not apply to and shall terminate upon the earlier of (i) immediately prior to the Company's IPO (as defined in the Series C Purchase Agreement) or (ii) the closing of any transaction or series of related transactions constituting (x) a reorganization, merger, consolidation or sale of all or substantially all of the Company's equity, as a result of which transaction or series of related transactions the Company's Members of record as constituted immediately prior to such transaction or series of related transactions hold less than a majority of the outstanding voting power of the surviving or acquiring entity after the consummation of such transaction or series of related transactions; or (y) a sale of all or substantially all of the assets of the Company (each of clause (x) and clause (y) a "Change of Control"). Notwithstanding the foregoing, the sale of equity or debt securities by the Company for bona fide capital raising purposes shall not constitute a "Change of Control."

7.7 Special Repurchase. No Member shall have any right to redeem any Units at any time. The Board shall nevertheless cause the Company to repurchase all Series A Preferred Units and Class A Common Units held by a Member (collectively, the "Repurchased Units"), from such Member in the event that such Member (a) exercises any rights of such Member, in its capacity as a stockholder of Zeno Inc., under Section 262 of the Delaware General Corporation Law or Sections 1300-1313 of the California Corporations Code and, (b) pursuant to the procedures set forth in such Section 262 and/or such Sections 1300-1313, receives payment in cash of the "fair value" of the Zeno Inc. shares held by such Member (collectively, the "Repurchased Stock"). Such repurchase shall be for no additional consideration, it being acknowledged by each Member that such payment in cash shall constitute adequate consideration for both the Repurchased Units and the Repurchased Stock. Immediately upon any such repurchase pursuant to this Section 7.7, (i) and without further action by any Person, the Repurchased Units shall be cancelled and shall no longer be issued and outstanding, (ii) the Company shall cause Zeno Inc. to cancel the Repurchased Stock, which Repurchased Stock shall then no longer be issued and outstanding, and, (iii) thereafter, such Member shall cease to hold any interest in the Repurchased Units or the Repurchased Stock. If such Member, after such repurchase, no longer owns any Units, such Member shall, without further action by any Person, immediately withdraw as a member of the Company.

ARTICLE 8

CONVERSION TO CORPORATE FORM

8.1 Conversion to Corporation.

(a) Subject to receipt of Preferred Super Approval, the Board shall have the power and authority to effect the conversion of the Company's legal form from a limited liability company to a Delaware corporation or the merger of the Company with or into a new or previously established but dormant Delaware corporation having no assets or liabilities, debts or other

obligations of any kind whatsoever other than those that are *de minimis* in amount and that are associated with its formation and initial capitalization (such a conversion or merger is referred to as a "Conversion" and such Delaware corporation is referred to as "NewCo"); provided that (i) Preferred Super Approval shall not be required for a Conversion in connection with (and that is consummated immediately prior to) a Qualified IPO or any other transaction approved by a Preferred Majority in accordance with Section 6.4(c)(vi) and (ii) if requested by the holders of a majority of the Preferred Units then-outstanding, the Company and all Members and Assignees shall agree to enter into a separate written agreement incorporating the terms of (A) Section 6.1 (Management by Board of Directors) and (B) Section 3 of the Voting Agreement (Drag-Along-Rights), in each case as applied to NewCo and the shares of stock they hold in NewCo, which agreement and rights shall terminate upon the earlier of a Qualified IPO or Deemed Liquidation Event. Upon any such Conversion, the terms of this Agreement and all of the parties' rights and obligations hereunder with respect to their Units and other Membership Interests shall terminate.

(b) Upon the consummation of a Conversion, the Units held by each Member and Assignee shall be converted into or exchanged for a number of shares of NewCo's Capital Securities with substantially equivalent relative preferences, economic interests and other rights and obligations of such converted or exchanged Units of the Company, in each case, as determined by the Board, acting equitably, reasonably and in good faith; provided that Class B Common Units shall be converted into the same class of common stock of NewCo that the Class A Common Units are converted, with the number of shares of common stock of NewCo based upon the relative value of the Class B Common Units to Class A Common Units as of the date of such Conversion, assuming the Company: (x) sold all of its assets for their fair market value (as a going concern), (y) paid its liabilities and (z) distributed the remaining proceeds of such sale in the same manner as a Deemed Liquidation Event. The Board shall, to the extent practicable, distribute the shares of NewCo in a manner designed to provide the Members and Assignees of the Company with stock or other equity securities in NewCo that are of comparable value to the Units that they hold at the time of the conversion. Solely for purposes of example, (i) if there are outstanding Preferred Units in the Company on which no distributions have been paid, the Board could (but would not be required to) cause NewCo to issue shares of a series of preferred stock, with a comparable preference amount and similarly accrued but undeclared dividends, and (ii) with respect to any Common Units that would not participate in a liquidation of the Company for an amount equal to its fair market value at the time of the Conversion, the Board could (but would not be required to) replace such Common Units with options to purchase shares of common stock with a comparable exercise price, or with shares of common stock, or even with no equity in NewCo, depending on its view of the facts and circumstances of the time. The Board's determination of the class (and the terms thereof and rights associated therewith) and number of shares of NewCo Capital Securities that each Member and Assignee receives upon a Conversion shall be final and binding on the holders of Units absent manifest arithmetic error. Each of the Members hereby agrees (for itself and its Assignees) that the terms and provisions of this Agreement and the other Governing Documents (including, without limitation, the preferential liquidation rights and voting rights of the Preferred Units) shall apply to NewCo and shall be incorporated into NewCo's certificate of incorporation, by-laws or investor rights agreement, as the case may be, subject to any modifications reasonably deemed necessary or appropriate by the Board as a result of the Conversion to a corporate form; *provided*, that such modifications may not materially adversely affect the substantive rights of any Membership Interests or any other rights specifically granted to any Member(s) hereunder or under the other Governing Documents. The Board shall use commercially reasonable efforts to undertake any Conversion in such manner as would provide for no tax gain or loss to the Members and Assignees solely as a result of the Conversion.

(c) In connection with a Conversion effected by the Board in accordance with this Section 8.1, each Member and Assignee hereby covenants and agrees to take any and all such actions and execute and deliver any and all such instruments and other documents as the Board may reasonably request in order to effect or evidence such Conversion, including executing a stockholders or similar agreement with respect to their equity interests in NewCo consistent with the control, transfer and other applicable provisions of this Agreement and the other Governing Documents applicable to such Members and Assignees, with such changes as permitted by Section 8.1(b). Without limiting the generality of the foregoing, no Member or Assignee shall have or be entitled to exercise any dissenters rights, appraisal rights or other similar rights in connection with such Conversion.

ARTICLE 9

CONVERSION

9.1 Conversion Rights.

(a) General. Each Preferred Unit shall be convertible at the option of the holder thereof, at any time after the issuance of such Unit, into Class A Common Units in accordance with this Section 9.1.

(i) The number of Class A Common Units into which each Series A Preferred Unit may be converted shall be determined by dividing the Series A Original Issue Price (as adjusted for Unit splits, combinations and other reclassifications affecting the Series A Preferred Units) by the Series A Conversion Price in effect at the time of the conversion.

(ii) The number of Class A Common Units into which each Series B Preferred Unit may be converted shall be determined by dividing the Series B Original Issue Price (as adjusted for Unit splits, combinations and other reclassifications affecting the Series B Preferred Units) by the Series B Conversion Price in effect at the time of the conversion.

(iii) The number of Class A Common Units into which each Series C Preferred Unit may be converted shall be determined by dividing the Series C Original Issue Price (as adjusted for Unit splits, combinations and other reclassifications affecting the Series C Preferred Units) by the Series C Conversion Price in effect at the time of the conversion.

For the avoidance of doubt, no adjustments shall be made to any Original Issue Price in connection with any distributions to the holders of Preferred Units pursuant to Section 5.3(a).

(b) Conversion Price. As of the Effective Date:

(i) the "Series A Conversion Price" is equal to the Series A Original Issue Price;

(ii) the "Series B Conversion Price" is equal to the Series B Original Issue Price; and

(iii) the "Series C Conversion Price" is equal to the Series C Original Issue Price.

(c) Mechanics of Conversion. The holder of any Preferred Units may exercise the conversion rights described in this Section 9.1 as to all of such Preferred Units or any part thereof by delivering to the Company during regular business hours, at the office of any transfer agent of the Company for the Preferred Units, or at the principal office of the Company or at such other place as may be designated by the Company, (i) if any such Preferred Units are certificated, the certificate or certificates for the Preferred Units to be converted, duly endorsed for transfer to the Company or accompanied by a written instrument or instruments of transfer, accompanied by written notice stating that the holder elects to convert all or a number of such Units represented by the certificate or certificates or (ii) if such Preferred Units are uncertificated, a written notice stating that the holder elects to convert all or a number of such Preferred Units held by such holder. Any such notice referenced in the foregoing clauses (i) or (ii) shall also state such holder's name or the names of the nominees in which such holder wishes the Class A Common Units (and, if such Preferred Units are certificated, the certificates representing such Class A Common Units) to be issued. Conversion shall be deemed to have been effected on the date when such delivery is made, and such date is referred to herein as the "Conversion Date." As promptly as practicable thereafter the Company shall issue and deliver to such holder, (x) if such converted Preferred Units were certificated immediately prior to conversion, at such office or other place designated by the Company, a certificate or certificates for the full number of Class A Common Units to which such holder is entitled (y) if such converted Preferred Units were uncertificated immediately prior to conversion, at such office or other place designated by the Company, a membership transfer ledger (or similar official Company records) or a certificate signed by an Officer evidencing the issuance to such holder of the full number of Class A Common Units to which such holder is entitled, and (z) a check for cash with respect to any fractional Common Unit as provided in Section 9.1(c) below. The holder of such converted Preferred Units shall be deemed to have become a holder of record of such converted Preferred Units on the applicable Conversion Date, and the books and records of the Company shall be updated to reflect the same. If such converted Preferred Units were certificated immediately prior to conversion, then upon conversion of only a portion of the number of Series A Preferred Units, Series B Preferred Units or Series C Preferred Units represented by a certificate surrendered for conversion, the Company shall issue and deliver to the holder of the certificate so surrendered for conversion, at the expense of the Company, a new certificate covering the number of Series A Preferred Units, Series B Preferred Units or Series C Preferred Units, as applicable, representing the unconverted portion of the certificate so surrendered.

(d) Fractional Units. No fractional Class A Common Units shall be issued upon conversion of any Preferred Units. If more than one Preferred Unit shall be surrendered for conversion at any one time by the same holder, the number of full Class A Common Units issuable upon conversion thereof shall be computed on the basis of the aggregate number of Preferred Units so surrendered. Instead of any fractional Class A Common Units that would otherwise be issuable upon conversion of any Preferred Units, the Company shall pay a cash adjustment in respect of such fractional interest equal to the fair market value of such fractional interest as determined in good faith by the Board, including at least a Preferred Director Majority.

(e) Payment of Taxes. The Company shall pay any and all issue and other transfer taxes (and excluding any income or similar taxes or employment-related taxes) that may be payable in respect of any issue or delivery of Common Units on conversion of Preferred Units pursuant hereto. The Company shall not, however, be required to pay any tax that may be payable in respect of any transfer involved in the issue and delivery of units of Common Units in a name other than that in which the Preferred Units so converted were registered, and no such issue or delivery shall be made unless and until the Person requesting such issue has paid to the Company the amount of any such tax or has established, to the satisfaction of the Company, that such tax has been paid.

(f) Reservation of Units Issuable Upon Conversion. The Company shall at all times that any Preferred Units are outstanding reserve and keep available, out of its authorized but unissued Class A Common Units, solely for the purpose of effecting the conversion of Preferred Units, the full number of Class A Common Units deliverable upon the conversion of all Preferred Units from time to time outstanding and, subject to obtaining any Member approvals required under Section 6.4(c), Section 6.4(d), Section 6.4(e) or Section 6.4(f) as applicable, the Company shall from time to time increase the authorized number of its Class A Common Units if at any time the authorized amount of its Common Units remaining unissued would not otherwise be sufficient to permit the conversion of all of the Preferred Units at the time outstanding.

(g) Adjustment for Reclassification Exchange and Substitution. If the Class A Common Units issuable upon the conversion of any Preferred Units shall be changed into the same or a different number of units of any class or classes of Units, whether by capital reorganization, reclassification, or otherwise (other than a subdivision or combination of Units or Unit distribution provided for in Section 9.3), then and in each such event the holder of each Preferred Unit shall have the right thereafter to convert such unit into the kind and amount of Units and other securities and property receivable upon such reorganization, reclassification, or other change, by holders of the number of Class A Common Units into which such Preferred Units would have converted immediately prior to such reorganization, reclassification, or change, subject to further adjustment as provided herein.

(h) Reorganizations, Mergers or Consolidations. In case of any consolidation or merger of the Company with or into another Person or the sale of all or substantially all of the assets of the Company to another Person in which the Class A Common Units (but not the Preferred Units) are converted into or exchanged for securities, cash or other property (other than a consolidation, merger or sale treated as a Deemed Liquidation Event pursuant to Section 5.3 above), each Preferred Unit shall thereafter be convertible in lieu of the Class A Common Units into which it was convertible prior to such event into the kind and amount of Units or other securities or property that a holder of the number of Class A Common Units of the Company deliverable upon conversion of Preferred Units would have been entitled upon such consolidation, merger or sale; and in such case, appropriate adjustment (as determined in good faith by the Board, including at least a Preferred Director Majority) shall be made in the application of the provisions of Section 9.1 and Section 9.2 with respect to the rights and interest thereafter of the holders of Preferred Units, to the end that the provisions set forth in Section 9.1 and Section 9.2 shall thereafter be applicable, as nearly as reasonably may be, in relation to any Units or other property thereafter deliverable upon the conversion of Preferred Units.

(i) Listing of Units Issuable Upon Conversion. If any Class A Common Units to be reserved for the purpose of conversion of Preferred Units require registration or listing with, or approval of, any governmental authority, unit exchange or other regulatory body under any federal or state law or regulation or otherwise, before such Units may be validly issued or delivered upon conversion, the Company will in good faith and as expeditiously as possible endeavor to secure such registration, listing or approval, as the case may be.

(j) Valid Issuance. All Class A Common Units that may be issued upon conversion of any Preferred Units will upon issuance by the Company be validly issued and free from all taxes, liens and charges with respect to the issuance thereof.

9.2 Adjustment of Conversion Price. The Series A Conversion Price, Series B Conversion Price and the Series C Conversion Price shall be subject to adjustment from time to time as follows.

(a) Special Definitions. For purposes of this Article 9, the following definitions shall apply:

(i) "Series C Original Issue Date" shall mean the Effective Date.

(ii) "Convertible Securities" means evidences of indebtedness, Units (including, the Preferred Units) or other securities that are, directly or indirectly, convertible into or exchangeable for, with or without payment of additional consideration, Class A Common Units. Convertible Securities shall be deemed outstanding and issued or sold at the time of such issue or sale.

(iii) "Additional Common Units" shall mean all Common Units issued (or, pursuant to Section 9.2(c), deemed to be issued) by the Company after the Series C Original Issue Date, other than (1) the following Common Units and (2) Common Units deemed issued pursuant to the following Convertible Securities (clauses (1) and (2), collectively, "Exempted Securities"):

A. Class A Common Units or Convertible Securities issued as a dividend or distribution on Preferred Units;

B. Common Units issued by reason of a dividend, Unit split, split up or other distribution that is covered by Section 9.1(g), Section 9.1(h), Section 9.3, Section 9.4, Section 9.5 or Section 9.6;

C. Class B Common Units issued in accordance with the terms of this Agreement and with a Threshold Amount that is approved by the Board, including at least a Preferred Director Majority;

D. Units or Convertible Securities actually issued upon the exercise, conversion or exchange of Convertible Securities, in each case provided that (1) such issuance is pursuant to the terms of such Convertible Security and (2) such exercised, converted or exchanged Convertible Securities (or, if applicable, the Convertible Securities underlying such exercised, converted or exchanged Convertible Securities) as were outstanding as of the Effective Date;

E. Common Units or Convertible Securities issued to banks, equipment lessors or other financial institutions, or to real property lessors, pursuant to a debt financing, equipment leasing or real property leasing transaction approved by the Board, including at least a Preferred Director Majority in respect of any such approval given after the Series C Original Issue Date;

F. Common Units or Convertible Securities issued to suppliers or third party service providers in connection with the provision of goods or services pursuant to transactions approved by the Board, including at least a Preferred Director Majority in respect of any such approval given after the Series C Original Issue Date;

G. Common Units or Convertible Securities issued pursuant to the acquisition of another entity by the Company by merger, purchase of substantially all of the assets or other reorganization or to a joint venture agreement, provided that such issuances are approved by the Board, including at least a Preferred Director Majority in respect of any such approval given after the Series C Original Issue Date;

H. Common Units 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, including at least a Preferred Director Majority in respect of any such approval given after the Series C Original Issue Date;

I. Common Units issued pursuant to a Qualified IPO;

J. Series C Preferred Units issued pursuant to the terms of the Series C Purchase Agreement and Class A Common Units issued upon the exercise, conversion or exchange of such Series C Preferred Units, in each case provided that such issuance is pursuant to the terms of such Series C Preferred Units; or

K. Common Units or Convertible Securities excluded from the definition of "Additional Common Units" for purposes of this Article 9 pursuant to a written Preferred Super Approval.

(b) No Adjustment of Conversion Price. No adjustment in the Series A Conversion Price, the Series B Conversion Price or the Series C Conversion Price shall be made as the result of the issuance or deemed issuance of Additional Common Units or otherwise under this Article 9 if the Company receives written notice, before or after such issuance or deemed issuance, from: (i) with respect to an adjustment to the Series A Conversion Price, the holders of a majority of the Series A Preferred Units then outstanding agreeing that no such adjustment shall be made as the result of the issuance or deemed issuance of such Additional Common Units; (ii) with respect to the Series B Conversion Price, the holders of a majority of the Series B Preferred Units then outstanding agreeing that no such adjustment shall be made as the result of the issuance or deemed

issuance of such Additional Common Units; and (iii) with respect to the Series C Conversion Price, a Series C Requisite Majority agreeing that no such adjustment shall be made as the result of the issuance or deemed issuance of such Additional Common Units.

(c) Deemed Issue of Additional Common Units.

(i) If the Company at any time or from time to time after the Series C Original Issue Date shall issue any Convertible Securities (excluding 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 Convertible Securities, then the maximum number of Units (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 on a Common Equivalent Unit basis upon the exercise of or the conversion or exchange of such Convertible Securities, shall be deemed to be Additional Common Units 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.

(ii) If the terms of any Convertible Security, the issuance of which resulted in an adjustment to a Conversion Price pursuant to the terms of Section 9.2(d), are revised as a result of an amendment to such terms or any other adjustment pursuant to the provisions of such Convertible Security (but excluding automatic adjustments to such terms pursuant to anti-dilution or similar provisions of such Convertible Security) to provide for either (1) any increase or decrease in the number of Units issuable upon the exercise, conversion and/or exchange of any such Convertible Security or (2) any increase or decrease in the consideration payable to the Company upon such exercise, conversion and/or exchange, then, effective upon such increase or decrease becoming effective, the applicable Conversion Price computed upon the original issue of such Convertible Security (or upon the occurrence of a record date with respect thereto) shall be readjusted to such Conversion Price as would have been obtained had such revised terms been in effect upon the original date of issuance of such Convertible Security. Notwithstanding the foregoing, no readjustment pursuant to this Section 9.2(c)(ii) shall have the effect of increasing a Conversion Price to an amount which exceeds the lower of (A) the applicable Conversion Price in effect immediately prior to the original adjustment made as a result of the issuance of such Convertible Security, or (B) the Conversion Price that would have resulted from any issuances of Additional Common Units (other than deemed issuances of Additional Common Units as a result of the issuance of such Convertible Security) between the original adjustment date and such readjustment date.

(iii) If the terms of any Convertible Security (excluding Convertible Securities which are themselves Exempted Securities), the issuance of which did not result in an adjustment to a Conversion Price pursuant to the terms of Section 9.2(d) (either because the consideration per Common Equivalent Unit (determined pursuant to Section 9.2(e)) of the Additional Common Units subject thereto was equal to or greater than the applicable Conversion Price then in effect, or because such Convertible Security was issued before the Series C Original Issue Date), are revised after the Series C Original Issue Date as a result of an amendment to such terms or any other adjustment pursuant to the provisions of such Convertible Security (but excluding automatic adjustments to such terms pursuant to anti-dilution or similar provisions of such Convertible Security) to provide for either (1) any increase in the number of Units issuable

upon the exercise, conversion or exchange of any such Convertible Security or (2) any decrease in the consideration payable to the Company upon such exercise, conversion or exchange, then such Convertible Security, as so amended or adjusted, and the Additional Common Units subject thereto (determined in the manner provided in Section 9.2(c)(i)) shall be deemed to have been issued effective upon such increase or decrease becoming effective.

(iv) Upon the expiration or termination of any unexercised, unconverted or unexchanged Convertible Security (or portion thereof) which resulted (either upon its original issuance or upon a revision of its terms) in an adjustment to a Conversion Price pursuant to the terms of Section 9.2(d), the applicable Conversion Price shall be readjusted to such Conversion Price as would have been obtained had such Convertible Security (or portion thereof) never been issued.

(v) If the number of Common Equivalent Units issuable upon the exercise, conversion and/or exchange of any Convertible Security, or the consideration payable to the Company upon such exercise, conversion and/or exchange, is calculable at the time such Convertible Security is issued or amended but is subject to adjustment based upon subsequent events, any adjustment to a Conversion Price provided for in this Section 9.2(c) shall be effected at the time of such issuance or amendment based on such number of Common Equivalent Units or amount of consideration without regard to any provisions for subsequent adjustments (and any subsequent adjustments shall be treated as provided in Section 9.2(c)(ii) and Section 9.2(c)(iii)). If the number of Common Equivalent Units issuable upon the exercise, conversion and/or exchange of any Convertible Security, or the consideration payable to the Company upon such exercise, conversion and/or exchange, cannot be calculated at all at the time such Convertible Security is issued or amended, any adjustment to a Conversion Price that would result under the terms of this Section 9.2(c) at the time of such issuance or amendment shall instead be effected at the time such number of units and/or amount of consideration is first calculable (even if subject to subsequent adjustments), assuming for purposes of calculating such adjustment to the applicable Conversion Price that such issuance or amendment took place at the time such calculation can first be made.

(d) Adjustment of Conversion Price Upon Issuance of Additional Common Units. In the event the Company shall at any time after the Series C Original Issue Date issue Additional Common Units (including Additional Common Units deemed to be issued pursuant to Section 9.2(c)), without consideration or for a consideration per unit less than a Conversion Price in effect immediately prior to such issue, then the applicable 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 (calculated separately, if applicable, for each of the Series A Conversion Price, Series B Conversion Price and Series C Conversion Price):

$CP_2 = CP_1 * (A + B) \div (A + C)$.

For purposes of the foregoing formula, the following definitions shall apply:

(i) "CP_2" shall mean the applicable Conversion Price in effect immediately after such issue of Additional Common Units;

(ii) "CP_1" shall mean the applicable Conversion Price in effect immediately prior to such issue of Additional Common Units;

(iii) "A" shall mean the number of Units on a Common Equivalent Unit basis outstanding immediately prior to such issue of Additional Common Units (treating for this purpose as outstanding all Units issuable upon exercise, conversion or exchange of Convertible Securities outstanding immediately prior to such issue, without duplication);

(iv) "B" shall mean the number of Units on a Common Equivalent Unit basis that would have been issued if such Additional Common Units had been issued at a price per unit (on a Common Equivalent Unit basis) equal to CP_1 (determined by dividing the aggregate consideration received by the Company in respect of such issue by CP_1); and

(v) "C" shall mean the number of such Additional Common Units (on a Common Equivalent Unit basis) issued in such transaction.

(e) Determination of Consideration. For purposes of this Section 9.2, the consideration received by the Company for the issue of any Additional Common Units shall be computed as follows:

(i) Cash and Property: Such consideration shall:

A. insofar as it consists of cash, be computed at the aggregate amount of cash received by the Company, excluding amounts paid or payable for accrued interest;

B. 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, including at least a Preferred Director Majority; and

C. in the event Additional Common Units are issued together with other units or securities or other assets of the Company for consideration which covers both, be the proportion of such consideration so received, computed as provided in clauses 9.2(e)(i)A and 9.2(e)(i)B above, as determined in good faith by the Board, including at least a Preferred Director Majority.

(ii) Convertible Securities. The consideration per unit received by the Company for Additional Common Units deemed to have been issued pursuant to Section 9.2(c), relating to Convertible Securities, shall be determined by dividing:

A. The total amount, if any, received or receivable by the Company as consideration for the issue of such 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 Company upon the exercise, conversion or exchange of such Convertible Securities, or in the case of Convertible Securities that may be exercised for additional Convertible Securities, the exercise of such Convertible Securities and the conversion or exchange of such resulting Convertible Securities, by

B. the maximum number of Units (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such number) on a Common Equivalent Unit basis issuable upon the exercise, conversion or exchange of such Convertible Securities, or in the case of Convertible Securities that may be exercised for additional Convertible Securities, the exercise of such Convertible Securities and the conversion or exchange of such resulting Convertible Securities.

(f) Multiple Closing Dates. In the event the Company shall issue on more than one date Additional Common Units that are a part of one transaction or a series of related transactions and that would result in an adjustment to a Conversion Price pursuant to the terms of Section 9.2(d), and such issuance dates occur within a period of no more than ninety (90) days from the first such issuance, then, upon the final such issuance, the applicable Conversion Price shall be readjusted to give effect to all such issuances as if they occurred on the date of the first such issuance (and without giving effect to any additional adjustments as a result of any such subsequent issuances within such period).

9.3 Adjustment for Unit Splits and Combinations. If the Company shall at any time or from time to time after the Series C Original Issue Date effect a subdivision of the outstanding Common Units, then the Conversion Prices in effect immediately before that subdivision shall be proportionately decreased so that the number of Common Units issuable on conversion of each unit of such series shall be increased in proportion to such increase in the aggregate number of Common Units outstanding. If the Company shall at any time or from time to time after the Series C Original Issue Date combine the outstanding Common Units, then the Conversion Prices in effect immediately before the combination shall be proportionately increased so that the number of units of Common Units issuable on conversion of each unit of such series shall be decreased in proportion to such decrease in the aggregate number of Common Units outstanding. Any adjustment under this subsection shall become effective at the close of business on the date the subdivision or combination becomes effective.

9.4 Adjustment for Certain Distributions. In the event the Company at any time or from time to time after the Series C Original Issue Date shall make or issue, or fix a record date for the determination of holders of Common Units entitled to receive, a distribution payable on the Common Units in additional Common Units, then and in each such event the Conversion Prices 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 each Conversion Price then in effect by a fraction:

(a) the numerator of which shall be the total number of Common Units issued and outstanding immediately prior to the time of such issuance or the close of business on such record date, and

(b) the denominator of which shall be the total number of Common Units issued and outstanding immediately prior to the time of such issuance or the close of business on such record date plus the number of Common Units issuable in payment of such distribution.

Notwithstanding the foregoing: (1) if such record date shall have been fixed and such distribution is not fully made on the date fixed therefor, the Conversion Prices shall be recomputed accordingly as of the close of business on such record date and thereafter the Conversion Prices shall be adjusted pursuant to this Section 9.4 as of the time of actual payment of such distributions; (2) no such adjustment shall be made to the Series A Conversion Price if the holders of Series A Preferred Units simultaneously receive a distribution of Common Units in a number equal to the number of Common Units as they would have received if all outstanding Series A Preferred Units had been converted into Class A Common Units on the date of such event; (3) that no such adjustment shall be made to the Series B Conversion Price if the holders of Series B Preferred Units simultaneously receive a distribution of Class A Common Units in a number equal to the number of Class A Common Units as they would have received if all outstanding Series B Preferred Units had been converted into Class A Common Units on the date of such event; and (4) that no such adjustment shall be made to the Series C Conversion Price if the holders of Series C Preferred Units simultaneously receive a distribution of Class A Common Units in a number equal to the number of Class A Common Units as they would have received if all outstanding Series C Preferred Units had been converted into Class A Common Units on the date of such event.

9.5 Adjustments for Other Distributions. In the event the Company at any time or from time to time after the Series C Original Issue Date shall make or issue, or fix a record date for the determination of holders of Common Units entitled to receive, a distribution payable in securities of the Company (other than a distribution of Common Units in respect of outstanding Common Units) or in other property and the provisions of Section 5.3(a) do not apply to, or are waived with respect to, to such distribution, then and in each such event the holders of Preferred Units shall receive, simultaneously with the distribution to the holders of Common Units, a 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 Preferred Units had been converted into Class A Common Units on the date of such event.

9.6 Adjustment for Merger or Reorganization, etc. Subject to the provisions of Section 5.3, if there shall occur any reorganization, recapitalization, reclassification, consolidation or merger involving the Company in which the Common Units (but not the Preferred Units) are converted into or exchanged for securities, cash or other property (other than a transaction covered by Section 9.1(g)), then, following any such reorganization, recapitalization, reclassification, consolidation or merger, each Preferred Unit shall thereafter be convertible in lieu of the Common Units into which such units were convertible prior to such event into the kind and amount of securities, cash or other property which a holder of the number of Common Units issuable upon conversion of one Series A Preferred Unit, Series B Preferred Unit or Series C Preferred Unit, as applicable, 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, including at least a Preferred Director Majority) shall be made in the application of the provisions in this Article 9 with respect to the rights and interests thereafter of the holders of the Preferred Units, to the end that the provisions set forth in this Article 9 (including provisions with respect to changes in and other adjustments of the applicable Conversion Price) shall thereafter be applicable, as nearly as reasonably may be, in relation to any securities or other property thereafter deliverable upon the conversion of the Preferred Units.

9.7 Certificate as to Adjustments. Upon the occurrence of an event giving rise to adjustment or readjustment of the a Conversion Price pursuant to this Article 9, the Company 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 Preferred Units, a certificate signed by an Officer setting forth such adjustment or readjustment (including the kind and amount of securities, cash or other property into which the Series A Preferred Units, Series B Preferred Units and/or Series C Preferred Units is convertible) and showing in detail the facts upon which such adjustment or readjustment is based. The Company shall, as promptly as reasonably practicable after the written request at any time of any holder of Preferred Units (but in any event not later than ten (10) days thereafter), furnish or cause to be furnished to such holder a certificate signed by an Officer setting forth (a) the applicable Conversion Prices then in effect, and (b) the number of Common Units and the amount, if any, of other securities, cash or property which then would be received upon the conversion of Series A Preferred Units, Series B Preferred Units and/or Series C Preferred Units, as the case may be.

9.8 Notice of Record Date. In the event:

(a) of any capital reorganization of the Company, any reclassification of the Common Units of the Company, or any Deemed Liquidation Event; or

(b) of the voluntary or involuntary dissolution, liquidation or winding-up of the Company,

then, and in each such case, the Company will send or cause to be sent to the holders of the Preferred Units a notice specifying, as the case may be, 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 Units (or such other Units or securities at the time issuable upon the conversion of the Series A Preferred Units, Series B Preferred Units or Series C Preferred Units) shall be entitled to exchange their Common Units (or such other Units or securities) for securities or other property deliverable upon such reorganization, reclassification, consolidation, merger, transfer, dissolution, liquidation or winding-up, and the amount per unit and character of such exchange applicable to the Series A Preferred Units, Series B Preferred Units, Series C Preferred Units and the Common Units. Such notice shall be sent at least five (5) days' prior to the effective date for the event specified in such notice; provided that such notice may be shortened and/or notice may be waived upon the Company's receipt of written consent of a Preferred Majority.

9.9 Mandatory Conversion.

(a) Trigger Events. Upon either (x) the closing of the sale of common stock of a successor corporation of the Company (or, if applicable, the surviving entity or parent holding company resulting from a restructuring of the Company) (the "IPO Corporation") to the public at a price per share equal to or greater than the Series C Original Issue Price (subject to appropriate adjustment in the event of any stock dividend, split, combination or other similar recapitalization with respect to the Common Units or common stock of the IPO Corporation), determined on a fully-diluted basis, 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 $75,000,000 of gross proceeds to the Company or the IPO Corporation (a "Qualified IPO") or (y)

the date and time, or the occurrence of an event, specified by Preferred Super Approval (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 Preferred Units shall automatically be converted into Class A Common Units or common stock of the IPO Corporation, as applicable, at the then effective and applicable conversion rates as calculated pursuant to Section 9.1 and (ii) such Preferred Units may not be reissued by the Company.

(b) Procedural Requirements. All holders of record of Preferred Units shall be sent written notice of the Mandatory Conversion Time and the place designated for mandatory conversion of all such Preferred Units pursuant to Section 9.9(a). Such notice need not be sent in advance of the occurrence of the Mandatory Conversion Time. Upon receipt of such notice, each holder of Preferred Units in certificated form (if any) shall surrender his, her or its certificate or certificates for all such units (or, if such holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Company to indemnify the Company against any claim that may be made against the Company on account of the alleged loss, theft or destruction of such certificate) to the Company at the place designated in such notice. If so required by the Company, any certificates surrendered for conversion shall be endorsed or accompanied by written instrument or instruments of transfer, in form satisfactory to the Company, duly executed by the registered holder or by his, her or its attorney duly authorized in writing. All rights with respect to the Preferred Units converted pursuant to Section 9.9(a), including the rights, if any, to receive notices and vote (other than as a holder of Common Units), 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 9.9(b). 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 Units, the Company shall (a) update the books and records of the Company shall be updated to reflect such conversion, (b) if such converted Preferred Units were certificated immediately prior to conversion, issue and deliver to such holder, or to his, her or its nominees, a certificate or certificates for the number of full units of Common Units issuable on such conversion in accordance with the provisions hereof and (c) if such converted Preferred Units were uncertificated immediately prior to conversion, deliver to such holder, or to his, her or its nominees, a membership transfer ledger (or similar official Company records) or a certificate signed by an Officer evidencing the issuance to such holder of the number of full units of Common Units issuable on such conversion in accordance with the provisions hereof, and (d) pay cash as provided in Section 9.1(d) in lieu of any fraction of a Common Unit otherwise issuable upon such conversion and the payment of any declared but unpaid distributions on the Preferred Units converted. Such converted Preferred Units shall be retired and cancelled and may not be reissued as units of such series, and the Company may thereafter take such appropriate action (without the need for member action) as may be necessary to reduce the authorized number of Series A Preferred Units, Series B Preferred Units and/or Series C Preferred Units accordingly.

9.10 "Market Stand-off" Agreement. Each Member 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 its equity securities

under the Securities Act on a registration statement on Form S-1 or Form S-3, and ending on the date specified by the Company and the managing underwriter (such period not to exceed one hundred eighty (180) days in the case of the IPO): (a) 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 of the IPO Corporation, as converted from Units or any securities convertible into or exercisable or exchangeable (directly or indirectly) for Units held immediately before the effective date of the registration statement for such offering or (b) 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 (a) or (b) above is to be settled by delivery of securities, in cash, or otherwise. The foregoing provisions of this Section 9.10 shall apply only to the IPO, shall not apply to transactions relating to shares of common stock of the IPO Corporation or other securities acquired (y) in the IPO or (z) open market transactions from and after the IPO, shall not apply to the transfer of any shares or other securities owned by a Member in the Company to its Affiliates or any of the Member's stockholders, members, partners or other equity holders; provided that the Affiliate, stockholder member, partner or other equity holder of the Member agrees to be bound in writing by the restrictions set forth herein, shall not apply to the sale of any securities to an underwriter pursuant to an underwriting agreement and shall be applicable to the Members only if all Officers and Directors are subject to the same restrictions and the Company obtains a similar agreement from all equityholders individually, and together with their Affiliates, owning one percent (1%) or more of the IPO Corporation's common stock, as converted from Units. The underwriters in connection with such registration are intended third-party beneficiaries of this Section 9.10 and shall have the right, power and authority to enforce the provisions hereof as though they were a party hereto. Each Member further agrees to execute such agreements as may be reasonably requested by the underwriters in connection with such registration that are consistent with this Section 9.10 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 Company equityholders that are subject to such agreements, based on the number of shares subject to such agreements.

ARTICLE 10

LIABILITY AND EXCULPATION; INDEMNIFICATION

10.1 Liability. Except as otherwise provided by the Act, the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the Company, and no Covered Person shall be obligated personally for any such debt, obligation or liability of the Company solely by reason of being a Covered Person.

10.2 Exculpation.

(a) To the fullest extent permitted by applicable law, no Covered Person shall be liable to the Company, any Members, any Assignee or any other Covered Person for any loss, damage or claim incurred by reason of any act or omission performed or omitted by such Covered Person in good faith on behalf of the Company and in a manner reasonably believed to be within

the scope of authority conferred on such Covered Person by this Agreement, unless such Covered Person shall have been found guilty of gross negligence, willful misconduct or fraud, or have been found to be in material breach of this Agreement, in each case with respect to such acts or omissions by a court of competent jurisdiction. This Section 10.2(a) shall not reduce or limit the contractual liability of a Covered Person for breach of any other agreement with the Company or any Affiliate of the Company to which the Covered Person is a party.

(b) A Covered Person shall be fully protected in relying in good faith upon the records of the Company and upon such information, opinions, reports or statements presented to the Company by any Person as to matters the Covered Person reasonably believes are within such other Person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Company, including information, opinions, reports or statements as to the value and amount of the assets, liabilities, Profits, Losses or income or any other facts pertinent to the existence and amount of assets from which distributions to Members or Assignees might properly be paid. Without limiting the foregoing, neither the Company nor any Covered Person shall have any liability with respect to any valuations performed pursuant to this Agreement, and shall be fully protected in relying in good faith upon the records of the Company and upon information, opinions, reports or statements presented to the Company by any person as to matters which the Company or such Covered Person reasonably believes are within such other Person's professional or expert competence.

10.3 Indemnification. The Company shall indemnify, reimburse and hold harmless each Covered Person as follows:

(a) In any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, to which a Covered Person was or is a party, or is threatened to be made a party (or was or is otherwise involved in, as a witness, deponent or otherwise) that arises directly or indirectly from (i) the activities of such Covered Person under and within the scope of this Agreement or (ii) the management of the affairs of the Company or any Subsidiary of the Company, the Company shall indemnify and hold harmless such Covered Person for, from and against, and reimburse such Covered Person for, all expenses, including attorneys' fees, judgments, fines and amounts paid in settlement, actually and reasonably incurred by such Covered Person in connection with the defense or settlement of such action, suit or proceeding, or the appeal therefrom ("Indemnified Losses"), unless it is determined in accordance with Section 10.3(b) below that (i) such Covered Person's actions or omissions constituted gross negligence, willful misconduct or fraud, or such Covered Person has been found to be in material breach of this Agreement, in each case with respect to such acts or omissions by a court of competent jurisdiction, or (ii) such Covered Person failed to act in good faith and in a manner reasonably believed by such Covered Person to be in or not opposed to the best interests of the Company, or, with respect to any criminal action or proceeding, had reasonable cause to believe the Covered Person's conduct was unlawful. The termination of a proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent shall not of itself create a presumption that a Covered Person's actions constituted gross negligence, willful misconduct or fraud, or that such Covered Person was in material breach of this Agreement or that a Covered Person did not act in good faith and in a manner reasonably believed by such Covered Person to be in or not opposed to the best interests of the Company. The foregoing shall include any action, suit or proceeding by or in the right of the Company to procure a judgment in its favor; provided

that (x) if in such action, suit or proceeding the Covered Person shall have been adjudged to be liable, such indemnification shall be provided only if, and only to the extent that, the court in which such action, suit or proceeding was brought shall determine upon application that, despite the adjudication of liability but in view of all circumstances of the case, the Covered Person is fairly and reasonably entitled to indemnification for such expenses as such court shall deem proper and (y) if such action, suit or proceeding is settled between the Covered Person and the Company, such indemnification shall not include any amounts paid by Covered Person to the Company in settlement thereof, except to the extent authorized by the Company in its sole discretion. The indemnification provided hereunder shall not be deemed to limit any indemnification to which a Covered Person is entitled from an Affiliate of the Company or otherwise. To the extent that a Covered Person is separately indemnified against any Indemnified Loss by an Affiliate, insurance or otherwise (collectively, "Secondary Indemnitors"): (1) the indemnification provided by such Secondary Indemnitors shall be such Covered Person's secondary source of indemnification with respect to such Indemnified Loss, and the indemnification provided hereunder shall be primary; (2) the Company shall be required to advance (to the extent of its available assets and subject to this Section 10.3) the full amount of expenses incurred by the Covered Person and shall be liable for the full amount of all expenses, judgments, penalties, fines and amounts paid in settlement by or on behalf of any such Covered Person to the extent legally permitted and as required by this Agreement, without regard to any rights the Covered Person may have against any Secondary Indemnitor, and (3) the Company irrevocably waives, relinquishes and releases the Secondary Indemnitors from any and all claims against the Secondary Indemnitors for contribution, subrogation or any other recovery of any kind in respect thereof. The Company further agrees that no advancement or payment by the Secondary Indemnitors on behalf of any Covered Person with respect to any claim for which such Covered Person has sought indemnification from the Company shall affect the foregoing and the Secondary Indemnitors shall have a right of contribution and/or be subrogated to the extent of such advancement or payment to all of the rights of recovery of such Covered Person against the Company. Notwithstanding the foregoing provisions of this Section 10.3(a), to the extent any amounts to be indemnified by the Company are covered by insurance policies held by the Company, the obligations of the insurer pursuant to such policies shall be primary over the obligations of the Company.

(b) Expenses (including attorneys' fees and expenses) incurred in defending any action, suit or proceeding subject to Section 10.3(a) shall be paid by the Company in advance of the final disposition of such proceeding upon receipt of an undertaking (which need not be secured) by or on behalf of the Covered Person to repay such amount if it shall ultimately be determined, by a court of competent jurisdiction or otherwise, that the Covered Person is not entitled to be indemnified by the Company as authorized hereunder. For purposes of clarity, notwithstanding whether a Covered Person has been adjudicated, prior to final disposition, to have not acted in good faith or in the best interest of the Company or in a manner such Covered Person had no reasonable cause to believe lawful, the Company shall be required to pay expenses in advance of final disposition in accordance with the terms of this Section 10.3(b) until final disposition of such action, suit, or proceeding and such Covered Person shall be obligated, under the terms of the above mentioned undertaking, to repay any such reimbursed expenses should such Covered Person, upon final disposition, not be entitled to indemnification under this Section 10.3.

(c) Any payment or other performance (including reimbursement of expenses not otherwise advanced pursuant to Section 10.3(b)) for or on behalf of any Covered Person under Section 10.3(a) shall be made by the Company except to the extent that it has been finally determined by a court of competent jurisdiction that such Covered Person is not entitled to indemnification under this Article 10. Any such payment or performance shall be made only from the assets of the Company.

(d) The Company shall not indemnify any Covered Person in connection with a proceeding (or part thereof) initiated by such person unless such Covered Person is successful on the merits, the initiation thereof was approved or ratified by the Board, or the proceeding seeks a declaratory judgment regarding such Covered Person's own conduct.

(e) The rights provided by this Section 10.3 shall be in addition to any other rights to which a Covered Person may be entitled under any agreement or as a matter of law or otherwise.

(f) The Company may purchase and maintain insurance on behalf of any one or more Covered Persons and other Persons, for which the Company is the primary additional named insured, against any liability that may be asserted against or expense that may be incurred by such Person in connection with the activities of the Company, whether or not the Company would have the power to indemnify, insure or hold harmless such Person from and against or reimburse such Person for such liability hereunder.

(g) The rights of a Covered Person under this Section 10.3 shall not be denied in whole or in part because the Covered Person had an interest in the transaction with respect to which such rights apply if the transaction was otherwise not prohibited by the terms hereof.

(h) The provisions of this Section 10.3 are for the benefit of the Covered Persons and their Personal Representatives and shall not be deemed to create any rights for the benefit of any other Persons.

(i) The Company may, to the extent authorized from time to time by the Board, grant indemnification rights to employees or other agents of the Company or other persons serving the Company who are not Covered Persons pursuant to clauses (a), (b), (c) or (d) of the definition of "Covered Person" on Exhibit A, and such rights may be equivalent to, or greater or less than, those set forth in this Section 10.3.

(j) The right to exculpation, indemnification and advancement of expenses conferred in Section 10.2 and Section 10.3 shall be a contract between the Company and each Covered Person. Any repeal or modification of Section 10.2 and Section 10.3 shall not adversely affect any right or protection hereunder of any Covered Person in respect of any proceeding (regardless of when such proceeding is first threatened, commenced or completed) arising out of, or related to, any act or omission occurring prior to the time of such repeal or modification. Notwithstanding anything to the contrary, any right or protection provided under Section 10.2 or Section 10.3 shall be deemed to vest at the time that the act or omission occurred, irrespective of when and whether a proceeding challenging such act or omission is first threatened or commenced. The rights provided hereunder shall inure to the benefit of each Covered Person and, if applicable, such Covered Person's Personal Representative.

10.4 Nature of Rights(a) . The rights set forth in this Article 10 are contractual in nature and may not be revised as applied to prior actions of a Covered Person by a subsequent amendment of this Agreement without such Covered Person's prior written approval.

ARTICLE 11

DISSOLUTION, LIQUIDATION AND TERMINATION

11.1 No Dissolution. Only the events set forth in Section 11.2 shall cause the dissolution of the Company and the parties hereto do hereby irrevocably waive any and all other rights they may have to cause a dissolution of the Company or a sale or partition of any or all of the Company assets. The Company shall not be dissolved by the admission of Additional Members or Substitute Members in accordance with the terms of this Agreement.

11.2 Events Causing Dissolution. Notwithstanding the Act, the following (and only the following) events shall cause the Company to be dissolved, liquidated and terminated:

(a) upon both (i) the election of the Board and (ii) Preferred Super Approval;

(b) the sale or distribution by the Company of all or substantially all of its assets;

(c) at any time that there are no Members, unless the business of the Company is continued in accordance with the Act; or

(d) upon the entry of a decree of judicial dissolution under the Act.

Any other provision of this Agreement to the contrary notwithstanding, no withdrawal, assignment, removal, bankruptcy except as required by applicable law, insolvency except as required by applicable law, death, incompetency, termination, dissolution or distribution with respect to any Member or any Unit will effect a dissolution of the Company. To the fullest extent permitted by law, any dissolution of the Company other than as provided in this Section 11.2 shall be a dissolution in contravention of this Agreement.

11.3 Effect of Dissolution. The dissolution of the Company shall be effective on the day on which the event occurs giving rise to the dissolution, but the Company shall not terminate until it has been wound up and its assets have been distributed as provided in Section 11.5 and its Certificate of Formation has been cancelled by the filing of a certificate of cancellation with the office of the Delaware Secretary of State. Notwithstanding the dissolution of the Company, prior to the termination of the Company, the business of the Company and the affairs of the Members, as such, shall continue to be governed by this Agreement.

11.4 No Capital Contribution Upon Dissolution. Each Member shall look solely to the assets of the Company for all distributions with respect to the Company, its Capital Contributions thereto, its Capital Account and its share of Profits or Losses, and shall have no recourse therefor (upon dissolution or otherwise) against any other Member. Accordingly, if any Member has a deficit balance in its Capital Account (after giving effect to all contributions, distributions and allocations for all taxable years, including the year during which the liquidation occurs), then such Member shall have no obligation to make any Capital Contribution or return any distribution with respect to such deficit, and such deficit shall not be considered a debt owed to the Company or to any other Person for any purpose whatsoever.

11.5 Liquidation.

(a) Upon dissolution of the Company, the Company shall thereafter engage in no further business other than that which is necessary to wind up the business, and the Board may appoint one or more Persons to carry out the winding up of the Company (such Person(s) if appointed, or the Board if no such Person(s) are so appointed, being referred to as the "Liquidating Trustee(s)"). A reasonable time shall be allowed for the winding up of the affairs of the Company in order to minimize any losses attendant upon such a winding up. In the event the Liquidating Trustee(s) reasonably believe that it is prudent to do so, cash or other assets held in reserve may be placed in a liquidating trust or other escrow immediately prior to the termination of the Company in order to ensure that any and all obligations of the Company are satisfied. After allocating (pursuant to Article 5 of this Agreement) all income, gain, loss and deductions resulting from the liquidation of the Company assets, the Liquidating Trustee(s) shall apply and distribute the cash proceeds in accordance with Section 5.3(c).

(b) Notwithstanding Section 11.5(a), in the event that the Liquidating Trustee(s) determine that an immediate sale of all or any portion of the Company assets would cause undue loss to the Members, the Liquidating Trustee(s), in order to avoid such loss and to the extent not then prohibited by the Act, may either (a) defer liquidation of and withhold from distribution for a reasonable time any Company assets except those necessary to satisfy, including the provision of reasonable reserves for, the Company's debts and obligations, or (b) distribute the Company assets to the Members in kind in a manner otherwise in accordance with the distribution procedure of Section 11.5(a).

11.6 Application to Assignees. For purposes of this Article 11, "Member" shall be understood to mean each Member and each Assignee (and/or any successor, executor, administrator, trustee or receiver, as applicable).

ARTICLE 12

MISCELLANEOUS

12.1 Governing Law. This Agreement (including any claim or controversy arising out of or relating to this Agreement) shall be governed by and construed in accordance with the internal laws of the State of Delaware, without regard to conflict of law principles that would result in the application of any law other than the laws of the State of Delaware.

12.2 Submission to Jurisdiction; Venue; Waiver. Unless the Board otherwise agrees in writing, any legal action or proceeding with respect to this Agreement shall be brought in the courts of the State of Delaware, and, by execution and delivery of this Agreement, each Member hereby irrevocably accepts for itself and in respect of its property, generally and unconditionally, the exclusive jurisdiction of the aforesaid courts. Each Member hereby further irrevocably waives any claim that any such courts lack personal jurisdiction over it, and agrees not to plead or claim,

in any legal action proceeding with respect to this Agreement in any of the aforementioned courts, that such courts lack personal jurisdiction over it. To the fullest extent permitted by applicable law, any legal action or proceeding with respect to this Agreement by any Member seeking any relief whatsoever against the Company or any other Member shall be brought only in the Chancery Court of the State of Delaware (or other appropriate state court in the State of Delaware), and not in any other court in the United States of America, or any court in any other country. Each Member hereby irrevocably waives any objection that it may now or hereafter have to the laying of venue of any of the aforesaid actions or proceedings arising out of or in connection with this Agreement brought in the aforesaid courts and hereby further irrevocably, to the extent permitted by applicable law, waives its rights to plead or claim and agrees not to plead or claim in any such court that any such action or proceeding brought in any such court has been brought in an inconvenient forum. Each Member, to the fullest extent permitted by applicable law, irrevocably consents to service of process in connection with any matter arising under this Agreement by first class mail, certified postage prepaid, in accordance with the provisions of Section 12.8. Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

12.3 Waiver of Jury Trial. EACH PARTY HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HEREBY (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 12.3.

12.4 No Expansion of Duties. To the maximum extent permissible under applicable law, the Company hereby renounces any interest or expectancy of the Company in, or in being offered an opportunity to participate in, any and all business opportunities that are presented to any Preferred Members or their Affiliates (including, any representative or Affiliate of any Preferred Member serving on the Board, but excluding any person who is an employee or officer of the Company or any of its Subsidiaries) (collectively, the "Preferred Parties"), unless such business opportunity is presented to, or otherwise comes into the possession of, a Preferred Party in such Preferred Party's capacity as a member of the Board. Without limiting the foregoing renunciation, the Company (a) acknowledges that certain of the Preferred Parties are in the business of making investments in, and/or have or may have investments in, other businesses similar to and that may compete with the businesses of the Company ("Competing Businesses") and (b) agrees that the Preferred Parties have and shall continue to have the unfettered right to make investments in other Competing Businesses notwithstanding their investments in the Company.

12.5 Equitable Remedies; Failure to Pursue Remedies. The parties hereto agree that irreparable harm may occur in the event that any of the agreements and provisions in this Agreement, specifically including Article 7 hereof, were not performed fully by the parties hereto

in accordance with their specific terms or were otherwise breached, and that money damages may be an inadequate remedy for breach hereof because of the difficulty of ascertaining and quantifying the amount of damage that will be suffered by the parties hereto in the event that this Agreement is not performed in accordance with its terms or is otherwise breached. It is accordingly hereby agreed that the parties hereto shall be entitled to an injunction or injunctions to restrain, enjoin and prevent breaches of this Agreement by the Company and the other parties hereto and to enforce specifically such terms and provisions of this Agreement against the Company and other parties hereto, as applicable, in any court of the United States or any state having jurisdiction, such remedy being in addition to and not in lieu of, any other rights and remedies to which the parties are entitled to hereunder and at law or in equity.

12.6 Cumulative Remedies. The rights and remedies provided by this Agreement are cumulative and the use of any one right or remedy by any party shall not preclude or waive its right to use any or all other remedies. Said rights and remedies are given in addition to any other rights the parties may have by law, statute, ordinance or otherwise. Except where a time period is otherwise specified, no delay on the part of any party in the exercise of any right, power, privilege or remedy hereunder shall operate as a waiver thereof, nor shall any exercise or partial exercise of any such right, power, privilege or remedy preclude any further exercise thereof or the exercise of any right, power, privilege or remedy.

12.7 Binding Effect. This Agreement shall be binding upon and inure to the benefit of all of the parties and, to the extent permitted by this Agreement, their successors, legal representatives and assigns and all other Persons hereafter holding, having or receiving an Membership Interest, whether as Assignees, Substitute Members, Members or otherwise.

12.8 Notices.

(a) All demands, notices, requests, consents and other communications required or permitted under this Agreement shall be in writing and shall be personally delivered or sent by electronic mail or facsimile machine (with a confirmation copy sent by one of the other methods authorized in this Section), generally recognized receipted overnight courier (including FedEx) or U.S. Postal Service overnight delivery service, or, deposited with the U.S. Postal Service mailed first class, registered or certified mail, postage prepaid, as set forth below:

If to the Company, addressed to:

10835 Road to The Cure
Suite 205
San Diego, CA 92121
Email: ####@##########.com
Attention: President and Chief Executive Officer

With a copy (which shall not constitute notice) to:

Latham & Watkins LLP
12670 High Bluff Drive
San Diego, California 92130
Email: ###############@##.com
Telephone: ###-###-####
Facsimile: ###-###-####
Attention: Cheston Larson, Esq.

(b) If to any Member, at its address set forth on its signature page hereto.

(c) Notices shall be deemed given upon the earlier to occur of (i) receipt by the party to whom such notice is directed; (ii) if sent by electronic mail or facsimile machine, on the day (other than a Saturday, Sunday or legal holiday in the jurisdiction to which such notice is directed) such notice is sent if sent (as evidenced by the facsimile confirmed receipt) prior to 5:00 p.m. U.S. Pacific Time and, if sent after 5:00 p.m. U.S. Pacific Time, on the day (other than a Saturday, Sunday or legal holiday in the jurisdiction to which such notice is directed) after which such notice is sent; (iii) on the first day (other than a Saturday, Sunday or legal holiday in the jurisdiction to which such notice is directed) following the day the same is deposited with the courier if sent by generally recognized receipted overnight courier; or (iv) the fifth day (other than a Saturday, Sunday or legal holiday in the jurisdiction to which such notice is directed) following deposit thereof with the U.S. Postal Service as aforesaid. Each party, by notice duly given in accordance therewith, may specify a different address for the giving of any notice hereunder.

12.9 Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

12.10 Certain Rules of Construction. To the fullest extent permitted by law, the parties hereto agree that this Agreement has been negotiated and as a result of such negotiation, any ambiguities shall be resolved without reference to which party may have drafted this Agreement. Unless the context otherwise requires: (a) a term has the meaning assigned to it; (b) an accounting term not otherwise defined has the meaning assigned to it in accordance with then-applicable United States generally accepted accounting principles; (c) “or” is not exclusive; (d) words in the singular include the plural, and words in the plural include the singular; (e) provisions apply to successive events and transactions; (f) the words “herein,” “hereof” and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or other subdivision; (g) any pronoun used in this Agreement shall include the corresponding masculine, feminine or neuter forms; (h) the words “include,” “includes” and “including” shall be deemed to be followed by the phrase “without limitation”; (i) the word “extent” in the phrase “to the extent” shall mean the degree to which a subject or other thing extends, and such phrase shall not mean simply “if”; (j) references to “$” or “dollars” shall mean United States dollars; (k) unless otherwise expressly provided herein, any agreement, instrument or statute defined or referred to herein or in any agreement or instrument that is referred to herein means such agreement, instrument or statute as from time to time amended, modified or supplemented, including (in the case of agreements or instruments) by waiver or consent and (in the case of statutes) by succession of comparable successor statutes and references to all attachments thereto and instruments incorporated therein;

and (l) all references to any Member shall mean and include such Member and any Person duly admitted as a member in the Company in substitution therefor in accordance with this Agreement, unless the context otherwise requires.

12.11 Counterparts; Facsimile Signatures. This Agreement may be executed in any number of counterparts, and signature pages may be delivered by facsimile, electronic mail, portable document format (PDF) or any electronic signature complying with the U.S. federal ESIGN Act of 2000 (*e.g.*, www.docusign.com), each of which shall be deemed to be an original, and all of which shall constitute one and the same document.

12.12 Article and Section Headings and References. The Article and Section headings are for the convenience of the parties and in no way alter, modify, amend, limit or restrict the contractual obligations of the parties. Any reference in this agreement to a particular Article, Section, paragraph, subparagraph or clause shall refer to an Article, Section, paragraph, subparagraph or clause of this Agreement, unless specified otherwise.

12.13 Integration; Entire Agreement. This Agreement, the other Governing Documents, each Award Agreement, the Merger Agreement and the Preferred Unit Purchase Agreements, constitute the entire agreement and understanding among the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, written or oral, relating to such subject matter.

12.14 Amendments.

(a) Except as otherwise specified herein (including pursuant to the requirements in Section 6.4(c), Section 6.4(d), Section 6.4(e) and Section 6.4(f) as applicable), this Agreement may be amended or terminated and the observance of any term hereof may be waived (either generally or in a particular instance and either retroactively or prospectively) only by a written instrument executed by: (a) the Company; (b) a Preferred Majority; and (c) Members holding a majority of all then issued and outstanding Voting Units (assuming conversion to Class A Common Units of all outstanding Preferred Units).

(b) Notwithstanding the provisions of Section 12.14(a):

(i) this Agreement may not be amended or terminated and the observance of any term of this Agreement may not be waived with respect to any Preferred Member or Common Member without the written consent of such Preferred Member or Common Member unless such amendment, termination or waiver applies to all Preferred Members or Common Members, as the case may be, in the same fashion, provided that, the rights set forth in Article 10 are contractual in nature and may not be revised as applied to prior actions of a Covered Person by a subsequent amendment of this Agreement without such Covered Person's prior written approval; provided, further, that increasing or decreasing the number of authorized Common Units or issuing additional Common Units shall not require the separate approval or consent of Common Members;

(ii) no modification of or amendment to this Agreement shall be made that will modify or amend Section 3.3, Section 3.5 or Section 3.6, in each case, without the written consent of each 10% Member and Viking and Matrix;

(iii) no modification of or amendment to this Agreement shall be made that will modify or amend Section 3.4 without the written consent of each 10% Member and Surveyor, Redmile, Viking and Matrix;

(iv) no modification of or amendment to this Agreement shall be made that will modify or amend clause (iii) of Section 9.2(b) or the definitions of "Series C Requisite Majority" without the written consent of Surveyor, Farallon and Redmile;

(v) no modification of or amendment to this Agreement shall be made that shall alter, amend or remove any requirement that an action of the Board include the approval of at least a Preferred Director Majority without the prior written consent of the Members holding a majority of the Series B Preferred Units and a majority of the Series C Preferred Units then outstanding, each voting as a separate class on an as converted to Common Units basis; and

(vi) any provision hereof may be waived by the waiving party on such party's own behalf, without the consent of any other party.

(c) Notwithstanding the provisions of Section 12.14(a) and Section 12.14(b), the Board may, without the consent of any Member:

(i) enter into agreements and amend this Agreement as may be required to implement Transfers of interests of Members or Assignees or the admission of any Substitute Member or Additional Member in accordance with the terms of this Agreement;

(ii) amend this Agreement in such manner as the Board deems necessary to comply with or satisfy the requirements of any applicable law, directive, order, regulation, ruling or opinion of any court, the SEC, the U.S. Internal Revenue Service, or any other U.S. federal or state or non-U.S. governmental agency, so long as (1) either (A) such amendment does not materially and adversely affect the interests of any Member or Assignee or (B) each such materially and adversely affected Member or Assignee, as applicable, has consented to such amendment and (2) Surveyor has consented to any such amendment that may adversely affect the tax position of Surveyor, its Affiliates or their respective direct and indirect equity holders (including, without limitation, any amendment to Section 3.4);

(iii) amend this Agreement to cure any mistake or ambiguity or correct or supplement any provision hereof that may be incomplete or inconsistent with any other provision hereof, so long as (A) either (1) such amendment does not materially and adversely affect the interests of any Member or Assignee or (2) each such materially and adversely affected Member or Assignee, as applicable, has consented to such amendment and (B) either (1) such amendment does not adversely affect the interests of any "Major Investor" (as defined in the Investors' Rights Agreement) or (2) each such adversely affected "Major Investor" (as defined in the Investors' Rights Agreement) has consented to such amendment; and

(iv) amend this Agreement to take such actions as may be necessary to ensure the Company will be treated as a partnership for federal income tax purposes.

(d) The Company shall give prompt written notice of any amendment, termination or waiver hereunder to any party that did not consent in writing thereto. Any amendment, termination or waiver effected in accordance with this Section 12.14 shall be binding on each Member and Assignee and all of such Member's and Assignees successors and permitted assigns, whether or not any such Member, Assignee, successor or assignee entered into or approved such amendment, termination or waiver.

12.15 Aggregation of Units. All Units held or acquired by Affiliated Persons 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.

12.16 Member Representations and Warranties . Each Member (solely on behalf of itself and not with respect to any other Member) hereby represents, warrants, covenants and acknowledges as follows as of each date such Member receives any Unit, it being understood for purposes of this Section 12.16 that the term "Member" shall refer also to Assignees as applicable:

(a) Generally.

(i) Status. If such Member is an entity, such Member is duly incorporated, organized or formed, validly existing and in good standing under the laws of its state or country of incorporation, organization or formation (as the case may be). Such Member has the requisite power and authority to own its property and to carry on its business as now conducted, to the extent material to its rights and obligations under this Agreement.

(ii) Authority. Such Member, and the Person executing and delivering this Agreement on behalf of such Member, has the requisite power and authority to execute and deliver this Agreement and to carry out its obligations hereunder in accordance with the terms and provisions hereof. If such Member is an entity, the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all requisite action, corporate or otherwise, on the part of such Member. This Agreement has been duly executed and delivered by such Member and constitutes the legally valid and binding obligation of such Member, enforceable against it in accordance with its terms, except as enforceability may be affected by (i) the effect of bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or affecting the rights of creditors; (ii) the effect of general principles of equity and the limitation of certain remedies by certain equitable principles of general applicability; and (iii) the fact that the rights to indemnification hereunder may be limited by United States federal or state securities laws.

(iii) No Breach or Default. The execution, delivery and performance by such Member of this Agreement and the transactions contemplated hereby will not constitute a breach of any term or provision of, or a default under (i) any outstanding indenture, mortgage, loan agreement or other similar contract or agreement to which such Member or any of its Affiliates is a party or by which it or any of its Affiliates or its or their property is bound; (ii) if such Member is an entity, its certificate or articles of incorporation or bylaws or other governing documents; (iii) any applicable law, rule or regulation; or (iv) any order, writ, judgment or decree applicable to it, except (in case of each of the foregoing clauses (i), (iii) and (iv)) as would not, individually or in the aggregate, be reasonably expected to have a material adverse effect on such Member, the Company or the transactions contemplated hereby.

(iv) Consents and Approvals. All material consents, licenses, approvals and authorizations, if any, and all material filings and registrations, required from any governmental body, authority, bureau or agency for or on the part of such Member or any of its Affiliates in connection with its execution and delivery of this Agreement and its contributions to the capital of the Company have been obtained on or prior to the Effective Date or such later date as such Member was admitted to the Company.

(b) Investment Representations.

(i) Such Member is acquiring its Membership Interest for its own account and not for the account of any other Person. Such Member is acquiring its Membership Interest solely for investment and not with a view to, or for resale in connection with, the distribution or other disposition thereof either currently or after the passage of a fixed or determinable period of time or upon the occurrence or non-occurrence of any predetermined event or circumstance in violation of the Securities Act. Such Member understands that the sale and issuance of the Membership Interests has not been registered under the Securities Act, applicable state securities laws or the securities or similar laws of any other jurisdiction whatsoever, and, therefore, the Membership Interests cannot be sold, resold, pledged, assigned or otherwise disposed of unless they are subsequently registered under the securities and similar laws of each applicable jurisdiction, or unless exemptions from such registration requirements are available. Such Member understands that dispositions of its Membership Interest can be made only (i) as explicitly permitted or contemplated under the terms of this Agreement and (ii) in compliance with the Securities Act and the rules and regulations of the U.S. Securities and Exchange Commission (the "SEC") promulgated thereunder and all applicable state securities and "blue sky" laws; and such Member understands that, except as specifically provided in the Investor Rights Agreement, the Company is under no obligation to register the offer or sale of any Membership Interests in any jurisdiction whatsoever or to assist Members in complying with any exemption from registration under the securities or similar laws of any jurisdiction whatsoever. By executing this Agreement, such Member further represents that it does not presently have any contract, undertaking, agreement or arrangement with any Person to sell, transfer or grant participations to such Person or to any third Person, with respect to any of the Units. Such Member has not been formed for the specific purpose of acquiring any of the Units.

(ii) Such Member understands that it may bear the economic risk of an investment in an Membership Interest for an indefinite period of time, and such Member's financial situation is such that it can afford to bear the economic risk of holding its Membership Interest for an indefinite period of time and suffer a complete loss of its investment in the Company.

(iii) Such Member further acknowledges that there are substantial risks in making an investment in the Company (including loss of the entire amount of such investment), that such Member is capable of evaluating the merits and risks of the investment in the Company and such Member has evaluated such risks and determined that the Membership Interest is a suitable investment for such Member. Such Member has such knowledge and experience in business, financial and tax matters, including experience in investing in non-listed and non-registered securities, and is a sophisticated investor capable of utilizing the information made available to it in connection with its investment in the Membership Interest to evaluate the merits and risks of its investment in the Company, to make an informed investment decision with respect thereto and to protect its interests in connection with such investment.

(iv) Such Member has had the opportunity to ask questions of, and has received satisfactory answers from, appropriate representatives of the Company with respect to the terms and conditions of the transactions contemplated hereby, with respect to the business, affairs, financial conditions, and results of operations of the Company and with respect to any other matters pertaining to this investment. Such Member has had access to such financial and other information as it deemed necessary or appropriate in order for it to make a fully-informed decision as to the transactions contemplated by this Agreement and its Membership Interest, and such Member has had the opportunity to obtain any additional information which it deemed necessary or appropriate to verify any such information to which the Member has had access.

(v) Such Member and its legal, tax, accounting and financial advisers have been provided an opportunity to ask questions of and receive information from a Person or Persons acting on behalf of the Company (including the Board) concerning the investment in the Company, the Company assets, the Company and such other matters as such Member and any of its advisors have deemed necessary or desirable. All such questions have been answered to the full satisfaction of such Member and any such advisors, and such Member has received all such information requested, but such Member has in all events relied upon its own due diligence in evaluating this Agreement, the Membership Interests and the Company assets.

(vi) Such Member understands that no public market now exists for the Membership Interests, and that the Company has made no assurances that a public market will ever exist for the Membership Interests.

(vii) Such Member has consulted and been advised by its own legal counsel and tax advisor in connection with, and acknowledges that, except as expressly provided in the applicable Preferred Unit Purchase Agreement(s) and the Governing Documents, no representations as to potential profit, tax consequences of any sort (including the tax consequences resulting from forming or operating the Company, conducting the business of the Company, executing this Agreement, consummating the transactions provided for herein, making Capital Contributions, being admitted to the Company, receiving or not receiving distributions from the Company, or being allocated Profits and Losses), cash flows or funds from operations have been made by the Company, any Member or any Affiliate of any Member or any employee or representative thereof, and that projections and any other financial information and documentation that may have been in any manner submitted to such Member from any source shall not constitute any representation or warranty of any kind or nature, express or implied and such Member is not relying on any representations or warranties of any other Person in connection therewith, including the Company or any other Member.

(viii) Unless otherwise indicated by such Member to the Company in writing prior to the date of such Member's admission to the Company, such Member, or each beneficial owner (within the meaning of Rule 501 of Regulation D promulgated under the Securities Act ("Regulation D")) of such Member, (i) is an "accredited investor" as such term is defined in Rule 501 of Regulation D and (ii) if an entity, has not been formed for the specific purpose of acquiring the Membership Interest unless each beneficial owner of such entity is qualified as an accredited investor within the meaning of Rule 501 of Regulation D.

(ix) Each Member hereby represents and warrants that the information it has provided in Exhibit B is true, accurate and complete. Each Member agrees to be bound by the terms of Exhibit B. Each Member further represents, warrants and agrees that it will promptly inform the Company in writing if at any time after the Effective Date any of the representations in Exhibit B are no longer true, accurate and complete with respect to such Member. Each Member represents and warrants that the information in Exhibit B remains true, accurate and complete until such date as such Member has otherwise notified the Board in writing in accordance with the foregoing. In the event that a Member becomes subject to any of the events listed in Exhibit B at any date after the Effective Date through the dissolution of the Company: (i) such Member shall have no further consent or approval rights hereunder, and the Board is hereby authorized on behalf of the Member to take such action as the Board deems necessary or appropriate to give effect to the same; and (ii) the Member acknowledges that if the Board determines that for any reason the foregoing is not sufficient to avoid any adverse impacts under Rule 506(d) or 506(e) of Regulation D promulgated under the U.S. Securities Act of 1933, as amended, the Board may redeem such Member's Membership Interest at cost.

(c) Other.

(i) Such Member has not incurred any obligation to a broker or finder for payment of any commission or fee in connection with the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby, including its admission as a Member, for which the Company or any other Member may become liable.

(ii) Without in any way limiting the foregoing, such Member acknowledges and agrees that:

A. Except as expressly set forth in this Agreement or in any Award Agreement, neither the Company, any Member nor any Affiliate of any Member nor any employee or other representative of the foregoing has at any time made any warranties or representations of any kind or character, express or implied, with respect to the Company or the Company assets, including any warranties or representations as to merchantability or fitness for a particular purpose; and

B. All materials, data and information delivered to any Member by any Person relating to the Company assets have been provided to such Member as a convenience only and any reliance on or use of such materials, data or information by such Member shall be at the sole risk of such Member.

(d) Survival. Notwithstanding anything to the contrary in this Agreement, the provisions of this Section 12.16 shall survive the expiration or sooner termination of this Agreement.

12.17 Counsel. **EACH MEMBER AND ASSIGNEE ACKNOWLEDGES THAT LATHAM & WATKINS LLP HAS REPRESENTED SOLELY THE COMPANY IN CONNECTION WITH THIS AGREEMENT AND THAT LATHAM & WATKINS LLP DOES NOT REPRESENT ANY MEMBER OR ASSIGNEE IN ITS CAPACITY AS SUCH IN THE ABSENCE OF A CLEAR AND EXPLICIT WRITTEN AGREEMENT TO SUCH EFFECT BETWEEN SUCH MEMBER OR ASSIGNEE AND LATHAM & WATKINS LLP (AND THEN ONLY TO THE EXTENT SPECIFICALLY SET FORTH IN SUCH AGREEMENT). EACH MEMBER AND ASSIGNEE AGREES THAT IN ABSENCE OF ANY SUCH AGREEMENT LATHAM & WATKINS LLP SHALL OWE NO DUTIES TO ANY MEMBER OR ASSIGNEE. EACH MEMBER AND ASSIGNEE FURTHER ACKNOWLEDGES THAT, WHETHER OR NOT LATHAM & WATKINS LLP HAS IN THE PAST REPRESENTED OR IS CURRENTLY REPRESENTING SUCH MEMBER OR ASSIGNEE WITH RESPECT TO OTHER MATTERS, LATHAM & WATKINS LLP HAS NOT REPRESENTED THE INTERESTS OF ANY MEMBER, AS SUCH, IN THE PREPARATION OR NEGOTIATION OF THIS AGREEMENT AND WILL NOT REPRESENT THE INTERESTS OF ANY MEMBER OR ASSIGNEE IN CONNECTION WITH ANY MATTER HEREAFTER ARISING UNDER THIS AGREEMENT. EACH MEMBER AND ASSIGNEE HEREBY EMPOWERS THE BOARD TO WAIVE, ON BEHALF OF THE COMPANY, ANY CONFLICT TO WHICH ANY COUNSEL MAY REQUEST CONSENT (INCLUDING THE WAIVER OF ANY CONFLICT NECESSARY OR DESIRABLE TO PERMIT THE SAME COUNSEL TO REPRESENT THE DIRECTORS AND/OR THE COMPANY IN CONNECTION WITH THIS AGREEMENT ON AN ONGOING BASIS WHILE ALSO REPRESENTING THE COMPANY ON OTHER MATTERS). IF LATHAM & WATKINS LLP CURRENTLY REPRESENTS ANY MEMBER OR ASSIGNEE WITH RESPECT TO OTHER MATTERS, SUCH MEMBER OR ASSIGNEE HEREBY WAIVES ANY CONFLICT OF INTEREST IN CONNECTION THEREWITH. EACH MEMBER AND ASSIGNEE ACKNOWLEDGES THAT LATHAM & WATKINS LLP DOES NOT INVESTIGATE OR VERIFY THE ACCURACY AND COMPLETENESS OF ANY INFORMATION SET FORTH IN ANY DISCLOSURES CONCERNING THE COMPANY, THE DIRECTORS, THEIR RESPECTIVE AFFILIATES OR THEIR RESPECTIVE PERSONNEL. EACH MEMBER AND ASSIGNEE ACKNOWLEDGES AND GIVES ITS CONSENT THAT LATHAM & WATKINS LLP IS UNDER NO OBLIGATION TO SHARE WITH ANY MEMBER ANY CONFIDENTIAL INFORMATION LATHAM & WATKINS LLP OBTAINS FROM THE COMPANY, THE DIRECTORS, THEIR RESPECTIVE AFFILIATES OR ANY OTHER PERSON, EVEN IF MATERIAL TO A MEMBER (OR ASSIGNEE) OR ITS MEMBERSHIP INTEREST. EACH MEMBER AND ASSIGNEE FURTHER ACKNOWLEDGES AND GIVES ITS CONSENT THAT IN THE EVENT OF ANY DISPUTE OR LITIGATION, LATHAM & WATKINS LLP MAY CONTINUE TO REPRESENT SOLELY THE COMPANY, THE DIRECTORS, THEIR RESPECTIVE AFFILIATES AND/OR ANY COMBINATION THEREOF, AS LATHAM & WATKINS LLP AND THE COMPANY (OR THE DIRECTORS ON THE COMPANY'S BEHALF) OR THE DIRECTORS, AS APPLICABLE, MAY AGREE.**

12.18 Further Assurances. Each of the parties hereto does hereby covenant and agree on behalf of itself, its successors, and its assigns, without further consideration, to prepare, execute, acknowledge, file, record, publish, and deliver such other instruments, documents and statements, and to take such other action as may be required by law or reasonably necessary to effectively carry out the purposes of this Agreement. Each Member hereby undertakes to take any action necessary or convenient to implement any matter approved in accordance with this Agreement,

including any documents that the Board reasonably determines to be necessary or appropriate to form, qualify or continue the Company as a limited liability company in all jurisdictions in which the Company conducts or plans to conduct its activities and all such agreements, certificates, tax statements and other documents as may be required to be filed by or on behalf of the Company.

12.19 Confidentiality. Each party hereto agrees that such party will keep confidential and will not disclose, divulge, or use for any purpose (other than to monitor its investment in the Company) the provisions of this Agreement or the other Governing Documents and any confidential information obtained from the Company pursuant to the terms of this Agreement or the other Governing Documents (collectively, "Confidential Information"), 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 Section 12.19 by such party), (b) is or has been independently developed or conceived by such party without use of Confidential Information, or (c) is or has been made known or disclosed to such party by a third party without a breach of any obligation of confidentiality such third party may have to the Company; *provided*, *however*, that a party may disclose Confidential Information (including, if applicable, any information received from such party's appointed observer on the Board) (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, in each case, if such person is bound by an ethical duty to keep such information confidential or such person agrees to be bound by the provisions of this Section 12.19; (ii) to any prospective purchaser of any Registrable Securities (as defined in the Investor Rights Agreement) from such party, if such prospective purchaser agrees to be bound by the provisions of this Section 12.19; (iii) to any current or prospective Affiliate, partner, member, stockholder, or wholly owned subsidiary of such party in the ordinary course of business, provided that such party informs such Person that such information is confidential and directs such Person to maintain the confidentiality of such information; (iv) to the extent required in connection with any routine or periodic examination or similar process by any regulatory or self-regulatory body or authority not specifically directed at (initially, or at any point during such examination or similar process), in part or in whole, the Company or the confidential information obtained from the Company pursuant to the terms of this Agreement or the other Governing Documents, including, without limitation, quarterly or annual reports, or (v) as may otherwise be required by law or requested or required by any judicial, regulatory, law enforcement, or governmental authority, provided that, in each case (except for in the case of clause (iv)), such party promptly notifies the Company of such disclosure and takes reasonable steps to minimize the extent of any such required disclosure, provided, however, that no such notice shall be required if (x) such notice is not legally permissible or (y) any judicial, regulatory, law enforcement or governmental authority requests that such notice not be given. The provisions of this Section 12.19 shall survive: (A) a Member's ceasing to be a member of the Company for any reason, and (B) the termination of the Company. Notwithstanding the foregoing, nothing contained herein shall prohibit any Person from reporting possible violations of federal law or regulation to any governmental agency or entity including the U.S. Department of Justice, the SEC, the U.S. Congress, and any U.S. Inspector General, or making other disclosures that are protected under the whistleblower provisions of applicable law or regulation. Further, each party that is an employee of, or other service provider to, the Company, the Board or any of their respective Affiliates (such Person, an "Applicable Entity") hereby acknowledges that the Company and the Applicable Entity(ies) have provided such party with the following notice of immunity rights in compliance with the requirements of the Defend Trade Secrets Act: (x) such party shall not be held criminally or civilly liable under any federal or state

trade secret law for the disclosure of Confidential Information that is made in confidence to a federal, state or local government official or to an attorney solely for the purpose of reporting or investigating a suspected violation of law, (y) such party shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of Confidential Information that is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal and (z) if such party files a lawsuit for retaliation by the Company or the Applicable Entity(ies) for reporting a suspected violation of law, such party may disclose the Confidential Information to his or her attorney and use the Confidential Information in the court proceeding, if such party files any document containing the Confidential Information under seal, and does not disclose the Confidential Information, except pursuant to court order.

12.20 No Third Party Beneficiaries. None of the provisions of this Agreement shall be for the benefit of, or be enforceable by, any creditor of the Company or any creditor of any Member, except with respect to any creditor that is a Member, acting solely in its capacity as (and solely to the extent of its interest as) a Member. This Agreement is not intended to confer any rights or remedies hereunder upon, and shall not be enforceable by, any Person other than the parties hereto and, solely in respect of Article 10, the Covered Persons.

12.21 Survival. Notwithstanding anything to the contrary contained herein, the provisions of Section 10.3 (Indemnification), Section 12.1 (Governing Law), Section 12.2 (Submission to Jurisdiction; Venue; Waiver), Section 12.3 (Waiver of Jury Trial), Section 12.4 (No Expansion of Duties), Section 12.8 (Notices), Section 12.17 (Counsel), Section 12.18 (Further Assurances), Section 12.19 (Confidentiality), Section 12.23 (Attorneys' Fees), Exhibit A (Definitions), and any other provision herein necessary for the effectiveness of the foregoing sections, shall survive any (a) amendment or termination of this Agreement, (b) any Transfer by a Member or Assignee, and (c) the dissolution or termination of the Company.

12.22 Attorney-in-Fact. Each Member irrevocably constitutes and appoints the Directors, and each of them individually, with full power of substitution and resubstitution, as its true and lawful attorney-in-fact and agent with full power and authority in its name, place and stead to execute, acknowledge, verify, deliver, swear to, file and record at the appropriate public offices all amendments to this Agreement adopted in accordance with the terms hereof, and all other instruments that the Board deems necessary to reflect or give effect to such amendments. The appointment by all Members of the Directors, and each of them individually, as attorney-in-fact shall be deemed to be a power coupled with an interest, in recognition of the fact that each of the Members under this Agreement will be relying upon the power of the Directors, and each of them individually, to act as contemplated by this Agreement in any filing and other action by the Directors, or any of them individually, on behalf of the Company, shall survive the incapacity of any Person hereby giving such power, and the transfer or assignment of all or any portion of the Membership Interest of such Person in the Company, and shall not be affected by the subsequent incapacity of such Person; *provided that* in the event of the assignment by a Member of all of its Membership Interest in the Company, the foregoing power of attorney of an assignor Member shall survive such assignment; and *provided further that* if such assignee is admitted as a Substitute Member pursuant to this Agreement, the foregoing power of attorney shall survive with respect to the transferring Member only to the extent of, and for the purpose of, enabling the Directors, or any of them individually, to execute, acknowledge, swear to and file any instruments necessary to effect the substitution of the assignee as a Substitute Member. This power of attorney may be

exercised by such attorney-in-fact for all Members (or any of them) by signature of the Directors, or any Director individually, acting as attorney-in-fact with or without listing all of the Members executing an instrument. Any Person dealing with the Company may conclusively presume and rely upon the fact that any instrument referred to above, executed by any holder of this power of attorney, is authorized, legal, valid and binding, without further inquiry. If required, each Member shall execute and deliver to the Board within 10 calendar days after the receipt of a request therefor, such further designations, powers of attorney or other instruments as the Board shall reasonably deem necessary for the purposes hereof.

12.23 Attorneys' Fees. The prevailing party in any action, mediation or arbitration proceeding to enforce or interpret the provisions of this Agreement shall be entitled to the actual sum for attorneys' fees, expert witness' fees and consultant fees, including, without limitation, attorneys' fees on appeal, whether or not the action or proceeding proceeds to judgment, and whether or not the successful party is designated plaintiff or defendant in the action or proceeding, together with all court, arbitration, deposition, and transcription costs. The prevailing party shall be determined by the court or arbitrator, as applicable, based upon an assessment as to which party's major arguments or positions taken in the proceedings could fairly be said to have prevailed over the other party's major arguments or positions on major disputed issues in the court's or arbitrator's decision.

12.24 Set Off. Each Member and Assignee hereby authorizes the Board to set off and apply any and all amounts at any time otherwise distributable to such Member or Assignee under this Agreement against any amount due to the Company or its Affiliates under this Agreement.

12.25 Certain Approvals and Waivers. By its execution of this Agreement, each Member hereby: (a) approves, consents to and ratifies (including for purposes of any consents otherwise required under Section 6.4(c), Section 6.4(d), Section 6.4(e) or Section 6.4(f)): (i) each of the Governing Documents and the Preferred Unit Purchase Agreements and the transactions contemplated therein; and (ii) the execution by the Company, and by Anthony Y. Sun, M.D., as Director or President and Chief Executive Officer on behalf of the Company, each of the foregoing agreements, as applicable; and, (b) in its capacity (if any) as a prior stockholder of Zeno Inc., hereby waives all rights under Section 262 of the Delaware General Corporation Law and Sections 1300-1313 of the California Corporations Code, in connection with the Merger, to have such Member's Zeno Inc. shares appraised by the Delaware Court of Chancery or the Superior Court of the State of California, as applicable, and to receive payment in cash of the "fair value" of the shares.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

COMPANY:

ZENO PHARMA, LLC

By: /s/ Anthony Sun, MD
Name: Anthony Sun, MD
Title: President & CEO

THE "**MEMBERS**" ARE SET FORTH ON THE COUNTERPART SIGNATURE PAGES KEPT ON FILE WITH THE COMPANY.

SECOND AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT OF
ZENO PHARMA, LLC

IN WITNESS WHEREOF, the undersigned Member has caused this counterpart signature page to the Second Amended and Restated Limited Liability Company Agreement of Zeno Pharma, LLC, to be duly executed as of the Effective Date.

MEMBER:

REDMILE BIOPHARMA INVESTMENTS II, L.P.

By: Redmile Biopharma Investments II (GP), LLC, its general partner

By: /s/ Josh Garcia
Name: Josh Garcia
Title: Authorized Person

Member Address:

SECOND AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT OF
ZENO PHARMA, LLC

IN WITNESS WHEREOF, the undersigned Member has caused this counterpart signature page to the Second Amended and Restated Limited Liability Company Agreement of Zeno Pharma, LLC, to be duly executed as of the Effective Date.

MEMBER:

MATRIX CAPITAL MANAGEMENT MASTER FUND, LP

By: /s/ David E. Goel
Name: David E. Goel
Title: Managing General Partner

Member Address:

SECOND AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT OF
ZENO PHARMA, LLC

IN WITNESS WHEREOF, the undersigned Member has caused this counterpart signature page to the Second Amended and Restated Limited Liability Company Agreement of Zeno Pharma, LLC, to be duly executed as of the Effective Date.

MEMBER:

VIKING GLOBAL OPPORTUNITIES ILLIQUID INVESTMENTS SUB-MASTER LP

By: Viking Global Opportunities Portfolio GP LLC, its general partner

By: /s/ Matthew Bloom
Name: Matthew Bloom
Title: Authorized Signatory

Member Address:

SECOND AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT OF
ZENO PHARMA, LLC

IN WITNESS WHEREOF, the undersigned Member has caused this counterpart signature page to the Second Amended and Restated Limited Liability Company Agreement of Zeno Pharma, LLC, to be duly executed as of the Effective Date.

MEMBER:

ZONE HEALTHCARE HOLDINGS, LLC

By: Farallon Capital Management, L.L.C., its Manager

By: /s/ Philip Dreyfuss
Name: Philip Dreyfuss
Title: Managing Member

Member Address:

SECOND AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT OF
ZENO PHARMA, LLC

IN WITNESS WHEREOF, the undersigned Member has caused this counterpart signature page to the Second Amended and Restated Limited Liability Company Agreement of Zeno Pharma, LLC, to be duly executed as of the Effective Date.

MEMBER:

CITADEL MULTI-STRATEGY EQUITIES MASTER FUND LTD.

By: Citadel Advisors, LLC, its portfolio manager

By: /s/ Noah Goldberg
Name: Noah Goldberg
Title: Authorized Signatory

Member Address:

SECOND AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT OF
ZENO PHARMA, LLC

IN WITNESS WHEREOF, the undersigned Member has caused this counterpart signature page to the Second Amended and Restated Limited Liability Company Agreement of Zeno Pharma, LLC, to be duly executed as of the Effective Date.

MEMBER:

MUTUAL FUND SERIES TRUST, ON BEHALF OF EVENTIDE HEALTHCARE & LIFE SCIENCES FUND

By: /s/ Erik Naviloff
Name: Erik Naviloff
Title: Officer

Member Address:

SECOND AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT OF
ZENO PHARMA, LLC

IN WITNESS WHEREOF, the undersigned Member has caused this counterpart signature page to the Second Amended and Restated Limited Liability Company Agreement of Zeno Pharma, LLC, to be duly executed as of the Effective Date.

MEMBER:

PERCEPTIVE LIFE SCIENCES MASTER FUND LTD

By: /s/ James H. Mannix
Name: James H. Mannix
Title: Chief Operating Officer

Member Address:

SECOND AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT OF
ZENO PHARMA, LLC

IN WITNESS WHEREOF, the undersigned Member has caused this counterpart signature page to the Second Amended and Restated Limited Liability Company Agreement of Zeno Pharma, LLC, to be duly executed as of the Effective Date.

MEMBER:

PHARMARON (HONG KONG) INVESTMENTS LIMITED

By: /s/ Boliang Lou
Name: Boliang Lou
Title: Director

Member Address:

SECOND AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT OF
ZENO PHARMA, LLC

IN WITNESS WHEREOF, the undersigned Member has caused this counterpart signature page to the Second Amended and Restated Limited Liability Company Agreement of Zeno Pharma, LLC, to be duly executed as of the Effective Date.

MEMBER:

MAYO CLINIC

By: /s/ Harry N. Hoffman
Name: Harry N. Hoffman
Title: Co-Chief Investment Officer

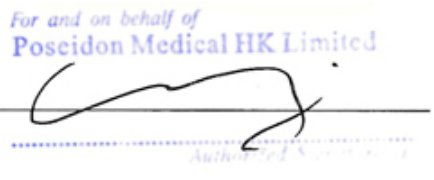
Member Address:

SECOND AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT OF
ZENO PHARMA, LLC

IN WITNESS WHEREOF, the undersigned Member has caused this counterpart signature page to the Second Amended and Restated Limited Liability Company Agreement of Zeno Pharma, LLC, to be duly executed as of the Effective Date.

MEMBER:

POSEIDON MEDICAL HK LIMITED



By: _____
Name: .....
Title:

Member Address:

SECOND AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT OF
ZENO PHARMA, LLC

IN WITNESS WHEREOF, the undersigned Member has caused this counterpart signature page to the Second Amended and Restated Limited Liability Company Agreement of Zeno Pharma, LLC, to be duly executed as of the Effective Date.

MEMBER:

ALEXANDRIA VENTURE INVESTMENTS, LLC,
a Delaware limited Liability Company

By: ALEXANDRIA REAL ESTATE EQUITIES, INC., a Maryland corporation, managing member

By: /s/ Aaron Jacobson
Name: Aaron Jacobson
Title: SVP - Venture Counsel

Member Address:

SECOND AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT OF
ZENO PHARMA, LLC

IN WITNESS WHEREOF, the undersigned Member has caused this counterpart signature page to the Second Amended and Restated Limited Liability Company Agreement of Zeno Pharma, LLC, to be duly executed as of the Effective Date.

MEMBER:

WEISBROD FAMILY OFFICE, LLC

By: /s/ Stuart Weisbrod
Name: Stuart Weisbrod
Title: Managing Member

Member Address:

SECOND AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT OF
ZENO PHARMA, LLC

IN WITNESS WHEREOF, the undersigned Member has caused this counterpart signature page to the Second Amended and Restated Limited Liability Company Agreement of Zeno Pharma, LLC, to be duly executed as of the Effective Date.

MEMBER:

DAVID JOHNSON

/s/ DAVID JOHNSON

Member Address:

SECOND AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT OF
ZENO PHARMA, LLC

IN WITNESS WHEREOF, the undersigned Member has caused this counterpart signature page to the Second Amended and Restated Limited Liability Company Agreement of Zeno Pharma, LLC, to be duly executed as of the Effective Date.

MEMBER:

VP COMPANY INVESTMENTS 2016, LLC

By: /s/ Peter Handrinos
Name: Peter Handrinos
Title: Member of Management Committee

Member Address:

SECOND AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT OF
ZENO PHARMA, LLC

IN WITNESS WHEREOF, the undersigned Member has caused this counterpart signature page to the Second Amended and Restated Limited Liability Company Agreement of Zeno Pharma, LLC, to be duly executed as of the Effective Date.

MEMBER:

VP COMPANY INVESTMENTS 2018, LLC

By: /s/ Peter Handrinos
Name: Peter Handrinos
Title: Member of Management Committee

Member Address:

SECOND AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT OF
ZENO PHARMA, LLC

IN WITNESS WHEREOF, the undersigned Member has caused this counterpart signature page to the Second Amended and Restated Limited Liability Company Agreement of Zeno Pharma, LLC, to be duly executed as of the Effective Date.

MEMBER:

CHESTON J. LARSON

/s/ CHESTON J. LARSON

Member Address:

SECOND AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT OF
ZENO PHARMA, LLC

IN WITNESS WHEREOF, the undersigned Member has caused this counterpart signature page to the Second Amended and Restated Limited Liability Company Agreement of Zeno Pharma, LLC, to be duly executed as of the Effective Date.

MEMBER:

STEVEN T. CHINOWSKY

/s/ STEVEN T. CHINOWSKY

Member Address:

SECOND AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT OF
ZENO PHARMA, LLC

IN WITNESS WHEREOF, the undersigned Member has caused this counterpart signature page to the Second Amended and Restated Limited Liability Company Agreement of Zeno Pharma, LLC, to be duly executed as of the Effective Date.

MEMBER:

ZENO PHARMA HOLDINGS, LLC

By: /s/ Kevin D. Bunker
Name: Kevin D. Bunker
Title: Chief Executive Officer

Member Address:

SECOND AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT OF
ZENO PHARMA, LLC

IN WITNESS WHEREOF, the undersigned Member has caused this counterpart signature page to the Second Amended and Restated Limited Liability Company Agreement of Zeno Pharma, LLC, to be duly executed as of the Effective Date.

MEMBER:

KEVIN D. BUNKER

/s/ Kevin D. Bunker

Member Address:

SECOND AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT OF
ZENO PHARMA, LLC

IN WITNESS WHEREOF, the undersigned Member has caused this counterpart signature page to the Second Amended and Restated Limited Liability Company Agreement of Zeno Pharma, LLC, to be duly executed as of the Effective Date.

MEMBER:

ESSEX GROUP INTERNATIONAL, LLC

By: /s/ Anthony Y. Sun, M.D.
Name: Anthony Y. Sun, M.D.
Title: Manager

Member Address:

SECOND AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT OF
ZENO PHARMA, LLC

IN WITNESS WHEREOF, the undersigned Member has caused this counterpart signature page to the Second Amended and Restated Limited Liability Company Agreement of Zeno Pharma, LLC, to be duly executed as of the Effective Date.

MEMBER:

ANTHONY Y. SUN, M.D.

/s/ Anthony Y. Sun, M.D.

Member Address:

SECOND AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT OF
ZENO PHARMA, LLC

IN WITNESS WHEREOF, the undersigned Member has caused this counterpart signature page to the Second Amended and Restated Limited Liability Company Agreement of Zeno Pharma, LLC, to be duly executed as of the Effective Date.

MEMBER:

CAM GALLAGHER

/s/ CAM GALLAGHER

Member Address:

SECOND AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT OF
ZENO PHARMA, LLC

IN WITNESS WHEREOF, the undersigned Member has caused this counterpart signature page to the Second Amended and Restated Limited Liability Company Agreement of Zeno Pharma, LLC, to be duly executed as of the Effective Date.

MEMBER:

AHMED SAMATAR

/s/ Ahmed Samatar, Ph.D.

Member Address:

SECOND AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT OF
ZENO PHARMA, LLC

IN WITNESS WHEREOF, the undersigned Member has caused this counterpart signature page to the Second Amended and Restated Limited Liability Company Agreement of Zeno Pharma, LLC, to be duly executed as of the Effective Date.

MEMBER:

CHRISTOPHER DEAN CLARK

/s/ CHRISTOPHER DEAN CLARK

Member Address:

SECOND AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT OF
ZENO PHARMA, LLC

IN WITNESS WHEREOF, the undersigned Member has caused this counterpart signature page to the Second Amended and Restated Limited Liability Company Agreement of Zeno Pharma, LLC, to be duly executed as of the Effective Date.

MEMBER:

THE EMILY F. LIU TRUST

By: /s/ Emily F. Liu
Name: Emily F. Liu
Title:

Member Address:

SECOND AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT OF
ZENO PHARMA, LLC

IN WITNESS WHEREOF, the undersigned Member has caused this counterpart signature page to the Second Amended and Restated Limited Liability Company Agreement of Zeno Pharma, LLC, to be duly executed as of the Effective Date.

MEMBER:

JUSTIN LIU TRUST DATED JULY 29, 1998

By: /s/ Justin Liu
Name: Justin Liu
Title: Trustee

Member Address:

SECOND AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT OF
ZENO PHARMA, LLC

IN WITNESS WHEREOF, the undersigned Member has caused this counterpart signature page to the Second Amended and Restated Limited Liability Company Agreement of Zeno Pharma, LLC, to be duly executed as of the Effective Date.

MEMBER:

MATTHEW SEIDLER REVOCABLE TRUST,
MATTHEW SEIDLER TRUSTEE

By: /s/ Matt Seidler
Name: Matt Seidler
Title: Trustee

Member Address:

SECOND AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT OF
ZENO PHARMA, LLC

IN WITNESS WHEREOF, the undersigned Member has caused this counterpart signature page to the Second Amended and Restated Limited Liability Company Agreement of Zeno Pharma, LLC, to be duly executed as of the Effective Date.

MEMBER:

ROBERT SEIDLER REVOCABLE TRUST,
ROBERT SEIDLER TRUSTEE

By: /s/ Robert Seidler Rem Trust
Name: Robert Seidler Rem Trust
Title: Trustee

Member Address:

SECOND AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT OF
ZENO PHARMA, LLC

IN WITNESS WHEREOF, the undersigned Member has caused this counterpart signature page to the Second Amended and Restated Limited Liability Company Agreement of Zeno Pharma, LLC, to be duly executed as of the Effective Date.

MEMBER:

FRANK YANG

/s/ FRANK YANG

Member Address:

SECOND AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT OF
ZENO PHARMA, LLC

IN WITNESS WHEREOF, the undersigned Member has caused this counterpart signature page to the Second Amended and Restated Limited Liability Company Agreement of Zeno Pharma, LLC, to be duly executed as of the Effective Date.

MEMBER:

KATHRYN BOXMEYER

/s/ Kathryn Boxmeyer

Member Address:

SECOND AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT OF
ZENO PHARMA, LLC

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MEMBER:

DONALD MCDONNELL

/s/ Donald McDonnell

Member Address:

SECOND AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT OF
ZENO PHARMA, LLC

IN WITNESS WHEREOF, the undersigned Member has caused this counterpart signature page to the Second Amended and Restated Limited Liability Company Agreement of Zeno Pharma, LLC, to be duly executed as of the Effective Date.

MEMBER:
Aditya Unni

/s/ Aditya Unni

Member Address:

SECOND AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT OF
ZENO PHARMA, LLC

IN WITNESS WHEREOF, the undersigned Member has caused this counterpart signature page to the Second Amended and Restated Limited Liability Company Agreement of Zeno Pharma, LLC, to be duly executed as of the Effective Date.

MEMBER:
Brant Boren

/s/ Brant Boren

Member Address:

SECOND AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT OF
ZENO PHARMA, LLC

IN WITNESS WHEREOF, the undersigned Member has caused this counterpart signature page to the Second Amended and Restated Limited Liability Company Agreement of Zeno Pharma, LLC, to be duly executed as of the Effective Date.

MEMBER:
Brian Kenney

/s/ Brian Kenney

Member Address:

SECOND AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT OF
ZENO PHARMA, LLC

IN WITNESS WHEREOF, the undersigned Member has caused this counterpart signature page to the Second Amended and Restated Limited Liability Company Agreement of Zeno Pharma, LLC, to be duly executed as of the Effective Date.

MEMBER:
Bridgette Tullis

/s/ Bridgette Tullis

Member Address:

SECOND AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT OF
ZENO PHARMA, LLC

IN WITNESS WHEREOF, the undersigned Member has caused this counterpart signature page to the Second Amended and Restated Limited Liability Company Agreement of Zeno Pharma, LLC, to be duly executed as of the Effective Date.

MEMBER:
Chad Hopkins

/s/ Chad Hopkins

Member Address:

SECOND AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT OF
ZENO PHARMA, LLC

IN WITNESS WHEREOF, the undersigned Member has caused this counterpart signature page to the Second Amended and Restated Limited Liability Company Agreement of Zeno Pharma, LLC, to be duly executed as of the Effective Date.

MEMBER:
Chad Robins

/s/ Chad Robins

Member Address:

SECOND AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT OF
ZENO PHARMA, LLC

IN WITNESS WHEREOF, the undersigned Member has caused this counterpart signature page to the Second Amended and Restated Limited Liability Company Agreement of Zeno Pharma, LLC, to be duly executed as of the Effective Date.

MEMBER:
Claire Summers

/s/ Claire Summers

Member Address:

SECOND AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT OF
ZENO PHARMA, LLC

IN WITNESS WHEREOF, the undersigned Member has caused this counterpart signature page to the Second Amended and Restated Limited Liability Company Agreement of Zeno Pharma, LLC, to be duly executed as of the Effective Date.

MEMBER:
David Balmforth

/s/ David Balmforth

Member Address:

SECOND AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT OF
ZENO PHARMA, LLC

IN WITNESS WHEREOF, the undersigned Member has caused this counterpart signature page to the Second Amended and Restated Limited Liability Company Agreement of Zeno Pharma, LLC, to be duly executed as of the Effective Date.

MEMBER:
Denise Gibot

/s/ Denise Gibot

Member Address:

SECOND AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT OF
ZENO PHARMA, LLC

IN WITNESS WHEREOF, the undersigned Member has caused this counterpart signature page to the Second Amended and Restated Limited Liability Company Agreement of Zeno Pharma, LLC, to be duly executed as of the Effective Date.

MEMBER:
Erika Taylor

/s/ Erika Taylor

Member Address:

SECOND AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT OF
ZENO PHARMA, LLC

IN WITNESS WHEREOF, the undersigned Member has caused this counterpart signature page to the Second Amended and Restated Limited Liability Company Agreement of Zeno Pharma, LLC, to be duly executed as of the Effective Date.

MEMBER:
Greg Stevens

/s/ Greg Stevens

Member Address:

SECOND AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT OF
ZENO PHARMA, LLC

IN WITNESS WHEREOF, the undersigned Member has caused this counterpart signature page to the Second Amended and Restated Limited Liability Company Agreement of Zeno Pharma, LLC, to be duly executed as of the Effective Date.

MEMBER:
Jiali Li

/s/ Jiali Li

Member Address:

SECOND AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT OF
ZENO PHARMA, LLC

IN WITNESS WHEREOF, the undersigned Member has caused this counterpart signature page to the Second Amended and Restated Limited Liability Company Agreement of Zeno Pharma, LLC, to be duly executed as of the Effective Date.

MEMBER:
Jianhui Ma

/s/ Jianhui Ma

Member Address:

SECOND AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT OF
ZENO PHARMA, LLC

IN WITNESS WHEREOF, the undersigned Member has caused this counterpart signature page to the Second Amended and Restated Limited Liability Company Agreement of Zeno Pharma, LLC, to be duly executed as of the Effective Date.

MEMBER:
Joanna Bone

/s/ Joanna Bone

Member Address:

SECOND AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT OF
ZENO PHARMA, LLC

IN WITNESS WHEREOF, the undersigned Member has caused this counterpart signature page to the Second Amended and Restated Limited Liability Company Agreement of Zeno Pharma, LLC, to be duly executed as of the Effective Date.

MEMBER:
Joseph Pinchman

/s/ Joseph Pinchman

Member Address:

SECOND AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT OF ZENO PHARMA, LLC

IN WITNESS WHEREOF, the undersigned Member has caused this counterpart signature page to the Second Amended and Restated Limited Liability Company Agreement of Zeno Pharma, LLC, to be duly executed as of the Effective Date.

MEMBER:
Junhu Zhang

/s/ Junhu Zhang

Member Address:

SECOND AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT OF
ZENO PHARMA, LLC

IN WITNESS WHEREOF, the undersigned Member has caused this counterpart signature page to the Second Amended and Restated Limited Liability Company Agreement of Zeno Pharma, LLC, to be duly executed as of the Effective Date.

MEMBER:
Kimberley Danzi Overs

/s/ Kimberley Danzi Overs

Member Address:

SECOND AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT OF
ZENO PHARMA, LLC

IN WITNESS WHEREOF, the undersigned Member has caused this counterpart signature page to the Second Amended and Restated Limited Liability Company Agreement of Zeno Pharma, LLC, to be duly executed as of the Effective Date.

MEMBER:
Kyle Ohnemus

/s/ Kyle Ohnemus

Member Address:

SECOND AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT OF
ZENO PHARMA, LLC

IN WITNESS WHEREOF, the undersigned Member has caused this counterpart signature page to the Second Amended and Restated Limited Liability Company Agreement of Zeno Pharma, LLC, to be duly executed as of the Effective Date.

MEMBER:
Larry Cheng

/s/ Larry Cheng

Member Address:

SECOND AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT OF
ZENO PHARMA, LLC

IN WITNESS WHEREOF, the undersigned Member has caused this counterpart signature page to the Second Amended and Restated Limited Liability Company Agreement of Zeno Pharma, LLC, to be duly executed as of the Effective Date.

MEMBER:
Lawrence Cripe

/s/ Lawrence Cripe

Member Address:

SECOND AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT OF
ZENO PHARMA, LLC

IN WITNESS WHEREOF, the undersigned Member has caused this counterpart signature page to the Second Amended and Restated Limited Liability Company Agreement of Zeno Pharma, LLC, to be duly executed as of the Effective Date.

MEMBER:
Liping Wang

/s/ Liping Wang

Member Address:

SECOND AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT OF
ZENO PHARMA, LLC

IN WITNESS WHEREOF, the undersigned Member has caused this counterpart signature page to the Second Amended and Restated Limited Liability Company Agreement of Zeno Pharma, LLC, to be duly executed as of the Effective Date.

MEMBER:
Marianna Rabinovich

/s/ Marianna Rabinovich

Member Address:

SECOND AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT OF
ZENO PHARMA, LLC

IN WITNESS WHEREOF, the undersigned Member has caused this counterpart signature page to the Second Amended and Restated Limited Liability Company Agreement of Zeno Pharma, LLC, to be duly executed as of the Effective Date.

MEMBER:
Matthew Suster

/s/ Matthew Suster

Member Address:

SECOND AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT OF
ZENO PHARMA, LLC

IN WITNESS WHEREOF, the undersigned Member has caused this counterpart signature page to the Second Amended and Restated Limited Liability Company Agreement of Zeno Pharma, LLC, to be duly executed as of the Effective Date.

MEMBER:
Meenakshi Rao

/s/ Meenakshi Rao

Member Address:

SECOND AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT OF
ZENO PHARMA, LLC

IN WITNESS WHEREOF, the undersigned Member has caused this counterpart signature page to the Second Amended and Restated Limited Liability Company Agreement of Zeno Pharma, LLC, to be duly executed as of the Effective Date.

MEMBER:
Mehmet Kahraman

/s/ Mehmet Kahraman

Member Address:

SECOND AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT OF
ZENO PHARMA, LLC

IN WITNESS WHEREOF, the undersigned Member has caused this counterpart signature page to the Second Amended and Restated Limited Liability Company Agreement of Zeno Pharma, LLC, to be duly executed as of the Effective Date.

MEMBER:
Michael Rutgard

/s/ Michael Rutgard

Member Address:

SECOND AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT OF
ZENO PHARMA, LLC

IN WITNESS WHEREOF, the undersigned Member has caused this counterpart signature page to the Second Amended and Restated Limited Liability Company Agreement of Zeno Pharma, LLC, to be duly executed as of the Effective Date.

MEMBER:
Monica Espindola

/s/ Monica Espindola

Member Address:

SECOND AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT OF
ZENO PHARMA, LLC

IN WITNESS WHEREOF, the undersigned Member has caused this counterpart signature page to the Second Amended and Restated Limited Liability Company Agreement of Zeno Pharma, LLC, to be duly executed as of the Effective Date.

MEMBER:
Noah Ibrahim

/s/ Noah Ibrahim

Member Address:

SECOND AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT OF
ZENO PHARMA, LLC

IN WITNESS WHEREOF, the undersigned Member has caused this counterpart signature page to the Second Amended and Restated Limited Liability Company Agreement of Zeno Pharma, LLC, to be duly executed as of the Effective Date.

MEMBER:
Orna Bornstein

/s/ Orna Bornstein

Member Address:

SECOND AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT OF
ZENO PHARMA, LLC

IN WITNESS WHEREOF, the undersigned Member has caused this counterpart signature page to the Second Amended and Restated Limited Liability Company Agreement of Zeno Pharma, LLC, to be duly executed as of the Effective Date.

MEMBER:
Patrick Chun

/s/ Patrick Chun

Member Address:

SECOND AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT OF
ZENO PHARMA, LLC

IN WITNESS WHEREOF, the undersigned Member has caused this counterpart signature page to the Second Amended and Restated Limited Liability Company Agreement of Zeno Pharma, LLC, to be duly executed as of the Effective Date.

MEMBER:
Peter Huang

/s/ Peter Huang

Member Address:

SECOND AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT OF
ZENO PHARMA, LLC

IN WITNESS WHEREOF, the undersigned Member has caused this counterpart signature page to the Second Amended and Restated Limited Liability Company Agreement of Zeno Pharma, LLC, to be duly executed as of the Effective Date.

MEMBER:
Phuong Tran

/s/ Phuong Tran

Member Address:

SECOND AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT OF
ZENO PHARMA, LLC

IN WITNESS WHEREOF, the undersigned Member has caused this counterpart signature page to the Second Amended and Restated Limited Liability Company Agreement of Zeno Pharma, LLC, to be duly executed as of the Effective Date.

MEMBER:
Rakesh Sit

/s/ Rakesh Sit

Member Address:

SECOND AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT OF
ZENO PHARMA, LLC

IN WITNESS WHEREOF, the undersigned Member has caused this counterpart signature page to the Second Amended and Restated Limited Liability Company Agreement of Zeno Pharma, LLC, to be duly executed as of the Effective Date.

MEMBER:
Robert Winkler, MD

/s/ Robert Winkler, MD

Member Address:

SECOND AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT OF
ZENO PHARMA, LLC

IN WITNESS WHEREOF, the undersigned Member has caused this counterpart signature page to the Second Amended and Restated Limited Liability Company Agreement of Zeno Pharma, LLC, to be duly executed as of the Effective Date.

MEMBER:
Sayee Hegde

/s/ Sayee Hegde

Member Address:

SECOND AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT OF
ZENO PHARMA, LLC

IN WITNESS WHEREOF, the undersigned Member has caused this counterpart signature page to the Second Amended and Restated Limited Liability Company Agreement of Zeno Pharma, LLC, to be duly executed as of the Effective Date.

MEMBER:
Sobhana Babu

/s/ Sobhana Babu

Member Address:

SECOND AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT OF
ZENO PHARMA, LLC

IN WITNESS WHEREOF, the undersigned Member has caused this counterpart signature page to the Second Amended and Restated Limited Liability Company Agreement of Zeno Pharma, LLC, to be duly executed as of the Effective Date.

MEMBER:
Sunny Abraham

/s/ Sunny Abraham

Member Address:

SECOND AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT OF
ZENO PHARMA, LLC

IN WITNESS WHEREOF, the undersigned Member has caused this counterpart signature page to the Second Amended and Restated Limited Liability Company Agreement of Zeno Pharma, LLC, to be duly executed as of the Effective Date.

MEMBER:
Susan Tamura

/s/ Susan Tamura

Member Address:

SECOND AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT OF
ZENO PHARMA, LLC

IN WITNESS WHEREOF, the undersigned Member has caused this counterpart signature page to the Second Amended and Restated Limited Liability Company Agreement of Zeno Pharma, LLC, to be duly executed as of the Effective Date.

MEMBER:
Takako Winchester

/s/ Takako Winchester

Member Address:

SECOND AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT OF
ZENO PHARMA, LLC

IN WITNESS WHEREOF, the undersigned Member has caused this counterpart signature page to the Second Amended and Restated Limited Liability Company Agreement of Zeno Pharma, LLC, to be duly executed as of the Effective Date.

MEMBER:
Tiffany Hoang

/s/ Tiffany Hoang

Member Address:

SECOND AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT OF
ZENO PHARMA, LLC

IN WITNESS WHEREOF, the undersigned Member has caused this counterpart signature page to the Second Amended and Restated Limited Liability Company Agreement of Zeno Pharma, LLC, to be duly executed as of the Effective Date.

MEMBER:
Vincent Vultaggio

/s/ Vincent Vultaggio

Member Address:

SECOND AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT OF
ZENO PHARMA, LLC

IN WITNESS WHEREOF, the undersigned Member has caused this counterpart signature page to the Second Amended and Restated Limited Liability Company Agreement of Zeno Pharma, LLC, to be duly executed as of the Effective Date.

MEMBER:
Waranush Jitpraphai

/s/ Waranush Jitpraphai

Member Address:

DEFINITIONS

"10% Member" has the meaning specified in Section 3.6.

"Act" means the Delaware Limited Liability Company Act, 6 *Del. C.* §18-101, *et seq.*, as it may be amended or succeeded from time to time.

"Additional Common Units" has the meaning specified in Section 9.2(a)(iii).

"Additional Consideration" has the meaning specified in Section 5.3(c)(iii).

"Additional Member" has the meaning specified in Section 7.2.

"Adjusted Capital Account" means, with respect to the Capital Account of any Member as of the end of any Fiscal Period, the balance in such Member's Capital Account after giving effect to the following adjustments, it being understood for purposes of this definition that the term "Member" shall refer also to Assignees as applicable:

(a) Each Member's Capital Account shall be increased by the amount, if any, such Member is obligated to contribute or is treated as being obligated to contribute to the Company pursuant to Treasury Regulation Section 1.704-1(b)(2)(ii)(c) or Treasury Regulation Sections 1.704-2(g)(1) and 1.704-2(i)(5); and

(b) Each Member's Capital Account shall be decreased by the amount of any of the items described in Treasury Regulation Sections 1.704-1 (b)(2)(ii)(d)(4), (5) and (6).

The foregoing definition of Adjusted Capital Account is intended to comply with Treasury Regulation Section 1.704-1(b)(2)(ii)(*d*) and shall be interpreted consistently therewith.

"Adjusted Capital Account Deficit" means the deficit balance in the Adjusted Capital Account of any Member or Assignee.

"Affiliate" means, with respect to any specified Person, any other Person that directly or indirectly controls, is under common control with, or is controlled by, such specified Person, including without limitation any general partner, managing member, officer, director or trustee of such Person, or any venture capital fund, registered investment company, investment fund or separate account now or hereafter existing that is controlled by one or more general partners, managing members or investment adviser of, or shares the same management company or investment adviser with, such Person. As used in this definition, "control," including, its correlative meanings, "controlled by" and "under common control with," shall mean possession of power to direct or cause the direction of management or policies (whether through ownership of voting securities or partnership or other ownership interests, by contract or otherwise).

"Agreement" means this Second Amended and Restated Limited Liability Company Agreement, as the same may be amended, modified, supplemented and/or restated from time to time in accordance with the terms hereof.

"Applicable Entity" has the meaning specified in Section 12.19.

"Approved Sale" means a Sale of the Company (as defined in the Voting Agreement) approved in accordance with Section 3.2 of the Voting Agreement.

"Assignee" means any Person: (a) (i) to whom a Member (or Assignee thereof) Transfers all or any part of its Membership Interest in accordance with the terms of this Agreement or (ii) who is an estate of or successor in interest to a Member or Assignee that has died or ceased to exist and, (b) in each case, who has not been admitted to the Company as a Substitute Member pursuant to Section 7.5 of this Agreement.

"Audit" has the meaning specified in Section 5.7(b).

"Authorized Person" with respect to any Member means any of the following: (i) such Member's spouse, child (natural or adopted) or any other direct lineal descendant of such Member (all of the foregoing collectively referred to as "family members"); or (ii) any trustee(s) of a trust for the benefit of such Member and/or such Member's family members.

"Award Agreement" has the meaning specified in Section 4.1(b).

"Board" has the meaning specified in Section 2.1.

"Budget Act" means the U.S. Bipartisan Budget Act of 2015.

"Business Day" means any day other than a Saturday, Sunday or a legal holiday in the State of California or any other day on which commercial banks in such state are authorized by law or government decree to close.

"Capital Account" means, with respect to any Member or Assignee, the account maintained for such Member or Assignee in accordance with the provisions of Section 4.4.

"Capital Contribution" means, with respect to any Member or Assignee, the aggregate amount of money and the initial Gross Asset Value of any property (other than money) contributed to the Company pursuant to Section 4.2.

"Capital Securities" means as to any Person that is a corporation, the authorized shares of such Person's capital stock, including all classes of common, preferred, voting and nonvoting capital stock, and, as to any Person that is not a corporation or an individual, the ownership or membership interests in such Person, including, the right to share in profits and losses, the right to receive distributions of cash and property, and the right to receive allocations of items of income, gain, loss, deduction and credit and similar items from such Person, whether or not such interests include voting or similar rights entitling the holder thereof to exercise control over such Person.

"Certificate of Formation" means the Certificate of Formation of the Company as originally filed with the Office of the Delaware Secretary on November 21, 2017, and as amended from time to time.

"Chairperson of the Board" has the meaning specified in Section 6.1(e).

"Change of Control" shall have the meaning set forth in Section 7.6(g).

"Class A Common Units" means Membership Interests in the Company having the economic rights set forth herein with respect to "Class A Common Units," which shall be issued as capital interests.

"Class B Common Unit Plan" means with respect to one or more Class B Common Units, an incentive plan established by the Company or the Board on the Company's behalf.

"Class B Common Units" means Membership Interests in the Company having the economic rights set forth herein with respect to "Class B Common Units," which are issued as "profits interests" in accordance with Section 4.1(b).

"Code" means the U.S. Internal Revenue Code of 1986, as amended.

"Committee" has the meaning set forth in Section 6.3.

"Common Equivalent Units" means a number of units equal to, (a) with respect to any Units or Convertible Securities that are convertible, exercisable, or exchangeable for Class A Common Units, the number of Class A Common Units for which they are convertible, exercisable, or exchangeable and (b) with respect to any other Units which become entitled to participate in distributions under Section 5.3(a)(iv), (i) if such Units participate pro rata with the Class A Common Units under Section 5.3(a)(iv), then such number of Units and (ii) if such Units participate at a rate different than the equivalent number of Class A Common Units, then the number of Class A Common Units that would be entitled to receive distribution under Section 5.3(a)(iv) in the same proportion as such Units.

"Common Member" means a Member holding Common Units.

"Common Units" means with respect to any Member or Assignee, collectively, the Class A Common Units, the Class B Common Units and such other units of interest in the Company hereafter created and issued and designated as Common Units by the Company or the Board on the Company's behalf.

"Common Unit Economic Balance" means the Capital Account balance associated with a Class A Common Unit issued on the Series B Initial Closing Date that is not subject to vesting, plus the amount of any Member Minimum Gain or Minimum Gain allocated to such a Class A Common Unit, computed on a hypothetical basis after taking into account all allocations through the date on which any allocation is made under Section 5.3(d) hereof.

"Company" has the meaning specified in the Preamble.

"Company Minimum Gain" has the meaning set forth in Regulations Sections 1.704-2(b)(2) and 1.704-2(d)(1) for the phrase "partnership minimum gain."

"Company Notice" shall have the meaning set forth in Section 7.6(c).

"Company Unit Sale" means the transfer or sale of Units by one or more Members to a Person or group of related Persons (other than to Affiliates of the transferring Member(s)) representing 50% or more of the Voting Units of the Company.

"Competing Businesses" has the meaning specified in Section 12.4.

"Confidential Information" has the meaning specified in Section 12.19.

"Conversion" has the meaning specified in Section 8.1.

"Conversion Date" has the meaning specified in Section 9.1(c).

"Conversion Price" means (a) with respect to the Series A Preferred Units, the Series A Conversion Price, (b) with respect to the Series B Preferred Units, the Series B Conversion Price and (c) with respect to the Series C Preferred Units, the Series C Conversion Price.

"Convertible Securities" has the meaning specified in Section 9.2(a)(ii).

"Covered Person" means (a) each current or former Director and each person serving or previously served as a director or manager of any Subsidiary of the Company, (b) the current or former Tax Matters Partner (as defined in Section 6231(a)(7) of the Code), (c) any officer of the Company or of any Subsidiary of the Company, or (d) any other employee or agent of the Company or of any Subsidiary of the Company that the Board has elected, in its discretion, to designate as a Covered Person pursuant to Section 10.3(i).

"Deemed Liquidation Event" means each of the following events unless a Preferred Super Approval elect otherwise:

(a) a merger or consolidation in which (i) the Company is a constituent party or (ii) a Subsidiary of the Company is a constituent party and the Company issues Units pursuant to such merger or consolidation, except any such merger or consolidation involving the Company or a Subsidiary in which the Units of the Company outstanding immediately prior to such merger or consolidation continue to represent, or are converted into or exchanged for shares of capital stock or membership interests that represent, immediately following such merger or consolidation, at least a majority, by voting power, of the capital stock or equity interests of (1) the surviving or resulting entity; or (2) if the surviving or resulting entity is a wholly owned subsidiary of another entity immediately following such merger or consolidation, the parent entity of such surviving or resulting entity; or

(b) the sale, lease, transfer, exclusive license or other disposition, in a single transaction or series of related transactions, to a third-party by the Company or any Subsidiary of the Company of all or substantially all the assets of the Company 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 Company if substantially all of the assets of the Company 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 Company.

"Delaware Secretary" means the Secretary of State of the State of Delaware.

"Depreciation" means, for each Fiscal Period, an amount equal to the depreciation, amortization or other cost recovery deduction allowable for federal income tax purposes with respect to an asset for such Fiscal Period, except that if the Gross Asset Value of an asset differs from its adjusted basis for federal income tax purposes at the beginning of such Fiscal Period, Depreciation shall be an amount that bears the same ratio to such beginning Gross Asset Value as the federal income tax depreciation, amortization or other cost recovery deduction for such Fiscal Period bears to such beginning adjusted tax basis; provided, however, that if the federal income tax depreciation, amortization or other cost recovery deduction for such Fiscal Period is zero, Depreciation shall be determined with reference to such beginning Gross Asset Value using any reasonable method selected by the Board.

"Director" has the meaning specified in Section 2.1.

"Economic Capital Account Balance" means, with respect to a holder of Initial Class B Common Units, its Capital Account balance, plus the amount of its share of any Member Minimum Gain or Minimum Gain, in either case to the extent attributable to its ownership of Initial Class B Common Units.

"Economic Interest" means a Person's right to share in the Profits, Losses, or similar items of, and to receive distributions from, the Company, all of which will be reflected in such Person's Capital Account, but does not include any other rights of a Member including any rights to vote or to participate in the management of the Company, or, except as specifically provided in this Agreement or required under the Act, any right to information concerning the business and affairs of the Company. For the avoidance of doubt (and without limiting the generality of the foregoing): (a) an Assignee shall have an Economic Interest only, and no other interest in the Company; (b) no Economic Interest shall have any right or interest greater than that of the Membership Interest from which it derives; (c) an Economic Interest shall be subject to all of the obligations of, and restrictions applicable to, the Membership Interest (or portion thereof) from which it derives (including any Capital Contribution obligations); (d) an Economic Interest shall be diluted in the same manner as the Membership Interest from which it derives; and (e) all Economic Interests shall have Capital Accounts that shall be established and maintained in a manner consistent with this Agreement.

"Effective Date" has the meaning specified in the Preamble.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, or any successor statute.

"Exempted Securities" has the meaning specified in Section 9.2(a)(iii).

"Farallon" means Zone Healthcare Holdings, LLC, together with its successors and permitted assigns.

"Fiscal Period" means a calendar year or any portion thereof for which the Company is required to make allocations pursuant to Article 5. For the avoidance of doubt, a Fiscal Period shall end on the date of an adjustment to the Gross Asset Value of the Company's assets under clause (b) of the definition of Gross Asset Value.

"Fiscal Year" means a calendar year.

"Governing Documents" means, collectively, this Agreement, the Voting Agreement, the Investor Rights Agreement and the ROFR/Co-Sale Agreement.

"Gross Asset Value" means, with respect to any asset, such asset's adjusted basis for federal income tax purposes, except as follows, it being understood for purposes of this definition that the term "Member" shall be understood to refer also to Assignees as applicable:

a) the initial Gross Asset Value of any asset contributed by a Member to the Company shall be the gross fair market value of such asset, as agreed to by the contributing Member and the Board;

b) the Gross Asset Value of all Company assets shall be adjusted to equal their respective gross fair market values, as determined by the Board, as of the following times: (i) the acquisition of an additional interest in the Company by any new or existing Member in exchange for more than a de minimis Capital Contribution; (ii) the distribution by the Company to a Member of more than a de minimis amount of Company assets as consideration for an interest in the Company; (iii) the liquidation of the Company within the meaning of Treasury Regulation Section 1.704-l(b)(2)(ii)(g) other than a constructive termination of the Company pursuant to Section 708(b)(1)(B) of the Code; and (iv) the grant and issuance of Class B Common Units; provided, however, that adjustments pursuant to clauses (i), (ii) and (iv) of this sentence shall be made only if the Board reasonably determines such adjustments are necessary or appropriate to reflect the relative economic interests of the Members in the Company;

c) the Gross Asset Value of any Company asset distributed to any Member shall be adjusted to equal the gross fair market value of such asset on the date of distribution, as determined by the Member receiving such distribution and the Board;

d) the Gross Asset Values of Company assets shall be increased (or decreased) to reflect any adjustments to the adjusted basis of such assets pursuant to Section 734(b) or Section 743(b) of the Code, but only to the extent that such adjustments are taken into account in determining Capital Accounts pursuant to Regulations Section 1.704-1(b)(2)(iv)(m); provided, however, that Gross Asset Values shall not be adjusted pursuant to this subparagraph (d) to the extent that an adjustment pursuant to subparagraph (b) above is made in connection with a transaction that would otherwise result in an adjustment pursuant to this subparagraph (d).

"Imputed Underpayment" means any "imputed underpayment" (as determined under Section 6225 of the Code (as enacted by the Budget Act, or a corresponding provision of state or local law)) paid (or payable) by the Company as a result of an adjustment with respect to any Company item, including any interest, adjustment to tax or penalties with respect to any such adjustment.

"Indemnified Losses" has the meaning specified in Section 10.3(a).

"Initial Board" has the meaning specified in Section 6.1(b).

"Initial Class B Common Unit" means any Class B Common Unit issued as of the Series B Initial Closing Date, as listed in the books and records of the Company.

"Initial Class B Common Unit Distribution Catch-Up Amount" has the meaning specified in Section 5.3(a)(v).

"Initial Consideration" has the meaning specified in Section 5.3(c).

"Investor Rights Agreement" means that certain Amended and Restated Investors' Rights Agreement, dated as of the Effective Date, by and among the Company and the Preferred Members party thereto, as amended and/or restated from time to time.

"IPO" means the Company's first underwritten public offering of its securities under the Securities Act; it being acknowledged that such public offering may only occur after the conversion of the Company to a corporation as contemplated by Article 8.

"IPO Corporation" has the meaning specified in Section 9.9(a).

"Liquidating Gains" means any net gain realized in connection with the actual or hypothetical sale of all or substantially all of the assets of the Company, including but not limited to net gain realized in connection with an adjustment to the Gross Asset Value of Company assets under the definition of Gross Asset Value.

"Liquidating Losses" means any net loss realized in connection with the actual or hypothetical sale of all or substantially all of the assets of the Company, including but not limited to net loss realized in connection with an adjustment to the Gross Asset Value of Company assets under the definition of Gross Asset Value.

"Liquidating Trustee(s)" has the meaning specified in Section 11.5(a).

"Mandatory Conversion Time" has the meaning specified in Section 9.9(a).

"Matrix" means Matrix Capital Management Master Fund, LP, together with its successors and permitted assigns.

"Mayo" has the meaning specified in Section 3.7.

"Measurement Class A Common Unit" means a Class A Common Unit that is outstanding on the Series B Initial Closing Date and which was 100% vested on the Series B Initial Closing Date.

"Member" means each of the Persons listed on the books and records of the Company as a Member, and includes any Person admitted as an Additional Member or a Substitute Member pursuant to the provisions of this Agreement, in such Person's capacity as a member of the Company.

"Member Minimum Gain" means an amount, with respect to each Member Nonrecourse Debt, equal to the Company Minimum Gain that would result if such Member Nonrecourse Debt were treated as a Nonrecourse Liability, determined in accordance with Regulations Section 1.704-2(i) with respect to "partner minimum gain."

"Member Nonrecourse Debt" has the meaning set forth in Regulations Section 1.704-2(b)(4) for the phrase "partner nonrecourse debt."

"Member Nonrecourse Deductions" has the meaning set forth in Regulations Section 1.704-2(i) for the phrase "partner nonrecourse deductions."

"Membership Interests" means all legal and beneficial ownership interests in, and rights and duties as a Member of, the Company, including the right to share in Profits and Losses, the right to receive distributions of cash and other property from the Company, and the right to receive allocations of items of income, gain, loss, deduction and credit and similar items from the Company.

"Merger" has the meaning specified in the Recitals.

"Merger Agreement" has the meaning specified in the Recitals.

"Merger Sub" has the meaning specified in the Recitals.

"NewCo" has the meaning specified in Section 8.1(a).

"Nonrecourse Deductions" has the meaning set forth in Regulations Sections 1.704-2(b)(1) and 1.704-2(c).

"Nonrecourse Liability" has the meaning set forth in Regulations Sections 1.704-2(b)(3) and 1.752-1(a)(2).

"Notice of Transfer" shall have the meaning set forth in Section 7.6(b).

"Offered Units" shall have the meaning set forth in Section 7.6(b).

"Offering Member" shall have the meaning set forth in Section 7.6(b).

"Officer" shall have the meaning set forth in Section 6.7(a).

"Option Period" shall have the meaning set forth in Section 7.6(c).

"Original Exercise Price" means, with respect to any Initial Class B Common Unit, the amount set forth opposite such Initial Class B Common Unit on the books and records of the Company.

"Original Issue Price" means (a) with respect to the Series A Preferred Units, the Series A Original Issue Price, (b) with respect to the Series B Preferred Units, the Series B Original Issue Price and (c) with respect to the Series C Preferred Units, the Series C Original Issue Price

"Partnership Representative" has the meaning specified in Section 5.7(b).

"Per Unit Pro Rata Basis" means, in reference to certain Units or a class or classes of Units, divided among the included Units equally on a per Unit pro rata basis, treating for such purpose each Preferred Unit as having been converted into the number of Common Units into which such Preferred Units are then convertible (including for such purposes fractional Common Units).

"Person" includes any individual, corporation, association, partnership (general or limited), joint venture, trust, estate, limited liability company, governmental body or agency or other legal entity or organization.

"Personal Representative" means the successor or legal representative (including a guardian, executor, administrator or conservator) of a deceased or incompetent Covered Person.

"PFIC" has the meaning specified in Section 3.5(a).

"Preference Amount" means (a) with respect to Series A Preferred Units, the Series A Preference Amount, (b) with respect to the Series B Preferred Units, the Series B Preference Amount and (c) with respect to the Series C Preferred Units, the Series C Preference Amount.

"Preferred Director Majority" means a majority of the Series B Director(s) and Series C Director(s) then in office; provided that at any time that a total of two or less Series B Director(s) and Series C Director(s) are appointed to the Board, "Preferred Director Majority" means each Series B Director and each Series C Director then in office.

"Preferred Majority" means the Preferred Members holding a majority of the Preferred Units then outstanding, voting together as a single class on an as converted to Common Units basis.

"Preferred Member" means a Member holding Preferred Units.

"Preferred Parties" has the meaning specified in Section 12.4.

"Preferred Super Approval" means the written consent or approval of (a) the Preferred Members holding a majority of Series A Preferred Units then outstanding, (b) the Preferred Members holding a majority of Series B Preferred Units then outstanding, and (c) the Preferred Members holding a majority of Series C Preferred Units then outstanding, each voting as a separate class on an as converted to Common Units basis.

"Preferred Unit Purchase Agreements" means, collectively, the Series B Purchase Agreement and the Series C Purchase Agreement.

"Preferred Units" means, collectively, the Series A Preferred Units, the Series B Preferred Units and the Series C Preferred Units.

"Prior Agreement" has the meaning specified in the Recitals.

"Profits" and "Losses" means, for each Fiscal Period, an amount equal to the Company's taxable income or loss for such Fiscal Period, determined in accordance with Section 703(a) of the Code (but including in taxable income or loss, for this purpose, all items of income, gain, loss, deduction or credit required to be stated separately pursuant to Section 703(a)(1) of the Code), with the following adjustments:

(i) any income of the Company exempt from federal income tax and not otherwise taken into account in computing Profits or Losses pursuant to this definition shall be added to such taxable income or loss;

(ii) any expenditures of the Company described in Section 705(a)(2)(B) of the Code (or treated as expenditures described in Section 705(a)(2)(B) of the Code pursuant to Treasury Regulation Section 1.704-1(b)(2)(iv)(i)) and not otherwise taken into account in computing Profits or Losses pursuant to this definition shall be subtracted from such taxable income or loss;

(iii) in the event the Gross Asset Value of any Company asset is adjusted in accordance with paragraph (b) or paragraph (c) of the definition of "Gross Asset Value" above, the amount of such adjustment shall be taken into account as gain or loss from the disposition of such asset for purposes of computing Profits or Losses;

(iv) in lieu of the depreciation, amortization, and other cost recovery deductions taken into account in computing the Company's taxable income or loss, there shall be taken into account Depreciation for such Fiscal Period;

(v) gain or loss resulting from any disposition of any asset of the Company with respect to which gain or loss is recognized for federal income tax purposes shall be computed by reference to the Gross Asset Value of the asset disposed of, notwithstanding that the adjusted tax basis of such asset differs from its Gross Asset Value; and

(vi) any items which are specially allocated pursuant to the provisions relating to Regulatory Allocations herein shall not be taken into account in computing Profits and Losses. The amounts of the items of Company income, gain, loss or deduction available to be specially allocated as Regulatory Allocations shall be determined by applying rules analogous to those set forth in this definition of Profits and Losses.

"QEF Election" has the meaning specified in Section 3.5(c).

"Qualified IPO" has the meaning set forth in Section 9.9(a).

"Quorum" has the meaning specified in Section 6.2(b).

"Redmile" means Redmile Biopharma Investments II, L.P., together with its successors and permitted assigns.

"Regulation D" has the meaning specified in Section 12.16(b)(viii).

"Regulatory Allocations" has the meaning specified in Section 5.1(c)(iii).

"Repurchased Stock" has the meaning specified in Section 7.7.

"Repurchased Units" has the meaning specified in Section 7.7.

"ROFR/Co-Sale Agreement" means that certain Amended and Restated Right of First Refusal and Co-Sale Agreement, dated as of the date of this Agreement, by and among the Company and the Members party thereto, as amended and/or amended and restated from time to time.

"SEC" has the meaning set forth in Section 12.16(b)(i).

"Securities Act" means the U.S. Securities Act of 1933, as amended, or any successor statute.

"Securities Laws" means the Securities Act, the Exchange Act and each and every other securities law of the United States and the states thereof, and all rules and regulations promulgated under all of such laws.

"Series" means the Series A Preferred Units, the Series B Preferred Units and the Series C Preferred Units, individually by series or collectively, as the context requires.

"Series A Conversion Price" shall initially be equal to the Series A Original Issue Price, and such amount shall be subject to adjustment as provided in this Agreement. For the avoidance of doubt, no adjustments shall be made to the Series A Conversion Price in connection with any distributions to the holders of Preferred Units pursuant to Section 5.3(a).

"Series A Original Issue Price" means $11.60.

"Series A Preference Amount" means $11.60 (as adjusted for Unit splits, combinations and other reclassifications of the Series A Preferred Units). For the avoidance of doubt, no adjustments shall be made to the Series A Preference Amount in connection with any distributions to the holders of Preferred Units pursuant to Section 5.3(a).

"Series A Preferred Units" means Membership Interests in the Company having the economic rights set forth herein with respect to "Series A Preferred Units," which shall be issued as capital interests.

"Series B Conversion Price" shall initially be equal to the Series B Original Issue Price, and such amount shall be subject to adjustment as provided in this Agreement. For the avoidance of doubt, no adjustments shall be made to the Series B Conversion Price in connection with any distributions to the holders of Preferred Units pursuant to Section 5.3(a).

"Series B Director" has the meaning specified in the Voting Agreement.

"Series B Initial Closing Date" has the meaning specified in the Recitals.

"Series B Original Issue Price" means $12.43.

"Series B Preference Amount" means $12.43 (as adjusted for Unit splits, combinations and other reclassifications of the Series B Preferred Units). For the avoidance of doubt, no adjustments shall be made to the Series B Preference Amount in connection with any distributions to the holders of Preferred Units pursuant to Section 5.3(a).

"Series B Preferred Units" means Membership Interests in the Company having the economic rights set forth herein with respect to "Series B Preferred Units," which shall be issued as capital interests.

"Series B Purchase Agreement" has the meaning specified in the Recitals.

"Series C Conversion Price" shall initially be equal to the Series C Original Issue Price, and such amount shall be subject to adjustment as provided in this Agreement. For the avoidance of doubt, no adjustments shall be made to the Series C Conversion Price in connection with any distributions to the holders of Preferred Units pursuant to Section 5.3(a).

"Series C Director" has the meaning specified in the Voting Agreement.

"Series C Financing" has the meaning specified in the Recitals.

"Series C Original Issue Price" means $17.50.

"Series C Preference Amount" means $17.50 (as adjusted for Unit splits, combinations and other reclassifications of the Series C Preferred Units). For the avoidance of doubt, no adjustments shall be made to the Series C Preference Amount in connection with any distributions to the holders of Preferred Units pursuant to Section 5.3(a).

"Series C Preferred Units" means Membership Interests in the Company having the economic rights set forth herein with respect to "Series C Preferred Units," which shall be issued as capital interests.

"Series C Purchase Agreement" has the meaning specified in the Recitals.

"Series C Requisite Majority" means the Preferred Members holding a majority of Series C Preferred Units then outstanding, which majority must include one or more of Surveyor, Farallon and Redmile.

"Subsidiary(ies)" means any Person controlled by the Company, either directly or through on or more subsidiaries, or the majority of the Capital Securities of which, directly, or indirectly through or one or more Persons, the Company owns or has the right to acquire. As used in this definition, "control," including, its correlative meanings, "controlled by" and "under common control with," shall mean possession, directly or indirectly, of power to direct or cause the direction of management or policies (whether through ownership of Capital Securities, by contract or otherwise).

"Substitute Member" means any Person (a) to whom a Member (or assignee thereof) Transfers all or any part of its Membership Interest, and (b) which has been admitted to the Company as a Substitute Member pursuant to Section 7.5 of this Agreement.

"Surveyor" means Citadel Multi-Strategy Equities Master Fund Ltd., together with its successors and permitted assigns.

"Tax Matters Partner" has the meaning specified in Section 5.7(a).

"Threshold Amount" has the meaning specified in Section 4.1(b)(iii).

"Transfer" shall refer to any sale, exchange, issuance, redemption, assignment, distribution or other transfer, disposition or alienation in any way (whether voluntarily, involuntarily or by operation of law) as to any interest as a Member or Assignee.

"Treasury Regulation" means and refers to a provision of the temporary or final regulations promulgated by the United States Department of the Treasury pursuant to the Code.

"Units" means, collectively, the Series A Preferred Units, Series B Preferred Units, Series C Preferred Units, Class A Common Units, Class B Common Units, and any other class of Membership Interests of the Company created after the Effective Date.

"Unvested Common Units" means Common Units issued under any Award Agreement (or any other agreement subjecting such Units to vesting) that have not yet vested pursuant to the applicable Award Agreement (or any such other agreement).

"Unvested Units" means, collectively, (a) all Unvested Common Units and (b) all other Units that are subject to a Vesting Agreement which have not become vested on or prior to such date pursuant to such Vesting Agreement.

"Vested Units" means all outstanding Units that are not Unvested Units.

"Vesting Agreement" means a written agreement between the Company (or any Subsidiary, as the case may be) and a Member or Assignee (approved by the Board) that subject certain Units to vesting, under which the Unvested Units are subject to forfeiture or repurchase by the Company (or Subsidiary, if applicable) and the Vested Units may be subject to repurchase by the Company (or Subsidiary, if applicable) upon certain conditions. For purposes of clarity, Award Agreements are Vesting Agreements that cover Class B Common Units and certain Class A Common Units.

"Viking" means Viking Global Opportunities Illiquid Investments Sub-Master LP, together with its successors and permitted assigns.

"Voting Agreement" means that certain Amended and Restated Voting Agreement, dated as of the Effective Date, by and among the Company and the Preferred Members party thereto, as amended and/or restated from time to time.

"Voting Units" means all Units (other than Class B Common Units that are Unvested Units) and, when calculating the number of Voting Units held or outstanding, assumes conversion into Class A Common Units for all Preferred Units (and for any other Units convertible into Class A Common Units outstanding).

"Zeno Inc." has the meaning specified in the Recitals.

“BAD ACTOR” REPRESENTATIONS

Except as has been previously disclosed to the Company in writing, each Member hereby represents and warrants the following with respect to itself and any other person who, within the meaning of Rule 506(d) of Regulation D under the U.S. Securities Act of 1933, as amended, would be a “beneficial owner of 20% or more of the issuer’s outstanding voting equity securities” with respect to the Member’s interest in the Company:

1.1.1 It has not been convicted, within the past ten years, of any felony or misdemeanor:

(a) in connection with the purchase or sale of any security;

(b) involving the making of any false filing with the SEC; or

(c) arising out of the conduct of the business of an underwriter, broker, dealer, municipal securities dealer, investment adviser or paid solicitor of purchasers of securities.

1.1.2 It is not the subject of any order, judgment or decree of any court of competent jurisdiction, entered within the prior five years, that restrains or enjoins the Member from engaging or continuing to engage in any conduct or practice:

(a) in connection with the purchase or sale of any security;

(b) involving the making of any false filing with the SEC; or

(c) arising out of the conduct of the business of an underwriter, broker, dealer, municipal securities dealer, investment adviser or paid solicitor of purchasers of securities.

1.1.3 It is not the subject of a final order of a state securities commission (or an agency or officer of a state performing like functions); a state authority that supervises or examines banks, savings associations, or credit unions; a state insurance commission (or an agency or officer of a state performing like functions); an appropriate federal banking agency; the U.S. Commodity Futures Trading Commission; or the National Credit Union Administration that bars the Member from:

(a) association with an entity regulated by such commission, authority, agency, or officer;

(b) engaging in the business of securities, insurance or banking; or

(c) engaging in savings association or credit union activities.

1.1.4 It is not the subject of a final order of a state securities commission (or an agency or officer of a state performing like functions); a state authority that supervises or examines banks, savings associations, or credit unions; a state insurance commission (or an agency or officer of a state performing like functions); an appropriate federal banking agency; the U.S. Commodity Futures Trading Commission; or the National Credit Union Administration that constitutes a final order based on a violation of any law or regulation that prohibits fraudulent, manipulative, or deceptive conduct entered within the past ten years;

1.1.5 It is not the subject to an order of the SEC entered pursuant to section 15(b) or 15B(c) of the Securities Exchange Act of 1934 or section 203(e) or (f) of the Investment Advisers Act of 1940 that:

(a) suspends or revokes the Member's registration as a broker, dealer, municipal securities dealer or investment adviser;

(b) places limitations on the Member's activities, functions or operations of, or imposes civil money penalties on the Member; or

(c) bars the Member from being associated with any entity or from participating in the offering of any penny stock.

1.1.6 It is not subject to any order of the SEC entered within the prior five years that orders the Member to cease and desist from committing or causing a violation or future violation of:

(a) any scienter-based anti-fraud provision of the federal securities laws; or

(b) Section 5 of the Securities Act of 1933.

1.1.7 It is not suspended or expelled from membership in, or suspended or barred from association with a member of, a registered national securities exchange or a registered national or affiliated securities association for any act or omission to act constituting conduct inconsistent with just and equitable principles of trade.

1.1.8 It has not filed (as a registrant or issuer), or been named as an underwriter in any registration statement or Regulation A offering statement filed with the SEC that, within the past five years, was the subject of a refusal order, stop order, or order suspending the Regulation A exemption, or is currently the subject of an investigation or proceeding to determine whether a stop order or suspension order should be issued.

1.1.9 It is not subject to a United States Postal Service false representation order entered within the prior five years and is not presently subject to a temporary restraining order or preliminary injunction with respect to conduct alleged by the United States Postal Service to constitute a scheme or device for obtaining money or property through the mail by means of false representations.

1.1.10 It is not the subject of any ongoing proceeding, arbitration, action, indictment or charge that if resolved against the Member or such person could result in any statement in this Exhibit B being untrue.

ZENTALIS PHARMACEUTICALS, LLC
2017 PROFITS INTEREST PLAN

Zentalis Pharmaceuticals, LLC, a Delaware limited liability company (including any successor entity thereto which assumes the Plan, the "**Company**"), has adopted this Zentalis Pharmaceuticals, LLC 2017 Profits Interest Plan (as amended, modified or supplemented from time to time, the "**Plan**"), effective December 21, 2017 (the "**Effective Date**"), for the benefit of the eligible Directors, Employees and Consultants of the Company and its Affiliates (each such term as defined below). The purpose of the Plan is to provide such eligible Directors, Employees and Consultants with an opportunity to participate in the Company's future success by granting them Awards so as to enhance the ability of the Company and its Affiliates to attract and retain individuals of exceptional talent to contribute to the sustained progress, growth and profitability of the Company and its Affiliates. This Plan is the "Class B Common Unit Plan" referenced in the LLC Agreement (as defined below).

Pursuant to the Plan, eligible Directors, Employees and Consultants may be granted Awards of Class B Common Units (as defined below) and thereby become Members of the Company (to the extent not already Members). The Class B Common Units so issued shall be governed by, and will be subject to, the transfer restrictions and other provisions contained in the Plan, a Profits Interest Award Agreement to be executed by and between the Company and each such Participant, and the LLC Agreement.

ARTICLE I.
DEFINITIONS

Whenever the following terms are used in the Plan, they shall have the meanings specified below unless the context clearly indicates to the contrary. Any other capitalized terms used in the Plan but not otherwise defined herein shall have their respective meanings set forth in the LLC Agreement. The masculine pronoun shall include the feminine and neuter and the singular shall include the plural, where the context so indicates.

1.1. Administrator. "**Administrator**" shall have the meaning set forth in Section 5.1 hereof.

1.2. Affiliate. "**Affiliate**" shall have the meaning given to such term in the LLC Agreement.

1.3. Award. "**Award**" shall mean an issuance of Class B Common Units under the terms and conditions of the Plan and the applicable Profits Interest Award Agreement.

1.4. Board. "**Board**" shall mean the Board of Directors of the Company.

1.5. C-Corporation. "**C-Corporation**" shall mean a corporation under subchapter C of the Code.

1.6. Capital Contribution. "**Capital Contribution**" shall have the meaning ascribed to such term in the LLC Agreement.

1.7. Cause. "**Cause**," with respect to any Participant, shall mean "Cause" as defined in such Participant's Profits Interest Award Agreement or employment agreement with the Company or an Affiliate, if such an agreement exists and contains a definition of Cause, or, if no such agreement exists or such agreement does not contain a definition of Cause, then Cause means: (a) the Participant's unauthorized use or disclosure of confidential information or trade secrets of the Company or its Affiliates or any other breach of a written agreement between the Participant and the Company or any of its Affiliates, including without limitation a breach of any employment, confidentiality or restrictive covenant agreement; (b) the Participant's commission of a felony or commission of any other crime involving dishonesty or moral turpitude under the applicable law; (c) the Participant's gross negligence or willful misconduct or the Participant's willful or repeated failure or refusal to substantially perform his or her assigned duties; (d) any act of fraud, embezzlement, misappropriation or dishonesty committed by the Participant against the Company or any of its Affiliates; or (e) any acts, omissions or statements by a Participant which the Company reasonably determines to be detrimental or damaging to the reputation, operations, prospects or business relations of the Company or any of its Affiliates.

1.8. Change in Control. "**Change in Control**" means (a) a Deemed Liquidation Event, or (b) a Company Unit Sale; provided that the following events shall not constitute a "Change in Control": (i) an initial public offering of any of the Company's Securities; (ii) a reincorporation of the Company solely to change its jurisdiction; or (iii) a transaction undertaken for the primary purpose of creating a holding company that will be owned in substantially the same proportion by the persons who held the Company's Securities immediately before such transaction.

1.9. Class A Common Unit. "**Class A Common Unit**" shall mean have the meaning ascribed to such term in the LLC Agreement.

1.10. Class B Common Unit. "**Class B Common Unit**" shall mean have the meaning ascribed to such term in the LLC Agreement.

1.11. Code. "**Code**" shall mean the Internal Revenue Code of 1986, as amended. Any reference to any specific provision of the Code shall be deemed to refer also to any successor provisions thereto.

1.12. Company. "**Company**" shall mean Zentalis Pharmaceuticals, LLC, a Delaware limited liability company, and any successor entity thereto which assumes the Plan.

1.13. Company Unit Sale. "**Company Unit Sale**" shall have the meaning ascribed to such term in the LLC Agreement.

1.14. Consultant. "**Consultant**" shall mean any consultant or advisor if: (a) the consultant or advisor renders bona fide services to the Company or any Affiliate; (b) the services rendered by the consultant or advisor are not in connection with the offer or sale of Securities in a capital-raising transaction and do not directly or indirectly promote or maintain a market for the Company's Securities; and (c) the consultant or advisor is a natural Person who has contracted directly with the Company or any Affiliate to render such services.

1.15. Deemed Liquidation Event. "**Deemed Liquidation Event**" shall have the meaning ascribed to such term in the LLC Agreement.

1.16. Director. "**Director**" shall have the meaning ascribed to such term in the LLC Agreement.

1.17. Employee. "**Employee**" shall mean any officer or other employee of the Company or any Affiliate. A Participant shall not cease to be an Employee in the case of transfers between locations of the Company and its Affiliates or between the Company, any Affiliate or any successor.

1.18. Equity Restructuring. "**Equity Restructuring**" shall mean a non-reciprocal transaction between the Company and its equity holders, including, without limitation, any equity dividend, equity split, spin-off, rights offering, recapitalization or large, nonrecurring cash dividend or distribution, that (i) affects the Securities of the Company or the unit price of the Company's Securities and (ii) causes a change in the per unit value of the Class B Common Units underlying outstanding Awards.

1.19. Exchange Act. "**Exchange Act**" shall mean the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder as in effect from time to time.

1.20. Fair Market Value. "**Fair Market Value**" shall mean, as of any given date, the value of a Class B Common Unit as determined by the Administrator in good faith based on the amount that such Participant would be entitled to receive in respect of such Class B Common Unit under the LLC Agreement in the event of a hypothetical complete liquidation of the Company as of such date.

1.21. Good Reason. "**Good Reason**" shall mean "Good Reason" as defined in such Participant's Profits Interest Award Agreement or employment agreement with the Company or an Affiliate, if such an agreement exists and contains a definition of Good Reason, or, if no such agreement exists or such agreement does not contain a definition of Good Reason, then Good Reason means (a) a change in the Participant's position with the Company (or its subsidiary employing the Participant) that materially reduces the Participant's authority, duties or responsibilities, (b) a material diminution in the Participant's level of base compensation, except in connection with a general reduction in the base compensation of the Company's personnel with similar status and responsibilities or (c) a relocation of the Participant's place of employment by more than 50 miles, provided that such change, reduction or relocation is effected by the Company (or its subsidiary employing the Participant) without the Participant's consent. Notwithstanding the foregoing, Good Reason shall only exist if Participant shall have provided the Company with written notice within sixty (60) days of the initial occurrence of any of the foregoing events or conditions, and the Company or any successor or affiliate fails to eliminate the conditions constituting Good Reason within thirty (30) days after receipt of written notice of such event or condition from Participant. Participant's resignation from employment with the Company for "Good Reason" must occur within six (6) months following the initial occurrence of one of the foregoing events or conditions. Notwithstanding the foregoing, if Participant is a party to a written employment or consulting agreement with the Company (or its subsidiary) in which the term "good reason" is defined, then "Good Reason" shall be as such term is defined in the applicable written employment or consulting agreement.

1.22. LLC Agreement. "**LLC Agreement**" shall mean the Amended and Restated Limited Liability Company Agreement of Zentalis Pharmaceuticals, LLC dated as of December 21, 2017, by and among the Members named therein, as amended and/or restated from time to time.

1.23. Member. "**Member**" shall have the meaning ascribed to such term in the LLC Agreement.

1.24. Participant. "**Participant**" shall mean any Director, Employee or Consultant who is selected by the Administrator to receive an Award pursuant to the provisions of Section 3.1 hereof, who executes a Profits Interest Award Agreement pursuant to the provisions of Section 3.2 hereof, and who joins the LLC Agreement as a Member thereunder.

1.25. Person. "**Person**" shall mean any individual, partnership, limited partnership, limited liability company, joint venture, trust, corporation, unincorporated organization, association, estate or other entity.

1.26. Plan. "**Plan**" shall mean this Zentalis Pharmaceuticals, LLC 2017 Profits Interest Plan, as amended, modified or supplemented from time to time.

1.27. Profits Interest Award Agreement. "**Profits Interest Award Agreement**" shall mean the Profits Interest Award Agreement pursuant to which Class B Common Units shall be issued to a Participant under the Plan.

1.28. Rule 16b-3. "**Rule 16b-3**" shall mean that certain Rule 16b-3 under the Exchange Act, as such rule may be amended from time to time.

1.29. Securities. "**Securities**" shall mean, as to any Person (a) shares of capital stock, membership or partnership interests, units or other equity interests in such Person, (b) obligations, evidences of indebtedness or other securities or interests convertible or exchangeable into capital stock, membership or partnership interests, units or other equity interests in such Person and (c) subscriptions, calls, warrants, options or commitments of any kind or character relating to, or entitling any Person to purchase or otherwise acquire, any capital stock, membership or partnership interests, units or other equity interests in such Person.

1.30. Securities Act. "**Securities Act**" shall mean the Securities Act of 1933, as amended.

1.31. Termination of Service. "**Termination of Service**" shall mean:

(a) As to a Consultant, termination for any reason, including death, disability, resignation, retirement or termination with or without Cause, at any time, of a Participant's engagement as a Consultant to the Company or any Affiliate, but excluding any termination where the Participant simultaneously commences or remains in employment or service with the Company or any Affiliate.

(b) As to a Director, termination for any reason, including, without limitation, a termination by resignation, removal with or without Cause, failure to be elected, death or retirement, of a Participant's service as a Director, but excluding any termination where the Participant simultaneously commences or remains in employment or service with the Company or any Affiliate.

(c) As to an Employee, termination for any reason, including death, disability, resignation, retirement or termination with or without Cause, at any time, of a Participant's employment with the Company or any Affiliate, but excluding any termination which includes simultaneous reemployment or continuous employment of the Participant by the Company or any Affiliate.

The Administrator, in its absolute discretion, shall determine the effect of all matters and questions relating to Terminations of Service, including, without limitation, the question of whether a Termination of Service has occurred, whether any Termination of Service resulted from a discharge for Cause and all questions of whether particular leaves of absence constitute a Termination of Service. For purposes of the Plan, a Participant's employee-employer relationship or consultancy relationship shall be deemed to be terminated in the event that the Affiliate employing or contracting with such Participant ceases to remain an Affiliate of the Company following any merger, sale of stock or other corporate transaction or event (including, without limitation, a spin-off).

1.32. Transfer. "**Transfer**" shall have the meaning ascribed to such term in the LLC Agreement.

ARTICLE II.
UNITS SUBJECT TO PLAN

2.1. Amount of Awards Subject to Plan. The Awards that may be granted under the Plan shall be Class B Common Units. Subject to the provisions of Section 6.3 hereof, the maximum aggregate number of Class B Common Units which may be issued hereunder shall be equal to the authorized number of Class B Common Units pursuant to Section 4.1(a)(iv) under the LLC Agreement from time to time. Such Awards may consist, in whole or in part, of authorized but unissued Class B Common Units, Class B Common Units acquired or reacquired in private transactions or open market purchases, or Class B Common Units otherwise issuable by the Company, or any combination of the foregoing, as determined by the Administrator in its discretion.

2.2. Add-back. To the extent that any Award is forfeited by a Participant, the Class B Common Units subject to such Award that are forfeited shall thereafter be available for the grant of Awards under the Plan.

ARTICLE III.
AWARDS

3.1. Awards.

(a) The Administrator may from time to time, in its sole and absolute discretion:

(i) Select those Directors, Employees or Consultants who will receive Awards;

(ii) Determine the purchase price, if any, of the Class B Common Units subject to any Award, and the form of payment of any such purchase price for the Class B Common Units subject to any Award;

(iii) Determine the Threshold Value, vesting terms and conditions of the Class B Common Units, and the other terms and conditions applicable to any such Award, including provisions for forfeiture and repurchase, consistent with the Plan and with the LLC Agreement; and

(iv) Accelerate the vesting of any Award granted hereunder

(b) Upon the selection of a Director, Employee or Consultant to receive an Award, the Administrator shall grant such Award and may impose such terms and conditions on the issuance of such Award as the Administrator deems appropriate; *provided*, *however,* that no such terms and conditions may be inconsistent with the terms and conditions of the Plan or the LLC Agreement, which are hereby incorporated herein by this reference.

3.2. Profits Interest Award Agreement. An Award shall be issued only pursuant to an Profits Interest Award Agreement, which shall be executed by the selected Director, Employee or Consultant and an authorized representative of the Company and which shall contain such terms and conditions as the Administrator shall determine, consistent with the Plan and the LLC Agreement. Upon receipt of an Award, a Participant shall, automatically and without further action on his or her part, be deemed to be a party to, signatory of and bound by the LLC Agreement as a Member. At the Company's request, such Participant shall execute the LLC Agreement or a joinder or counterpart signature page thereto. All Awards granted under the Plan shall be subject to the terms and conditions of the LLC Agreement and shall be subject to such additional restrictions as the Administrator shall provide (in the applicable Profits Interest Award Agreement or otherwise), which restrictions may include, without limitation, restrictions concerning voting rights and transferability and restrictions based on the duration of the Participant's employment or other service relationship with the Company or any Affiliate, the performance of the Participant, or the performance of the Company or any Affiliate; *provided*, *however,* that, by action taken in its absolute discretion after the Award is granted, the Administrator may, in its sole discretion, on such terms and conditions as it may determine to be appropriate, remove any or all of the restrictions imposed by the terms of the applicable Profits Interest Award Agreement.

3.3. Eligibility. An Award of Class B Common Units may only be granted to a Participant for the performance of services to or for the benefit of the Company or any Affiliate: (i) in the Participant's capacity as a Member, (ii) in anticipation of the Participant becoming a Member, or (iii) as otherwise determined by the Administrator, consistent with the treatment of the Class B Common Units as "profits interests" within the meaning of the Code and Rev. Proc. 93-27, 1993-2 C.B. 343 and Rev. Proc. 2001-43, 2001-2 C.B. 191.

3.4. Rights as Members. Upon the grant of an Award pursuant to the Plan, the Participant shall have, unless otherwise provided by the Administrator, all the rights and obligations of a Member with respect to said Awards as provided in the Plan and the LLC Agreement, subject to the restrictions in his or her Profits Interest Award Agreement and the LLC Agreement. As set forth in the LLC Agreement, the Participant shall not, by virtue of holding an Award, have the right to influence or control the management or operation of the Company.

3.5. Escrow. The Administrator or such other escrow holder as the Administrator may appoint shall retain physical custody of each certificate, if any, representing any Class B Common Units issued under an Award until all of the restrictions, if any, imposed under the Profits Interest Award Agreement with respect to the Award evidenced by such certificate expire or shall have been removed by the Administrator.

ARTICLE IV.
RESTRICTIONS ON AWARDS

4.1. Forfeiture of Awards. Unless otherwise determined by the Administrator, upon any Termination of Service of a Participant, such Participant's Award and all Class B Common Units subject thereto, to the extent not vested as of the date of such Termination of Service (after taking into account any accelerated vesting that may occur in connection with such Termination of Service, if any) (and the proportionate amount of the balance of Participant's Capital Account (as defined in the LLC Agreement) attributable to such Class B Common Units), shall thereupon automatically and without further action be cancelled and forfeited by the Participant, and the Participant shall have no further right, title or interest in or with respect to such unvested Class B Common Units (or such proportionate amount of Participant's Capital Account balance).

4.2. Restrictions on Class B Common Units. In addition to any applicable transfer restrictions, repurchase rights and other restrictions set forth in the LLC Agreement with respect to the Class B Common Units, the Class B Common Units shall be subject to such restrictions as the Administrator shall determine in its sole discretion, including, without limitation, transfer restrictions, repurchase rights, requirements that Class B Common Units be transferred in the event of certain transactions, rights of first refusal with respect to permitted transfers of Class B Common Units, voting agreements, tag-along rights and drag-along rights. Such restrictions may, in the Administrator's sole discretion, be contained in the applicable Profits Interest Award Agreement or in such other agreement as the Administrator shall determine, in each case in a form determined by the Administrator in its sole discretion. The issuance of the Class B Common Units shall be conditioned on the Participant's consent to such restrictions or the Participant's entering into such agreement or agreements.

4.3. Legend. In order to enforce the restrictions imposed upon the Class B Common Units issued pursuant to Awards granted hereunder, the Administrator may cause a legend or legends to be placed on certificates, if any, representing the Class B Common Units that are subject to restrictions under the Profits Interest Award Agreements, which legend or legends shall make appropriate reference to the conditions imposed thereby.

ARTICLE V.
ADMINISTRATION

5.1. Administrator. The Plan shall be administered by the Board or such other individual(s) as may be appointed or designated by the Board from time to time (in such capacity, the "**Administrator**"). To the extent permitted by applicable law, the Board may from time to time delegate to a committee of one or more members of the Board or one or more officers of Company the authority to grant or amend Awards; *provided, however*, that in no event shall an officer of the Company be delegated the authority to grant Awards to, or amend Awards held by, the following individuals: (a) individuals who are subject to Section 16 of the Exchange Act with respect to the Company, or (b) officers (or Directors) of the Company to whom authority to grant or amend Awards is authorized or has been delegated hereunder. Any delegation hereunder shall be subject to the restrictions and limits that the Board specifies at the time of such delegation, and the Board may at any time rescind the authority so delegated or appoint a new delegatee. At all times, any delegatee appointed under this Section 5.1 shall serve in such capacity at the pleasure of the Board.

5.2. Duties and Powers of Administrator. It shall be the duty of the Administrator to conduct the general administration of the Plan in accordance with its provisions. The Administrator shall have the discretionary power and authority to interpret the Plan and the Profits Interest Award Agreements pursuant to which Awards are issued, and to adopt such rules for the administration, interpretation, and application of the Plan as are consistent therewith and to interpret, amend or revoke any such rules. Any Award under the Plan need not be the same with respect to each Participant. The Administrator may correct any defect or supply any omission or reconcile any inconsistency in the Plan or a Profits Interest Award Agreement in such manner and to such extent as the Administrator deems necessary or appropriate. Unless otherwise expressly provided in the Plan, all designations, determinations, interpretations and other decisions under or with respect to the Plan or any Award shall be within the sole discretion of the Administrator, may be made at any time and shall be final, conclusive and binding upon all Persons, including the Company, any Affiliate, any Participant and any beneficiary of any Participant.

5.3. Majority Rule; Unanimous Written Consent. Except as otherwise provided in the LLC Agreement, the Administrator shall act by the affirmative vote of a majority of its members in attendance at a meeting at which a quorum is present and voting or by a unanimous written consent or other written instrument signed by all members of the Administrator.

5.4. Professional Assistance; Good Faith Actions; Compensation. All expenses and liabilities which members of the Administrator incur in connection with the administration of the Plan shall be borne by the Company. The Administrator may employ attorneys, consultants, accountants, appraisers, brokers, or other Persons in connection with the administration of the

Plan. The Administrator, the Company and the Company's officers shall be entitled to rely upon the advice, opinions or valuations of any such Persons. All actions taken and all interpretations and determinations made by the Administrator in good faith shall be final and binding upon all Participants, the Company and all other interested Persons. No members of the Administrator shall be personally liable for any action, determination or interpretation made in good faith with respect to the Plan, including grant of Awards, and all members of the Administrator shall be fully protected by the Company in respect of any such action, determination or interpretation. The members of the Administrator shall serve without compensation for their services as representatives of the Administrator.

5.5. Financial Statements and Business Information. To the extent required by applicable securities laws and subject to any limitations contained in the LLC Agreement, each Participant shall receive financial statements and other information relating to the Company, subject to applicable confidentiality obligations, as determined by the Administrator.

ARTICLE VI.
MISCELLANEOUS PROVISIONS

6.1. Restrictions on Transfer of Class B Common Units. The Class B Common Units issued to a Participant under an Award shall be subject to the terms of the Profits Interest Award Agreement pursuant to which such Award was issued and the applicable provisions of the Plan and the LLC Agreement, including, without limitation, any restrictions on Transfer of Class B Common Units set forth in the LLC Agreement. Any transferee of a permitted Transfer, in accordance with the LLC Agreement and approved by the Administrator, of an Award shall take such Award subject to the terms of the Plan, the Profits Interest Award Agreement pursuant to which such Award was issued, and the LLC Agreement. Upon such Transfer, such transferee shall, automatically and without further action on his or her part, be deemed to be a party to, signatory of and bound by the LLC Agreement as a Member. Any such transferee must, upon the request of the Company, execute an instrument in form and substance acceptable to the Company agreeing to be bound by the Plan, the Profits Interest Award Agreement pursuant to which such Award was issued, and the LLC Agreement, and must agree to such other waivers, limitations, and restrictions as the Company may reasonably require. Any Transfer of the Class B Common Units issued under an Award which is not made in compliance with the Plan, the LLC Agreement and the Profits Interest Award Agreement pursuant to which such Award was issued shall be null and void *ab initio* and of no force or effect.

6.2. Amendment, Suspension or Termination of the Plan. Except as otherwise provided in this Section 6.2 hereof, the Plan may be wholly or partially amended or otherwise modified, suspended or terminated at any time and from time to time by the Board; *provided*, *however*, that any amendment that requires Member approval under applicable law shall be subject to such approval to the extent required to comply with such law. No amendment, suspension or termination of the Plan shall materially alter or impair any rights or obligations of a Participant under any outstanding Award theretofore granted without the consent of the affected Participant, unless the Award itself otherwise expressly so provides. No Award may be granted during any period of suspension or after termination of the Plan, and in no event may any Award be granted under the Plan after the tenth (10th) anniversary of the Effective Date. For the avoidance of doubt, the creation or issuance of additional Awards or Class B Common Units or

any other equity interests in the Company (including any amendments to the LLC Agreement necessary to establish the rights and preferences of, and restrictions applicable to, any such Units or other equity interests) shall not constitute a material impairment of the rights of any Participant under any outstanding Award that would require the Participant's consent under this Section 6.2.

6.3. Changes in Capitalization and Other Corporate Events.

(a) (i) Subject to Section 6.3(a)(ii) below, in the event that the Administrator determines, in its sole discretion, that any dividend or other distribution (whether in the form of cash, additional Class B Common Units, other Securities, or other property), any Capital Contributions, any Equity Restructuring, any recapitalization, reclassification, reorganization, change to corporate form, merger, consolidation, split-up, spin-off, combination, repurchase, liquidation, dissolution, or sale, transfer, exchange or other disposition of all or substantially all of the assets of the Company (including, but not limited to, a Change in Control or conversion into a C-Corporation), or exchange of Class B Common Units or other Securities of the Company, issuance of warrants or other rights to purchase Class B Common Units or other Securities of the Company, or other similar transaction or event, in any case, affects the Class B Common Units such that an adjustment is determined by the Administrator to be appropriate in order to prevent the inequitable dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan or with respect to an Award, then the Administrator may equitably adjust any or all of:

(I) the number of Class B Common Units or the number and kind of Securities with respect to which Awards may be granted under the Plan (including, but not limited to, adjustments of the limitations in Section 2.1 hereof on the maximum number and kind of Class B Common Units or Securities which may be issued);

(II) the number of Class B Common Units or the number and kind of Securities subject to outstanding Awards; and

(III) the purchase price, if any, and/or the Threshold Value with respect to any Award.

(ii) Notwithstanding the foregoing, if any transaction or event described in Section 6.3(a)(i) hereof constitutes an Equity Restructuring:

(I) The number and type of securities subject to each outstanding Award and the purchase price thereof, if applicable, shall be proportionately adjusted. Such adjustments shall be nondiscretionary and final and binding on the affected Participants and the Company; and

(II) The Administrator shall make such proportionate adjustments, if any, as the Administrator in its discretion may deem appropriate to reflect such Equity Restructuring with respect to the number and kind of Securities that may be granted under the Plan (including, but not limited to, adjustments of the limitations in Section 2.1 hereof on the maximum number and kind of Class B Common Units or Securities which may be issued).

(b) In the event of any Change in Control or other transaction or event described in Section 6.3(a) hereof or any unusual or nonrecurring transactions or events affecting the Company, any Affiliate of the Company, or the financial statements of the Company or any Affiliate, or of changes in applicable laws, regulations, or accounting principles, the Administrator in its discretion, and on such terms and conditions as it deems appropriate, is hereby authorized to take any one or more of the following actions whenever the Administrator determines that such action is appropriate in order to prevent the inequitable dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan or with respect to any Award under the Plan, to facilitate such transactions or events or to give effect to such changes in laws, regulations or principles:

(i) The Administrator may provide, either by the terms of the agreement or by action taken prior to the occurrence of such transaction or event, for either (A) the purchase of all or any portion of such Award for an amount of cash equal to the amount that could have been attained upon the realization of the Participant's rights had such Award (or portion thereof) been fully vested, or (B) the replacement of such Award with other rights or property selected by the Administrator in its sole discretion, which replacement award may be subject to vesting or the lapsing of restrictions, as applicable, on terms no less favorable to the affected Participant than the terms of the Award for which such replacement award is substituted;

(ii) The Administrator may provide, either by the terms of such Award or by action taken prior to the occurrence of such transaction or event, that upon such event, such Award be assumed by the successor or survivor entity, or a parent or subsidiary thereof, or shall be substituted for by similar awards covering the stock or Securities of the successor or survivor entity, or a parent or subsidiary thereof, with appropriate adjustments as to the number and kind of Securities subject to such Award and prices thereof; and

(iii) The Administrator may make adjustments in the number and type of Class B Common Units (or other Securities or property) subject to outstanding Awards and/or in the terms and conditions of (including the purchase price, the repurchase price, the vesting schedule and/or Threshold Value), and the criteria included in, outstanding Awards and Awards which may be granted in the future.

(c) Subject to Section 6.3(b) hereof, the Administrator may, in its discretion, include such further provisions and limitations in any Award as it may deem equitable and in the best interests of the Company with respect to any transaction or event described in this Section 6.3. For the avoidance of doubt, the issuance of additional Class B Common Units in the Company shall not, in and of itself, trigger any adjustments pursuant to this Section 6.3.

6.4. Section 83(b) Election. Unless otherwise determined by the Administrator in its sole discretion, each Participant who is granted an Award under the Plan shall be required to make an election under Section 83(b) of the Code with respect to the Class B Common Units subject to such Award, and the grant of such Award shall be conditioned on the Participant making such Section 83(b) election.

6.5. Tax Withholding. The Company or an Affiliate, as applicable, may withhold from each Participant's wages, or require each Participant to pay to such entity, any applicable withholding or employment taxes resulting from the issuance of any Award hereunder, from the vesting or lapse of any restrictions imposed on such Award, or from the ownership or disposition of any Class B Common Units (in each case, if any).

6.6. No Right to Continued Employment or Service. Nothing in the Plan or in any Profits Interest Award Agreement shall confer upon any Participant any right to continue in the employment or service of the Company or any Affiliate, or shall interfere with or restrict in any way the rights of the Company or any Affiliate, which rights are hereby expressly reserved, to discharge any Participant at any time for any reason whatsoever, with or without Cause, except to the extent expressly provided otherwise in a written agreement between the Participant and the Company or any of its Affiliates.

6.7. Compliance with Laws. The Plan, the granting and vesting of Awards under the Plan, the issuance and delivery of Class B Common Units pursuant to the Awards, and any payment or distributions of money under the Plan or under the Awards granted hereunder are subject to compliance with all applicable foreign, federal and state laws, rules and regulations (including, but not limited to, state and federal securities laws and federal margin requirements) and to such approvals by any listing, regulatory or governmental authority as may, in the opinion of counsel for the Company, be necessary or advisable in connection therewith. Any Securities delivered under the Plan shall be subject to such restrictions, and the Person acquiring such Securities shall, if requested by the Company, provide such assurances and representations to the Company as the Company may deem necessary or desirable to assure compliance with all applicable legal requirements. To the extent permitted by applicable law, the Plan and any Awards awarded hereunder shall be deemed amended to the extent necessary to conform to such laws, rules and regulations.

6.8. Headings. Headings are provided herein for convenience only and are not to serve as a basis for interpretation or construction of the Plan.

6.9. Governing Law. The Plan and any agreements hereunder shall be administered, interpreted and enforced under the internal laws of the State of Delaware without regard to conflicts of laws thereof.

6.10. Section 409A. No Award or Class B Common Unit is intended to constitute or provide for "nonqualified deferred compensation" within the meaning of Section 409A of the Code. To the extent that the Administrator determines that any Award granted under the Plan is subject to Section 409A of the Code, the Profits Interest Award Agreement evidencing such Award shall incorporate the terms and conditions required by Section 409A of the Code. Notwithstanding any provision of the Plan to the contrary, in the event that, following the Effective Date, the Administrator determines that any Award may be subject to Section 409A of the Code and related Department of Treasury guidance (including such Department of Treasury guidance as may be issued after the Effective Date), the Administrator may adopt such

amendments to the Plan and the applicable Profits Interest Award Agreement or take any other actions (including amendments and actions with retroactive effect), that the Administrator determines are necessary or appropriate to preserve the intended tax treatment of the Award, including without limitation, actions intended to (a) exempt the Award from Section 409A of the Code and/or preserve the intended tax treatment of the benefits provided with respect to the Award, or (b) comply with the requirements of Section 409A of the Code and related Department of Treasury guidance; *provided*, *however*, that nothing in this Section 6.10 shall create any obligation on the part of the Company or any Affiliate to adopt any such amendment or take any such other action or any liability for any failure to do so. Notwithstanding anything herein to the contrary, in no event shall the Company or any Affiliate have any obligation to indemnify or otherwise compensate any Participant for any taxes or interest imposed under Section 409A of the Code, or similar provisions of state law.

I hereby certify that the foregoing Plan was duly adopted by the Board of Directors of Zentalis Pharmaceuticals, LLC on December 21, 2017.

Executed on December 21, 2017.

By: /s/ Anthony Sun
Name: Anthony Sun
Title: Chief Executive Officer

ZENTALIS PHARMACEUTICALS, LLC
PROFITS INTEREST AWARD AGREEMENT

THIS PROFITS INTEREST AWARD AGREEMENT (this "**Agreement**") is made and entered into as of [_____] (the "**Grant Date**"), by and between Zentalis Pharmaceuticals, LLC, a Delaware limited liability company (the "**Company**"), and [_____] ("**Participant**"). Capitalized terms used in this Agreement but not otherwise defined herein shall have their respective meanings set forth in the Plan and the LLC Agreement (each as defined below), as applicable.

THE PARTIES HERETO AGREE AS FOLLOWS:

1. Issuance of Award; Threshold Amount.

1.1 Issuance of Award. In consideration of Participant's agreement to provide services to or for the benefit of the Company and its Affiliates, effective as of the Grant Date, the Company hereby (a) issues to Participant an Award of [_____] Class B Common Units (the "**Class B Common Units**") of the Company (the "**Award**"), and (b) if not already a Member, admits Participant as a Member of the Company, on the terms and conditions set forth herein, in the Zentalis Pharmaceuticals, LLC 2017 Profits Interest Plan (the "**Plan**") and in the Amended and Restated Limited Liability Company Agreement of Zentalis Pharmaceuticals, LLC, dated as of December 21, 2017, as amended and/or restated from time to time (the "**LLC Agreement**"). The Company and Participant acknowledge and agree that the Award is hereby issued to Participant for the performance of services to or for the benefit of the Company and its Affiliates in his or her capacity as a Member or in anticipation of Participant becoming a Member. Upon receipt of the Award, Participant shall, automatically and without further action on his or her part, be deemed to be a party to, signatory of and bound by the LLC Agreement. Participant further acknowledges and agrees that (w) Participant received a copy of the LLC Agreement on or prior to the Grant Date, (x) the execution by Participant of this Agreement evidences Participant's intention to be bound by the terms of the LLC Agreement in addition to the terms of this Agreement, (y) the LLC Agreement may be amended or amended and restated from time to time in accordance with its terms, and (z) the Class B Common Units are subject to all of the terms and restrictions set forth in the LLC Agreement as may be in effect from time to time. Participant shall execute the LLC Agreement or a joinder or counterpart signature page thereto and deliver such executed joinder or counterpart signature page to the Company with this Agreement. Participant acknowledges that the Company may from time to time issue or cancel (or otherwise modify) Class B Common Units in accordance with the terms of the LLC Agreement.

1.2 Threshold Amount. The Threshold Amount with respect to each Class B Common Unit subject to the Award shall be $[ ].

2. Vesting; Termination of Service; Restrictions on Award

2.1 Vesting. Subject to Section 2.2 below and the LLC Agreement, the Award shall vest according to the Vesting Schedule attached hereto as Exhibit A.

2.2 Termination of Service. In the event of Participant's Termination of Service, (a) the Award and all Class B Common Units, to the extent not vested as of the date of such Termination of Service (the "**Termination Date**") (after taking into consideration any accelerated vesting that may occur in connection with such termination, if any), together with the proportionate amount of Participant's Capital Account balance attributable to such unvested Class B Common Units (if any), shall thereupon automatically and without further action be cancelled and forfeited, and Participant shall have no further right or interest in or with respect to such unvested Class B Common Units (or such proportionate amount of Participant's Capital Account balance), and (b) no portion of the Award and no Class B Common Units which are unvested as of Participant's Termination of Service shall thereafter become vested. Notwithstanding the foregoing, in the event of a Termination of Service for Cause, all Class B Common Units (both vested and unvested) as of the Termination Date (and the proportionate amount of Participant's Capital Account balance attributable to such Class B Common Units), shall thereupon automatically and without further action be cancelled and forfeited, and Participant shall have no further right or interest in or with respect to such Class B Common Units (or such proportionate amount of Participant's Capital Account balance).

2.3 Restrictions on Awards. The Award and the Class B Common Units are subject to the terms of the Plan and the terms of the LLC Agreement, including, without limitation, the Transfer and other restrictions set forth in the LLC Agreement. Any permitted transferee of the Award or Class B Common Units shall take such Award and Class B Common Units subject to the terms of the Plan, this Agreement and the LLC Agreement. Any such permitted transferee must, upon the request of the Company, execute an instrument in form and substance acceptable to the Company agreeing to be bound by the Plan, the LLC Agreement and this Agreement, and must agree to such other waivers, limitations and restrictions as the Company may reasonably require. Any Transfer of the Award or Class B Common Units which is not made in compliance with the Plan, the LLC Agreement and this Agreement shall be null and void *ab initio* and of no force or effect.

3. Representations, Warranties, Covenants and Acknowledgments of Participant. Participant hereby represents, warrants, covenants, acknowledges and agrees on behalf of Participant and his or her spouse, if applicable, that:

3.1 Investment; Status of Participant. Participant is holding the Award for Participant's own account, and not for the account of any other Person. Participant is holding the Award for investment and not with a view to distribution or resale thereof except in compliance with applicable laws regulating securities.

3.2 Relation to Company. Participant is presently an Employee, Consultant or Director and in such capacity has become personally familiar with the business of the Company and its Affiliates.

3.3 Access to Information. Participant has had the opportunity to ask questions of, and to receive answers from, the Company with respect to the terms and conditions of the transactions contemplated hereby and with respect to the business, affairs, financial conditions, and results of operations of the Company.

3.4 Registration. Participant understands that the Class B Common Units have not been registered under the Securities Act, and the Class B Common Units cannot be transferred by Participant other than in accordance with the terms and conditions set forth in the Plan, this Agreement and the LLC Agreement and, in any event, unless such Class B Common Units are registered under the Securities Act or an exemption from such registration is available. Neither the Company nor any of its Affiliates has made any agreements, covenants or undertakings whatsoever to register the Class B Common Units under the Securities Act. Neither the Company nor any of its Affiliates has made any representations, warranties or covenants whatsoever as to whether any exemption from the Securities Act is available.

3.5 Public Trading. None of the Company's Securities is presently publicly traded, and neither the Company nor any of its Affiliates has made any representations, covenants or agreements as to whether there will be a public market for any of the Company's Securities.

3.6 Tax Advice. Neither the Company nor any of its Affiliates or their representatives has made any warranties or representations to Participant with respect to the income tax consequences of the issuance of the Class B Common Units or the transactions contemplated by this Agreement (including, without limitation, with respect to the making of an election under Section 83(b) of the Code), and Participant is in no manner relying on the Company or any of its Affiliates or their representatives for an assessment of such tax consequences. Participant is advised to consult with his or her own tax advisor with respect to such tax consequences and his or her ownership of the Class B Common Units.

4. Capital Account. Participant shall make no Capital Contribution to the Company with respect to the Award and, as a result, Participant's Capital Account balance in the Company immediately after his or her receipt of the Class B Common Units shall be equal to zero, unless Participant was a Member in the Company prior to such issuance, in which case Participant's Capital Account balance shall not be increased as a result of his or her receipt of the Class B Common Units.

5. Section 83(b) Election. Participant covenants that he or she shall make an election under Section 83(b) of the Code (and any comparable election in the state of Participant's residence) with respect to the Class B Common Units covered by the Award within thirty (30) calendar days following the Grant Date. In connection with such election, Participant and Participant's spouse, if applicable, shall execute and deliver to the Company (or to the person for whom the services were performed) with this executed Agreement, a copy of the Election Pursuant to Section 83(b) of the Internal Revenue Code substantially in the form attached hereto as Exhibit B. Participant represents that Participant has consulted any tax consultant(s) that Participant deems advisable in connection with the filing of an election under Section 83(b) of the Code and similar state tax provisions. Participant acknowledges that it is Participant's sole responsibility and not the responsibility of the Company or any of its Affiliates to timely file an election under Section 83(b) of the Code (and any comparable state election), even if Participant requests that the Company or its Affiliates or any of their representatives make such filing on Participant's behalf. Participant should consult his or her tax advisor to determine if there is a comparable election to file in the state of his or her residence.

6. Taxes. The Company and Participant intend that (a) the Class B Common Units be treated as "profits interests" within the meaning of the Code, Treasury Regulations promulgated thereunder, and any published guidance by the Internal Revenue Service with respect thereto, including, without limitation, Internal Revenue Service Revenue Procedure 93-27, 1993-2 C.B. 343, as clarified by Internal Revenue Service Revenue Procedure 2001-43, 2001-2 C.B. 191, (b) the issuance of such interests not be a taxable event to the Company or Participant as provided in such Revenue Procedure, and (c) the LLC Agreement, the Plan and this Agreement be interpreted consistently with such intent. Notwithstanding the foregoing, the Company or its Affiliates, as applicable, may withhold from Participant's wages, or require Participant to pay to such entity, any applicable withholding or employment taxes resulting from the issuance of the Award hereunder, from the vesting or lapse of any restrictions imposed on the Award, or from the ownership or disposition of the Class B Common Units.

7. Remedies. Participant shall be liable to the Company for all costs and damages, including incidental and consequential damages, resulting from a disposition of the Award or the Class B Common Units which is in violation of the provisions of this Agreement. Without limiting the generality of the foregoing, Participant agrees that the Company and its Affiliates shall be entitled to obtain specific performance of the obligations of Participant under this Agreement and immediate injunctive relief in the event any action or proceeding is brought in equity to enforce the same. Participant shall not urge as a defense that there is an adequate remedy at law.

8. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware without regard to any otherwise governing principles of conflicts of law.

9. Certificate Restrictive Legends. Certificates evidencing the Award, to the extent such certificates are issued, may bear such restrictive legends as the Company and/or the Company's counsel may deem necessary or advisable under applicable law or pursuant to this Agreement, including, without limitation, the following legends or legends substantially similar thereto:

"The offering and sale of the securities represented hereby have not been registered under the Securities Act of 1933, as amended (the "Securities Act"). Any transfer of such securities will be invalid unless a Registration Statement under the Securities Act is in effect as to such transfer or in the opinion of counsel for USAT Holdings, LLC such registration is unnecessary in order for such transfer to comply with the Securities Act."

"The securities represented hereby are subject to forfeiture, a right of repurchase, restrictions as to transferability and other restrictions as set forth in (i) an Profits Interest Award Agreement by and between the holder and Zentalis Pharmaceuticals, LLC, (ii) the Zentalis Pharmaceuticals, LLC 2017 Profits Interest Plan and (iii) the Amended and Restated Limited Liability Company Agreement of Zentalis Pharmaceuticals, LLC, in each case, as may be amended and/or restated from time to time, and such securities may not be sold or otherwise transferred except pursuant to the provisions of such documents."

10. Market Standoff. Participant hereby agrees that if so requested by the Company or any representative of the underwriters in connection with any registration of the offering of any securities of the Company under the Securities Act, Participant shall not, directly or indirectly, sell, offer to sell, grant any option for the sale of, or otherwise dispose of or transfer, any Securities or other securities of the Company during the 180-day period following the effective date of a registration statement of the Company filed under the Securities Act; *provided*, *however,* that such restriction shall apply only to the first two registration statements of the Company to become effective under the Securities Act which include securities to be sold on behalf of the Company to the public in an underwritten public offering under the Securities Act. The Company may place a restrictive legend on any security issued to Participant and/or impose stop-transfer instructions with respect to the securities subject to the foregoing restrictions until the end of such 180-day period.

11. No Right to Continued Service. Nothing in this Agreement shall confer upon Participant any right to continue in the employment or service of the Company (including for the avoidance of doubt any of its Affiliates), or shall interfere with or restrict in any way the rights of the Company or any of its Affiliates, which rights are hereby expressly reserved, to discharge Participant at any time for any reason whatsoever, with or without Cause, except to the extent expressly provided otherwise in a written agreement between Participant and the Company or any of Affiliates.

12. Counterparts. This Agreement may be executed in any number of counterparts, any of which may be executed and transmitted (without limitation) by facsimile, electronic mail, portable document format (PDF) or any electronic signature complying with the U.S. federal ESIGN Act of 2000 (*e.g.*, www.docusign.com), and each of which shall be deemed to be an original, but all of which together shall be deemed to be one and the same instrument.

13. Successors and Assigns. Subject to the limitations set forth in this Agreement, this Agreement shall be binding upon, and inure to the benefit of, the executors, administrators, heirs, legal representatives, successors and assigns of the parties hereto.

14. Entire Agreement; Amendments and Waivers. This Agreement, together with the Plan and the LLC Agreement, constitutes the entire agreement among the parties pertaining to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the parties. This Agreement may not be amended except in an instrument in writing signed by Participant and a duly authorized representative of the Company. No amendment, supplement, modification or waiver of this Agreement shall be binding unless executed in writing by the party to be bound thereby. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision hereof (whether or not similar), nor shall such waiver constitute a continuing waiver unless otherwise expressly provided.

15. Invalidity. If any term, provision, covenant or condition of this Agreement is held by a court of competent jurisdiction to exceed the limitations permitted by applicable law, then the provisions will be deemed reformed to the maximum limitations permitted by applicable law and the parties hereby expressly acknowledge their desire that in such event such action be taken. If for any reason one or more of the provisions contained in this Agreement or in any other instrument referred to herein, shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, then to the maximum extent permitted by law, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement or any other such instrument.

16. Titles. The titles, captions or headings of the sections herein are inserted for convenience of reference only and are not intended to be a part of or to affect the meaning or interpretation of this Agreement.

[*Signature pages follow*]

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement as of the date first written above.

Zentalis Pharmaceuticals, LLC,
a Delaware limited liability company

By: _____
Name:
Title:

[Signature Page to Zentalis Pharmaceuticals, LLC Profits Interest Award Agreement]

Participant hereby accepts and agrees to be bound by all of the terms and conditions of this Agreement.

PARTICIPANT:

_____

Print Name: _____

Participant's spouse indicates by the execution of this Agreement his or her consent to be bound by the terms herein as to his or her interests, whether as community property or otherwise, if any, in the Class B Common Units.

Participant's Spouse:

_____

Print Name: _____

[Signature Page to Zentalis Pharmaceuticals, LLC Profits Interest Award Agreement]

EXHIBIT A

VESTING SCHEDULE

Capitalized terms used in this Exhibit A shall have the meanings given to them in the Agreement to which this Exhibit A is attached.

Vesting Commencement Date: [_____].

EXHIBIT B

ELECTION PURSUANT TO SECTION 83(b) OF THE INTERNAL REVENUE CODE TO INCLUDE IN GROSS INCOME THE EXCESS OVER THE PURCHASE PRICE, IF ANY, OF THE VALUE OF PROPERTY TRANSFERRED IN CONNECTION WITH SERVICES

The undersigned hereby elects pursuant to Section 83(b) of the Internal Revenue Code of 1986, as amended, to include in the undersigned's gross income for the ____ taxable year the excess (if any) of the fair market value of the property described below, over the amount the undersigned paid for such property, if any, and supplies herewith the following information in accordance with the Treasury Regulations promulgated under Section 83(b):

1. The undersigned's name, address and taxpayer identification (social security) number are:

Name: _____
Address: _____
Social Security #: _____

The undersigned's spouse's name, address and taxpayer identification (social security) number are (complete if applicable):

Name: _____
Address: _____
Social Security #: _____

2. The property with respect to which the election is made consists of _____ Class B Common Units (the "**Award**") of Zentalis Pharmaceuticals, LLC, a Delaware limited liability company (the "**Company**"), representing an interest in the future profits, losses and distributions of the Company.

3. The date on which the above property was transferred to the undersigned was _____, and the taxable year to which this election relates is _____.

4. The above property is subject to the following restrictions: (a) forfeiture if the undersigned ceases to be an employee or director of or consultant to the Company or an affiliate, and (b) certain other restrictions set forth in the Amended and Restated Limited Liability Company Agreement of Zentalis Pharmaceuticals, LLC (as amended and/or restated from time to time, the "**LLC Agreement**"), should the undersigned wish to transfer the Award (in whole or in part).

5. The Award with respect to which this election is being made is a "profits interest" received by the undersigned taxpayer in connection with the provision of services to or for the benefit of the Company. The Award does not relate to a substantially certain and predictable stream of income from Company assets; the undersigned taxpayer does not intend to dispose of the Award within two years of receipt; and the Award is not an interest in a "publicly traded partnership." Thus, as described in Revenue Procedure 93-27, 1993-2 C.B. 343, and Revenue Procedure 2001-43, 2001-2 C.B. 191, the fair market value of the above property at the time of transfer (determined without regard to any restrictions other than those which by their terms will never lapse) is $0.

6. The amount paid for the above property by the undersigned was $0.

7. The undersigned taxpayer will file this election with the Internal Revenue Service office with which taxpayer files his or her annual income tax return not later than 30 days after the date of transfer of the property. A copy of this election will be furnished to the Company or to the person for whom the services were performed, and the original will be filed with the income tax return of the undersigned to which this election relates. The undersigned is the person performing the services in connection with which the property was transferred.

Date: _____ Print Name: _____

Date: _____ Print Name of Spouse: _____

ZENTALIS PHARMACEUTICALS, LLC JOINDER AGREEMENT

This Joinder Agreement (this "**Joinder Agreement**") is entered into with effect as of _____, ____ by the undersigned (the "**Joining Member**"), with respect to the Amended and Restated Limited Liability Company Agreement (as amended from time to time, the "**LLC Agreement**") of Zentalis Pharmaceuticals, LLC, a Delaware limited liability company (the "**Company**"), made and entered into as of December 21, 2017, among the Members from time to time party thereto. Capitalized terms used but not defined herein shall have the meaning set forth in the LLC Agreement.

WHEREAS, (i) on or about the date hereof, the Joining Member has received Class B Common Units; and (ii) it is a condition precedent to the issuance of such Class B Common Units and the admission of such Joining Member as an Additional Member of the Company that the Joining Member execute a Joinder Agreement to the LLC Agreement.

NOW, THEREFORE, the Joining Member hereby: (i) acknowledges receipt of a copy of the LLC Agreement; (ii) joins fully in the LLC Agreement as a "Additional Member," and shall be bound by, and have the benefits as a "Member" of, all the terms and conditions of the LLC Agreement as if such Joining Member was a signatory thereto as a "Member"; and (iii) agrees that the Class B Common Units issued to such Joining Member are subject to the LLC Agreement.

IN WITNESS WHEREOF, the Joining Member has executed this Joinder Agreement as of the date first written above.

JOINING MEMBER:

_____

Print Name: _____

Notice Address:

_____

_____

_____

Tel: _____

Email: _____

Accepted:

ZENTALIS PHARMACEUTICALS, LLC

By: _____

Name:

Title:

Exhibit 10.10

AMENDED AND RESTATED EMPLOYMENT AGREEMENT

THIS AMENDED AND RESTATED EMPLOYMENT AGREEMENT (this "***Agreement***") is entered into by and between Zeno Management, Inc., a Delaware corporation (the "***Company***") and a wholly owned subsidiary of Zeno Pharma, LLC (the "***Parent***"), and Anthony Y. Sun, M.D. ("***Executive***"), and shall be effective as of February 1, 2019 (the "***Effective Date***").

WHEREAS, the Company and Executive are parties to that certain Employment Agreement effective as of February 1, 2018 (the "***Prior Agreement***"); and

WHEREAS, the Company desires to continue to employ Executive, and Executive desires to continue employment with the Company, and to amend and restate the Prior Agreement, on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual promises herein contained, the parties agree as follows:

1. Definitions. As used in this Agreement, the following terms shall have the following meanings:

(a) "***Board***" means the Board of Directors of the Company.

(b) "***Cause***" means any of the following:

(i) Executive's unauthorized use or disclosure of confidential information or trade secrets of the Company or its affiliates or any material breach of a written agreement between Executive and the Company or any affiliate, including without limitation a material breach of any employment, confidentiality, non-compete, non-solicit or similar agreement;

(ii) Executive's commission of, indictment for or the entry of a plea of guilty or *nolo contendere* by Executive to, a felony under the laws of the United States or any state thereof or any crime involving dishonesty or moral turpitude (or any similar crime in any jurisdiction outside the United States);

(iii) Executive's gross negligence or willful misconduct or Executive's willful or repeated failure or refusal to substantially perform assigned duties;

(iv) any act of fraud, embezzlement, material misappropriation or dishonesty committed by Executive against the Company or its affiliates; or

(v) any acts, omissions or statements by Executive which the Company reasonably determines to be materially detrimental or damaging to the reputation, operations, prospects or business relations of the Company or its affiliates;

provided, however, that prior to the determination that "Cause" under clauses (i), (iii), (iv) or (v) of this Section 1(b) has occurred, the Company shall (A) provide to Executive in writing, in reasonable detail, the reasons for the determination that such "Cause" exists, (B) other than with respect to clause (v) above which specifies the applicable period of time for Executive to remedy his breach, afford Executive a reasonable opportunity to remedy any such breach, (C) provide Executive an opportunity to be heard prior to the final decision to terminate Executive's employment hereunder for such "Cause" and (D) make any decision that such "Cause" exists in good faith.

The foregoing definition shall not in any way preclude or restrict the right of the Company or any successor or affiliate thereof to discharge or dismiss Executive for any other acts or omissions, but such other acts or omissions shall not be deemed, for purposes of this Agreement, to constitute grounds for termination for Cause.

(c) "***Change in Control***" shall have the meaning ascribed to such term in the Zeno Pharma, LLC 2017 Profits Interest Plan.

(d) "***Code***" means the Internal Revenue Code of 1986, as amended from time to time, and the Treasury Regulations and other interpretive guidance issued thereunder.

(e) "***Good Reason***" means the occurrence of any of the following events or conditions without Executive's written consent:

(i) a change in Executive's position or responsibilities that represents a substantial reduction in his position or responsibilities as in effect immediately prior thereto; the assignment to Executive of any duties or responsibilities that are materially inconsistent with such position or responsibilities; or any removal of Executive from or failure to reappoint or reelect Executive to any of such positions, including Executive's position as a member of the Board or the board of directors of Parent, except in connection with the termination of Executive's services for Cause, as a result of his Permanent Disability or death, or by Executive other than for Good Reason; provided, however, that neither a change in Executive's reporting relationship as a result of a Change in Control nor the fact that Executive's reporting relationship is altered following a Change in Control because the Company or its successor is a wholly-owned subsidiary of another entity following such Change in Control shall alone constitute Good Reason;

(ii) a material reduction in Executive's annual base salary;

(iii) the Company requiring Executive (without Executive's consent) to be based at any place outside a ten (10)-mile radius of his then-current place of employment with the Company prior to any such relocation, except for reasonably required travel on the Company's business; or

(iv) any material breach by the Company or any affiliate of its obligations to Executive under any applicable employment or services agreement between Executive and the Company or such affiliate.

Executive must provide written notice to the Company of the occurrence of any of the foregoing events or conditions without Executive's written consent within sixty (60) days of the occurrence of such event. The Company or any successor or affiliate shall have a period of thirty (30) days to cure such event or condition after receipt of written notice of such event from Executive. Executive's Separation from Service by reason of resignation from employment with the Company for Good Reason must occurs within thirty (30) days following the expiration of the foregoing thirty (30) day cure period.

(f) "***Involuntary Termination***" means (i) Executive's Separation from Service by reason of Executive's discharge by the Company other than for Cause, or (ii) Executive's Separation from Service by reason of Executive's resignation of employment with the Company for Good Reason. Executive's Separation from Service by reason of Executive's death or discharge by the Company following Executive's Permanent Disability shall not constitute an Involuntary Termination.

(g) Executive's "***Permanent Disability***" shall be deemed to have occurred if Executive shall become physically or mentally incapacitated or disabled or otherwise unable fully to discharge his duties hereunder for a period of ninety (90) consecutive calendar days or for one hundred twenty (120) calendar days in any one hundred eighty (180) calendar-day period. The existence of Executive's Permanent Disability shall be determined by the Company on the advice of a physician chosen by the Company and the Company reserves the right to have Executive examined by a physician chosen by the Company at the Company's expense.

(h) "***Separation from Service***," with respect to Executive, means Executive's "separation from service," as defined in Treasury Regulation Section 1.409A-1(h).

2. Services to Be Rendered.

(a) Duties and Responsibilities. Executive shall serve as Chief Executive Officer of the Company. In the performance of such duties, Executive shall report directly to the Board and shall be subject to the direction of the Board and to such limits upon Executive's authority as the Board may from time to time impose. Executive hereby consents to serve as an officer and/or director of the Company, Parent or any subsidiary or affiliate thereof without any additional salary or compensation, if so requested by the Board. Executive shall be employed by the Company on a full time basis. Executive's primary place of work shall be the Company's offices in New York, New York. Executive will also be expected to travel to the Company's locations as needed in connection with his duties. Executive shall be subject to and comply with the policies and procedures generally applicable to senior executives of the Company to the extent the same are not inconsistent with any term of this Agreement.

(b) Exclusive Services. Executive shall at all times faithfully, industriously and to the best of his ability, experience and talent perform all of the duties that may be assigned to Executive hereunder and shall devote substantially all of his productive time and efforts to the performance of such duties. Subject to the terms of the Proprietary Information and Inventions Agreement referred to in Section 5(b), this shall not preclude Executive from (i) serving on industry, trade, civic, or charitable boards or committees; (ii) delivering lectures or fulfilling speaking engagements; (iii) serving on the board of directors or other similar governance body of

any entity; (iv) managing personal, family and other investments or (v) serving in an advisory capacity for any entity; provided that such activities under this clause (v) do not interfere with his duties to the Company, as determined in good faith by the Board.

3. Compensation and Benefits. The Company shall pay or provide, as the case may be, to Executive the compensation and other benefits and rights set forth in this Section 3.

(a) Base Salary. The Company shall pay to Executive a base salary of $437,090.98 per year, payable in accordance with the Company's usual pay practices (and in any event no less frequently than monthly). Upon the closing of Parent's Series C financing, Executive's base salary shall be automatically increased to $455,090, with retroactive effect to January 1, 2019 (and Executive shall receive a lump sum cash payment in the amount of any incremental base salary that would otherwise have been paid during the period commencing on January 1, 2019 through the date of the closing of Parent's Series C financing, as if such increased rate had been in effect, within ten (10) days following such closing). Executive's base salary shall be subject to review annually by and at the sole discretion of the Board or its designee.

(b) Annual Bonus. Executive shall participate in any annual bonus plan that the Board or its designee may approve for the senior executives of the Company. In addition to Executive's base salary, Executive may be eligible to earn, for each fiscal year of the Company ending during the term of Executive's employment with the Company, an annual cash performance bonus under the Company's bonus plan, as approved from time to time by the Board. Executive's target bonus under any such annual bonus plan shall be forty-five percent (45%) of Executive's base salary actually paid for the year to which such annual bonus relates (the "***Target Bonus***"). Executive's actual annual bonus will be determined on the basis of Executive's and/or the Company's or its affiliates' attainment of financial or other performance criteria established by the Board or its designee in accordance with the terms and conditions of such bonus plan. Except as otherwise provided in this Agreement, Executive must be employed by the Company on the date of payment of such annual bonus in order to be eligible to receive such annual bonus. Executive hereby acknowledges and agrees that nothing contained herein confers upon Executive any right to an annual bonus in any year, and that whether the Company pays Executive an annual bonus and the amount of any such annual bonus will be determined by the Company in its sole discretion.

(c) Benefits. Executive shall be entitled to participate in benefits under the Company's benefit plans and arrangements, including, without limitation, any employee benefit plan or arrangement made available in the future by the Company to its senior executives, subject to and on a basis consistent with the terms, conditions and overall administration of such plans and arrangements. The Company shall have the right to amend or delete any such benefit plan or arrangement made available by the Company to its senior executives and not otherwise specifically provided for herein.

(d) Expenses. The Company shall reimburse Executive for reasonable out-of-pocket business expenses incurred in connection with the performance of his duties hereunder, subject to such policies as the Company may from time to time establish, and Executive furnishing the Company with evidence in the form of receipts satisfactory to the Company substantiating the claimed expenditures.

(e) Paid Time Off. Executive shall be entitled to such periods of paid time off ("***PTO***") each year as provided from time to time under the Company's PTO policy and as otherwise provided for senior executive officers; provided, however, that Executive shall be entitled to a minimum of twenty (20) days of PTO per year.

(f) Equity and Other Benefit Plans. Executive shall be entitled to participate in any equity or other employee benefit plan that is generally available to senior executive officers of the Company. Except as otherwise provided in this Agreement, Executive's participation in and benefits under any such plan shall be on the terms and subject to the conditions specified in the governing document of the particular plan.

4. Severance. Executive shall be entitled to receive benefits upon a Separation from Service only as set forth in this Section 4:

(a) At-Will Employment; Termination. The Company and Executive acknowledge that Executive's employment is and shall continue to be at-will, as defined under applicable law, and that Executive's employment with the Company may be terminated by either party at any time for any or no reason, with or without notice. If Executive's employment terminates for any reason, Executive shall not be entitled to any payments, benefits, damages, awards or compensation other than as provided in this Agreement. Executive's employment under this Agreement shall be terminated immediately on the death of Executive.

(b) Severance Upon Involuntary Termination. Subject to Sections 4(d) and 9(o) and Executive's continued compliance with Section 5, if Executive's employment is Involuntarily Terminated, Executive shall be entitled to receive, in lieu of any severance benefits to which Executive may otherwise be entitled under any severance plan or program of the Company, the benefits provided below:

(i) the Company shall pay to Executive his fully earned but unpaid base salary, when due, through the date of Executive's Involuntary Termination at the rate then in effect, accrued and unused PTO, plus all other benefits, if any, under any Company group retirement plan, nonqualified deferred compensation plan, equity award plan or agreement, health benefits plan or other Company group benefit plan to which Executive may be entitled pursuant to the terms of such plans or agreements at the time of Executive's Involuntary Termination (the "***Accrued Obligations***");

(ii) Executive shall be entitled to receive severance pay in an amount equal to (A) Executive's monthly base salary as in effect immediately prior to the date of Executive's Involuntary Termination, multiplied by (B) the Severance Multiplier (as defined below), which amount shall be payable in a lump sum sixty (60) days following Executive's Involuntary Termination. For purposes of this Section 4, "***Severance Multiplier***" shall mean the sum of (1) nine (9) plus (2) one (1) month for each additional twelve-month period of Executive's employment with the Company or its affiliates (including Zeno Pharmaceuticals, Inc.) following September 1, 2015; provided, however, that the Severance Multiplier shall not exceed twelve (12);

(iii) Executive shall be entitled to receive Executive's Target Bonus for the year in which Executive's Involuntary Termination occurs, prorated for the portion of the year that has expired prior to the date of Executive's Involuntary Termination, which amount shall be payable in a lump sum sixty (60) days following Executive's Involuntary Termination;

(iv) for the period beginning on the date of Executive's Involuntary Termination and ending on the date which is such number of full months following the date of Executive's Involuntary Termination as is equal to the Severance Multiplier (or, if earlier, (A) the date on which the applicable continuation period under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("***COBRA***") expires or (B) the date Executive becomes eligible to receive the equivalent or increased healthcare coverage by means of subsequent employment or self-employment) (such period, the "***COBRA Coverage Period***"), if Executive and/or his eligible dependents who were covered under the Company's health insurance plans as of the date of Executive's Involuntary Termination elect to have COBRA coverage and are eligible for such coverage, the Company shall pay for or reimburse Executive on a monthly basis for an amount equal to (1) the monthly premium Executive and/or his covered dependents, as applicable, are required to pay for continuation coverage pursuant to COBRA for Executive and/or his eligible dependents, as applicable, who were covered under the Company's health plans as of the date of Executive's Involuntary Termination (calculated by reference to the premium as of the date of Executive's Involuntary Termination) less (2) the amount Executive would have had to pay to receive group health coverage for Executive and/or his covered dependents, as applicable, based on the cost sharing levels in effect on the date of Executive's Involuntary Termination. If any of the Company's health benefits are self-funded as of the date of Executive's Involuntary Termination, or if the Company cannot provide the foregoing benefits in a manner that is exempt from Section 409A (as defined below) or that is otherwise compliant with applicable law (including, without limitation, Section 2716 of the Public Health Service Act), instead of providing the payments or reimbursements as set forth above, the Company shall instead pay to Executive the foregoing monthly amount as a taxable monthly payment for the COBRA Coverage Period (or any remaining portion thereof). Executive shall be solely responsible for all matters relating to continuation of coverage pursuant to COBRA, including, without limitation, the election of such coverage and the timely payment of premiums. Executive shall notify the Company immediately if Executive becomes eligible to receive the equivalent or increased healthcare coverage by means of subsequent employment or self-employment.

(v) Notwithstanding anything to the contrary in this Section 4(b), and subject to Sections 4(d) and 9(o) and Executive's continued compliance with Section 5, in the event of Executive's Involuntary Termination within twelve (12) months following a Change in Control, (A) the Severance Multiplier for purposes of clauses (ii) and (iv) above shall be deemed to be twelve (12), and (B) the Target Bonus for purposes of clause (iii) above shall not be subject to proration.

(c) Termination for Cause, Voluntary Resignation Without Good Reason, Death or Termination for Permanent Disability. In the event of Executive's termination of employment as a result of Executive's discharge by the Company for Cause, Executive's resignation without Good Reason, Executive's death or Executive's termination of employment following Executive's Permanent Disability, the Company shall not have any other or further obligations to Executive under this Agreement (including any financial obligations) except that Executive shall be entitled to receive the Accrued Obligations. The foregoing shall be in addition to, and not in lieu of, any and all other rights and remedies which may be available to the Company under the circumstances, whether at law or in equity.

(d) Release. As a condition to Executive's receipt of any post-termination benefits pursuant to Section 4(b) above, Executive (or, in the event of Executive's incapacity as a result of his Permanent Disability, Executive's legal representative) shall execute and not revoke a general release of all claims in favor of the Company and its affiliates (the "Release") in the form attached hereto as Exhibit A. In the event the Release does not become effective within the fifty-five (55) day period following the date of Executive's Involuntary Termination, Executive shall not be entitled to the aforesaid payments and benefits.

(e) Exclusive Remedy. Except as otherwise expressly required by law (e.g., COBRA) or as specifically provided herein, all of Executive's rights to salary, severance, benefits, bonuses and other amounts hereunder (if any) accruing after the termination of Executive's employment shall cease upon such termination. In the event of Executive's termination of employment with the Company, Executive's sole remedy shall be to receive the payments and benefits described in this Section 4. In addition, Executive acknowledges and agrees that he is not entitled to any reimbursement by the Company for any taxes payable by Executive as a result of the payments and benefits received by Executive pursuant to this Section 4, including, without limitation, any excise tax imposed by Section 4999 of the Code. Any payments made to Executive under this Section 4 shall be inclusive of any amounts or benefits to which Executive may be entitled pursuant to the Worker Adjustment and Retraining Notification Act, 29 U.S.C. Sections 2101 et seq., and the Department of Labor regulations thereunder, or any similar state statute.

(f) No Mitigation. Except as otherwise provided in Section 4(b)(iv) above, Executive shall not be required to mitigate the amount of any payment provided for in this Section 4 by seeking other employment or otherwise, nor shall the amount of any payment or benefit provided for in this Section 4 be reduced by any compensation earned by Executive as the result of employment by another employer or self-employment or by retirement benefits; provided, however, that loans, advances or other amounts owed by Executive to the Company may be offset by the Company against amounts payable to Executive under this Section 4.

(g) Return of the Company's Property. In the event of Executive's termination of employment for any reason, the Company shall have the right, at its option, to require Executive to vacate his offices prior to or on the effective date of separation and to cease all activities on the Company's behalf. Upon Executive's termination of employment in any manner, as a condition to Executive's receipt of any severance benefits described in this Agreement, Executive shall immediately surrender to the Company all lists, books and records of, or in connection with, the Company's business, and all other property belonging to the Company, it being distinctly understood that all such lists, books and records, and other documents, are the property of the Company. Executive shall deliver to the Company a signed statement certifying compliance with this Section 4(g) prior to the receipt of any severance benefits described in this Agreement.

5. Certain Covenants.

(a) Noncompetition. Except as may otherwise be approved by the Board, during the term of Executive's employment, Executive shall not have any ownership interest (of record or beneficial) in, or have any interest as an employee, salesman, consultant, officer or director in, or otherwise aid or assist in any manner, any firm, corporation, partnership, proprietorship or other business that engages in any county, city or part thereof in the United States and/or any foreign country in a business which competes directly or indirectly (as determined by the Board) with the Company's business in such county, city or part thereof, so long as the Company, or any successor in interest of the Company to the business and goodwill of the Company, remains engaged in such business in such county, city or part thereof or continues to solicit customers or potential customers therein; provided, however, that Executive may own, directly or indirectly, solely as an investment, securities of any entity which are traded on any national securities exchange if Executive (i) is not a controlling person of, or a member of a group which controls, such entity; or (ii) does not, directly or indirectly, own one percent (1%) or more of any class of securities of any such entity.

(b) Confidential Information. Executive and the Company have entered into the Company's standard proprietary information and inventions assignment agreement (the "Proprietary Information and Inventions Agreement"). Executive agrees to perform each and every obligation of Executive therein contained.

(c) Solicitation of Employees. During the term of Executive's employment or service and for one (1) year thereafter (the "***Restricted Period***"), Executive will not, either directly or through others, solicit or attempt to solicit any employee, independent contractor or consultant of the Company or its affiliates to terminate his relationship with the Company or its affiliates in order to become an employee, consultant or independent contractor to or for any other person or entity, or otherwise encourage or solicit any employee of the Company or its affiliates to leave the Company or such affiliates for any reason or to devote less than all of any such employee's efforts to the affairs of the Company; provided that the foregoing shall not affect any responsibility Executive may have as an employee of the Company with respect to the bona fide hiring and firing of Company personnel.

(d) Solicitation of Consultants. Executive shall not during the term of Executive's employment or service and for the Restricted Period, directly or indirectly, hire, solicit or encourage to cease work with the Company or any of its affiliates any consultant then under contract with the Company or any of its affiliates.

(e) Nondisparagement. Executive agrees that neither he nor anyone acting by, through, under or in concert with him shall disparage or otherwise communicate negative statements or opinions about the Company, Parent, or their respective board members, officers, employees or businesses. The Company agrees that neither its Board members nor officers, nor the board members or officers of Parent, shall disparage or otherwise communicate negative statements or opinions about Executive. Except as may be required by law, neither Executive, nor any member of Executive's family, nor anyone else acting by, through, under or in concert with Executive will disclose to any individual or entity (other than Executive's legal or tax advisors) the terms of this Agreement.

(f) Rights and Remedies Upon Breach. If Executive breaches or threatens to commit a breach of any of the provisions of this Section 5 (the "Restrictive Covenants"), the Company shall have the following rights and remedies, each of which rights and remedies shall be

independent of the other and severally enforceable, and all of which rights and remedies shall be in addition to, and not in lieu of, any other rights and remedies available to the Company under law or in equity:

(i) Specific Performance. The right and remedy to have the Restrictive Covenants specifically enforced by any court having equity jurisdiction, all without the need to post a bond or any other security or to prove any amount of actual damage or that money damages would not provide an adequate remedy, it being acknowledged and agreed that any such breach or threatened breach will cause irreparable injury to the Company and that money damages will not provide adequate remedy to the Company; and

(ii) Accounting and Indemnification. The right and remedy to require Executive (A) to account for and pay over to the Company all compensation, profits, monies, accruals, increments or other benefits derived or received by Executive or any associated party deriving such benefits as a result of any such breach of the Restrictive Covenants; and (B) to indemnify the Company against any other losses, damages (including special and consequential damages), costs and expenses, including actual attorneys' fees and court costs, which may be incurred by them and which result from or arise out of any such breach or threatened breach of the Restrictive Covenants.

(g) Severability of Covenants/Blue Pencilling. If any court determines that any of the Restrictive Covenants, or any part thereof, is invalid or unenforceable, the remainder of the Restrictive Covenants shall not thereby be affected and shall be given full effect, without regard to the invalid portions. If any court determines that any of the Restrictive Covenants, or any part thereof, are unenforceable because of the duration of such provision or the area covered thereby, such court shall have the power to reduce the duration or area of such provision and, in its reduced form, such provision shall then be enforceable and shall be enforced. Executive hereby waives any and all right to attack the validity of the Restrictive Covenants on the grounds of the breadth of their geographic scope or the length of their term.

(h) Enforceability in Jurisdictions. The Company and Executive intend to and do hereby confer jurisdiction to enforce the Restrictive Covenants upon the courts of any jurisdiction within the geographical scope of such covenants. If the courts of any one or more of such jurisdictions hold the Restrictive Covenants wholly unenforceable by reason of the breadth of such scope or otherwise, it is the intention of the Company and Executive that such determination not bar or in any way affect the right of the Company to the relief provided above in the courts of any other jurisdiction within the geographical scope of such covenants, as to breaches of such covenants in such other respective jurisdictions, such covenants as they relate to each jurisdiction being, for this purpose, severable into diverse and independent covenants.

(i) Whistleblower Provision. Nothing herein shall be construed to prohibit Executive from communicating directly with, cooperating with, or providing information to, any government regulator, including, but not limited to, the U.S. Securities and Exchange Commission, the U.S. Commodity Futures Trading Commission, or the U.S. Department of Justice. Executive acknowledges that the Company has provided Executive with the following notice of immunity rights in compliance with the requirements of the Defend Trade Secrets Act: (i) Executive shall not be held criminally or civilly liable under any Federal or State trade secret

law for the disclosure of proprietary information that is made in confidence to a Federal, State, or local government official or to an attorney solely for the purpose of reporting or investigating a suspected violation of law, (ii) Executive shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of proprietary information that is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal and (iii) if Executive files a lawsuit for retaliation by the Company for reporting a suspected violation of law, Executive may disclose the proprietary information to Executive's attorney and use the proprietary information in the court proceeding, if Executive files any document containing the proprietary information under seal, and does not disclose the proprietary information, except pursuant to court order.

(j) Definitions. For purposes of this Section 5, the term "***Company***" means not only Zeno Management, Inc., but also Parent as well as any company, partnership or entity which, directly or indirectly, controls, is controlled by or is under common control with Zeno Management, Inc.

6. Insurance; Indemnification.

(a) Insurance. The Company shall have the right to take out life, health, accident, "key-man" or other insurance covering Executive, in the name of the Company and at the Company's expense in any amount deemed appropriate by the Company. Executive shall assist the Company in obtaining such insurance, including, without limitation, submitting to any required examinations and providing information and data required by insurance companies.

(b) Indemnification. Executive will be provided with indemnification against third party claims related to his work for the Company to the extent permitted by Delaware law. The Company shall provide Executive with directors and officers liability insurance coverage at least as favorable as that which the Company may maintain from time to time for members of the Board and other executive officers.

7. Arbitration. Any dispute, claim or controversy based on, arising out of or relating to Executive's employment or this Agreement shall be settled by final and binding arbitration in New York, New York, before a single neutral arbitrator in accordance with the JAMS Employment Arbitration Rules and Procedures (the "***Rules***"), and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction. The Rules may be found online at www.jamsadr.com. If the parties are unable to agree upon an arbitrator, one shall be appointed by JAMS in accordance with its Rules. Each party shall pay the fees of its own attorneys, the expenses of its witnesses and all other expenses connected with presenting its case; provided, however, Executive and the Company agree that, to the extent permitted by law, the arbitrator may, in his or her discretion, award reasonable attorneys' fees to the prevailing party; provided, further, that the prevailing party shall be reimbursed for such fees, costs and expenses within forty-five (45) days following any such award, but in no event later than the last day of Executive's taxable year following the taxable year in which the fees, costs and expenses were incurred; provided, further, that the parties' obligations pursuant to this sentence shall terminate on the tenth (10^{th}) anniversary of the date of Executive's termination of employment. Other costs of the arbitration, including the cost of any record or transcripts of the arbitration, JAMS administrative fees, the fee of the arbitrator, and all other fees and costs, shall be borne by the Company. This Section 7 is intended

to be the exclusive method for resolving any and all claims by the parties against each other for payment of damages under this Agreement or relating to Executive's employment; provided, however, that Executive shall retain the right to file administrative charges with or seek relief through any government agency of competent jurisdiction, and to participate in any government investigation, including but not limited to (a) claims for workers' compensation, state disability insurance or unemployment insurance; (b) administrative claims brought before any state or federal governmental authority; provided, however, that any appeal from an award or from denial of an award of wages and/or waiting time penalties shall be arbitrated pursuant to the terms of this Agreement; and (c) claims for administrative relief from the United States Equal Employment Opportunity Commission and/or any similar state agency in any applicable jurisdiction); provided, further, that Executive shall not be entitled to obtain any monetary relief through such agencies other than workers' compensation benefits or unemployment insurance benefits. This Agreement shall not limit either party's right to obtain any provisional remedy, including, without limitation, injunctive or similar relief, from any court of competent jurisdiction as may be necessary to protect their rights and interests pending the outcome of arbitration, including without limitation injunctive relief, in any court of competent jurisdiction. Seeking any such relief shall not be deemed to be a waiver of such party's right to compel arbitration. Both Executive and the Company expressly waive their right to a jury trial.

8. General Relationship. Executive shall be considered an employee of the Company within the meaning of all federal, state and local laws and regulations including, but not limited to, laws and regulations governing unemployment insurance, workers' compensation, industrial accident, labor and taxes.

9. Miscellaneous.

(a) Modification; Prior Claims. This Agreement and the Proprietary Information and Inventions Agreement (and the other documents referenced therein) set forth the entire understanding of the parties with respect to the subject matter hereof, and supersede all existing agreements between them concerning such subject matter, including the Prior Agreement. This Agreement may be amended or modified only with the written consent of Executive and an authorized representative of the Company. No oral waiver, amendment or modification will be effective under any circumstances whatsoever.

(b) Assignment; Assumption by Successor. The rights of the Company under this Agreement may, without the consent of Executive, be assigned by the Company, in its sole and unfettered discretion, to any person, firm, corporation or other business entity which at any time, whether by purchase, merger or otherwise, directly or indirectly, acquires all or substantially all of the assets or business of the Company. The Company will require any successor (whether direct or indirect, by purchase, merger or otherwise) to all or substantially all of the business or assets of the Company expressly to assume and to agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place; provided, however, that no such assumption shall relieve the Company of its obligations hereunder. As used in this Agreement, the "***Company***" shall mean the Company as hereinbefore defined and any successor to its business and/or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law or otherwise.

(c) Survival. The covenants, agreements, representations and warranties contained in or made in Sections 4, 5, 6, 7 and 9 of this Agreement shall survive Executive's termination of employment.

(d) Third-Party Beneficiaries. Except as expressly set forth herein, this Agreement does not create, and shall not be construed as creating, any rights enforceable by any person not a party to this Agreement.

(e) Waiver. The failure of either party hereto at any time to enforce performance by the other party of any provision of this Agreement shall in no way affect such party's rights thereafter to enforce the same, nor shall the waiver by either party of any breach of any provision hereof be deemed to be a waiver by such party of any other breach of the same or any other provision hereof.

(f) Section Headings. The headings of the several sections in this Agreement are inserted solely for the convenience of the parties and are not a part of and are not intended to govern, limit or aid in the construction of any term or provision hereof.

(g) Notices. Any notice required or permitted by this Agreement shall be in writing and shall be delivered as follows with notice deemed given as indicated: (i) by personal delivery when delivered personally; (ii) by overnight courier upon written verification of receipt; (iii) by email, telecopy or facsimile transmission upon acknowledgment of receipt of electronic transmission; or (iv) by certified or registered mail, return receipt requested, upon verification of receipt. Notice shall be sent to Executive at the address listed on the Company's personnel records and to the Company at its principal place of business, or such other address as either party may specify in writing.

(h) Severability. All Sections, clauses and covenants contained in this Agreement are severable, and in the event any of them shall be held to be invalid by any court, this Agreement shall be interpreted as if such invalid Sections, clauses or covenants were not contained herein.

(i) Governing Law and Venue. This Agreement is to be governed by and construed in accordance with the laws of the State of New York applicable to contracts made and to be performed wholly within such State, and without regard to the conflicts of laws principles thereof. Except as provided in Sections 5 and 7, any suit brought hereon shall be brought in the state or federal courts sitting in New York, New York, the parties hereto hereby waiving any claim or defense that such forum is not convenient or proper. Each party hereby agrees that any such court shall have in personam jurisdiction over it and consents to service of process in any manner authorized by New York law.

(j) Non-transferability of Interest. None of the rights of Executive to receive any form of compensation payable pursuant to this Agreement shall be assignable or transferable except through a testamentary disposition or by the laws of descent and distribution upon the death of Executive. Any attempted assignment, transfer, conveyance, or other disposition (other than as aforesaid) of any interest in the rights of Executive to receive any form of compensation to be made by the Company pursuant to this Agreement shall be void.

(k) Gender. Where the context so requires, the use of the masculine gender shall include the feminine and/or neuter genders and the singular shall include the plural, and vice versa, and the word "person" shall include any corporation, firm, partnership or other form of association.

(l) Counterparts; Facsimile or .pdf Signatures. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered will be deemed an original, and all of which together shall constitute one and the same agreement. This Agreement may be executed and delivered by facsimile or by .pdf file and upon such delivery the facsimile or .pdf signature will be deemed to have the same effect as if the original signature had been delivered to the other party.

(m) Construction. The language in all parts of this Agreement shall in all cases be construed simply, according to its fair meaning, and not strictly for or against any of the parties hereto. Without limitation, there shall be no presumption against any party on the ground that such party was responsible for drafting this Agreement or any part thereof.

(n) Withholding and Other Deductions. All compensation payable to Executive hereunder shall be subject to such deductions as the Company is from time to time required to make pursuant to law, governmental regulation or order.

(o) Code Section 409A.

(i) This Agreement is not intended to provide for any deferral of compensation subject to Section 409A of the Code, and, accordingly, the severance payments payable under Section 4(b)(ii) and (iii) shall be paid no later than the later of: (A) the fifteenth (15th) day of the third month following Executive's first taxable year in which such amounts are no longer subject to a substantial risk of forfeiture, and (B) the fifteenth (15th) day of the third month following first taxable year of the Company in which such amounts are is no longer subject to substantial risk of forfeiture, as determined in accordance with Code Section 409A and any Treasury Regulations and other guidance issued thereunder. To the extent applicable, this Agreement shall be interpreted in accordance with Code Section 409A and Department of Treasury regulations and other interpretive guidance issued thereunder. Each series of installment payments made under this Agreement is hereby designated as a series of "separate payments" within the meaning of Section 409A of the Code. For purposes of this Agreement, all references to Executive's "termination of employment" shall mean Executive's Separation from Service.

(ii) If Executive is a "specified employee" (as defined in Section 409A of the Code), as determined by the Company in accordance with Section 409A of the Code, on the date of Executive's Separation from Service, to the extent that the payments or benefits under this Agreement are subject to Section 409A of the Code and the delayed payment or distribution of all or any portion of such amounts to which Executive is entitled under this Agreement is required in order to avoid a prohibited distribution under Section 409A(a)(2)(B)(i) of the Code, then such portion deferred pursuant to this Section 9(o)(ii) shall be paid or distributed to Executive in a lump sum on the earlier of (A) the date that is six (6)-months following Executive's Separation from Service, (B) the date of Executive's death or (C) the earliest date as is permitted under Section 409A of the Code. Any remaining payments due under the Agreement shall be paid as otherwise provided herein.

(iii) To the extent applicable, this Agreement shall be interpreted in accordance with the applicable exemptions from Section 409A of the Code. If Executive and the Company determine that any payments or benefits payable under this Agreement intended to comply with Sections 409A(a)(2), (3) and (4) of the Code do not comply with Section 409A of the Code, Executive and the Company agree to amend this Agreement, or take such other actions as Executive and the Company deem reasonably necessary or appropriate, to comply with the requirements of Section 409A of the Code and the Treasury Regulations thereunder (and any applicable transition relief) while preserving the economic agreement of the parties. To the extent that any provision in this Agreement is ambiguous as to its compliance with Section 409A of the Code, the provision shall be read in such a manner that no payments payable under this Agreement shall be subject to an "additional tax" as defined in Section 409A(a)(1)(B) of the Code.

(iv) Any reimbursement of expenses or in-kind benefits payable under this Agreement shall be made in accordance with Treasury Regulation Section 1.409A-3(i)(1)(iv) and shall be paid on or before the last day of Executive's taxable year following the taxable year in which Executive incurred the expenses. The amount of expenses reimbursed or in-kind benefits payable during any taxable year of Executive's shall not affect the amount eligible for reimbursement or in-kind benefits payable in any other taxable year of Executive's, and Executive's right to reimbursement for such amounts shall not be subject to liquidation or exchange for any other benefit.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth above.

ZENO MANAGEMENT, INC.

By: /s/ Kevin Bunker, Ph.D.
Name: Kevin Bunker, Ph.D.
Title: Chief Operations Officer

EXECUTIVE

/s/ Anthony Y. Sun, M.D.
Anthony Y. Sun, M.D.

EXHIBIT A

GENERAL RELEASE OF CLAIMS

[*The language in this Release may change based on legal developments and evolving best practices; this form is provided as an example of what will be included in the final Release document.*]

This General Release of Claims ("***Release***") is entered into as of this _____ day of _____, , between Anthony Y. Sun, M.D. ("***Executive***"), and Zeno Management, Inc. (the "***Company***") (collectively referred to herein as the "***Parties***").

WHEREAS, Executive and the Company are parties to that certain Amended and Restated Employment Agreement dated as of February 1, 2019 (the "***Agreement***");

WHEREAS, the Parties agree that Executive is entitled to certain severance benefits under the Agreement, subject to Executive's execution of this Release; and

WHEREAS, the Company and Executive now wish to fully and finally to resolve all matters between them.

NOW, THEREFORE, in consideration of, and subject to, the severance benefits payable to Executive pursuant to the Agreement, the adequacy of which is hereby acknowledged by Executive, and which Executive acknowledges that he would not otherwise be entitled to receive, Executive and the Company hereby agree as follows:

1. General Release of Claims by Executive.

(a) Executive, on behalf of himself and his executors, heirs, administrators, representatives and assigns, hereby agrees to release and forever discharge the Company and all predecessors, successors and their respective parent corporations, affiliates, related, and/or subsidiary entities, and all of their past and present investors, directors, shareholders, officers, general or limited partners, employees, attorneys, agents and representatives, and the employee benefit plans in which Executive is or has been a participant by virtue of his employment with or service to the Company (collectively, the "***Company Releasees***"), from any and all claims, debts, demands, accounts, judgments, rights, causes of action, equitable relief, damages, costs, charges, complaints, obligations, promises, agreements, controversies, suits, expenses, compensation, responsibility and liability of every kind and character whatsoever (including attorneys' fees and costs), whether in law or equity, known or unknown, asserted or unasserted, suspected or unsuspected (collectively, "***Claims***"), which Executive has or may have had against such entities based on any events or circumstances arising or occurring on or prior to the date hereof or on or prior to the date hereof, arising directly or indirectly out of, relating to, or in any other way involving in any manner whatsoever Executive's employment by or service to the Company or the termination thereof, including any and all claims arising under federal, state, or local laws relating to employment, including without limitation claims of wrongful discharge, breach of express or implied contract, fraud, misrepresentation, defamation, or liability in tort, and claims of any kind

that may be brought in any court or administrative agency including, without limitation, claims under Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. Section 2000, et seq.; the Americans with Disabilities Act, as amended, 42 U.S.C. § 12101 et seq.; the Rehabilitation Act of 1973, as amended, 29 U.S.C. § 701 et seq.; the Civil Rights Act of 1866, and the Civil Rights Act of 1991; 42 U.S.C. Section 1981, et seq.; the Age Discrimination in Employment Act, as amended, 29 U.S.C. Section 621, et seq. (the "***ADEA***"); the Equal Pay Act, as amended, 29 U.S.C. Section 206(d); regulations of the Office of Federal Contract Compliance, 41 C.F.R. Section 60, et seq.; the Family and Medical Leave Act, as amended, 29 U.S.C. § 2601 et seq.; the Fair Labor Standards Act of 1938, as amended, 29 U.S.C. § 201 et seq.; the Employee Retirement Income Security Act, as amended, 29 U.S.C. § 1001 et seq.

Notwithstanding the generality of the foregoing, Executive does not release the following claims:

(i) Claims for unemployment compensation or any state disability insurance benefits pursuant to the terms of applicable state law;

(ii) Claims for workers' compensation insurance benefits under the terms of any worker's compensation insurance policy or fund of the Company;

(iii) Claims pursuant to the terms and conditions of the federal law known as COBRA;

(iv) Claims for indemnity under the bylaws of the Company, as provided for by Delaware law or under any applicable insurance policy with respect to Executive's liability as an employee, director or officer of the Company;

(v) Executive's right to bring to the attention of the Equal Employment Opportunity Commission or any other federal, state or local government agency claims of discrimination, or from participating in an investigation or proceeding conducted by the Equal Employment Opportunity Commission or any other federal, state or local government agency; provided, however, that Executive does release his right to secure any damages for alleged discriminatory treatment;

(vi) Claims based on any right Executive may have to enforce the Company's executory obligations under the Agreement;

(vii) Claims Executive may have to vested or earned compensation and benefits; and

(viii) Executive's right to communicate or cooperate with any government agency.

(b) EXECUTIVE ACKNOWLEDGES THAT HE HAS BEEN ADVISED OF AND IS FAMILIAR WITH THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542, 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 PARTY."

BEING AWARE OF SAID CODE SECTION, EXECUTIVE HEREBY EXPRESSLY WAIVES ANY RIGHTS HE MAY HAVE THEREUNDER, AS WELL AS UNDER ANY OTHER STATUTES OR COMMON LAW PRINCIPLES OF SIMILAR EFFECT.

[Note: Clauses (c), (d) and (e) apply only if Executive is age 40 or older at time of termination]

(c) Executive acknowledges that this Release was presented to him on the date indicated above and that Executive is entitled to have [twenty-one (21)][forty-five (45)] days' time in which to consider it. Executive further acknowledges that the Company has advised him that he is waiving his rights under the ADEA, and that Executive should consult with an attorney of his choice before signing this Release, and Executive has had sufficient time to consider the terms of this Release. Executive represents and acknowledges that if Executive executes this Release before [twenty-one (21)][forty-five (45)] days have elapsed, Executive does so knowingly, voluntarily, and upon the advice and with the approval of Executive's legal counsel (if any), and that Executive voluntarily waives any remaining consideration period.

(d) Executive understands that after executing this Release, Executive has the right to revoke it within seven (7) days after his execution of it. Executive understands that this Release will not become effective and enforceable unless the seven (7) day revocation period passes and Executive does not revoke the Release in writing. Executive understands that this Release may not be revoked after the seven (7) day revocation period has passed. Executive also understands that any revocation of this Release must be made in writing and delivered to the Company at its principal place of business within the seven (7) day period.

(e) Executive understands that this Release shall become effective, irrevocable, and binding upon Executive on the eighth (8th) day after his execution of it, so long as Executive has not revoked it within the time period and in the manner specified in clause (d) above.

(f) Executive further understands that Executive will not be given any severance benefits under the Agreement unless this Release is effective on or before the date that is fifty-five (55) days following the date of Executive's termination of employment.

2. No Assignment. Executive represents and warrants to the Company Releasees that there has been no assignment or other transfer of any interest in any Claim that Executive may have against the Company Releasees. Executive agrees to indemnify and hold harmless the Company Releasees from any liability, claims, demands, damages, costs, expenses and attorneys' fees incurred as a result of any such assignment or transfer from Executive.

3. Severability. In the event any provision of this Release is found to be unenforceable by an arbitrator or court of competent jurisdiction, such provision shall be deemed modified to the extent necessary to allow enforceability of the provision as so limited, it being intended that the

parties shall receive the benefit contemplated herein to the fullest extent permitted by law. If a deemed modification is not satisfactory in the judgment of such arbitrator or court, the unenforceable provision shall be deemed deleted, and the validity and enforceability of the remaining provisions shall not be affected thereby.

4. Interpretation; Construction. The headings set forth in this Release are for convenience only and shall not be used in interpreting this Agreement. This Release has been drafted by legal counsel representing the Company, but Executive has participated in the negotiation of its terms. Furthermore, Executive acknowledges that Executive has had an opportunity to review and revise the Release and have it reviewed by legal counsel, if desired, and, therefore, the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Release. Either party's failure to enforce any provision of this Release shall not in any way be construed as a waiver of any such provision, or prevent that party thereafter from enforcing each and every other provision of this Release.

5. Governing Law and Venue. This Release will be governed by and construed in accordance with the laws of the United States of America and the State of New York applicable to contracts made and to be performed wholly within such State, and without regard to the conflicts of laws principles thereof. Any suit brought hereon shall be brought in the state or federal courts sitting in New York, New York, the Parties hereby waiving any claim or defense that such forum is not convenient or proper. Each party hereby agrees that any such court shall have in personam jurisdiction over it and consents to service of process in any manner authorized by New York law.

6. Entire Agreement. This Release and the Agreement constitute the entire agreement of the Parties in respect of the subject matter contained herein and therein and supersede all prior or simultaneous representations, discussions, negotiations and agreements, whether written or oral. This Release may be amended or modified only with the written consent of Executive and an authorized representative of the Company. No oral waiver, amendment or modification will be effective under any circumstances whatsoever.

7. Counterparts. This Release may be executed in multiple counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument.

(Signature Page Follows)

IN WITNESS WHEREOF, and intending to be legally bound, the Parties have executed the foregoing Release as of the date first written above.

EXECUTIVE

_____

Print Name: Anthony Y. Sun, M.D.

ZENO MANAGEMENT, INC.

By: _____

Print Name: _____

Title: _____

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (this "***Agreement***") is entered into by and between Zeno Management, Inc., a Delaware corporation (the "***Company***") and a wholly owned subsidiary of Zeno Pharma, LLC (the "***Parent***"), and Melissa Epperly ("***Executive***"), and shall be effective as of September 5, 2019 (the "***Effective Date***").

WHEREAS, the Company desires to employ Executive, and Executive desires to commence employment with the Company, on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual promises herein contained, the parties agree as follows:

1. Definitions. As used in this Agreement, the following terms shall have the following meanings:

(a) "***Board***" means the Board of Directors of the Company.

(b) "***Cause***" means any of the following:

(i) Executive's unauthorized use or disclosure of confidential information or trade secrets of the Company or its affiliates or any material breach of a written agreement between Executive and the Company or any affiliate, including without limitation a material breach of any employment, confidentiality, non-compete, non-solicit or similar agreement;

(ii) Executive's commission of, indictment for or the entry of a plea of guilty or *nolo contendere* by Executive to, a felony under the laws of the United States or any state thereof or any crime involving dishonesty or moral turpitude (or any similar crime in any jurisdiction outside the United States);

(iii) Executive's gross negligence or willful misconduct or Executive's willful or repeated failure or refusal to substantially perform assigned duties;

(iv) any act of fraud, embezzlement, material misappropriation or dishonesty committed by Executive against the Company or its affiliates; or

(v) any acts, omissions or statements by Executive which the Company reasonably determines to be materially detrimental or damaging to the reputation, operations, prospects or business relations of the Company or its affiliates;

provided, however, that prior to the determination that "Cause" under clauses (i), (iii), (iv) or (v) of this Section 1(b) has occurred, the Company shall (A) provide to Executive in writing, in reasonable detail, the reasons for the determination that such "Cause" exists, (B) afford Executive a reasonable opportunity to remedy any such breach, (C) provide Executive an opportunity to be heard prior to the final decision to terminate Executive's employment hereunder for such "Cause" and (D) make any decision that such "Cause" exists in good faith.

The foregoing definition shall not in any way preclude or restrict the right of the Company or any successor or affiliate thereof to discharge or dismiss Executive for any other acts or omissions, but such other acts or omissions shall not be deemed, for purposes of this Agreement, to constitute grounds for termination for Cause.

(c) "***Change in Control***" shall have the meaning ascribed to such term in the Zeno Pharma, LLC 2017 Profits Interest Plan.

(d) "***Code***" means the Internal Revenue Code of 1986, as amended from time to time, and the Treasury Regulations and other interpretive guidance issued thereunder.

(e) "***Good Reason***" means the occurrence of any of the following events or conditions without Executive's written consent:

(i) a change in Executive's position or responsibilities that represents a substantial reduction in her position or responsibilities as in effect immediately prior thereto; the assignment to Executive of any duties or responsibilities that are materially inconsistent with such position or responsibilities; or any removal of Executive from or failure to reappoint or reelect Executive to any of such positions, except in connection with the termination of Executive's services for Cause, as a result of her Permanent Disability or death, or by Executive other than for Good Reason; provided, however, that neither a change in Executive's reporting relationship as a result of a Change in Control nor the fact that Executive's reporting relationship is altered following a Change in Control because the Company or its successor is a wholly-owned subsidiary of another entity following such Change in Control shall alone constitute Good Reason;

(ii) a material reduction in Executive's annual base salary;

(iii) the Company requiring Executive (without Executive's consent) to be based at any place outside a ten (10)-mile radius of her then-current place of employment with the Company prior to any such relocation, except for reasonably required travel on the Company's business; or

(iv) any material breach by the Company or any affiliate of its obligations to Executive under any applicable employment or services agreement between Executive and the Company or such affiliate.

Executive must provide written notice to the Company of the occurrence of any of the foregoing events or conditions without Executive's written consent within sixty (60) days of the occurrence of such event. The Company or any successor or affiliate shall have a period of thirty (30) days to cure such event or condition after receipt of written notice of such event from Executive. Executive's Separation from Service by reason of resignation from employment with the Company for Good Reason must occurs within thirty (30) days following the expiration of the foregoing thirty (30) day cure period.

(f) "***Involuntary Termination***" means (i) Executive's Separation from Service by reason of Executive's discharge by the Company other than for Cause, or (ii) Executive's Separation from Service by reason of Executive's resignation of employment with the Company for Good Reason. Executive's Separation from Service by reason of Executive's death or discharge by the Company following Executive's Permanent Disability shall not constitute an Involuntary Termination.

(g) Executive's "***Permanent Disability***" shall be deemed to have occurred if Executive shall become physically or mentally incapacitated or disabled or otherwise unable fully to discharge her duties hereunder for a period of ninety (90) consecutive calendar days or for one hundred twenty (120) calendar days in any one hundred eighty (180) calendar-day period. The existence of Executive's Permanent Disability shall be determined by the Company on the advice of a physician chosen by the Company and the Company reserves the right to have Executive examined by a physician chosen by the Company at the Company's expense.

(h) "***Separation from Service***," with respect to Executive, means Executive's "separation from service," as defined in Treasury Regulation Section 1.409A-1(h).

2. Services to Be Rendered.

(a) Duties and Responsibilities. Executive shall serve as Chief Financial Officer of the Company. In the performance of such duties, Executive shall report directly to, and shall be subject to the direction of, the Chief Executive Officer of the Company (the "***CEO***") and to such limits upon Executive's authority as the CEO may from time to time impose. In the event of the CEO's unavailability or incapacity, Executive shall report directly to the Board. Executive hereby consents to serve as an officer and/or director of the Company, Parent or any subsidiary or affiliate thereof without any additional salary or compensation, if so requested by the Board or the CEO. Executive shall be employed by the Company on a full time basis. Executive's primary place of work shall be the Company's offices in New York, New York. Executive will also be expected to travel to the Company's locations as needed in connection with her duties. Executive shall be subject to and comply with the policies and procedures generally applicable to senior executives of the Company to the extent the same are not inconsistent with any term of this Agreement.

(b) Exclusive Services. Executive shall at all times faithfully, industriously and to the best of her ability, experience and talent perform all of the duties that may be assigned to Executive hereunder and shall devote substantially all of her productive time and efforts to the performance of such duties. Subject to the terms of the Proprietary Information and Inventions Agreement referred to in Section 5(b), this shall not preclude Executive from (i) serving on industry, trade, civic, or charitable boards or committees; or (ii) managing personal, family and other investments; provided that such activities do not interfere with her duties to the Company, as determined in good faith by the CEO or the Board.

3. Compensation and Benefits. The Company shall pay or provide, as the case may be, to Executive the compensation and other benefits and rights set forth in this Section 3.

(a) Base Salary. The Company shall pay to Executive a base salary of $390,000 per year, payable in accordance with the Company's usual pay practices (and in any event no less frequently than monthly). Executive's base salary shall be subject to review annually by and at the sole discretion of the Board or its designee.

(b) Annual Bonus. Executive shall participate in any annual bonus plan that the Board or its designee may approve for the senior executives of the Company. In addition to Executive's base salary, Executive may be eligible to earn, for each fiscal year of the Company ending during the term of Executive's employment with the Company, an annual cash performance bonus under the Company's bonus plan, as approved from time to time by the Board. Executive's target bonus under any such annual bonus plan shall be forty percent (40%) of Executive's base salary actually paid for the year to which such annual bonus relates (the "***Target Bonus***"). Executive's actual annual bonus will be determined on the basis of Executive's and/or the Company's or its affiliates' attainment of financial or other performance criteria established by the Board or its designee in accordance with the terms and conditions of such bonus plan. Except as otherwise provided in this Agreement, Executive must be employed by the Company on the date of payment of such annual bonus in order to be eligible to receive such annual bonus. Executive hereby acknowledges and agrees that nothing contained herein confers upon Executive any right to an annual bonus in any year, and that whether the Company pays Executive an annual bonus and the amount of any such annual bonus will be determined by the Company in its sole discretion. Executive's bonus for 2019 shall be pro-rated to reflect the portion of the year that Executive is employed by the Company

(c) Benefits. Executive shall be entitled to participate in benefits under the Company's benefit plans and arrangements, including, without limitation, any employee benefit plan or arrangement made available in the future by the Company to its senior executives, subject to and on a basis consistent with the terms, conditions and overall administration of such plans and arrangements. The Company shall have the right to amend or delete any such benefit plan or arrangement made available by the Company to its senior executives and not otherwise specifically provided for herein.

(d) Expenses. The Company shall reimburse Executive for reasonable out-of-pocket business expenses incurred in connection with the performance of her duties hereunder, subject to such policies as the Company may from time to time establish, and Executive furnishing the Company with evidence in the form of receipts satisfactory to the Company substantiating the claimed expenditures.

(e) Paid Time Off. Executive shall be entitled to such periods of paid time off ("***PTO***") each year as provided from time to time under the Company's PTO policy and as otherwise provided for senior executive officers; provided, however, that Executive shall be entitled to a minimum of twenty (20) days of PTO per year.

(f) Profits Interest Award. Subject to the approval of the board of directors of Parent, Executive will be granted 200,000 Class B common units of Parent (the "***Class B Units***"), which number represents approximately one percent (1%) of the fully-diluted units of Parent as of the date of grant (after giving effect to Parent's contemplated preferred stock financing). The Class B Units will be granted pursuant to Parent's 2017 Profits Interest Plan (the "***Plan***"). The Class B

Units will be subject to the terms and conditions of the Plan and Executive's profits interest award agreement. The Class B Units will vest over a four (4)-year vesting schedule, with 25% of the Class B Units vesting on the first anniversary of the Effective Date and the remaining Class B Units vested in equal monthly installments over the three (3) years thereafter. In the event of Executive's termination by the Company other than for Cause (as defined in the Plan) (and other than as a result of Executive's death or disability) following a Change in Control, all of the Class B Units will vest on an accelerated basis on the date of termination as provided in Executive's profits interest award agreement.

(g) Equity and Other Benefit Plans. Executive shall be entitled to participate in any equity or other employee benefit plan that is generally available to senior executive officers of the Company. Except as otherwise provided in this Agreement, Executive's participation in and benefits under any such plan shall be on the terms and subject to the conditions specified in the governing document of the particular plan.

4. Severance. Executive shall be entitled to receive benefits upon a Separation from Service only as set forth in this Section 4:

(a) At-Will Employment; Termination. The Company and Executive acknowledge that Executive's employment is and shall continue to be at-will, as defined under applicable law, and that Executive's employment with the Company may be terminated by either party at any time for any or no reason, with or without notice. If Executive's employment terminates for any reason, Executive shall not be entitled to any payments, benefits, damages, awards or compensation other than as provided in this Agreement. Executive's employment under this Agreement shall be terminated immediately on the death of Executive.

(b) Severance Upon Involuntary Termination. Subject to Sections 4(d) and 9(o) and Executive's continued compliance with Section 5, if Executive's employment is Involuntarily Terminated, Executive shall be entitled to receive, in lieu of any severance benefits to which Executive may otherwise be entitled under any severance plan or program of the Company, the benefits provided below:

(i) the Company shall pay to Executive her fully earned but unpaid base salary, when due, through the date of Executive's Involuntary Termination at the rate then in effect, accrued and unused PTO, plus all other benefits, if any, under any Company group retirement plan, nonqualified deferred compensation plan, equity award plan or agreement, health benefits plan or other Company group benefit plan to which Executive may be entitled pursuant to the terms of such plans or agreements at the time of Executive's Involuntary Termination (the "***Accrued Obligations***"); and

(ii) Executive shall be entitled to receive severance pay in an amount equal to (A) Executive's monthly base salary as in effect immediately prior to the date of Executive's Involuntary Termination, multiplied by (B) nine (9), which amount shall be payable in a lump sum sixty (60) days following Executive's Involuntary Termination; and

(iii) for the period beginning on the date of Executive's Involuntary Termination and ending on the date which is nine (9) full months following the date of Executive's

Involuntary Termination (or, if earlier, (A) the date on which the applicable continuation period under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("***COBRA***") expires or (B) the date Executive becomes eligible to receive the equivalent or increased healthcare coverage by means of subsequent employment or self-employment) (such period, the "***COBRA Coverage Period***"), if Executive and/or her eligible dependents who were covered under the Company's health insurance plans as of the date of Executive's Involuntary Termination elect to have COBRA coverage and are eligible for such coverage, the Company shall pay for or reimburse Executive on a monthly basis for an amount equal to (1) the monthly premium Executive and/or her covered dependents, as applicable, are required to pay for continuation coverage pursuant to COBRA for Executive and/or her eligible dependents, as applicable, who were covered under the Company's health plans as of the date of Executive's Involuntary Termination (calculated by reference to the premium as of the date of Executive's Involuntary Termination) less (2) the amount Executive would have had to pay to receive group health coverage for Executive and/or her covered dependents, as applicable, based on the cost sharing levels in effect on the date of Executive's Involuntary Termination. If any of the Company's health benefits are self-funded as of the date of Executive's Involuntary Termination, or if the Company cannot provide the foregoing benefits in a manner that is exempt from Section 409A (as defined below) or that is otherwise compliant with applicable law (including, without limitation, Section 2716 of the Public Health Service Act), instead of providing the payments or reimbursements as set forth above, the Company shall instead pay to Executive the foregoing monthly amount as a taxable monthly payment for the COBRA Coverage Period (or any remaining portion thereof). Executive shall be solely responsible for all matters relating to continuation of coverage pursuant to COBRA, including, without limitation, the election of such coverage and the timely payment of premiums. Executive shall notify the Company immediately if Executive becomes eligible to receive the equivalent or increased healthcare coverage by means of subsequent employment or self-employment.

(c) Termination for Cause, Voluntary Resignation Without Good Reason, Death or Termination for Permanent Disability. In the event of Executive's termination of employment as a result of Executive's discharge by the Company for Cause, Executive's resignation without Good Reason, Executive's death or Executive's termination of employment following Executive's Permanent Disability, the Company shall not have any other or further obligations to Executive under this Agreement (including any financial obligations) except that Executive shall be entitled to receive the Accrued Obligations. The foregoing shall be in addition to, and not in lieu of, any and all other rights and remedies which may be available to the Company under the circumstances, whether at law or in equity.

(d) Release. As a condition to Executive's receipt of any post-termination benefits pursuant to Section 4(b) above, Executive (or, in the event of Executive's incapacity as a result of her Permanent Disability, Executive's legal representative) shall execute and not revoke a general release of all claims in favor of the Company and its affiliates (the "Release") in the form attached hereto as Exhibit A. In the event the Release does not become effective within the fifty-five (55) day period following the date of Executive's Involuntary Termination, Executive shall not be entitled to the aforesaid payments and benefits.

(e) Exclusive Remedy. Except as otherwise expressly required by law (e.g., COBRA) or as specifically provided herein, all of Executive's rights to salary, severance, benefits, bonuses and other amounts hereunder (if any) accruing after the termination of Executive's

employment shall cease upon such termination. In the event of Executive's termination of employment with the Company, Executive's sole remedy shall be to receive the payments and benefits described in this Section 4. In addition, Executive acknowledges and agrees that she is not entitled to any reimbursement by the Company for any taxes payable by Executive as a result of the payments and benefits received by Executive pursuant to this Section 4, including, without limitation, any excise tax imposed by Section 4999 of the Code. Any payments made to Executive under this Section 4 shall be inclusive of any amounts or benefits to which Executive may be entitled pursuant to the Worker Adjustment and Retraining Notification Act, 29 U.S.C. Sections 2101 et seq., and the Department of Labor regulations thereunder, or any similar state statute.

(f) No Mitigation. Except as otherwise provided in Section 4(b)(iii) above, Executive shall not be required to mitigate the amount of any payment provided for in this Section 4 by seeking other employment or otherwise, nor shall the amount of any payment or benefit provided for in this Section 4 be reduced by any compensation earned by Executive as the result of employment by another employer or self-employment or by retirement benefits; provided, however, that loans, advances or other amounts owed by Executive to the Company may be offset by the Company against amounts payable to Executive under this Section 4.

(g) Return of the Company's Property. In the event of Executive's termination of employment for any reason, the Company shall have the right, at its option, to require Executive to vacate her offices prior to or on the effective date of separation and to cease all activities on the Company's behalf. Upon Executive's termination of employment in any manner, as a condition to Executive's receipt of any severance benefits described in this Agreement, Executive shall immediately surrender to the Company all lists, books and records of, or in connection with, the Company's business, and all other property belonging to the Company, it being distinctly understood that all such lists, books and records, and other documents, are the property of the Company. Executive shall deliver to the Company a signed statement certifying compliance with this Section 4(g) prior to the receipt of any severance benefits described in this Agreement.

5. Certain Covenants.

(a) Noncompetition. Except as may otherwise be approved by the Board, during the term of Executive's employment, Executive shall not have any ownership interest (of record or beneficial) in, or have any interest as an employee, salesman, consultant, officer or director in, or otherwise aid or assist in any manner, any firm, corporation, partnership, proprietorship or other business that engages in any county, city or part thereof in the United States and/or any foreign country in a business which competes directly or indirectly (as determined by the Board) with the Company's business in such county, city or part thereof, so long as the Company, or any successor in interest of the Company to the business and goodwill of the Company, remains engaged in such business in such county, city or part thereof or continues to solicit customers or potential customers therein; provided, however, that Executive may own, directly or indirectly, solely as an investment, securities of any entity which are traded on any national securities exchange if Executive (i) is not a controlling person of, or a member of a group which controls, such entity; or (ii) does not, directly or indirectly, own one percent (1%) or more of any class of securities of any such entity.

(b) Confidential Information. Executive and the Company have entered into the Company's standard proprietary information and inventions assignment agreement (the "***Proprietary Information and Inventions Agreement***"). Executive agrees to perform each and every obligation of Executive therein contained.

(c) Solicitation of Employees. During the term of Executive's employment or service and for one (1) year thereafter (the "***Restricted Period***"), Executive will not, either directly or through others, solicit or attempt to solicit any employee, independent contractor or consultant of the Company or its affiliates to terminate her relationship with the Company or its affiliates in order to become an employee, consultant or independent contractor to or for any other person or entity, or otherwise encourage or solicit any employee of the Company or its affiliates to leave the Company or such affiliates for any reason or to devote less than all of any such employee's efforts to the affairs of the Company; provided that the foregoing shall not affect any responsibility Executive may have as an employee of the Company with respect to the bona fide hiring and firing of Company personnel.

(d) Solicitation of Consultants. Executive shall not during the term of Executive's employment or service and for the Restricted Period, directly or indirectly, hire, solicit or encourage to cease work with the Company or any of its affiliates any consultant then under contract with the Company or any of its affiliates.

(e) Nondisparagement. Executive agrees that neither she nor anyone acting by, through, under or in concert with her shall disparage or otherwise communicate negative statements or opinions about the Company, Parent, or their respective board members, officers, employees or businesses. The Company agrees that neither its Board members nor officers, nor the board members or officers of Parent, shall disparage or otherwise communicate negative statements or opinions about Executive. Except as may be required by law, neither Executive, nor any member of Executive's family, nor anyone else acting by, through, under or in concert with Executive will disclose to any individual or entity (other than Executive's legal or tax advisors) the terms of this Agreement.

(f) Rights and Remedies Upon Breach. If Executive breaches or threatens to commit a breach of any of the provisions of this Section 5 (the "***Restrictive Covenants***"), the Company shall have the following rights and remedies, each of which rights and remedies shall be independent of the other and severally enforceable, and all of which rights and remedies shall be in addition to, and not in lieu of, any other rights and remedies available to the Company under law or in equity:

(i) Specific Performance. The right and remedy to have the Restrictive Covenants specifically enforced by any court having equity jurisdiction, all without the need to post a bond or any other security or to prove any amount of actual damage or that money damages would not provide an adequate remedy, it being acknowledged and agreed that any such breach or threatened breach will cause irreparable injury to the Company and that money damages will not provide adequate remedy to the Company; and

(ii) Accounting and Indemnification. The right and remedy to require Executive (A) to account for and pay over to the Company all compensation, profits, monies,

accruals, increments or other benefits derived or received by Executive or any associated party deriving such benefits as a result of any such breach of the Restrictive Covenants; and (B) to indemnify the Company against any other losses, damages (including special and consequential damages), costs and expenses, including actual attorneys' fees and court costs, which may be incurred by them and which result from or arise out of any such breach or threatened breach of the Restrictive Covenants.

(g) Severability of Covenants/Blue Pencilling. If any court determines that any of the Restrictive Covenants, or any part thereof, is invalid or unenforceable, the remainder of the Restrictive Covenants shall not thereby be affected and shall be given full effect, without regard to the invalid portions. If any court determines that any of the Restrictive Covenants, or any part thereof, are unenforceable because of the duration of such provision or the area covered thereby, such court shall have the power to reduce the duration or area of such provision and, in its reduced form, such provision shall then be enforceable and shall be enforced. Executive hereby waives any and all right to attack the validity of the Restrictive Covenants on the grounds of the breadth of their geographic scope or the length of their term.

(h) Enforceability in Jurisdictions. The Company and Executive intend to and do hereby confer jurisdiction to enforce the Restrictive Covenants upon the courts of any jurisdiction within the geographical scope of such covenants. If the courts of any one or more of such jurisdictions hold the Restrictive Covenants wholly unenforceable by reason of the breadth of such scope or otherwise, it is the intention of the Company and Executive that such determination not bar or in any way affect the right of the Company to the relief provided above in the courts of any other jurisdiction within the geographical scope of such covenants, as to breaches of such covenants in such other respective jurisdictions, such covenants as they relate to each jurisdiction being, for this purpose, severable into diverse and independent covenants.

(i) Whistleblower Provision. Nothing herein shall be construed to prohibit Executive from communicating directly with, cooperating with, or providing information to, any government regulator, including, but not limited to, the U.S. Securities and Exchange Commission, the U.S. Commodity Futures Trading Commission, or the U.S. Department of Justice. Executive acknowledges that the Company has provided Executive with the following notice of immunity rights in compliance with the requirements of the Defend Trade Secrets Act: (i) Executive shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of proprietary information that is made in confidence to a Federal, State, or local government official or to an attorney solely for the purpose of reporting or investigating a suspected violation of law, (ii) Executive shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of proprietary information that is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal and (iii) if Executive files a lawsuit for retaliation by the Company for reporting a suspected violation of law, Executive may disclose the proprietary information to Executive's attorney and use the proprietary information in the court proceeding, if Executive files any document containing the proprietary information under seal, and does not disclose the proprietary information, except pursuant to court order.

(j) Definitions. For purposes of this Section 5, the term "***Company***" means not only Zeno Management, Inc., but also Parent as well as any company, partnership or entity which, directly or indirectly, controls, is controlled by or is under common control with Zeno Management, Inc.

6. Insurance; Indemnification.

(a) Insurance. The Company shall have the right to take out life, health, accident, "key-man" or other insurance covering Executive, in the name of the Company and at the Company's expense in any amount deemed appropriate by the Company. Executive shall assist the Company in obtaining such insurance, including, without limitation, submitting to any required examinations and providing information and data required by insurance companies.

(b) Indemnification. Executive will be provided with indemnification against third party claims related to her work for the Company to the extent permitted by Delaware law. The Company shall provide Executive with directors and officers liability insurance coverage at least as favorable as that which the Company may maintain from time to time for other executive officers.

7. Arbitration. Any dispute, claim or controversy based on, arising out of or relating to Executive's employment or this Agreement shall be settled by final and binding arbitration in New York, New York, before a single neutral arbitrator in accordance with the JAMS Employment Arbitration Rules and Procedures (the "***Rules***"), and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction. The Rules may be found online at www.jamsadr.com. If the parties are unable to agree upon an arbitrator, one shall be appointed by JAMS in accordance with its Rules. Each party shall pay the fees of its own attorneys, the expenses of its witnesses and all other expenses connected with presenting its case; provided, however, Executive and the Company agree that, to the extent permitted by law, the arbitrator may, in his or her discretion, award reasonable attorneys' fees to the prevailing party; provided, further, that the prevailing party shall be reimbursed for such fees, costs and expenses within forty-five (45) days following any such award, but in no event later than the last day of Executive's taxable year following the taxable year in which the fees, costs and expenses were incurred; provided, further, that the parties' obligations pursuant to this sentence shall terminate on the tenth (10^{th}) anniversary of the date of Executive's termination of employment. Other costs of the arbitration, including the cost of any record or transcripts of the arbitration, JAMS administrative fees, the fee of the arbitrator, and all other fees and costs, shall be borne by the Company. This Section 7 is intended to be the exclusive method for resolving any and all claims by the parties against each other for payment of damages under this Agreement or relating to Executive's employment; provided, however, that Executive shall retain the right to file administrative charges with or seek relief through any government agency of competent jurisdiction, and to participate in any government investigation, including but not limited to (a) claims for workers' compensation, state disability insurance or unemployment insurance; (b) administrative claims brought before any state or federal governmental authority; provided, however, that any appeal from an award or from denial of an award of wages and/or waiting time penalties shall be arbitrated pursuant to the terms of this Agreement; and (c) claims for administrative relief from the United States Equal Employment Opportunity Commission and/or any similar state agency in any applicable jurisdiction); provided, further, that Executive shall not be entitled to obtain any monetary relief through such agencies other than workers' compensation benefits or unemployment insurance benefits. This Agreement shall not limit either party's right to obtain any provisional remedy, including, without limitation,

injunctive or similar relief, from any court of competent jurisdiction as may be necessary to protect their rights and interests pending the outcome of arbitration, including without limitation injunctive relief, in any court of competent jurisdiction. Seeking any such relief shall not be deemed to be a waiver of such party's right to compel arbitration. Both Executive and the Company expressly waive their right to a jury trial.

8. General Relationship. Executive shall be considered an employee of the Company within the meaning of all federal, state and local laws and regulations including, but not limited to, laws and regulations governing unemployment insurance, workers' compensation, industrial accident, labor and taxes.

9. Miscellaneous.

(a) Modification; Prior Claims. This Agreement and the Proprietary Information and Inventions Agreement (and the other documents referenced therein) set forth the entire understanding of the parties with respect to the subject matter hereof, and supersede all existing agreements between them concerning such subject matter, including any offer letter between the Company and Executive. This Agreement may be amended or modified only with the written consent of Executive and an authorized representative of the Company. No oral waiver, amendment or modification will be effective under any circumstances whatsoever.

(b) Assignment; Assumption by Successor. The rights of the Company under this Agreement may, without the consent of Executive, be assigned by the Company, in its sole and unfettered discretion, to any person, firm, corporation or other business entity which at any time, whether by purchase, merger or otherwise, directly or indirectly, acquires all or substantially all of the assets or business of the Company. The Company will require any successor (whether direct or indirect, by purchase, merger or otherwise) to all or substantially all of the business or assets of the Company expressly to assume and to agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place; provided, however, that no such assumption shall relieve the Company of its obligations hereunder. As used in this Agreement, the "***Company***" shall mean the Company as hereinbefore defined and any successor to its business and/or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law or otherwise.

(c) Survival. The covenants, agreements, representations and warranties contained in or made in Sections 4, 5, 6, 7 and 9 of this Agreement shall survive Executive's termination of employment.

(d) Third-Party Beneficiaries. Except as expressly set forth herein, this Agreement does not create, and shall not be construed as creating, any rights enforceable by any person not a party to this Agreement.

(e) Waiver. The failure of either party hereto at any time to enforce performance by the other party of any provision of this Agreement shall in no way affect such party's rights thereafter to enforce the same, nor shall the waiver by either party of any breach of any provision hereof be deemed to be a waiver by such party of any other breach of the same or any other provision hereof.

(f) Section Headings. The headings of the several sections in this Agreement are inserted solely for the convenience of the parties and are not a part of and are not intended to govern, limit or aid in the construction of any term or provision hereof.

(g) Notices. Any notice required or permitted by this Agreement shall be in writing and shall be delivered as follows with notice deemed given as indicated: (i) by personal delivery when delivered personally; (ii) by overnight courier upon written verification of receipt; (iii) by email, telecopy or facsimile transmission upon acknowledgment of receipt of electronic transmission; or (iv) by certified or registered mail, return receipt requested, upon verification of receipt. Notice shall be sent to Executive at the address listed on the Company's personnel records and to the Company at its principal place of business, or such other address as either party may specify in writing.

(h) Severability. All Sections, clauses and covenants contained in this Agreement are severable, and in the event any of them shall be held to be invalid by any court, this Agreement shall be interpreted as if such invalid Sections, clauses or covenants were not contained herein.

(i) Governing Law and Venue. This Agreement is to be governed by and construed in accordance with the laws of the State of New York applicable to contracts made and to be performed wholly within such State, and without regard to the conflicts of laws principles thereof. Except as provided in Sections 5 and 7, any suit brought hereon shall be brought in the state or federal courts sitting in New York, New York, the parties hereto hereby waiving any claim or defense that such forum is not convenient or proper. Each party hereby agrees that any such court shall have in personam jurisdiction over it and consents to service of process in any manner authorized by New York law.

(j) Non-transferability of Interest. None of the rights of Executive to receive any form of compensation payable pursuant to this Agreement shall be assignable or transferable except through a testamentary disposition or by the laws of descent and distribution upon the death of Executive. Any attempted assignment, transfer, conveyance, or other disposition (other than as aforesaid) of any interest in the rights of Executive to receive any form of compensation to be made by the Company pursuant to this Agreement shall be void.

(k) Gender. Where the context so requires, the use of the masculine gender shall include the feminine and/or neuter genders and the singular shall include the plural, and vice versa, and the word "person" shall include any corporation, firm, partnership or other form of association.

(l) Counterparts; Facsimile or .pdf Signatures. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered will be deemed an original, and all of which together shall constitute one and the same agreement. This Agreement may be executed and delivered by facsimile or by .pdf file and upon such delivery the facsimile or .pdf signature will be deemed to have the same effect as if the original signature had been delivered to the other party.

(m) Construction. The language in all parts of this Agreement shall in all cases be construed simply, according to its fair meaning, and not strictly for or against any of the parties hereto. Without limitation, there shall be no presumption against any party on the ground that such party was responsible for drafting this Agreement or any part thereof.

(n) Withholding and Other Deductions. All compensation payable to Executive hereunder shall be subject to such deductions as the Company is from time to time required to make pursuant to law, governmental regulation or order.

(o) Code Section 409A.

(i) This Agreement is not intended to provide for any deferral of compensation subject to Section 409A of the Code, and, accordingly, the severance payments payable under Section 4(b)(ii) shall be paid no later than the later of: (A) the fifteenth (15th) day of the third month following Executive's first taxable year in which such amounts are no longer subject to a substantial risk of forfeiture, and (B) the fifteenth (15th) day of the third month following first taxable year of the Company in which such amounts are is no longer subject to substantial risk of forfeiture, as determined in accordance with Code Section 409A and any Treasury Regulations and other guidance issued thereunder. To the extent applicable, this Agreement shall be interpreted in accordance with Code Section 409A and Department of Treasury regulations and other interpretive guidance issued thereunder. Each series of installment payments made under this Agreement is hereby designated as a series of "separate payments" within the meaning of Section 409A of the Code. For purposes of this Agreement, all references to Executive's "termination of employment" shall mean Executive's Separation from Service.

(ii) If Executive is a "specified employee" (as defined in Section 409A of the Code), as determined by the Company in accordance with Section 409A of the Code, on the date of Executive's Separation from Service, to the extent that the payments or benefits under this Agreement are subject to Section 409A of the Code and the delayed payment or distribution of all or any portion of such amounts to which Executive is entitled under this Agreement is required in order to avoid a prohibited distribution under Section 409A(a)(2)(B)(i) of the Code, then such portion deferred pursuant to this Section 9(o)(ii) shall be paid or distributed to Executive in a lump sum on the earlier of (A) the date that is six (6)-months following Executive's Separation from Service, (B) the date of Executive's death or (C) the earliest date as is permitted under Section 409A of the Code. Any remaining payments due under the Agreement shall be paid as otherwise provided herein.

(iii) To the extent applicable, this Agreement shall be interpreted in accordance with the applicable exemptions from Section 409A of the Code. If Executive and the Company determine that any payments or benefits payable under this Agreement intended to comply with Sections 409A(a)(2), (3) and (4) of the Code do not comply with Section 409A of the Code, Executive and the Company agree to amend this Agreement, or take such other actions as Executive and the Company deem reasonably necessary or appropriate, to comply with the requirements of Section 409A of the Code and the Treasury Regulations thereunder (and any applicable transition relief) while preserving the economic agreement of the parties. To the extent that any provision in this Agreement is ambiguous as to its compliance with Section 409A of the Code, the provision shall be read in such a manner that no payments payable under this Agreement shall be subject to an "additional tax" as defined in Section 409A(a)(1)(B) of the Code.

(iv) Any reimbursement of expenses or in-kind benefits payable under this Agreement shall be made in accordance with Treasury Regulation Section 1.409A-3(i)(1)(iv) and shall be paid on or before the last day of Executive's taxable year following the taxable year in which Executive incurred the expenses. The amount of expenses reimbursed or in-kind benefits payable during any taxable year of Executive's shall not affect the amount eligible for reimbursement or in-kind benefits payable in any other taxable year of Executive's, and Executive's right to reimbursement for such amounts shall not be subject to liquidation or exchange for any other benefit.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth above.

ZENO MANAGEMENT, INC.

By: /s/ Anthony Y. Sun, M.D.
Name: Anthony Y. Sun, M.D.
Title: President and Chief Executive Officer

EXECUTIVE

/s/ Melissa Epperly
Melissa Epperly

EXHIBIT A

GENERAL RELEASE OF CLAIMS

[The language in this Release may change based on legal developments and evolving best practices; this form is provided as an example of what will be included in the final Release document.]

This General Release of Claims ("***Release***") is entered into as of this day of , , between Melissa Epperly ("***Executive***"), and Zeno Management, Inc. (the "***Company***") (collectively referred to herein as the "***Parties***").

WHEREAS, Executive and the Company are parties to that certain Employment Agreement dated as of September 5, 2019 (the "***Agreement***");

WHEREAS, the Parties agree that Executive is entitled to certain severance benefits under the Agreement, subject to Executive's execution of this Release; and

WHEREAS, the Company and Executive now wish to fully and finally to resolve all matters between them.

NOW, THEREFORE, in consideration of, and subject to, the severance benefits payable to Executive pursuant to the Agreement, the adequacy of which is hereby acknowledged by Executive, and which Executive acknowledges that she would not otherwise be entitled to receive, Executive and the Company hereby agree as follows:

1. General Release of Claims by Executive.

(a) Executive, on behalf of herself and her executors, heirs, administrators, representatives and assigns, hereby agrees to release and forever discharge the Company and all predecessors, successors and their respective parent corporations, affiliates, related, and/or subsidiary entities, and all of their past and present investors, directors, shareholders, officers, general or limited partners, employees, attorneys, agents and representatives, and the employee benefit plans in which Executive is or has been a participant by virtue of her employment with or service to the Company (collectively, the "***Company Releasees***"), from any and all claims, debts, demands, accounts, judgments, rights, causes of action, equitable relief, damages, costs, charges, complaints, obligations, promises, agreements, controversies, suits, expenses, compensation, responsibility and liability of every kind and character whatsoever (including attorneys' fees and costs), whether in law or equity, known or unknown, asserted or unasserted, suspected or unsuspected (collectively, "***Claims***"), which Executive has or may have had against such entities based on any events or circumstances arising or occurring on or prior to the date hereof or on or prior to the date hereof, arising directly or indirectly out of, relating to, or in any other way involving in any manner whatsoever Executive's employment by or service to the Company or the termination thereof, including any and all claims arising under federal, state, or local laws relating to employment, including without limitation claims of wrongful discharge, breach of express or implied contract, fraud, misrepresentation, defamation, or liability in tort, and claims of any kind

that may be brought in any court or administrative agency including, without limitation, claims under Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. Section 2000, et seq.; the Americans with Disabilities Act, as amended, 42 U.S.C. § 12101 et seq.; the Rehabilitation Act of 1973, as amended, 29 U.S.C. § 701 et seq.; the Civil Rights Act of 1866, and the Civil Rights Act of 1991; 42 U.S.C. Section 1981, et seq.; the Age Discrimination in Employment Act, as amended, 29 U.S.C. Section 621, et seq. (the "***ADEA***"); the Equal Pay Act, as amended, 29 U.S.C. Section 206(d); regulations of the Office of Federal Contract Compliance, 41 C.F.R. Section 60, et seq.; the Family and Medical Leave Act, as amended, 29 U.S.C. § 2601 et seq.; the Fair Labor Standards Act of 1938, as amended, 29 U.S.C. § 201 et seq.; the Employee Retirement Income Security Act, as amended, 29 U.S.C. § 1001 et seq.

Notwithstanding the generality of the foregoing, Executive does not release the following claims:

(i) Claims for unemployment compensation or any state disability insurance benefits pursuant to the terms of applicable state law;

(ii) Claims for workers' compensation insurance benefits under the terms of any worker's compensation insurance policy or fund of the Company;

(iii) Claims pursuant to the terms and conditions of the federal law known as COBRA;

(iv) Claims for indemnity under the bylaws of the Company, as provided for by Delaware law or under any applicable insurance policy with respect to Executive's liability as an employee, director or officer of the Company;

(v) Executive's right to bring to the attention of the Equal Employment Opportunity Commission or any other federal, state or local government agency claims of discrimination, or from participating in an investigation or proceeding conducted by the Equal Employment Opportunity Commission or any other federal, state or local government agency; provided, however, that Executive does release her right to secure any damages for alleged discriminatory treatment;

(vi) Claims based on any right Executive may have to enforce the Company's executory obligations under the Agreement;

(vii) Claims Executive may have to vested or earned compensation and benefits; and

(viii) Executive's right to communicate or cooperate with any government agency.

(b) EXECUTIVE ACKNOWLEDGES THAT SHE HAS BEEN ADVISED OF AND IS FAMILIAR WITH THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542, 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 PARTY."

BEING AWARE OF SAID CODE SECTION, EXECUTIVE HEREBY EXPRESSLY WAIVES ANY RIGHTS SHE MAY HAVE THEREUNDER, AS WELL AS UNDER ANY OTHER STATUTES OR COMMON LAW PRINCIPLES OF SIMILAR EFFECT.

[Note: Clauses (c), (d) and (e) apply only if Executive is age 40 or older at time of termination]

(c) Executive acknowledges that this Release was presented to her on the date indicated above and that Executive is entitled to have [twenty-one (21)][forty-five (45)] days' time in which to consider it. Executive further acknowledges that the Company has advised her that she is waiving her rights under the ADEA, and that Executive should consult with an attorney of her choice before signing this Release, and Executive has had sufficient time to consider the terms of this Release. Executive represents and acknowledges that if Executive executes this Release before [twenty-one (21)][forty-five (45)] days have elapsed, Executive does so knowingly, voluntarily, and upon the advice and with the approval of Executive's legal counsel (if any), and that Executive voluntarily waives any remaining consideration period.

(d) Executive understands that after executing this Release, Executive has the right to revoke it within seven (7) days after her execution of it. Executive understands that this Release will not become effective and enforceable unless the seven (7) day revocation period passes and Executive does not revoke the Release in writing. Executive understands that this Release may not be revoked after the seven (7) day revocation period has passed. Executive also understands that any revocation of this Release must be made in writing and delivered to the Company at its principal place of business within the seven (7) day period.

(e) Executive understands that this Release shall become effective, irrevocable, and binding upon Executive on the eighth (8^{th}) day after her execution of it, so long as Executive has not revoked it within the time period and in the manner specified in clause (d) above.

(f) Executive further understands that Executive will not be given any severance benefits under the Agreement unless this Release is effective on or before the date that is fifty-five (55) days following the date of Executive's termination of employment.

2. No Assignment. Executive represents and warrants to the Company Releasees that there has been no assignment or other transfer of any interest in any Claim that Executive may have against the Company Releasees. Executive agrees to indemnify and hold harmless the Company Releasees from any liability, claims, demands, damages, costs, expenses and attorneys' fees incurred as a result of any such assignment or transfer from Executive.

3. Severability. In the event any provision of this Release is found to be unenforceable by an arbitrator or court of competent jurisdiction, such provision shall be deemed modified to the extent necessary to allow enforceability of the provision as so limited, it being intended that the

parties shall receive the benefit contemplated herein to the fullest extent permitted by law. If a deemed modification is not satisfactory in the judgment of such arbitrator or court, the unenforceable provision shall be deemed deleted, and the validity and enforceability of the remaining provisions shall not be affected thereby.

4. Interpretation; Construction. The headings set forth in this Release are for convenience only and shall not be used in interpreting this Agreement. This Release has been drafted by legal counsel representing the Company, but Executive has participated in the negotiation of its terms. Furthermore, Executive acknowledges that Executive has had an opportunity to review and revise the Release and have it reviewed by legal counsel, if desired, and, therefore, the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Release. Either party's failure to enforce any provision of this Release shall not in any way be construed as a waiver of any such provision, or prevent that party thereafter from enforcing each and every other provision of this Release.

5. Governing Law and Venue. This Release will be governed by and construed in accordance with the laws of the United States of America and the State of New York applicable to contracts made and to be performed wholly within such State, and without regard to the conflicts of laws principles thereof. Any suit brought hereon shall be brought in the state or federal courts sitting in New York, New York, the Parties hereby waiving any claim or defense that such forum is not convenient or proper. Each party hereby agrees that any such court shall have in personam jurisdiction over it and consents to service of process in any manner authorized by New York law.

6. Entire Agreement. This Release and the Agreement constitute the entire agreement of the Parties in respect of the subject matter contained herein and therein and supersede all prior or simultaneous representations, discussions, negotiations and agreements, whether written or oral. This Release may be amended or modified only with the written consent of Executive and an authorized representative of the Company. No oral waiver, amendment or modification will be effective under any circumstances whatsoever.

7. Counterparts. This Release may be executed in multiple counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument.

(Signature Page Follows)

IN WITNESS WHEREOF, and intending to be legally bound, the Parties have executed the foregoing Release as of the date first written above.

EXECUTIVE

_____

Print Name: Melissa Epperly

ZENO MANAGEMENT, INC.

By: _____

Print Name: _____

Title: _____

Exhibit 10.12

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (this "***Agreement***") is entered into by and between Zeno Management, Inc., a Delaware corporation (the "***Company***") and a wholly owned subsidiary of Zeno Pharma, LLC (the "***Parent***"), and Kevin Bunker, Ph.D. ("***Executive***"), and shall be effective as of February 1, 2019 (the "***Effective Date***").

WHEREAS, the Company desires to continue to employ Executive, and Executive desires to continue employment with the Company, on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual promises herein contained, the parties agree as follows:

1. Definitions. As used in this Agreement, the following terms shall have the following meanings:

(a) "***Board***" means the Board of Directors of the Company.

(b) "***Cause***" means any of the following:

(i) Executive's unauthorized use or disclosure of confidential information or trade secrets of the Company or its affiliates or any material breach of a written agreement between Executive and the Company or any affiliate, including without limitation a material breach of any employment, confidentiality, non-compete, non-solicit or similar agreement;

(ii) Executive's commission of, indictment for or the entry of a plea of guilty or *nolo contendere* by Executive to, a felony under the laws of the United States or any state thereof or any crime involving dishonesty or moral turpitude (or any similar crime in any jurisdiction outside the United States);

(iii) Executive's gross negligence or willful misconduct or Executive's willful or repeated failure or refusal to substantially perform assigned duties;

(iv) any act of fraud, embezzlement, material misappropriation or dishonesty committed by Executive against the Company or its affiliates; or

(v) any acts, omissions or statements by Executive which the Company reasonably determines to be materially detrimental or damaging to the reputation, operations, prospects or business relations of the Company or its affiliates;

provided, however, that prior to the determination that "Cause" under clauses (i), (iii), (iv) or (v) of this Section 1(b) has occurred, the Company shall (A) provide to Executive in writing, in reasonable detail, the reasons for the determination that such "Cause" exists, (B) other than with respect to clause (v) above which specifies the applicable period of time for Executive to remedy his breach, afford Executive a reasonable opportunity to remedy any such breach, (C) provide

Executive an opportunity to be heard prior to the final decision to terminate Executive's employment hereunder for such "Cause" and (D) make any decision that such "Cause" exists in good faith.

The foregoing definition shall not in any way preclude or restrict the right of the Company or any successor or affiliate thereof to discharge or dismiss Executive for any other acts or omissions, but such other acts or omissions shall not be deemed, for purposes of this Agreement, to constitute grounds for termination for Cause.

(c) "***Change in Control***" shall have the meaning ascribed to such term in the Zeno Pharma, LLC 2017 Profits Interest Plan.

(d) "***Code***" means the Internal Revenue Code of 1986, as amended from time to time, and the Treasury Regulations and other interpretive guidance issued thereunder.

(e) "***Good Reason***" means the occurrence of any of the following events or conditions without Executive's written consent:

(i) a change in Executive's position or responsibilities that represents a substantial reduction in his position or responsibilities as in effect immediately prior thereto; the assignment to Executive of any duties or responsibilities that are materially inconsistent with such position or responsibilities; or any removal of Executive from or failure to reappoint or reelect Executive to any of such positions, except in connection with the termination of Executive's services for Cause, as a result of his Permanent Disability or death, or by Executive other than for Good Reason; provided, however, that neither a change in Executive's reporting relationship as a result of a Change in Control nor the fact that Executive's reporting relationship is altered following a Change in Control because the Company or its successor is a wholly-owned subsidiary of another entity following such Change in Control shall alone constitute Good Reason;

(ii) a material reduction in Executive's annual base salary;

(iii) the Company requiring Executive (without Executive's consent) to be based at any place outside a fifty (50)-mile radius of his then-current place of employment with the Company prior to any such relocation, except for reasonably required travel on the Company's business; or

(iv) any material breach by the Company or any affiliate of its obligations to Executive under any applicable employment or services agreement between Executive and the Company or such affiliate.

Executive must provide written notice to the Company of the occurrence of any of the foregoing events or conditions without Executive's written consent within sixty (60) days of the occurrence of such event. The Company or any successor or affiliate shall have a period of thirty (30) days to cure such event or condition after receipt of written notice of such event from Executive. Executive's Separation from Service by reason of resignation from employment with the Company for Good Reason must occurs within thirty (30) days following the expiration of the foregoing thirty (30) day cure period.

(f) "***Involuntary Termination***" means (i) Executive's Separation from Service by reason of Executive's discharge by the Company other than for Cause, or (ii) Executive's Separation from Service by reason of Executive's resignation of employment with the Company for Good Reason. Executive's Separation from Service by reason of Executive's death or discharge by the Company following Executive's Permanent Disability shall not constitute an Involuntary Termination.

(g) Executive's "***Permanent Disability***" shall be deemed to have occurred if Executive shall become physically or mentally incapacitated or disabled or otherwise unable fully to discharge his duties hereunder for a period of ninety (90) consecutive calendar days or for one hundred twenty (120) calendar days in any one hundred eighty (180) calendar-day period. The existence of Executive's Permanent Disability shall be determined by the Company on the advice of a physician chosen by the Company and the Company reserves the right to have Executive examined by a physician chosen by the Company at the Company's expense.

(h) "***Separation from Service***," with respect to Executive, means Executive's "separation from service," as defined in Treasury Regulation Section 1.409A-1(h).

2. Services to Be Rendered.

(a) Duties and Responsibilities. Executive shall serve as Chief Operations Officer of the Company. In the performance of such duties, Executive shall report directly to, and shall be subject to the direction of, the Chief Executive Officer of the Company (the "***CEO***") and to such limits upon Executive's authority as the CEO may from time to time impose. In the event of the CEO's unavailability or incapacity, Executive shall report directly to the Board. Executive hereby consents to serve as an officer and/or director of the Company, Parent or any subsidiary or affiliate thereof without any additional salary or compensation, if so requested by the Board or the CEO. Executive shall be employed by the Company on a full time basis. Executive's primary place of work shall be the Company's offices in San Diego, California. Executive will also be expected to travel to the Company's locations as needed in connection with his duties. Executive shall be subject to and comply with the policies and procedures generally applicable to senior executives of the Company to the extent the same are not inconsistent with any term of this Agreement.

(b) Exclusive Services. Executive shall at all times faithfully, industriously and to the best of his ability, experience and talent perform all of the duties that may be assigned to Executive hereunder and shall devote substantially all of his productive time and efforts to the performance of such duties. Subject to the terms of the Proprietary Information and Inventions Agreement referred to in Section 5(b), this shall not preclude Executive from (i) serving on industry, trade, civic, or charitable boards or committees; (ii) managing personal, family and other investments; (iii) serving in an advisory capacity for any entity; or (iv) serving on the board of directors or other similar governance body of any entity; provided that such activities do not interfere with his duties to the Company, as determined in good faith by the CEO or the Board.

3. Compensation and Benefits. The Company shall pay or provide, as the case may be, to Executive the compensation and other benefits and rights set forth in this Section 3.

(a) Base Salary. The Company shall pay to Executive a base salary of $360,023 per year, payable in accordance with the Company's usual pay practices (and in any event no less frequently than monthly). Executive's base salary shall be subject to review annually by and at the sole discretion of the Board or its designee.

(b) Annual Bonus. Executive shall participate in any annual bonus plan that the Board or its designee may approve for the senior executives of the Company. In addition to Executive's base salary, Executive may be eligible to earn, for each fiscal year of the Company ending during the term of Executive's employment with the Company, an annual cash performance bonus under the Company's bonus plan, as approved from time to time by the Board. Executive's target bonus under any such annual bonus plan shall be forty percent (40%) of Executive's base salary actually paid for the year to which such annual bonus relates (the "***Target Bonus***"). Executive's actual annual bonus will be determined on the basis of Executive's and/or the Company's or its affiliates' attainment of financial or other performance criteria established by the Board or its designee in accordance with the terms and conditions of such bonus plan. Except as otherwise provided in this Agreement, Executive must be employed by the Company on the date of payment of such annual bonus in order to be eligible to receive such annual bonus. Executive hereby acknowledges and agrees that nothing contained herein confers upon Executive any right to an annual bonus in any year, and that whether the Company pays Executive an annual bonus and the amount of any such annual bonus will be determined by the Company in its sole discretion.

(c) Benefits. Executive shall be entitled to participate in benefits under the Company's benefit plans and arrangements, including, without limitation, any employee benefit plan or arrangement made available in the future by the Company to its senior executives, subject to and on a basis consistent with the terms, conditions and overall administration of such plans and arrangements. The Company shall have the right to amend or delete any such benefit plan or arrangement made available by the Company to its senior executives and not otherwise specifically provided for herein.

(d) Expenses. The Company shall reimburse Executive for reasonable out-of-pocket business expenses incurred in connection with the performance of his duties hereunder, subject to such policies as the Company may from time to time establish, and Executive furnishing the Company with evidence in the form of receipts satisfactory to the Company substantiating the claimed expenditures.

(e) Paid Time Off. Executive shall be entitled to such periods of paid time off ("***PTO***") each year as provided from time to time under the Company's PTO policy and as otherwise provided for senior executive officers; provided, however, that Executive shall be entitled to a minimum of twenty (20) days of PTO per year.

(f) Equity and Other Benefit Plans. Executive shall be entitled to participate in any equity or other employee benefit plan that is generally available to senior executive officers of the Company. Except as otherwise provided in this Agreement, Executive's participation in and benefits under any such plan shall be on the terms and subject to the conditions specified in the governing document of the particular plan.

4. Severance. Executive shall be entitled to receive benefits upon a Separation from Service only as set forth in this Section 4:

(a) At-Will Employment; Termination. The Company and Executive acknowledge that Executive's employment is and shall continue to be at-will, as defined under applicable law, and that Executive's employment with the Company may be terminated by either party at any time for any or no reason, with or without notice. If Executive's employment terminates for any reason, Executive shall not be entitled to any payments, benefits, damages, awards or compensation other than as provided in this Agreement. Executive's employment under this Agreement shall be terminated immediately on the death of Executive.

(b) Severance Upon Involuntary Termination. Subject to Sections 4(d) and 9(o) and Executive's continued compliance with Section 5, if Executive's employment is Involuntarily Terminated, Executive shall be entitled to receive, in lieu of any severance benefits to which Executive may otherwise be entitled under any severance plan or program of the Company, the benefits provided below:

(i) the Company shall pay to Executive his fully earned but unpaid base salary, when due, through the date of Executive's Involuntary Termination at the rate then in effect, accrued and unused PTO, plus all other benefits, if any, under any Company group retirement plan, nonqualified deferred compensation plan, equity award plan or agreement, health benefits plan or other Company group benefit plan to which Executive may be entitled pursuant to the terms of such plans or agreements at the time of Executive's Involuntary Termination (the "***Accrued Obligations***");

(ii) Executive shall be entitled to receive severance pay in an amount equal to (A) Executive's monthly base salary as in effect immediately prior to the date of Executive's Involuntary Termination, multiplied by (B) the Severance Multiplier (as defined below), which amount shall be payable in a lump sum sixty (60) days following Executive's Involuntary Termination. For purposes of this Section 4, "***Severance Multiplier***" shall mean the sum of (1) nine (9) plus (2) one (1) month for each additional twelve-month period of Executive's employment with the Company or its affiliates (including Zeno Pharmaceuticals, Inc.) following September 1, 2015; provided, however, that the Severance Multiplier shall not exceed twelve (12);

(iii) Executive shall be entitled to receive Executive's Target Bonus for the year in which Executive's Involuntary Termination occurs, prorated for the portion of the year that has expired prior to the date of Executive's Involuntary Termination, which amount shall be payable in a lump sum sixty (60) days following Executive's Involuntary Termination;

(iv) for the period beginning on the date of Executive's Involuntary Termination and ending on the date which is such number of full months following the date of Executive's Involuntary Termination as is equal to the Severance Multiplier (or, if earlier, (A) the date on which the applicable continuation period under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("***COBRA***") expires or (B) the date Executive becomes eligible to receive the equivalent or increased healthcare coverage by means of subsequent employment or self-employment) (such period, the "***COBRA Coverage Period***"), if Executive and/or his eligible dependents who were covered under the Company's health insurance plans as

of the date of Executive's Involuntary Termination elect to have COBRA coverage and are eligible for such coverage, the Company shall pay for or reimburse Executive on a monthly basis for an amount equal to (1) the monthly premium Executive and/or his covered dependents, as applicable, are required to pay for continuation coverage pursuant to COBRA for Executive and/or his eligible dependents, as applicable, who were covered under the Company's health plans as of the date of Executive's Involuntary Termination (calculated by reference to the premium as of the date of Executive's Involuntary Termination) less (2) the amount Executive would have had to pay to receive group health coverage for Executive and/or his covered dependents, as applicable, based on the cost sharing levels in effect on the date of Executive's Involuntary Termination. If any of the Company's health benefits are self-funded as of the date of Executive's Involuntary Termination, or if the Company cannot provide the foregoing benefits in a manner that is exempt from Section 409A (as defined below) or that is otherwise compliant with applicable law (including, without limitation, Section 2716 of the Public Health Service Act), instead of providing the payments or reimbursements as set forth above, the Company shall instead pay to Executive the foregoing monthly amount as a taxable monthly payment for the COBRA Coverage Period (or any remaining portion thereof). Executive shall be solely responsible for all matters relating to continuation of coverage pursuant to COBRA, including, without limitation, the election of such coverage and the timely payment of premiums. Executive shall notify the Company immediately if Executive becomes eligible to receive the equivalent or increased healthcare coverage by means of subsequent employment or self-employment.

(v) Notwithstanding anything to the contrary in this Section 4(b), and subject to Sections 4(d) and 9(o) and Executive's continued compliance with Section 5, in the event of Executive's Involuntary Termination within twelve (12) months following a Change in Control, (A) the Severance Multiplier for purposes of clauses (ii) and (iv) above shall be deemed to be twelve (12), and (B) the Target Bonus for purposes of clause (iii) above shall not be subject to proration.

(c) Termination for Cause, Voluntary Resignation Without Good Reason, Death or Termination for Permanent Disability. In the event of Executive's termination of employment as a result of Executive's discharge by the Company for Cause, Executive's resignation without Good Reason, Executive's death or Executive's termination of employment following Executive's Permanent Disability, the Company shall not have any other or further obligations to Executive under this Agreement (including any financial obligations) except that Executive shall be entitled to receive the Accrued Obligations. The foregoing shall be in addition to, and not in lieu of, any and all other rights and remedies which may be available to the Company under the circumstances, whether at law or in equity.

(d) Release. As a condition to Executive's receipt of any post-termination benefits pursuant to Section 4(b) above, Executive (or, in the event of Executive's incapacity as a result of his Permanent Disability, Executive's legal representative) shall execute and not revoke a general release of all claims in favor of the Company and its affiliates (the "Release") in the form attached hereto as Exhibit A. In the event the Release does not become effective within the fifty-five (55) day period following the date of Executive's Involuntary Termination, Executive shall not be entitled to the aforesaid payments and benefits.

(e) Exclusive Remedy. Except as otherwise expressly required by law (e.g., COBRA) or as specifically provided herein, all of Executive's rights to salary, severance, benefits, bonuses and other amounts hereunder (if any) accruing after the termination of Executive's employment shall cease upon such termination. In the event of Executive's termination of employment with the Company, Executive's sole remedy shall be to receive the payments and benefits described in this Section 4. In addition, Executive acknowledges and agrees that he is not entitled to any reimbursement by the Company for any taxes payable by Executive as a result of the payments and benefits received by Executive pursuant to this Section 4, including, without limitation, any excise tax imposed by Section 4999 of the Code. Any payments made to Executive under this Section 4 shall be inclusive of any amounts or benefits to which Executive may be entitled pursuant to the Worker Adjustment and Retraining Notification Act, 29 U.S.C. Sections 2101 et seq., and the Department of Labor regulations thereunder, or any similar state statute.

(f) No Mitigation. Except as otherwise provided in Section 4(b)(iv) above, Executive shall not be required to mitigate the amount of any payment provided for in this Section 4 by seeking other employment or otherwise, nor shall the amount of any payment or benefit provided for in this Section 4 be reduced by any compensation earned by Executive as the result of employment by another employer or self-employment or by retirement benefits; provided, however, that loans, advances or other amounts owed by Executive to the Company may be offset by the Company against amounts payable to Executive under this Section 4.

(g) Return of the Company's Property. In the event of Executive's termination of employment for any reason, the Company shall have the right, at its option, to require Executive to vacate his offices prior to or on the effective date of separation and to cease all activities on the Company's behalf. Upon Executive's termination of employment in any manner, as a condition to Executive's receipt of any severance benefits described in this Agreement, Executive shall immediately surrender to the Company all lists, books and records of, or in connection with, the Company's business, and all other property belonging to the Company, it being distinctly understood that all such lists, books and records, and other documents, are the property of the Company. Executive shall deliver to the Company a signed statement certifying compliance with this Section 4(g) prior to the receipt of any severance benefits described in this Agreement.

5. Certain Covenants.

(a) Noncompetition. Except as may otherwise be approved by the Board, during the term of Executive's employment, Executive shall not have any ownership interest (of record or beneficial) in, or have any interest as an employee, salesman, consultant, officer or director in, or otherwise aid or assist in any manner, any firm, corporation, partnership, proprietorship or other business that engages in any county, city or part thereof in the United States and/or any foreign country in a business which competes directly or indirectly (as determined by the Board) with the Company's business in such county, city or part thereof, so long as the Company, or any successor in interest of the Company to the business and goodwill of the Company, remains engaged in such business in such county, city or part thereof or continues to solicit customers or potential customers therein; provided, however, that Executive may own, directly or indirectly, solely as an investment, securities of any entity which are traded on any national securities exchange if Executive (i) is not a controlling person of, or a member of a group which controls, such entity; or (ii) does not, directly or indirectly, own one percent (1%) or more of any class of securities of any such entity.

(b) Confidential Information. Executive and the Company have entered into the Company's standard proprietary information and inventions assignment agreement (the "Proprietary Information and Inventions Agreement"). Executive agrees to perform each and every obligation of Executive therein contained.

(c) Solicitation of Employees. During the term of Executive's employment or service and for one (1) year thereafter (the "***Restricted Period***"), Executive will not, either directly or through others, solicit or attempt to solicit any employee, independent contractor or consultant of the Company or its affiliates to terminate his relationship with the Company or its affiliates in order to become an employee, consultant or independent contractor to or for any other person or entity, or otherwise encourage or solicit any employee of the Company or its affiliates to leave the Company or such affiliates for any reason or to devote less than all of any such employee's efforts to the affairs of the Company; provided that the foregoing shall not affect any responsibility Executive may have as an employee of the Company with respect to the bona fide hiring and firing of Company personnel.

(d) Solicitation of Consultants. Executive shall not during the term of Executive's employment or service and for the Restricted Period, directly or indirectly, hire, solicit or encourage to cease work with the Company or any of its affiliates any consultant then under contract with the Company or any of its affiliates.

(e) Nondisparagement. Executive agrees that neither he nor anyone acting by, through, under or in concert with him shall disparage or otherwise communicate negative statements or opinions about the Company, Parent, or their respective board members, officers, employees or businesses. The Company agrees that neither its Board members nor officers, nor the board members or officers of Parent, shall disparage or otherwise communicate negative statements or opinions about Executive. Except as may be required by law, neither Executive, nor any member of Executive's family, nor anyone else acting by, through, under or in concert with Executive will disclose to any individual or entity (other than Executive's legal or tax advisors) the terms of this Agreement.

(f) Rights and Remedies Upon Breach. If Executive breaches or threatens to commit a breach of any of the provisions of this Section 5 (the "Restrictive Covenants"), the Company shall have the following rights and remedies, each of which rights and remedies shall be independent of the other and severally enforceable, and all of which rights and remedies shall be in addition to, and not in lieu of, any other rights and remedies available to the Company under law or in equity:

(i) Specific Performance. The right and remedy to have the Restrictive Covenants specifically enforced by any court having equity jurisdiction, all without the need to post a bond or any other security or to prove any amount of actual damage or that money damages would not provide an adequate remedy, it being acknowledged and agreed that any such breach or threatened breach will cause irreparable injury to the Company and that money damages will not provide adequate remedy to the Company; and

(ii) Accounting and Indemnification. The right and remedy to require Executive (A) to account for and pay over to the Company all compensation, profits, monies, accruals, increments or other benefits derived or received by Executive or any associated party deriving such benefits as a result of any such breach of the Restrictive Covenants; and (B) to indemnify the Company against any other losses, damages (including special and consequential damages), costs and expenses, including actual attorneys' fees and court costs, which may be incurred by them and which result from or arise out of any such breach or threatened breach of the Restrictive Covenants.

(g) Severability of Covenants/Blue Pencilling. If any court determines that any of the Restrictive Covenants, or any part thereof, is invalid or unenforceable, the remainder of the Restrictive Covenants shall not thereby be affected and shall be given full effect, without regard to the invalid portions. If any court determines that any of the Restrictive Covenants, or any part thereof, are unenforceable because of the duration of such provision or the area covered thereby, such court shall have the power to reduce the duration or area of such provision and, in its reduced form, such provision shall then be enforceable and shall be enforced. Executive hereby waives any and all right to attack the validity of the Restrictive Covenants on the grounds of the breadth of their geographic scope or the length of their term.

(h) Enforceability in Jurisdictions. The Company and Executive intend to and do hereby confer jurisdiction to enforce the Restrictive Covenants upon the courts of any jurisdiction within the geographical scope of such covenants. If the courts of any one or more of such jurisdictions hold the Restrictive Covenants wholly unenforceable by reason of the breadth of such scope or otherwise, it is the intention of the Company and Executive that such determination not bar or in any way affect the right of the Company to the relief provided above in the courts of any other jurisdiction within the geographical scope of such covenants, as to breaches of such covenants in such other respective jurisdictions, such covenants as they relate to each jurisdiction being, for this purpose, severable into diverse and independent covenants.

(i) Whistleblower Provision. Nothing herein shall be construed to prohibit Executive from communicating directly with, cooperating with, or providing information to, any government regulator, including, but not limited to, the U.S. Securities and Exchange Commission, the U.S. Commodity Futures Trading Commission, or the U.S. Department of Justice. Executive acknowledges that the Company has provided Executive with the following notice of immunity rights in compliance with the requirements of the Defend Trade Secrets Act: (i) Executive shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of proprietary information that is made in confidence to a Federal, State, or local government official or to an attorney solely for the purpose of reporting or investigating a suspected violation of law, (ii) Executive shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of proprietary information that is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal and (iii) if Executive files a lawsuit for retaliation by the Company for reporting a suspected violation of law, Executive may disclose the proprietary information to Executive's attorney and use the proprietary information in the court proceeding, if Executive files any document containing the proprietary information under seal, and does not disclose the proprietary information, except pursuant to court order.

(j) Definitions. For purposes of this Section 5, the term "***Company***" means not only Zeno Management, Inc., but also Parent as well as any company, partnership or entity which, directly or indirectly, controls, is controlled by or is under common control with Zeno Management, Inc.

6. Insurance; Indemnification.

(a) Insurance. The Company shall have the right to take out life, health, accident, "key-man" or other insurance covering Executive, in the name of the Company and at the Company's expense in any amount deemed appropriate by the Company. Executive shall assist the Company in obtaining such insurance, including, without limitation, submitting to any required examinations and providing information and data required by insurance companies.

(b) Indemnification. Executive will be provided with indemnification against third party claims related to his work for the Company to the extent permitted by Delaware law. The Company shall provide Executive with directors and officers liability insurance coverage at least as favorable as that which the Company may maintain from time to time for other executive officers.

7. Arbitration. Any dispute, claim or controversy based on, arising out of or relating to Executive's employment or this Agreement shall be settled by final and binding arbitration in San Diego, California, before a single neutral arbitrator in accordance with the JAMS Employment Arbitration Rules and Procedures (the "***Rules***"), and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction. The Rules may be found online at www.jamsadr.com. If the parties are unable to agree upon an arbitrator, one shall be appointed by JAMS in accordance with its Rules. Each party shall pay the fees of its own attorneys, the expenses of its witnesses and all other expenses connected with presenting its case; provided, however, Executive and the Company agree that, to the extent permitted by law, the arbitrator may, in his or her discretion, award reasonable attorneys' fees to the prevailing party; provided, further, that the prevailing party shall be reimbursed for such fees, costs and expenses within forty-five (45) days following any such award, but in no event later than the last day of Executive's taxable year following the taxable year in which the fees, costs and expenses were incurred; provided, further, that the parties' obligations pursuant to this sentence shall terminate on the tenth (10^{th}) anniversary of the date of Executive's termination of employment. Other costs of the arbitration, including the cost of any record or transcripts of the arbitration, JAMS administrative fees, the fee of the arbitrator, and all other fees and costs, shall be borne by the Company. This Section 7 is intended to be the exclusive method for resolving any and all claims by the parties against each other for payment of damages under this Agreement or relating to Executive's employment; provided, however, that Executive shall retain the right to file administrative charges with or seek relief through any government agency of competent jurisdiction, and to participate in any government investigation, including but not limited to (a) claims for workers' compensation, state disability insurance or unemployment insurance; (b) administrative claims brought before any state or federal governmental authority; provided, however, that any appeal from an award or from denial of an award of wages and/or waiting time penalties shall be arbitrated pursuant to the terms of this Agreement; and (c) claims for administrative relief from the United States Equal Employment Opportunity Commission and/or any similar state agency in any applicable jurisdiction); provided, further, that Executive shall not be entitled to obtain any monetary relief through such agencies other than workers' compensation benefits or unemployment insurance benefits. This Agreement shall not limit either party's right to obtain any provisional remedy, including, without limitation,

injunctive or similar relief, from any court of competent jurisdiction as may be necessary to protect their rights and interests pending the outcome of arbitration, including without limitation injunctive relief, in any court of competent jurisdiction. Seeking any such relief shall not be deemed to be a waiver of such party's right to compel arbitration. Both Executive and the Company expressly waive their right to a jury trial.

8. General Relationship. Executive shall be considered an employee of the Company within the meaning of all federal, state and local laws and regulations including, but not limited to, laws and regulations governing unemployment insurance, workers' compensation, industrial accident, labor and taxes.

9. Miscellaneous.

(a) Modification; Prior Claims. This Agreement and the Proprietary Information and Inventions Agreement (and the other documents referenced therein) set forth the entire understanding of the parties with respect to the subject matter hereof, and supersede all existing agreements between them concerning such subject matter, including any prior offer letter between the Company and Executive. This Agreement may be amended or modified only with the written consent of Executive and an authorized representative of the Company. No oral waiver, amendment or modification will be effective under any circumstances whatsoever.

(b) Assignment; Assumption by Successor. The rights of the Company under this Agreement may, without the consent of Executive, be assigned by the Company, in its sole and unfettered discretion, to any person, firm, corporation or other business entity which at any time, whether by purchase, merger or otherwise, directly or indirectly, acquires all or substantially all of the assets or business of the Company. The Company will require any successor (whether direct or indirect, by purchase, merger or otherwise) to all or substantially all of the business or assets of the Company expressly to assume and to agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place; provided, however, that no such assumption shall relieve the Company of its obligations hereunder. As used in this Agreement, the "***Company***" shall mean the Company as hereinbefore defined and any successor to its business and/or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law or otherwise.

(c) Survival. The covenants, agreements, representations and warranties contained in or made in Sections 4, 5, 6, 7 and 9 of this Agreement shall survive Executive's termination of employment.

(d) Third-Party Beneficiaries. Except as expressly set forth herein, this Agreement does not create, and shall not be construed as creating, any rights enforceable by any person not a party to this Agreement.

(e) Waiver. The failure of either party hereto at any time to enforce performance by the other party of any provision of this Agreement shall in no way affect such party's rights thereafter to enforce the same, nor shall the waiver by either party of any breach of any provision hereof be deemed to be a waiver by such party of any other breach of the same or any other provision hereof.

(f) Section Headings. The headings of the several sections in this Agreement are inserted solely for the convenience of the parties and are not a part of and are not intended to govern, limit or aid in the construction of any term or provision hereof.

(g) Notices. Any notice required or permitted by this Agreement shall be in writing and shall be delivered as follows with notice deemed given as indicated: (i) by personal delivery when delivered personally; (ii) by overnight courier upon written verification of receipt; (iii) by email, telecopy or facsimile transmission upon acknowledgment of receipt of electronic transmission; or (iv) by certified or registered mail, return receipt requested, upon verification of receipt. Notice shall be sent to Executive at the address listed on the Company's personnel records and to the Company at its principal place of business, or such other address as either party may specify in writing.

(h) Severability. All Sections, clauses and covenants contained in this Agreement are severable, and in the event any of them shall be held to be invalid by any court, this Agreement shall be interpreted as if such invalid Sections, clauses or covenants were not contained herein.

(i) Governing Law and Venue. This Agreement is to be governed by and construed in accordance with the laws of the State of California applicable to contracts made and to be performed wholly within such State, and without regard to the conflicts of laws principles thereof. Except as provided in Sections 5 and 7, any suit brought hereon shall be brought in the state or federal courts sitting in San Diego County, California, the parties hereto hereby waiving any claim or defense that such forum is not convenient or proper. Each party hereby agrees that any such court shall have in personam jurisdiction over it and consents to service of process in any manner authorized by California law.

(j) Non-transferability of Interest. None of the rights of Executive to receive any form of compensation payable pursuant to this Agreement shall be assignable or transferable except through a testamentary disposition or by the laws of descent and distribution upon the death of Executive. Any attempted assignment, transfer, conveyance, or other disposition (other than as aforesaid) of any interest in the rights of Executive to receive any form of compensation to be made by the Company pursuant to this Agreement shall be void.

(k) Gender. Where the context so requires, the use of the masculine gender shall include the feminine and/or neuter genders and the singular shall include the plural, and vice versa, and the word "person" shall include any corporation, firm, partnership or other form of association.

(l) Counterparts; Facsimile or .pdf Signatures. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered will be deemed an original, and all of which together shall constitute one and the same agreement. This Agreement may be executed and delivered by facsimile or by .pdf file and upon such delivery the facsimile or .pdf signature will be deemed to have the same effect as if the original signature had been delivered to the other party.

(m) Construction. The language in all parts of this Agreement shall in all cases be construed simply, according to its fair meaning, and not strictly for or against any of the parties hereto. Without limitation, there shall be no presumption against any party on the ground that such party was responsible for drafting this Agreement or any part thereof.

(n) Withholding and Other Deductions. All compensation payable to Executive hereunder shall be subject to such deductions as the Company is from time to time required to make pursuant to law, governmental regulation or order.

(o) Code Section 409A.

(i) This Agreement is not intended to provide for any deferral of compensation subject to Section 409A of the Code, and, accordingly, the severance payments payable under Section 4(b)(ii) and (iii) shall be paid no later than the later of: (A) the fifteenth (15th) day of the third month following Executive's first taxable year in which such amounts are no longer subject to a substantial risk of forfeiture, and (B) the fifteenth (15th) day of the third month following first taxable year of the Company in which such amounts are is no longer subject to substantial risk of forfeiture, as determined in accordance with Code Section 409A and any Treasury Regulations and other guidance issued thereunder. To the extent applicable, this Agreement shall be interpreted in accordance with Code Section 409A and Department of Treasury regulations and other interpretive guidance issued thereunder. Each series of installment payments made under this Agreement is hereby designated as a series of "separate payments" within the meaning of Section 409A of the Code. For purposes of this Agreement, all references to Executive's "termination of employment" shall mean Executive's Separation from Service.

(ii) If Executive is a "specified employee" (as defined in Section 409A of the Code), as determined by the Company in accordance with Section 409A of the Code, on the date of Executive's Separation from Service, to the extent that the payments or benefits under this Agreement are subject to Section 409A of the Code and the delayed payment or distribution of all or any portion of such amounts to which Executive is entitled under this Agreement is required in order to avoid a prohibited distribution under Section 409A(a)(2)(B)(i) of the Code, then such portion deferred pursuant to this Section 9(o)(ii) shall be paid or distributed to Executive in a lump sum on the earlier of (A) the date that is six (6)-months following Executive's Separation from Service, (B) the date of Executive's death or (C) the earliest date as is permitted under Section 409A of the Code. Any remaining payments due under the Agreement shall be paid as otherwise provided herein.

(iii) To the extent applicable, this Agreement shall be interpreted in accordance with the applicable exemptions from Section 409A of the Code. If Executive and the Company determine that any payments or benefits payable under this Agreement intended to comply with Sections 409A(a)(2), (3) and (4) of the Code do not comply with Section 409A of the Code, Executive and the Company agree to amend this Agreement, or take such other actions as Executive and the Company deem reasonably necessary or appropriate, to comply with the requirements of Section 409A of the Code and the Treasury Regulations thereunder (and any applicable transition relief) while preserving the economic agreement of the parties. To the extent that any provision in this Agreement is ambiguous as to its compliance with Section 409A of the Code, the provision shall be read in such a manner that no payments payable under this Agreement shall be subject to an "additional tax" as defined in Section 409A(a)(1)(B) of the Code.

(iv) Any reimbursement of expenses or in-kind benefits payable under this Agreement shall be made in accordance with Treasury Regulation Section 1.409A-3(i)(1)(iv) and shall be paid on or before the last day of Executive's taxable year following the taxable year in which Executive incurred the expenses. The amount of expenses reimbursed or in-kind benefits payable during any taxable year of Executive's shall not affect the amount eligible for reimbursement or in-kind benefits payable in any other taxable year of Executive's, and Executive's right to reimbursement for such amounts shall not be subject to liquidation or exchange for any other benefit.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth above.

ZENO MANAGEMENT, INC.

By: /s/ Anthony Y. Sun, M.D.
Name: Anthony Y. Sun, M.D.
Title: President and Chief Executive Officer

EXECUTIVE

/s/ Kevin Bunker, Ph.D.
Kevin Bunker, Ph.D.

EXHIBIT A

GENERAL RELEASE OF CLAIMS

[*The language in this Release may change based on legal developments and evolving best practices; this form is provided as an example of what will be included in the final Release document.*]

This General Release of Claims ("***Release***") is entered into as of this day of , , between Kevin Bunker, Ph.D. ("***Executive***"), and Zeno Management, Inc. (the "***Company***") (collectively referred to herein as the "***Parties***").

WHEREAS, Executive and the Company are parties to that certain Employment Agreement dated as of February 1, 2019 (the "***Agreement***");

WHEREAS, the Parties agree that Executive is entitled to certain severance benefits under the Agreement, subject to Executive's execution of this Release; and

WHEREAS, the Company and Executive now wish to fully and finally to resolve all matters between them.

NOW, THEREFORE, in consideration of, and subject to, the severance benefits payable to Executive pursuant to the Agreement, the adequacy of which is hereby acknowledged by Executive, and which Executive acknowledges that he would not otherwise be entitled to receive, Executive and the Company hereby agree as follows:

1. General Release of Claims by Executive.

(a) Executive, on behalf of himself and his executors, heirs, administrators, representatives and assigns, hereby agrees to release and forever discharge the Company and all predecessors, successors and their respective parent corporations, affiliates, related, and/or subsidiary entities, and all of their past and present investors, directors, shareholders, officers, general or limited partners, employees, attorneys, agents and representatives, and the employee benefit plans in which Executive is or has been a participant by virtue of his employment with or service to the Company (collectively, the "***Company Releasees***"), from any and all claims, debts, demands, accounts, judgments, rights, causes of action, equitable relief, damages, costs, charges, complaints, obligations, promises, agreements, controversies, suits, expenses, compensation, responsibility and liability of every kind and character whatsoever (including attorneys' fees and costs), whether in law or equity, known or unknown, asserted or unasserted, suspected or unsuspected (collectively, "***Claims***"), which Executive has or may have had against such entities based on any events or circumstances arising or occurring on or prior to the date hereof or on or prior to the date hereof, arising directly or indirectly out of, relating to, or in any other way involving in any manner whatsoever Executive's employment by or service to the Company or the termination thereof, including any and all claims arising under federal, state, or local laws relating to employment, including without limitation claims of wrongful discharge, breach of express or implied contract, fraud, misrepresentation, defamation, or liability in tort, and claims of any kind

that may be brought in any court or administrative agency including, without limitation, claims under Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. Section 2000, et seq.; the Americans with Disabilities Act, as amended, 42 U.S.C. § 12101 et seq.; the Rehabilitation Act of 1973, as amended, 29 U.S.C. § 701 et seq.; the Civil Rights Act of 1866, and the Civil Rights Act of 1991; 42 U.S.C. Section 1981, et seq.; the Age Discrimination in Employment Act, as amended, 29 U.S.C. Section 621, et seq. (the "***ADEA***"); the Equal Pay Act, as amended, 29 U.S.C. Section 206(d); regulations of the Office of Federal Contract Compliance, 41 C.F.R. Section 60, et seq.; the Family and Medical Leave Act, as amended, 29 U.S.C. § 2601 et seq.; the Fair Labor Standards Act of 1938, as amended, 29 U.S.C. § 201 et seq.; the Employee Retirement Income Security Act, as amended, 29 U.S.C. § 1001 et seq.

Notwithstanding the generality of the foregoing, Executive does not release the following claims:

(i) Claims for unemployment compensation or any state disability insurance benefits pursuant to the terms of applicable state law;

(ii) Claims for workers' compensation insurance benefits under the terms of any worker's compensation insurance policy or fund of the Company;

(iii) Claims pursuant to the terms and conditions of the federal law known as COBRA;

(iv) Claims for indemnity under the bylaws of the Company, as provided for by Delaware law or under any applicable insurance policy with respect to Executive's liability as an employee, director or officer of the Company;

(v) Executive's right to bring to the attention of the Equal Employment Opportunity Commission or the California Department of Fair Employment and Housing or any other federal, state or local government agency claims of discrimination, or from participating in an investigation or proceeding conducted by the Equal Employment Opportunity Commission or any other federal, state or local government agency; provided, however, that Executive does release his right to secure any damages for alleged discriminatory treatment;

(vi) Claims based on any right Executive may have to enforce the Company's executory obligations under the Agreement;

(vii) Claims Executive may have to vested or earned compensation and benefits; and

(viii) Executive's right to communicate or cooperate with any government agency.

(b) EXECUTIVE ACKNOWLEDGES THAT HE HAS BEEN ADVISED OF AND IS FAMILIAR WITH THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542, 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 PARTY."

BEING AWARE OF SAID CODE SECTION, EXECUTIVE HEREBY EXPRESSLY WAIVES ANY RIGHTS HE MAY HAVE THEREUNDER, AS WELL AS UNDER ANY OTHER STATUTES OR COMMON LAW PRINCIPLES OF SIMILAR EFFECT.

[Note: Clauses (c), (d) and (e) apply only if Executive is age 40 or older at time of termination]

(c) Executive acknowledges that this Release was presented to him on the date indicated above and that Executive is entitled to have [twenty-one (21)][forty-five (45)] days' time in which to consider it. Executive further acknowledges that the Company has advised him that he is waiving his rights under the ADEA, and that Executive should consult with an attorney of his choice before signing this Release, and Executive has had sufficient time to consider the terms of this Release. Executive represents and acknowledges that if Executive executes this Release before [twenty-one (21)][forty-five (45)] days have elapsed, Executive does so knowingly, voluntarily, and upon the advice and with the approval of Executive's legal counsel (if any), and that Executive voluntarily waives any remaining consideration period.

(d) Executive understands that after executing this Release, Executive has the right to revoke it within seven (7) days after his execution of it. Executive understands that this Release will not become effective and enforceable unless the seven (7) day revocation period passes and Executive does not revoke the Release in writing. Executive understands that this Release may not be revoked after the seven (7) day revocation period has passed. Executive also understands that any revocation of this Release must be made in writing and delivered to the Company at its principal place of business within the seven (7) day period.

(e) Executive understands that this Release shall become effective, irrevocable, and binding upon Executive on the eighth (8th) day after his execution of it, so long as Executive has not revoked it within the time period and in the manner specified in clause (d) above.

(f) Executive further understands that Executive will not be given any severance benefits under the Agreement unless this Release is effective on or before the date that is fifty-five (55) days following the date of Executive's termination of employment.

2. No Assignment. Executive represents and warrants to the Company Releasees that there has been no assignment or other transfer of any interest in any Claim that Executive may have against the Company Releasees. Executive agrees to indemnify and hold harmless the Company Releasees from any liability, claims, demands, damages, costs, expenses and attorneys' fees incurred as a result of any such assignment or transfer from Executive.

3. Severability. In the event any provision of this Release is found to be unenforceable by an arbitrator or court of competent jurisdiction, such provision shall be deemed modified to the extent necessary to allow enforceability of the provision as so limited, it being intended that the parties shall receive the benefit contemplated herein to the fullest extent permitted by law. If a deemed modification is not satisfactory in the judgment of such arbitrator or court, the unenforceable provision shall be deemed deleted, and the validity and enforceability of the remaining provisions shall not be affected thereby.

4. Interpretation; Construction. The headings set forth in this Release are for convenience only and shall not be used in interpreting this Agreement. This Release has been drafted by legal counsel representing the Company, but Executive has participated in the negotiation of its terms. Furthermore, Executive acknowledges that Executive has had an opportunity to review and revise the Release and have it reviewed by legal counsel, if desired, and, therefore, the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Release. Either party's failure to enforce any provision of this Release shall not in any way be construed as a waiver of any such provision, or prevent that party thereafter from enforcing each and every other provision of this Release.

5. Governing Law and Venue. This Release will be governed by and construed in accordance with the laws of the United States of America and the State of California applicable to contracts made and to be performed wholly within such State, and without regard to the conflicts of laws principles thereof. Any suit brought hereon shall be brought in the state or federal courts sitting in San Diego County, California, the Parties hereby waiving any claim or defense that such forum is not convenient or proper. Each party hereby agrees that any such court shall have in personam jurisdiction over it and consents to service of process in any manner authorized by California law.

6. Entire Agreement. This Release and the Agreement constitute the entire agreement of the Parties in respect of the subject matter contained herein and therein and supersede all prior or simultaneous representations, discussions, negotiations and agreements, whether written or oral. This Release may be amended or modified only with the written consent of Executive and an authorized representative of the Company. No oral waiver, amendment or modification will be effective under any circumstances whatsoever.

7. Counterparts. This Release may be executed in multiple counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument.

(Signature Page Follows)

IN WITNESS WHEREOF, and intending to be legally bound, the Parties have executed the foregoing Release as of the date first written above.

EXECUTIVE

_____

Print Name: Kevin Bunker, Ph.D.

ZENO MANAGEMENT, INC.

By: _____

Print Name: _____

Title: _____

Exhibit 10.13

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (this "***Agreement***") is entered into by and between Zeno Management, Inc., a Delaware corporation (the "***Company***") and a wholly owned subsidiary of Zeno Pharma, LLC (the "***Parent***"), and Robert E. Winkler, M.D. ("***Executive***"), and shall be effective as of February 1, 2019 (the "***Effective Date***").

WHEREAS, the Company desires to continue to employ Executive, and Executive desires to continue employment with the Company, on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual promises herein contained, the parties agree as follows:

1. Definitions. As used in this Agreement, the following terms shall have the following meanings:

(a) "***Board***" means the Board of Directors of the Company.

(b) "***Cause***" means any of the following:

(i) Executive's unauthorized use or disclosure of confidential information or trade secrets of the Company or its affiliates or any material breach of a written agreement between Executive and the Company or any affiliate, including without limitation a material breach of any employment, confidentiality, non-compete, non-solicit or similar agreement;

(ii) Executive's commission of, indictment for or the entry of a plea of guilty or *nolo contendere* by Executive to, a felony under the laws of the United States or any state thereof or any crime involving dishonesty or moral turpitude (or any similar crime in any jurisdiction outside the United States);

(iii) Executive's gross negligence or willful misconduct or Executive's willful or repeated failure or refusal to substantially perform assigned duties;

(iv) any act of fraud, embezzlement, material misappropriation or dishonesty committed by Executive against the Company or its affiliates; or

(v) any acts, omissions or statements by Executive which the Company reasonably determines to be materially detrimental or damaging to the reputation, operations, prospects or business relations of the Company or its affiliates;

provided, however, that prior to the determination that "Cause" under clauses (i), (iii), (iv) or (v) of this Section 1(b) has occurred, the Company shall (A) provide to Executive in writing, in reasonable detail, the reasons for the determination that such "Cause" exists, (B) afford Executive a reasonable opportunity to remedy any such breach, (C) provide Executive an opportunity to be heard prior to the final decision to terminate Executive's employment hereunder for such "Cause" and (D) make any decision that such "Cause" exists in good faith.

The foregoing definition shall not in any way preclude or restrict the right of the Company or any successor or affiliate thereof to discharge or dismiss Executive for any other acts or omissions, but such other acts or omissions shall not be deemed, for purposes of this Agreement, to constitute grounds for termination for Cause.

(c) "***Change in Control***" shall have the meaning ascribed to such term in the Zeno Pharma, LLC 2017 Profits Interest Plan.

(d) "***Code***" means the Internal Revenue Code of 1986, as amended from time to time, and the Treasury Regulations and other interpretive guidance issued thereunder.

(e) "***Good Reason***" means the occurrence of any of the following events or conditions without Executive's written consent:

(i) a change in Executive's position or responsibilities that represents a substantial reduction in his position or responsibilities as in effect immediately prior thereto; the assignment to Executive of any duties or responsibilities that are materially inconsistent with such position or responsibilities; or any removal of Executive from or failure to reappoint or reelect Executive to any of such positions, except in connection with the termination of Executive's services for Cause, as a result of his Permanent Disability or death, or by Executive other than for Good Reason; provided, however, that neither a change in Executive's reporting relationship as a result of a Change in Control nor the fact that Executive's reporting relationship is altered following a Change in Control because the Company or its successor is a wholly-owned subsidiary of another entity following such Change in Control shall alone constitute Good Reason;

(ii) a material reduction in Executive's annual base salary;

(iii) the Company requiring Executive (without Executive's consent) to be based at any place outside a ten (10)-mile radius of his then-current place of employment with the Company prior to any such relocation, except for reasonably required travel on the Company's business; or

(iv) any material breach by the Company or any affiliate of its obligations to Executive under any applicable employment or services agreement between Executive and the Company or such affiliate.

Executive must provide written notice to the Company of the occurrence of any of the foregoing events or conditions without Executive's written consent within sixty (60) days of the occurrence of such event. The Company or any successor or affiliate shall have a period of thirty (30) days to cure such event or condition after receipt of written notice of such event from Executive. Executive's Separation from Service by reason of resignation from employment with the Company for Good Reason must occurs within thirty (30) days following the expiration of the foregoing thirty (30) day cure period.

(f) "***Involuntary Termination***" means (i) Executive's Separation from Service by reason of Executive's discharge by the Company other than for Cause, or (ii) Executive's Separation from Service by reason of Executive's resignation of employment with the Company for Good Reason. Executive's Separation from Service by reason of Executive's death or discharge by the Company following Executive's Permanent Disability shall not constitute an Involuntary Termination.

(g) Executive's "***Permanent Disability***" shall be deemed to have occurred if Executive shall become physically or mentally incapacitated or disabled or otherwise unable fully to discharge his duties hereunder for a period of ninety (90) consecutive calendar days or for one hundred twenty (120) calendar days in any one hundred eighty (180) calendar-day period. The existence of Executive's Permanent Disability shall be determined by the Company on the advice of a physician chosen by the Company and the Company reserves the right to have Executive examined by a physician chosen by the Company at the Company's expense.

(h) "***Separation from Service***," with respect to Executive, means Executive's "separation from service," as defined in Treasury Regulation Section 1.409A-1(h).

2. Services to Be Rendered.

(a) Duties and Responsibilities. Executive shall serve as Chief Medical Officer of the Company. In the performance of such duties, Executive shall report directly to, and shall be subject to the direction of, the Chief Executive Officer of the Company (the "***CEO***") and to such limits upon Executive's authority as the CEO may from time to time impose. In the event of the CEO's unavailability or incapacity, Executive shall report directly to the Board. Executive hereby consents to serve as an officer and/or director of the Company, Parent or any subsidiary or affiliate thereof without any additional salary or compensation, if so requested by the Board or the CEO. Executive shall be employed by the Company on a full time basis. Executive's primary place of work shall be the Company's offices in New York, New York. Executive will also be expected to travel to the Company's locations as needed in connection with his duties. Executive shall be subject to and comply with the policies and procedures generally applicable to senior executives of the Company to the extent the same are not inconsistent with any term of this Agreement.

(b) Exclusive Services. Executive shall at all times faithfully, industriously and to the best of his ability, experience and talent perform all of the duties that may be assigned to Executive hereunder and shall devote substantially all of his productive time and efforts to the performance of such duties. Subject to the terms of the Proprietary Information and Inventions Agreement referred to in Section 5(b), this shall not preclude Executive from (i) serving on industry, trade, civic, or charitable boards or committees; or (ii) managing personal, family and other investments; provided that such activities do not interfere with his duties to the Company, as determined in good faith by the CEO or the Board.

3. Compensation and Benefits. The Company shall pay or provide, as the case may be, to Executive the compensation and other benefits and rights set forth in this Section 3.

(a) Base Salary. The Company shall pay to Executive a base salary of $461,725.16 per year, payable in accordance with the Company's usual pay practices (and in any event no less frequently than monthly). Executive's base salary shall be subject to review annually by and at the sole discretion of the Board or its designee.

(b) Annual Bonus. Executive shall participate in any annual bonus plan that the Board or its designee may approve for the senior executives of the Company. In addition to Executive's base salary, Executive may be eligible to earn, for each fiscal year of the Company ending during the term of Executive's employment with the Company, an annual cash performance bonus under the Company's bonus plan, as approved from time to time by the Board. Executive's target bonus under any such annual bonus plan shall be forty percent (40%) of Executive's base salary actually paid for the year to which such annual bonus relates (the "***Target Bonus***"). Executive's actual annual bonus will be determined on the basis of Executive's and/or the Company's or its affiliates' attainment of financial or other performance criteria established by the Board or its designee in accordance with the terms and conditions of such bonus plan. Except as otherwise provided in this Agreement, Executive must be employed by the Company on the date of payment of such annual bonus in order to be eligible to receive such annual bonus. Executive hereby acknowledges and agrees that nothing contained herein confers upon Executive any right to an annual bonus in any year, and that whether the Company pays Executive an annual bonus and the amount of any such annual bonus will be determined by the Company in its sole discretion.

(c) Benefits. Executive shall be entitled to participate in benefits under the Company's benefit plans and arrangements, including, without limitation, any employee benefit plan or arrangement made available in the future by the Company to its senior executives, subject to and on a basis consistent with the terms, conditions and overall administration of such plans and arrangements. The Company shall have the right to amend or delete any such benefit plan or arrangement made available by the Company to its senior executives and not otherwise specifically provided for herein.

(d) Expenses. The Company shall reimburse Executive for reasonable out-of-pocket business expenses incurred in connection with the performance of his duties hereunder, subject to such policies as the Company may from time to time establish, and Executive furnishing the Company with evidence in the form of receipts satisfactory to the Company substantiating the claimed expenditures.

(e) Paid Time Off. Executive shall be entitled to such periods of paid time off ("***PTO***") each year as provided from time to time under the Company's PTO policy and as otherwise provided for senior executive officers; provided, however, that Executive shall be entitled to a minimum of twenty (20) days of PTO per year.

(f) Equity and Other Benefit Plans. Executive shall be entitled to participate in any equity or other employee benefit plan that is generally available to senior executive officers of the Company. Except as otherwise provided in this Agreement, Executive's participation in and benefits under any such plan shall be on the terms and subject to the conditions specified in the governing document of the particular plan.

4. Severance. Executive shall be entitled to receive benefits upon a Separation from Service only as set forth in this Section 4:

(a) At-Will Employment; Termination. The Company and Executive acknowledge that Executive's employment is and shall continue to be at-will, as defined under applicable law, and that Executive's employment with the Company may be terminated by either party at any time for any or no reason, with or without notice. If Executive's employment terminates for any reason, Executive shall not be entitled to any payments, benefits, damages, awards or compensation other than as provided in this Agreement. Executive's employment under this Agreement shall be terminated immediately on the death of Executive.

(b) Severance Upon Involuntary Termination. Subject to Sections 4(d) and 9(o) and Executive's continued compliance with Section 5, if Executive's employment is Involuntarily Terminated, Executive shall be entitled to receive, in lieu of any severance benefits to which Executive may otherwise be entitled under any severance plan or program of the Company, the benefits provided below:

(i) the Company shall pay to Executive his fully earned but unpaid base salary, when due, through the date of Executive's Involuntary Termination at the rate then in effect, accrued and unused PTO, plus all other benefits, if any, under any Company group retirement plan, nonqualified deferred compensation plan, equity award plan or agreement, health benefits plan or other Company group benefit plan to which Executive may be entitled pursuant to the terms of such plans or agreements at the time of Executive's Involuntary Termination (the "***Accrued Obligations***"); and

(ii) Executive shall be entitled to receive severance pay in an amount equal to (A) Executive's monthly base salary as in effect immediately prior to the date of Executive's Involuntary Termination, multiplied by (B) nine (9), which amount shall be payable in a lump sum sixty (60) days following Executive's Involuntary Termination; and

(iii) for the period beginning on the date of Employee's Involuntary Termination and ending on the date which is nine (9) full months following the date of Employee's Involuntary Termination (or, if earlier, (A) the date on which the applicable continuation period under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("***COBRA***") expires or (B) the date Employee becomes eligible to receive the equivalent or increased healthcare coverage by means of subsequent employment or self-employment) (such period, the "COBRA Coverage Period"), if Employee and/or his or her eligible dependents who were covered under the Company's health insurance plans as of the date of Employee's Involuntary Termination elect to have COBRA coverage and are eligible for such coverage, the Company shall pay for or reimburse Employee on a monthly basis for an amount equal to (1) the monthly premium Employee and/or his or her covered dependents, as applicable, are required to pay for continuation coverage pursuant to COBRA for Employee and/or his or her eligible dependents, as applicable, who were covered under the Company's health plans as of the date of Employee's Involuntary Termination (calculated by reference to the premium as of the date of Employee's Involuntary Termination) less (2) the amount Employee would have had to pay to receive group health coverage for Employee and/or his or her covered dependents, as applicable, based on the cost sharing levels in effect on the date of Employee's Involuntary Termination. If any of the Company's health benefits

are self-funded as of the date of Employee's Involuntary Termination, or if the Company cannot provide the foregoing benefits in a manner that is exempt from Section 409A (as defined below) or that is otherwise compliant with applicable law (including, without limitation, Section 2716 of the Public Health Service Act), instead of providing the payments or reimbursements as set forth above, the Company shall instead pay to Employee the foregoing monthly amount as a taxable monthly payment for the COBRA Coverage Period (or any remaining portion thereof). Employee shall be solely responsible for all matters relating to continuation of coverage pursuant to COBRA, including, without limitation, the election of such coverage and the timely payment of premiums. Employee shall notify the Company immediately if Employee becomes eligible to receive the equivalent or increased healthcare coverage by means of subsequent employment or self-employment.

(c) Termination for Cause, Voluntary Resignation Without Good Reason, Death or Termination for Permanent Disability. In the event of Executive's termination of employment as a result of Executive's discharge by the Company for Cause, Executive's resignation without Good Reason, Executive's death or Executive's termination of employment following Executive's Permanent Disability, the Company shall not have any other or further obligations to Executive under this Agreement (including any financial obligations) except that Executive shall be entitled to receive the Accrued Obligations. The foregoing shall be in addition to, and not in lieu of, any and all other rights and remedies which may be available to the Company under the circumstances, whether at law or in equity.

(d) Release. As a condition to Executive's receipt of any post-termination benefits pursuant to Section 4(b) above, Executive (or, in the event of Executive's incapacity as a result of his Permanent Disability, Executive's legal representative) shall execute and not revoke a general release of all claims in favor of the Company and its affiliates (the "Release") in the form attached hereto as Exhibit A. In the event the Release does not become effective within the fifty-five (55) day period following the date of Executive's Involuntary Termination, Executive shall not be entitled to the aforesaid payments and benefits.

(e) Exclusive Remedy. Except as otherwise expressly required by law (e.g., COBRA) or as specifically provided herein, all of Executive's rights to salary, severance, benefits, bonuses and other amounts hereunder (if any) accruing after the termination of Executive's employment shall cease upon such termination. In the event of Executive's termination of employment with the Company, Executive's sole remedy shall be to receive the payments and benefits described in this Section 4. In addition, Executive acknowledges and agrees that he is not entitled to any reimbursement by the Company for any taxes payable by Executive as a result of the payments and benefits received by Executive pursuant to this Section 4, including, without limitation, any excise tax imposed by Section 4999 of the Code. Any payments made to Executive under this Section 4 shall be inclusive of any amounts or benefits to which Executive may be entitled pursuant to the Worker Adjustment and Retraining Notification Act, 29 U.S.C. Sections 2101 et seq., and the Department of Labor regulations thereunder, or any similar state statute.

(f) No Mitigation. Except as otherwise provided in Section 4(b)(iii) above, Executive shall not be required to mitigate the amount of any payment provided for in this Section 4 by seeking other employment or otherwise, nor shall the amount of any payment or benefit provided for in this Section 4 be reduced by any compensation earned by Executive as the result

of employment by another employer or self-employment or by retirement benefits; provided, however, that loans, advances or other amounts owed by Executive to the Company may be offset by the Company against amounts payable to Executive under this Section 4.

(g) Return of the Company's Property. In the event of Executive's termination of employment for any reason, the Company shall have the right, at its option, to require Executive to vacate his offices prior to or on the effective date of separation and to cease all activities on the Company's behalf. Upon Executive's termination of employment in any manner, as a condition to Executive's receipt of any severance benefits described in this Agreement, Executive shall immediately surrender to the Company all lists, books and records of, or in connection with, the Company's business, and all other property belonging to the Company, it being distinctly understood that all such lists, books and records, and other documents, are the property of the Company. Executive shall deliver to the Company a signed statement certifying compliance with this Section 4(g) prior to the receipt of any severance benefits described in this Agreement.

5. Certain Covenants.

(a) Noncompetition. Except as may otherwise be approved by the Board, during the term of Executive's employment, Executive shall not have any ownership interest (of record or beneficial) in, or have any interest as an employee, salesman, consultant, officer or director in, or otherwise aid or assist in any manner, any firm, corporation, partnership, proprietorship or other business that engages in any county, city or part thereof in the United States and/or any foreign country in a business which competes directly or indirectly (as determined by the Board) with the Company's business in such county, city or part thereof, so long as the Company, or any successor in interest of the Company to the business and goodwill of the Company, remains engaged in such business in such county, city or part thereof or continues to solicit customers or potential customers therein; provided, however, that Executive may own, directly or indirectly, solely as an investment, securities of any entity which are traded on any national securities exchange if Executive (i) is not a controlling person of, or a member of a group which controls, such entity; or (ii) does not, directly or indirectly, own one percent (1%) or more of any class of securities of any such entity.

(b) Confidential Information. Executive and the Company have entered into the Company's standard proprietary information and inventions assignment agreement (the "Proprietary Information and Inventions Agreement"). Executive agrees to perform each and every obligation of Executive therein contained.

(c) Solicitation of Employees. During the term of Executive's employment or service and for one (1) year thereafter (the "***Restricted Period***"), Executive will not, either directly or through others, solicit or attempt to solicit any employee, independent contractor or consultant of the Company or its affiliates to terminate his relationship with the Company or its affiliates in order to become an employee, consultant or independent contractor to or for any other person or entity, or otherwise encourage or solicit any employee of the Company or its affiliates to leave the Company or such affiliates for any reason or to devote less than all of any such employee's efforts to the affairs of the Company; provided that the foregoing shall not affect any responsibility Executive may have as an employee of the Company with respect to the bona fide hiring and firing of Company personnel.

(d) Solicitation of Consultants. Executive shall not during the term of Executive's employment or service and for the Restricted Period, directly or indirectly, hire, solicit or encourage to cease work with the Company or any of its affiliates any consultant then under contract with the Company or any of its affiliates.

(e) Nondisparagement. Executive agrees that neither he nor anyone acting by, through, under or in concert with him shall disparage or otherwise communicate negative statements or opinions about the Company, Parent, or their respective board members, officers, employees or businesses. The Company agrees that neither its Board members nor officers, nor the board members or officers of Parent, shall disparage or otherwise communicate negative statements or opinions about Executive. Except as may be required by law, neither Executive, nor any member of Executive's family, nor anyone else acting by, through, under or in concert with Executive will disclose to any individual or entity (other than Executive's legal or tax advisors) the terms of this Agreement.

(f) Rights and Remedies Upon Breach. If Executive breaches or threatens to commit a breach of any of the provisions of this Section 5 (the "Restrictive Covenants"), the Company shall have the following rights and remedies, each of which rights and remedies shall be independent of the other and severally enforceable, and all of which rights and remedies shall be in addition to, and not in lieu of, any other rights and remedies available to the Company under law or in equity:

(i) Specific Performance. The right and remedy to have the Restrictive Covenants specifically enforced by any court having equity jurisdiction, all without the need to post a bond or any other security or to prove any amount of actual damage or that money damages would not provide an adequate remedy, it being acknowledged and agreed that any such breach or threatened breach will cause irreparable injury to the Company and that money damages will not provide adequate remedy to the Company; and

(ii) Accounting and Indemnification. The right and remedy to require Executive (A) to account for and pay over to the Company all compensation, profits, monies, accruals, increments or other benefits derived or received by Executive or any associated party deriving such benefits as a result of any such breach of the Restrictive Covenants; and (B) to indemnify the Company against any other losses, damages (including special and consequential damages), costs and expenses, including actual attorneys' fees and court costs, which may be incurred by them and which result from or arise out of any such breach or threatened breach of the Restrictive Covenants.

(g) Severability of Covenants/Blue Pencilling. If any court determines that any of the Restrictive Covenants, or any part thereof, is invalid or unenforceable, the remainder of the Restrictive Covenants shall not thereby be affected and shall be given full effect, without regard to the invalid portions. If any court determines that any of the Restrictive Covenants, or any part thereof, are unenforceable because of the duration of such provision or the area covered thereby, such court shall have the power to reduce the duration or area of such provision and, in its reduced form, such provision shall then be enforceable and shall be enforced. Executive hereby waives any and all right to attack the validity of the Restrictive Covenants on the grounds of the breadth of their geographic scope or the length of their term.

(h) Enforceability in Jurisdictions. The Company and Executive intend to and do hereby confer jurisdiction to enforce the Restrictive Covenants upon the courts of any jurisdiction within the geographical scope of such covenants. If the courts of any one or more of such jurisdictions hold the Restrictive Covenants wholly unenforceable by reason of the breadth of such scope or otherwise, it is the intention of the Company and Executive that such determination not bar or in any way affect the right of the Company to the relief provided above in the courts of any other jurisdiction within the geographical scope of such covenants, as to breaches of such covenants in such other respective jurisdictions, such covenants as they relate to each jurisdiction being, for this purpose, severable into diverse and independent covenants.

(i) Whistleblower Provision. Nothing herein shall be construed to prohibit Executive from communicating directly with, cooperating with, or providing information to, any government regulator, including, but not limited to, the U.S. Securities and Exchange Commission, the U.S. Commodity Futures Trading Commission, or the U.S. Department of Justice. Executive acknowledges that the Company has provided Executive with the following notice of immunity rights in compliance with the requirements of the Defend Trade Secrets Act: (i) Executive shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of proprietary information that is made in confidence to a Federal, State, or local government official or to an attorney solely for the purpose of reporting or investigating a suspected violation of law, (ii) Executive shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of proprietary information that is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal and (iii) if Executive files a lawsuit for retaliation by the Company for reporting a suspected violation of law, Executive may disclose the proprietary information to Executive's attorney and use the proprietary information in the court proceeding, if Executive files any document containing the proprietary information under seal, and does not disclose the proprietary information, except pursuant to court order.

(j) Definitions. For purposes of this Section 5, the term "***Company***" means not only Zeno Management, Inc., but also Parent as well as any company, partnership or entity which, directly or indirectly, controls, is controlled by or is under common control with Zeno Management, Inc.

6. Insurance; Indemnification.

(a) Insurance. The Company shall have the right to take out life, health, accident, "key-man" or other insurance covering Executive, in the name of the Company and at the Company's expense in any amount deemed appropriate by the Company. Executive shall assist the Company in obtaining such insurance, including, without limitation, submitting to any required examinations and providing information and data required by insurance companies.

(b) Indemnification. Executive will be provided with indemnification against third party claims related to his work for the Company to the extent permitted by Delaware law. The Company shall provide Executive with directors and officers liability insurance coverage at least as favorable as that which the Company may maintain from time to time for other executive officers.

7. Arbitration. Any dispute, claim or controversy based on, arising out of or relating to Executive's employment or this Agreement shall be settled by final and binding arbitration in New York, New York, before a single neutral arbitrator in accordance with the JAMS Employment Arbitration Rules and Procedures (the "***Rules***"), and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction. The Rules may be found online at www.jamsadr.com. If the parties are unable to agree upon an arbitrator, one shall be appointed by JAMS in accordance with its Rules. Each party shall pay the fees of its own attorneys, the expenses of its witnesses and all other expenses connected with presenting its case; provided, however, Executive and the Company agree that, to the extent permitted by law, the arbitrator may, in his or her discretion, award reasonable attorneys' fees to the prevailing party; provided, further, that the prevailing party shall be reimbursed for such fees, costs and expenses within forty-five (45) days following any such award, but in no event later than the last day of Executive's taxable year following the taxable year in which the fees, costs and expenses were incurred; provided, further, that the parties' obligations pursuant to this sentence shall terminate on the tenth (10^{th}) anniversary of the date of Executive's termination of employment. Other costs of the arbitration, including the cost of any record or transcripts of the arbitration, JAMS administrative fees, the fee of the arbitrator, and all other fees and costs, shall be borne by the Company. This Section 7 is intended to be the exclusive method for resolving any and all claims by the parties against each other for payment of damages under this Agreement or relating to Executive's employment; provided, however, that Executive shall retain the right to file administrative charges with or seek relief through any government agency of competent jurisdiction, and to participate in any government investigation, including but not limited to (a) claims for workers' compensation, state disability insurance or unemployment insurance; (b) administrative claims brought before any state or federal governmental authority; provided, however, that any appeal from an award or from denial of an award of wages and/or waiting time penalties shall be arbitrated pursuant to the terms of this Agreement; and (c) claims for administrative relief from the United States Equal Employment Opportunity Commission and/or any similar state agency in any applicable jurisdiction); provided, further, that Executive shall not be entitled to obtain any monetary relief through such agencies other than workers' compensation benefits or unemployment insurance benefits. This Agreement shall not limit either party's right to obtain any provisional remedy, including, without limitation, injunctive or similar relief, from any court of competent jurisdiction as may be necessary to protect their rights and interests pending the outcome of arbitration, including without limitation injunctive relief, in any court of competent jurisdiction. Seeking any such relief shall not be deemed to be a waiver of such party's right to compel arbitration. Both Executive and the Company expressly waive their right to a jury trial.

8. General Relationship. Executive shall be considered an employee of the Company within the meaning of all federal, state and local laws and regulations including, but not limited to, laws and regulations governing unemployment insurance, workers' compensation, industrial accident, labor and taxes.

9. Miscellaneous.

(a) Modification; Prior Claims. This Agreement and the Proprietary Information and Inventions Agreement (and the other documents referenced therein) set forth the entire understanding of the parties with respect to the subject matter hereof, and supersede all existing agreements between them concerning such subject matter, including any prior offer letter

between the Company and Executive. This Agreement may be amended or modified only with the written consent of Executive and an authorized representative of the Company. No oral waiver, amendment or modification will be effective under any circumstances whatsoever.

(b) Assignment; Assumption by Successor. The rights of the Company under this Agreement may, without the consent of Executive, be assigned by the Company, in its sole and unfettered discretion, to any person, firm, corporation or other business entity which at any time, whether by purchase, merger or otherwise, directly or indirectly, acquires all or substantially all of the assets or business of the Company. The Company will require any successor (whether direct or indirect, by purchase, merger or otherwise) to all or substantially all of the business or assets of the Company expressly to assume and to agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place; provided, however, that no such assumption shall relieve the Company of its obligations hereunder. As used in this Agreement, the "***Company***" shall mean the Company as hereinbefore defined and any successor to its business and/or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law or otherwise.

(c) Survival. The covenants, agreements, representations and warranties contained in or made in Sections 4, 5, 6, 7 and 9 of this Agreement shall survive Executive's termination of employment.

(d) Third-Party Beneficiaries. Except as expressly set forth herein, this Agreement does not create, and shall not be construed as creating, any rights enforceable by any person not a party to this Agreement.

(e) Waiver. The failure of either party hereto at any time to enforce performance by the other party of any provision of this Agreement shall in no way affect such party's rights thereafter to enforce the same, nor shall the waiver by either party of any breach of any provision hereof be deemed to be a waiver by such party of any other breach of the same or any other provision hereof.

(f) Section Headings. The headings of the several sections in this Agreement are inserted solely for the convenience of the parties and are not a part of and are not intended to govern, limit or aid in the construction of any term or provision hereof.

(g) Notices. Any notice required or permitted by this Agreement shall be in writing and shall be delivered as follows with notice deemed given as indicated: (i) by personal delivery when delivered personally; (ii) by overnight courier upon written verification of receipt; (iii) by email, telecopy or facsimile transmission upon acknowledgment of receipt of electronic transmission; or (iv) by certified or registered mail, return receipt requested, upon verification of receipt. Notice shall be sent to Executive at the address listed on the Company's personnel records and to the Company at its principal place of business, or such other address as either party may specify in writing.

(h) Severability. All Sections, clauses and covenants contained in this Agreement are severable, and in the event any of them shall be held to be invalid by any court, this Agreement shall be interpreted as if such invalid Sections, clauses or covenants were not contained herein.

(i) Governing Law and Venue. This Agreement is to be governed by and construed in accordance with the laws of the State of New York applicable to contracts made and to be performed wholly within such State, and without regard to the conflicts of laws principles thereof. Except as provided in Sections 5 and 7, any suit brought hereon shall be brought in the state or federal courts sitting in New York, New York, the parties hereto hereby waiving any claim or defense that such forum is not convenient or proper. Each party hereby agrees that any such court shall have in personam jurisdiction over it and consents to service of process in any manner authorized by New York law.

(j) Non-transferability of Interest. None of the rights of Executive to receive any form of compensation payable pursuant to this Agreement shall be assignable or transferable except through a testamentary disposition or by the laws of descent and distribution upon the death of Executive. Any attempted assignment, transfer, conveyance, or other disposition (other than as aforesaid) of any interest in the rights of Executive to receive any form of compensation to be made by the Company pursuant to this Agreement shall be void.

(k) Gender. Where the context so requires, the use of the masculine gender shall include the feminine and/or neuter genders and the singular shall include the plural, and vice versa, and the word “person” shall include any corporation, firm, partnership or other form of association.

(l) Counterparts; Facsimile or .pdf Signatures. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered will be deemed an original, and all of which together shall constitute one and the same agreement. This Agreement may be executed and delivered by facsimile or by .pdf file and upon such delivery the facsimile or .pdf signature will be deemed to have the same effect as if the original signature had been delivered to the other party.

(m) Construction. The language in all parts of this Agreement shall in all cases be construed simply, according to its fair meaning, and not strictly for or against any of the parties hereto. Without limitation, there shall be no presumption against any party on the ground that such party was responsible for drafting this Agreement or any part thereof.

(n) Withholding and Other Deductions. All compensation payable to Executive hereunder shall be subject to such deductions as the Company is from time to time required to make pursuant to law, governmental regulation or order.

(o) Code Section 409A.

(i) This Agreement is not intended to provide for any deferral of compensation subject to Section 409A of the Code, and, accordingly, the severance payments payable under Section 4(b)(ii) shall be paid no later than the later of: (A) the fifteenth (15th) day of the third month following Executive’s first taxable year in which such amounts are no longer subject to a substantial risk of forfeiture, and (B) the fifteenth (15th) day of the third month following first taxable year of the Company in which such amounts are is no longer subject to

substantial risk of forfeiture, as determined in accordance with Code Section 409A and any Treasury Regulations and other guidance issued thereunder. To the extent applicable, this Agreement shall be interpreted in accordance with Code Section 409A and Department of Treasury regulations and other interpretive guidance issued thereunder. Each series of installment payments made under this Agreement is hereby designated as a series of "separate payments" within the meaning of Section 409A of the Code. For purposes of this Agreement, all references to Executive's "termination of employment" shall mean Executive's Separation from Service.

(ii) If Executive is a "specified employee" (as defined in Section 409A of the Code), as determined by the Company in accordance with Section 409A of the Code, on the date of Executive's Separation from Service, to the extent that the payments or benefits under this Agreement are subject to Section 409A of the Code and the delayed payment or distribution of all or any portion of such amounts to which Executive is entitled under this Agreement is required in order to avoid a prohibited distribution under Section 409A(a)(2)(B)(i) of the Code, then such portion deferred pursuant to this Section 9(o)(ii) shall be paid or distributed to Executive in a lump sum on the earlier of (A) the date that is six (6)-months following Executive's Separation from Service, (B) the date of Executive's death or (C) the earliest date as is permitted under Section 409A of the Code. Any remaining payments due under the Agreement shall be paid as otherwise provided herein.

(iii) To the extent applicable, this Agreement shall be interpreted in accordance with the applicable exemptions from Section 409A of the Code. If Executive and the Company determine that any payments or benefits payable under this Agreement intended to comply with Sections 409A(a)(2), (3) and (4) of the Code do not comply with Section 409A of the Code, Executive and the Company agree to amend this Agreement, or take such other actions as Executive and the Company deem reasonably necessary or appropriate, to comply with the requirements of Section 409A of the Code and the Treasury Regulations thereunder (and any applicable transition relief) while preserving the economic agreement of the parties. To the extent that any provision in this Agreement is ambiguous as to its compliance with Section 409A of the Code, the provision shall be read in such a manner that no payments payable under this Agreement shall be subject to an "additional tax" as defined in Section 409A(a)(1)(B) of the Code.

(iv) Any reimbursement of expenses or in-kind benefits payable under this Agreement shall be made in accordance with Treasury Regulation Section 1.409A-3(i)(1)(iv) and shall be paid on or before the last day of Executive's taxable year following the taxable year in which Executive incurred the expenses. The amount of expenses reimbursed or in-kind benefits payable during any taxable year of Executive's shall not affect the amount eligible for reimbursement or in-kind benefits payable in any other taxable year of Executive's, and Executive's right to reimbursement for such amounts shall not be subject to liquidation or exchange for any other benefit.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth above.

ZENO MANAGEMENT, INC.

By: /s/ Anthony Y. Sun, M.D.
Name: Anthony Y. Sun, M.D.
Title: President and Chief Executive Officer

EXECUTIVE

/s/ Robert E. Winkler, M.D.
Robert E. Winkler, M.D.

EXHIBIT A

GENERAL RELEASE OF CLAIMS

[The language in this Release may change based on legal developments and evolving best practices; this form is provided as an example of what will be included in the final Release document.]

This General Release of Claims ("***Release***") is entered into as of this _____ day of _____, _____, between Robert E. Winkler, M.D. ("***Executive***"), and Zeno Management, Inc. (the "***Company***") (collectively referred to herein as the "***Parties***").

WHEREAS, Executive and the Company are parties to that certain Employment Agreement dated as of February 1, 2019 (the "***Agreement***");

WHEREAS, the Parties agree that Executive is entitled to certain severance benefits under the Agreement, subject to Executive's execution of this Release; and

WHEREAS, the Company and Executive now wish to fully and finally to resolve all matters between them.

NOW, THEREFORE, in consideration of, and subject to, the severance benefits payable to Executive pursuant to the Agreement, the adequacy of which is hereby acknowledged by Executive, and which Executive acknowledges that he would not otherwise be entitled to receive, Executive and the Company hereby agree as follows:

1. General Release of Claims by Executive.

(a) Executive, on behalf of himself and his executors, heirs, administrators, representatives and assigns, hereby agrees to release and forever discharge the Company and all predecessors, successors and their respective parent corporations, affiliates, related, and/or subsidiary entities, and all of their past and present investors, directors, shareholders, officers, general or limited partners, employees, attorneys, agents and representatives, and the employee benefit plans in which Executive is or has been a participant by virtue of his employment with or service to the Company (collectively, the "***Company Releasees***"), from any and all claims, debts, demands, accounts, judgments, rights, causes of action, equitable relief, damages, costs, charges, complaints, obligations, promises, agreements, controversies, suits, expenses, compensation, responsibility and liability of every kind and character whatsoever (including attorneys' fees and costs), whether in law or equity, known or unknown, asserted or unasserted, suspected or unsuspected (collectively, "***Claims***"), which Executive has or may have had against such entities based on any events or circumstances arising or occurring on or prior to the date hereof or on or prior to the date hereof, arising directly or indirectly out of, relating to, or in any other way involving in any manner whatsoever Executive's employment by or service to the Company or the termination thereof, including any and all claims arising under federal, state, or local laws relating to employment, including without limitation claims of wrongful discharge, breach of express or implied contract, fraud, misrepresentation, defamation, or liability in tort, and claims of any kind

that may be brought in any court or administrative agency including, without limitation, claims under Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. Section 2000, et seq.; the Americans with Disabilities Act, as amended, 42 U.S.C. § 12101 et seq.; the Rehabilitation Act of 1973, as amended, 29 U.S.C. § 701 et seq.; the Civil Rights Act of 1866, and the Civil Rights Act of 1991; 42 U.S.C. Section 1981, et seq.; the Age Discrimination in Employment Act, as amended, 29 U.S.C. Section 621, et seq. (the "***ADEA***"); the Equal Pay Act, as amended, 29 U.S.C. Section 206(d); regulations of the Office of Federal Contract Compliance, 41 C.F.R. Section 60, et seq.; the Family and Medical Leave Act, as amended, 29 U.S.C. § 2601 et seq.; the Fair Labor Standards Act of 1938, as amended, 29 U.S.C. § 201 et seq.; the Employee Retirement Income Security Act, as amended, 29 U.S.C. § 1001 et seq.

Notwithstanding the generality of the foregoing, Executive does not release the following claims:

(i) Claims for unemployment compensation or any state disability insurance benefits pursuant to the terms of applicable state law;

(ii) Claims for workers' compensation insurance benefits under the terms of any worker's compensation insurance policy or fund of the Company;

(iii) Claims pursuant to the terms and conditions of the federal law known as COBRA;

(iv) Claims for indemnity under the bylaws of the Company, as provided for by Delaware law or under any applicable insurance policy with respect to Executive's liability as an employee, director or officer of the Company;

(v) Executive's right to bring to the attention of the Equal Employment Opportunity Commission or any other federal, state or local government agency claims of discrimination, or from participating in an investigation or proceeding conducted by the Equal Employment Opportunity Commission or any other federal, state or local government agency; provided, however, that Executive does release his right to secure any damages for alleged discriminatory treatment;

(vi) Claims based on any right Executive may have to enforce the Company's executory obligations under the Agreement;

(vii) Claims Executive may have to vested or earned compensation and benefits; and

(viii) Executive's right to communicate or cooperate with any government agency.

(b) EXECUTIVE ACKNOWLEDGES THAT HE HAS BEEN ADVISED OF AND IS FAMILIAR WITH THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542, 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 PARTY."

BEING AWARE OF SAID CODE SECTION, EXECUTIVE HEREBY EXPRESSLY WAIVES ANY RIGHTS HE MAY HAVE THEREUNDER, AS WELL AS UNDER ANY OTHER STATUTES OR COMMON LAW PRINCIPLES OF SIMILAR EFFECT.

[Note: Clauses (c), (d) and (e) apply only if Executive is age 40 or older at time of termination]

(c) Executive acknowledges that this Release was presented to him on the date indicated above and that Executive is entitled to have [twenty-one (21)][forty-five (45)] days' time in which to consider it. Executive further acknowledges that the Company has advised him that he is waiving his rights under the ADEA, and that Executive should consult with an attorney of his choice before signing this Release, and Executive has had sufficient time to consider the terms of this Release. Executive represents and acknowledges that if Executive executes this Release before [twenty-one (21)][forty-five (45)] days have elapsed, Executive does so knowingly, voluntarily, and upon the advice and with the approval of Executive's legal counsel (if any), and that Executive voluntarily waives any remaining consideration period.

(d) Executive understands that after executing this Release, Executive has the right to revoke it within seven (7) days after his execution of it. Executive understands that this Release will not become effective and enforceable unless the seven (7) day revocation period passes and Executive does not revoke the Release in writing. Executive understands that this Release may not be revoked after the seven (7) day revocation period has passed. Executive also understands that any revocation of this Release must be made in writing and delivered to the Company at its principal place of business within the seven (7) day period.

(e) Executive understands that this Release shall become effective, irrevocable, and binding upon Executive on the eighth (8^{th}) day after his execution of it, so long as Executive has not revoked it within the time period and in the manner specified in clause (d) above.

(f) Executive further understands that Executive will not be given any severance benefits under the Agreement unless this Release is effective on or before the date that is fifty-five (55) days following the date of Executive's termination of employment.

2. No Assignment. Executive represents and warrants to the Company Releasees that there has been no assignment or other transfer of any interest in any Claim that Executive may have against the Company Releasees. Executive agrees to indemnify and hold harmless the Company Releasees from any liability, claims, demands, damages, costs, expenses and attorneys' fees incurred as a result of any such assignment or transfer from Executive.

3. Severability. In the event any provision of this Release is found to be unenforceable by an arbitrator or court of competent jurisdiction, such provision shall be deemed modified to the extent necessary to allow enforceability of the provision as so limited, it being intended that the

parties shall receive the benefit contemplated herein to the fullest extent permitted by law. If a deemed modification is not satisfactory in the judgment of such arbitrator or court, the unenforceable provision shall be deemed deleted, and the validity and enforceability of the remaining provisions shall not be affected thereby.

4. Interpretation; Construction. The headings set forth in this Release are for convenience only and shall not be used in interpreting this Agreement. This Release has been drafted by legal counsel representing the Company, but Executive has participated in the negotiation of its terms. Furthermore, Executive acknowledges that Executive has had an opportunity to review and revise the Release and have it reviewed by legal counsel, if desired, and, therefore, the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Release. Either party's failure to enforce any provision of this Release shall not in any way be construed as a waiver of any such provision, or prevent that party thereafter from enforcing each and every other provision of this Release.

5. Governing Law and Venue. This Release will be governed by and construed in accordance with the laws of the United States of America and the State of New York applicable to contracts made and to be performed wholly within such State, and without regard to the conflicts of laws principles thereof. Any suit brought hereon shall be brought in the state or federal courts sitting in New York, New York, the Parties hereby waiving any claim or defense that such forum is not convenient or proper. Each party hereby agrees that any such court shall have in personam jurisdiction over it and consents to service of process in any manner authorized by New York law.

6. Entire Agreement. This Release and the Agreement constitute the entire agreement of the Parties in respect of the subject matter contained herein and therein and supersede all prior or simultaneous representations, discussions, negotiations and agreements, whether written or oral. This Release may be amended or modified only with the written consent of Executive and an authorized representative of the Company. No oral waiver, amendment or modification will be effective under any circumstances whatsoever.

7. Counterparts. This Release may be executed in multiple counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument.

(Signature Page Follows)

IN WITNESS WHEREOF, and intending to be legally bound, the Parties have executed the foregoing Release as of the date first written above.

EXECUTIVE

_____

Print Name: Robert E. Winkler, M.D.

ZENO MANAGEMENT, INC.

By: _____

Print Name: _____

Title: _____

Exhibit 10.14

CONSULTING AGREEMENT

THIS CONSULTING AGREEMENT (this "***Agreement***") is entered into by and between Zeno Management, Inc., a Delaware corporation (the "***Company***") and a wholly owned subsidiary of Zeno Pharma, LLC (the "***Parent***"), and Cam Gallagher ("***Consultant***"), and shall be effective as of February 1, 2019 (the "***Effective Date***").

WHEREAS, the Company desires to continue to engage Consultant, and Consultant desires to provide services to the Company, on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual promises herein contained, the parties agree as follows:

1. Definitions. As used in this Agreement, the following terms shall have the following meanings:

(a) "***Board***" means the Board of Directors of the Company.

(b) "***Cause***" means any of the following:

(i) Consultant's unauthorized use or disclosure of confidential information or trade secrets of the Company or its affiliates or any material breach of a written agreement between Consultant and the Company or any affiliate, including without limitation a material breach of any confidentiality, non-compete, non-solicit or similar agreement;

(ii) Consultant's commission of, indictment for or the entry of a plea of guilty or *nolo contendere* by Consultant to, a felony under the laws of the United States or any state thereof or any crime involving dishonesty or moral turpitude (or any similar crime in any jurisdiction outside the United States);

(iii) Consultant's gross negligence or willful misconduct or Consultant's willful or repeated failure or refusal to substantially perform his services under this Agreement;

(iv) any act of fraud, embezzlement, material misappropriation or dishonesty committed by Consultant against the Company or its affiliates; or

(v) any acts, omissions or statements by Consultant which the Company reasonably determines to be materially detrimental or damaging to the reputation, operations, prospects or business relations of the Company or its affiliates;

provided, however, that prior to the determination that "Cause" under clauses (i), (iii), (iv) or (v) of this Section 1(b) has occurred, the Company shall (A) provide to Consultant in writing, in reasonable detail, the reasons for the determination that such "Cause" exists, (B) other than with respect to clause (v) above which specifies the applicable period of time for Consultant to remedy his breach, afford Consultant a reasonable opportunity to remedy any such breach, (C) provide Consultant an opportunity to be heard prior to the final decision to terminate Consultant's service hereunder for such "Cause" and (D) make any decision that such "Cause" exists in good faith.

The foregoing definition shall not in any way preclude or restrict the right of the Company or any successor or affiliate thereof to terminate this Agreement or Consultant's services for any other acts or omissions, but such other acts or omissions shall not be deemed, for purposes of this Agreement, to constitute grounds for termination for Cause.

(c) "***Change in Control***" shall have the meaning ascribed to such term in the Zeno Pharma, LLC 2017 Profits Interest Plan.

(d) "***Code***" means the Internal Revenue Code of 1986, as amended from time to time, and the Treasury Regulations and other interpretive guidance issued thereunder.

(e) "***Good Reason***" means the occurrence of any of the following events or conditions without Consultant's written consent:

(i) a change in Consultant's position or responsibilities that represents a substantial reduction in his position or responsibilities as in effect immediately prior thereto; the assignment to Consultant of any duties or responsibilities that are materially inconsistent with such position or responsibilities; or any removal of Consultant from or failure to reappoint or reelect Consultant to any of such positions, including Consultant's position as a member of the Board or the board of directors of Parent, except in connection with the termination of Consultant's services for Cause, as a result of his Permanent Disability or death, or by Consultant other than for Good Reason; provided, however, that neither a change in Consultant's reporting relationship as a result of a Change in Control nor the fact that Consultant's reporting relationship is altered following a Change in Control because the Company or its successor is a wholly-owned subsidiary of another entity following such Change in Control shall alone constitute Good Reason;

(ii) a material reduction in Consultant's retainer;

(iii) the Company requiring Consultant (without Consultant's consent) to be based at any place outside a fifty (50)-mile radius of his then-current place at which he is providing services to the Company prior to any such relocation, except for reasonably required travel on the Company's business; or

(iv) any material breach by the Company or any affiliate of its obligations to Consultant under any applicable services agreement between Consultant and the Company or such affiliate.

Consultant must provide written notice to the Company of the occurrence of any of the foregoing events or conditions without Consultant's written consent within sixty (60) days of the occurrence of such event. The Company or any successor or affiliate shall have a period of thirty (30) days to cure such event or condition after receipt of written notice of such event from Consultant. Consultant's Separation from Service by reason of voluntary termination of his services with the Company for Good Reason must occurs within thirty (30) days following the expiration of the foregoing thirty (30) day cure period.

(f) "***Involuntary Termination***" means (i) Consultant's Separation from Service by reason of Consultant's termination by the Company other than for Cause, or (ii)

Consultant's Separation from Service by reason of Consultant's voluntary termination of his services with the Company for Good Reason. Consultant's Separation from Service by reason of Consultant's death or termination by the Company following Consultant's Permanent Disability shall not constitute an Involuntary Termination.

(g) Consultant's "***Permanent Disability***" shall be deemed to have occurred if Consultant shall become physically or mentally incapacitated or disabled or otherwise unable fully to perform his services hereunder for a period of ninety (90) consecutive calendar days or for one hundred twenty (120) calendar days in any one hundred eighty (180) calendar-day period. The existence of Consultant's Permanent Disability shall be determined by the Company on the advice of a physician chosen by the Company and the Company reserves the right to have Consultant examined by a physician chosen by the Company at the Company's expense.

(h) "***Separation from Service***," with respect to Consultant, means Consultant's "separation from service," as defined in Treasury Regulation Section 1.409A-1(h).

2. Services to Be Rendered.

(a) Services. Consultant shall be engaged as a consultant to the Company and will serve as the Executive Director of the Company. In such capacity, Consultant shall perform all projects agreed upon by the CEO and Consultant related to such role. Consultant shall perform the services at the Company's offices in San Diego, California, or such other locations as mutually agreed upon by the CEO and Consultant from time to time. Consultant shall be subject to and comply with the policies and procedures generally applicable to similarly-situated service providers of the Company to the extent the same are not inconsistent with any term of this Agreement. Consultant will not perform any services for the Company except as authorized or requested by the CEO.

(b) Time Commitment. Subject to the terms of this Agreement, Consultant will, to the best of Consultant's ability, devote at least fifty percent (50%) of his productive time and efforts to the performance of the services hereunder. Unless otherwise determined by Consultant and the CEO, the manner and means by which Consultant chooses to complete projects are in Consultant's sole discretion and control. In performing the services and completing the projects, Consultant will use Consultant's own equipment, tools and other materials at Consultant's own expense, unless otherwise determined by Consultant and the CEO. Consultant may not subcontract or otherwise delegate Consultant's obligations under this Agreement. Consultant will perform the services, and provide the results thereof, with the highest degree of professional skill and expertise.

3. Compensation and Benefits. The Company shall pay or provide, as the case may be, to Consultant the compensation and other benefits and rights set forth in this Section 3.

(a) Retainer. The Company shall pay to Consultant an annual retainer of $203,949.84, payable in accordance with the Company's usual pay practices (and in any event no less frequently than monthly). Consultant's retainer shall be subject to review annually by and at the sole discretion of the Board or its designee.

(b) Annual Bonus. Consultant shall participate in any annual bonus plan that the Board or its designee may approve for similarly-situated service providers of the Company. In addition to Consultant's base salary, Consultant may be eligible to earn, for each fiscal year of the Company ending during the term of Consultant's service with the Company, an annual cash performance bonus under the Company's bonus plan, as approved from time to time by the Board. Consultant's target bonus under any such annual bonus plan shall be forty percent (40%) of Consultant's base salary actually paid for the year to which such annual bonus relates (the "***Target Bonus***"). Consultant's actual annual bonus will be determined on the basis of Consultant's and/or the Company's or its affiliates' attainment of financial or other performance criteria established by the Board or its designee in accordance with the terms and conditions of such bonus plan. Except as otherwise provided in this Agreement, Consultant must be providing services to the Company on the date of payment of such annual bonus in order to be eligible to receive such annual bonus. Consultant hereby acknowledges and agrees that nothing contained herein confers upon Consultant any right to an annual bonus in any year, and that whether the Company pays Consultant an annual bonus and the amount of any such annual bonus will be determined by the Company in its sole discretion.

(c) Benefits. Consultant will not be entitled to any of the benefits which the Company may make available to its employees, such as group insurance, profit-sharing or retirement benefits.

(d) Expenses. The Company shall reimburse Consultant for reasonable out-of-pocket business expenses incurred in connection with the performance of his services hereunder, subject to such policies as the Company may from time to time establish, and Consultant furnishing the Company with evidence in the form of receipts satisfactory to the Company substantiating the claimed expenditures.

(e) Equity and Other Benefit Plans. Consultant shall be entitled to participate in any equity plan that is generally available to similarly-situated service providers of the Company. Except as otherwise provided in this Agreement, Consultant's participation in and benefits under any such plan shall be on the terms and subject to the conditions specified in the governing document of the particular plan.

4. Termination. Consultant shall be entitled to receive benefits upon a Separation from Service only as set forth in this Section 4:

(a) Term and Termination. The Company and Consultant acknowledge that Consultant's services under this Agreement may be terminated by either party at any time for any or no reason, with or without notice. If Consultant's service terminates for any reason, Consultant shall not be entitled to any payments, benefits, damages, awards or compensation other than as provided in this Agreement. Consultant's service under this Agreement shall be terminated immediately on the death of Consultant.

(b) Termination Payments Upon Involuntary Termination. Subject to Sections 4(d) and 9(o) and Consultant's continued compliance with Section 5, if Consultant's service is Involuntarily Terminated, Consultant shall be entitled to receive, in lieu of any termination benefits to which Consultant may otherwise be entitled under any other plan or program of the Company, the benefits provided below:

(i) the Company shall pay to Consultant his fully earned but unpaid retainer, when due, through the date of Consultant's Involuntary Termination at the rate then in effect, plus all other benefits, if any, under any Company group retirement plan, nonqualified deferred compensation plan, equity award plan or agreement, health benefits plan or other Company group benefit plan to which Consultant may be entitled pursuant to the terms of such plans or agreements at the time of Consultant's Involuntary Termination (the "***Accrued Obligations***");

(ii) Consultant shall be entitled to receive a termination benefit in an amount equal to (A) Consultant's monthly retainer as in effect immediately prior to the date of Consultant's Involuntary Termination, multiplied by (B) the Termination Payment Multiplier (as defined below), which amount shall be payable in a lump sum sixty (60) days following Consultant's Involuntary Termination. For purposes of this Section 4, "***Termination Payment Multiplier***" shall mean the sum of (1) nine (9) plus (2) one (1) month for each additional twelve-month period of Consultant's service with the Company or its affiliates (including Zeno Pharmaceuticals, Inc.) following September 1, 2015; provided, however, that the Termination Payment Multiplier shall not exceed twelve (12);

(iii) Consultant shall be entitled to receive Consultant's Target Bonus for the year in which Consultant's Involuntary Termination occurs, prorated for the portion of the year that has expired prior to the date of Consultant's Involuntary Termination, which amount shall be payable in a lump sum sixty (60) days following Consultant's Involuntary Termination; and

(iv) Notwithstanding anything to the contrary in this Section 4(b), and subject to Sections 4(d) and 9(o) and Consultant's continued compliance with Section 5, in the event of Consultant's Involuntary Termination within twelve (12) months following a Change in Control, (A) the Termination Payment Multiplier for purposes of clauses (ii) and (iv) above shall be deemed to be twelve (12), and (B) the Target Bonus for purposes of clause (iii) above shall not be subject to proration.

(c) Termination for Cause, Voluntary Termination, Without Good Reason, Death or Termination for Permanent Disability. In the event of Consultant's termination of service as a result of Consultant's termination by the Company for Cause, Consultant's voluntary termination of this Agreement without Good Reason, Consultant's death or Consultant's termination of service following Consultant's Permanent Disability, the Company shall not have any other or further obligations to Consultant under this Agreement (including any financial obligations) except that Consultant shall be entitled to receive the Accrued Obligations. The foregoing shall be in addition to, and not in lieu of, any and all other rights and remedies which may be available to the Company under the circumstances, whether at law or in equity.

(d) Release. As a condition to Consultant's receipt of any post-termination benefits pursuant to Section 4(b) above, Consultant (or, in the event of Consultant's incapacity as a result of his Permanent Disability, Consultant's legal representative) shall execute a general release of all claims in favor of the Company and its affiliates (the "Release") in the form attached

hereto as Exhibit A. In the event the Release does not become effective within the fifty-five (55) day period following the date of Consultant's Involuntary Termination, Consultant shall not be entitled to the aforesaid payments and benefits.

(e) Exclusive Remedy. Except as otherwise expressly required by law or as specifically provided herein, all of Consultant's rights to compensation and other amounts hereunder (if any) accruing after the termination of Consultant's service shall cease upon such termination. In the event of Consultant's termination of service with the Company, Consultant's sole remedy shall be to receive the payments and benefits described in this Section 4. In addition, Consultant acknowledges and agrees that he is not entitled to any reimbursement by the Company for any taxes payable by Consultant as a result of the payments and benefits received by Consultant pursuant to this Section 4, including, without limitation, any excise tax imposed by Section 4999 of the Code.

(f) No Mitigation. Except as otherwise provided in Section 4(b)(iv) above, Consultant shall not be required to mitigate the amount of any payment provided for in this Section 4 by seeking other engagements, employment or otherwise, nor shall the amount of any payment or benefit provided for in this Section 4 be reduced by any compensation earned by Consultant as the result of engagement or employment by another company or self-employment or by retirement benefits; provided, however, that loans, advances or other amounts owed by Consultant to the Company may be offset by the Company against amounts payable to Consultant under this Section 4.

(g) Return of the Company's Property. In the event of Consultant's termination of service for any reason, the Company shall have the right, at its option, to require Consultant to vacate his offices prior to or on the effective date of separation and to cease all activities on the Company's behalf. Upon Consultant's termination of service in any manner, as a condition to Consultant's receipt of any termination payments described in this Agreement, Consultant shall immediately surrender to the Company all lists, books and records of, or in connection with, the Company's business, and all other property belonging to the Company, it being distinctly understood that all such lists, books and records, and other documents, are the property of the Company. Consultant shall deliver to the Company a signed statement certifying compliance with this Section 4(g) prior to the receipt of any termination payments described in this Agreement.

5. Certain Covenants.

(a) Noncompetition. Except as may otherwise be approved by the Board, during the term of Consultant's service, Consultant shall not have any ownership interest (of record or beneficial) in, or have any interest as an employee, salesman, consultant, officer or director in, or otherwise aid or assist in any manner, any firm, corporation, partnership, proprietorship or other business that engages in any county, city or part thereof in the United States and/or any foreign country in a business which competes directly or indirectly (as determined by the Board) with the Company's business in such county, city or part thereof, so long as the Company, or any successor in interest of the Company to the business and goodwill of the Company, remains engaged in such business in such county, city or part thereof or continues to solicit customers or potential customers therein; provided, however, that Consultant may own, directly or indirectly, solely as an investment, securities of any entity which are traded on any national securities exchange if

Consultant (i) is not a controlling person of, or a member of a group which controls, such entity; or (ii) does not, directly or indirectly, own one percent (1%) or more of any class of securities of any such entity.

(b) Confidential Information. Consultant and the Company have entered into the Company's standard proprietary information and inventions assignment agreement (the "Proprietary Information and Inventions Agreement"). Consultant agrees to perform each and every obligation of Consultant therein contained.

(c) Solicitation of Employees. During the term of Consultant's service and for one (1) year thereafter (the "***Restricted Period***"), Consultant will not, either directly or through others, solicit or attempt to solicit any employee, independent contractor or consultant of the Company or its affiliates to terminate his relationship with the Company or its affiliates in order to become an employee, consultant or independent contractor to or for any other person or entity, or otherwise encourage or solicit any employee of the Company or its affiliates to leave the Company or such affiliates for any reason or to devote less than all of any such employee's efforts to the affairs of the Company; provided that the foregoing shall not affect any responsibility Consultant may have in connection with his services with respect to the bona fide hiring and firing of Company personnel.

(d) Solicitation of Consultants. Consultant shall not during the term of Consultant's service and for the Restricted Period, directly or indirectly, hire, solicit or encourage to cease work with the Company or any of its affiliates any consultant then under contract with the Company or any of its affiliates.

(e) Nondisparagement. Consultant agrees that neither he nor anyone acting by, through, under or in concert with him shall disparage or otherwise communicate negative statements or opinions about the Company, Parent, or their respective board members, officers, employees or businesses. The Company agrees that neither its Board members nor officers, nor the board members or officers of Parent, shall disparage or otherwise communicate negative statements or opinions about Consultant. Except as may be required by law, neither Consultant, nor any member of Consultant's family, nor anyone else acting by, through, under or in concert with Consultant will disclose to any individual or entity (other than Consultant's legal or tax advisors) the terms of this Agreement.

(f) Rights and Remedies Upon Breach. If Consultant breaches or threatens to commit a breach of any of the provisions of this Section 5 (the "Restrictive Covenants"), the Company shall have the following rights and remedies, each of which rights and remedies shall be independent of the other and severally enforceable, and all of which rights and remedies shall be in addition to, and not in lieu of, any other rights and remedies available to the Company under law or in equity:

(i) Specific Performance. The right and remedy to have the Restrictive Covenants specifically enforced by any court having equity jurisdiction, all without the need to post a bond or any other security or to prove any amount of actual damage or that money damages would not provide an adequate remedy, it being acknowledged and agreed that any such breach or threatened breach will cause irreparable injury to the Company and that money damages will not provide adequate remedy to the Company; and

(ii) Accounting and Indemnification. The right and remedy to require Consultant (A) to account for and pay over to the Company all compensation, profits, monies, accruals, increments or other benefits derived or received by Consultant or any associated party deriving such benefits as a result of any such breach of the Restrictive Covenants; and (B) to indemnify the Company against any other losses, damages (including special and consequential damages), costs and expenses, including actual attorneys' fees and court costs, which may be incurred by them and which result from or arise out of any such breach or threatened breach of the Restrictive Covenants.

(g) Severability of Covenants/Blue Pencilling. If any court determines that any of the Restrictive Covenants, or any part thereof, is invalid or unenforceable, the remainder of the Restrictive Covenants shall not thereby be affected and shall be given full effect, without regard to the invalid portions. If any court determines that any of the Restrictive Covenants, or any part thereof, are unenforceable because of the duration of such provision or the area covered thereby, such court shall have the power to reduce the duration or area of such provision and, in its reduced form, such provision shall then be enforceable and shall be enforced. Consultant hereby waives any and all right to attack the validity of the Restrictive Covenants on the grounds of the breadth of their geographic scope or the length of their term.

(h) Enforceability in Jurisdictions. The Company and Consultant intend to and do hereby confer jurisdiction to enforce the Restrictive Covenants upon the courts of any jurisdiction within the geographical scope of such covenants. If the courts of any one or more of such jurisdictions hold the Restrictive Covenants wholly unenforceable by reason of the breadth of such scope or otherwise, it is the intention of the Company and Consultant that such determination not bar or in any way affect the right of the Company to the relief provided above in the courts of any other jurisdiction within the geographical scope of such covenants, as to breaches of such covenants in such other respective jurisdictions, such covenants as they relate to each jurisdiction being, for this purpose, severable into diverse and independent covenants.

(i) Whistleblower Provision. Nothing herein shall be construed to prohibit Consultant from communicating directly with, cooperating with, or providing information to, any government regulator, including, but not limited to, the U.S. Securities and Exchange Commission, the U.S. Commodity Futures Trading Commission, or the U.S. Department of Justice. Consultant acknowledges that the Company has provided Consultant with the following notice of immunity rights in compliance with the requirements of the Defend Trade Secrets Act: (i) Consultant shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of proprietary information that is made in confidence to a Federal, State, or local government official or to an attorney solely for the purpose of reporting or investigating a suspected violation of law, (ii) Consultant shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of proprietary information that is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal and (iii) if Consultant files a lawsuit for retaliation by the Company for reporting a suspected violation of law, Consultant may disclose the proprietary information to Consultant's attorney and use the proprietary information in the court proceeding, if Consultant files any document containing the proprietary information under seal, and does not disclose the proprietary information, except pursuant to court order.

(j) Definitions. For purposes of this Section 5, the term "***Company***" means not only Zeno Management, Inc., but also Parent as well as any company, partnership or entity which, directly or indirectly, controls, is controlled by or is under common control with Zeno Management, Inc.

6. Insurance; Indemnification.

(a) Insurance. The Company shall have the right to take out life, health, accident, "key-man" or other insurance covering Consultant, in the name of the Company and at the Company's expense in any amount deemed appropriate by the Company. Consultant shall assist the Company in obtaining such insurance, including, without limitation, submitting to any required examinations and providing information and data required by insurance companies.

(b) Indemnification. Consultant will be provided with indemnification against third party claims related to his work for the Company to the extent permitted by Delaware law. The Company shall provide Consultant with directors and officers liability insurance coverage at least as favorable as that which the Company may maintain from time to time for its executive officers.

7. Arbitration. Any dispute, claim or controversy based on, arising out of or relating to Consultant's service or this Agreement shall be settled by final and binding arbitration in San Diego, California, before a single neutral arbitrator in accordance with the JAMS Employment Arbitration Rules and Procedures (the "***Rules***"), and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction. The Rules may be found online at www.jamsadr.com. If the parties are unable to agree upon an arbitrator, one shall be appointed by JAMS in accordance with its Rules. Each party shall pay the fees of its own attorneys, the expenses of its witnesses and all other expenses connected with presenting its case; provided, however, Consultant and the Company agree that, to the extent permitted by law, the arbitrator may, in his or her discretion, award reasonable attorneys' fees to the prevailing party; provided, further, that the prevailing party shall be reimbursed for such fees, costs and expenses within forty-five (45) days following any such award, but in no event later than the last day of Consultant's taxable year following the taxable year in which the fees, costs and expenses were incurred; provided, further, that the parties' obligations pursuant to this sentence shall terminate on the tenth (10th) anniversary of the date of Consultant's termination of service. Other costs of the arbitration, including the cost of any record or transcripts of the arbitration, JAMS administrative fees, the fee of the arbitrator, and all other fees and costs, shall be borne by the Company. This Section 7 is intended to be the exclusive method for resolving any and all claims by the parties against each other for payment of damages under this Agreement or relating to Consultant's service. This Agreement shall not limit either party's right to obtain any provisional remedy, including, without limitation, injunctive or similar relief, from any court of competent jurisdiction as may be necessary to protect their rights and interests pending the outcome of arbitration, including without limitation injunctive relief, in any court of competent jurisdiction. Seeking any such relief shall not be deemed to be a waiver of such party's right to compel arbitration. Both Consultant and the Company expressly waive their right to a jury trial.

8. General Relationship. Consultant's relationship with the Company will be that of an independent contractor and nothing in this Agreement should be construed to create a partnership, joint venture, or employer-employee relationship with Consultant. Consultant is not the agent of the Company and is not authorized to make any representation, warranty, contract, or commitment on behalf of the Company. Consultant will be solely responsible for all tax returns and payments required to be filed with or made to any federal, state or local tax authority with respect to Consultant's performance of the services hereunder and receipt of fees under this Agreement. The Company will regularly report amounts paid to Consultant by filing Form 1099-MISC with the Internal Revenue Service as required by law. Because Consultant is an independent contractor, the Company will not withhold or make payments for social security, make unemployment insurance or disability insurance contributions, or obtain worker's compensation insurance on Consultant's behalf (or for any individual performing services on behalf of Consultant). Consultant agrees to accept exclusive liability for complying with all applicable state and federal laws governing self-employed individuals, including obligations such as payment of taxes, social security, disability and other contributions based on fees paid to Consultant under this Agreement.

9. Miscellaneous.

(a) Modification; Prior Claims. This Agreement and the Proprietary Information and Inventions Agreement (and the other documents referenced therein) set forth the entire understanding of the parties with respect to the subject matter hereof, and supersede all existing agreements between them concerning such subject matter, including any prior consulting agreement between the Company and Consultant. This Agreement may be amended or modified only with the written consent of Consultant and an authorized representative of the Company. No oral waiver, amendment or modification will be effective under any circumstances whatsoever.

(b) Assignment; Assumption by Successor. The rights of the Company under this Agreement may, without the consent of Consultant, be assigned by the Company, in its sole and unfettered discretion, to any person, firm, corporation or other business entity which at any time, whether by purchase, merger or otherwise, directly or indirectly, acquires all or substantially all of the assets or business of the Company. The Company will require any successor (whether direct or indirect, by purchase, merger or otherwise) to all or substantially all of the business or assets of the Company expressly to assume and to agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place; provided, however, that no such assumption shall relieve the Company of its obligations hereunder. As used in this Agreement, the "***Company***" shall mean the Company as hereinbefore defined and any successor to its business and/or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law or otherwise.

(c) Survival. The covenants, agreements, representations and warranties contained in or made in Sections 4, 5, 6, 7 and 9 of this Agreement shall survive Consultant's termination of service.

(d) Third-Party Beneficiaries. Except as expressly set forth herein, this Agreement does not create, and shall not be construed as creating, any rights enforceable by any person not a party to this Agreement.

(e) Waiver. The failure of either party hereto at any time to enforce performance by the other party of any provision of this Agreement shall in no way affect such party's rights thereafter to enforce the same, nor shall the waiver by either party of any breach of any provision hereof be deemed to be a waiver by such party of any other breach of the same or any other provision hereof.

(f) Section Headings. The headings of the several sections in this Agreement are inserted solely for the convenience of the parties and are not a part of and are not intended to govern, limit or aid in the construction of any term or provision hereof.

(g) Notices. Any notice required or permitted by this Agreement shall be in writing and shall be delivered as follows with notice deemed given as indicated: (i) by personal delivery when delivered personally; (ii) by overnight courier upon written verification of receipt; (iii) by email, telecopy or facsimile transmission upon acknowledgment of receipt of electronic transmission; or (iv) by certified or registered mail, return receipt requested, upon verification of receipt. Notice shall be sent to Consultant at the address listed on the Company's personnel records and to the Company at its principal place of business, or such other address as either party may specify in writing.

(h) Severability. All Sections, clauses and covenants contained in this Agreement are severable, and in the event any of them shall be held to be invalid by any court, this Agreement shall be interpreted as if such invalid Sections, clauses or covenants were not contained herein.

(i) Governing Law and Venue. This Agreement is to be governed by and construed in accordance with the laws of the State of California applicable to contracts made and to be performed wholly within such State, and without regard to the conflicts of laws principles thereof. Except as provided in Sections 5 and 7, any suit brought hereon shall be brought in the state or federal courts sitting in San Diego County, California, the parties hereto hereby waiving any claim or defense that such forum is not convenient or proper. Each party hereby agrees that any such court shall have in personam jurisdiction over it and consents to service of process in any manner authorized by California law.

(j) Non-transferability of Interest. None of the rights of Consultant to receive any form of compensation payable pursuant to this Agreement shall be assignable or transferable except through a testamentary disposition or by the laws of descent and distribution upon the death of Consultant. Any attempted assignment, transfer, conveyance, or other disposition (other than as aforesaid) of any interest in the rights of Consultant to receive any form of compensation to be made by the Company pursuant to this Agreement shall be void.

(k) Gender. Where the context so requires, the use of the masculine gender shall include the feminine and/or neuter genders and the singular shall include the plural, and vice versa, and the word "person" shall include any corporation, firm, partnership or other form of association.

(l) Counterparts; Facsimile or .pdf Signatures. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered will be

deemed an original, and all of which together shall constitute one and the same agreement. This Agreement may be executed and delivered by facsimile or by .pdf file and upon such delivery the facsimile or .pdf signature will be deemed to have the same effect as if the original signature had been delivered to the other party.

(m) Construction. The language in all parts of this Agreement shall in all cases be construed simply, according to its fair meaning, and not strictly for or against any of the parties hereto. Without limitation, there shall be no presumption against any party on the ground that such party was responsible for drafting this Agreement or any part thereof.

(n) Withholding and Other Deductions. All compensation payable to Consultant hereunder shall be subject to such deductions as the Company is from time to time required to make pursuant to law, governmental regulation or order.

(o) Code Section 409A.

(i) This Agreement is not intended to provide for any deferral of compensation subject to Section 409A of the Code, and, accordingly, the termination payments payable under Section 4(b)(ii) and (iii) shall be paid no later than the later of: (A) the fifteenth (15th) day of the third month following Consultant's first taxable year in which such amounts are no longer subject to a substantial risk of forfeiture, and (B) the fifteenth (15th) day of the third month following first taxable year of the Company in which such amounts are is no longer subject to substantial risk of forfeiture, as determined in accordance with Code Section 409A and any Treasury Regulations and other guidance issued thereunder. To the extent applicable, this Agreement shall be interpreted in accordance with Code Section 409A and Department of Treasury regulations and other interpretive guidance issued thereunder. Each series of installment payments made under this Agreement is hereby designated as a series of "separate payments" within the meaning of Section 409A of the Code. For purposes of this Agreement, all references to Consultant's "termination of service" shall mean Consultant's Separation from Service.

(ii) If Consultant is a "specified employee" (as defined in Section 409A of the Code), as determined by the Company in accordance with Section 409A of the Code, on the date of Consultant's Separation from Service, to the extent that the payments or benefits under this Agreement are subject to Section 409A of the Code and the delayed payment or distribution of all or any portion of such amounts to which Consultant is entitled under this Agreement is required in order to avoid a prohibited distribution under Section 409A(a)(2)(B)(i) of the Code, then such portion deferred pursuant to this Section 9(o)(ii) shall be paid or distributed to Consultant in a lump sum on the earlier of (A) the date that is six (6)-months following Consultant's Separation from Service, (B) the date of Consultant's death or (C) the earliest date as is permitted under Section 409A of the Code. Any remaining payments due under the Agreement shall be paid as otherwise provided herein.

(iii) To the extent applicable, this Agreement shall be interpreted in accordance with the applicable exemptions from Section 409A of the Code. If Consultant and the Company determine that any payments or benefits payable under this Agreement intended to comply with Sections 409A(a)(2), (3) and (4) of the Code do not comply with Section 409A of the Code, Consultant and the Company agree to amend this Agreement, or take such other actions as

Consultant and the Company deem reasonably necessary or appropriate, to comply with the requirements of Section 409A of the Code and the Treasury Regulations thereunder (and any applicable transition relief) while preserving the economic agreement of the parties. To the extent that any provision in this Agreement is ambiguous as to its compliance with Section 409A of the Code, the provision shall be read in such a manner that no payments payable under this Agreement shall be subject to an "additional tax" as defined in Section 409A(a)(1)(B) of the Code.

(iv) Any reimbursement of expenses or in-kind benefits payable under this Agreement shall be made in accordance with Treasury Regulation Section 1.409A-3(i)(1)(iv) and shall be paid on or before the last day of Consultant's taxable year following the taxable year in which Consultant incurred the expenses. The amount of expenses reimbursed or in-kind benefits payable during any taxable year of Consultant's shall not affect the amount eligible for reimbursement or in-kind benefits payable in any other taxable year of Consultant's, and Consultant's right to reimbursement for such amounts shall not be subject to liquidation or exchange for any other benefit.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth above.

ZENO MANAGEMENT, INC.

By: /s/ Anthony Y. Sun, M.D.
Name: Anthony Y. Sun, M.D.
Title: President and Chief Executive Officer

CONSULTANT

/s/ Cam Gallagher
Cam Gallagher

EXHIBIT A

GENERAL RELEASE OF CLAIMS

[*The language in this Release may change based on legal developments and evolving best practices; this form is provided as an example of what will be included in the final Release document.*]

This General Release of Claims ("***Release***") is entered into as of this __ day of __, _____, between Cam Gallagher ("***Consultant***"), and Zeno Management, Inc. (the "***Company***") (collectively referred to herein as the "***Parties***").

WHEREAS, Consultant and the Company are parties to that certain Consulting Agreement dated as of February 1, 2019 (the "***Agreement***");

WHEREAS, the Parties agree that Consultant is entitled to certain termination payments under the Agreement, subject to Consultant's execution of this Release; and

WHEREAS, the Company and Consultant now wish to fully and finally to resolve all matters between them.

NOW, THEREFORE, in consideration of, and subject to, the termination payments payable to Consultant pursuant to the Agreement, the adequacy of which is hereby acknowledged by Consultant, and which Consultant acknowledges that he would not otherwise be entitled to receive, Consultant and the Company hereby agree as follows:

1. General Release of Claims by Consultant.

(a) Consultant, on behalf of himself and his executors, heirs, administrators, representatives and assigns, hereby agrees to release and forever discharge the Company and all predecessors, successors and their respective parent corporations, affiliates, related, and/or subsidiary entities, and all of their past and present investors, directors, shareholders, officers, general or limited partners, employees, attorneys, agents and representatives, and the benefit plans in which Consultant is or has been a participant by virtue of his service to the Company (collectively, the "***Company Releasees***"), from any and all claims, debts, demands, accounts, judgments, rights, causes of action, equitable relief, damages, costs, charges, complaints, obligations, promises, agreements, controversies, suits, expenses, compensation, responsibility and liability of every kind and character whatsoever (including attorneys' fees and costs), whether in law or equity, known or unknown, asserted or unasserted, suspected or unsuspected (collectively, "***Claims***"), which Consultant has or may have had against such entities based on any events or circumstances arising or occurring on or prior to the date hereof or on or prior to the date hereof, arising directly or indirectly out of, relating to, or in any other way involving in any manner whatsoever Consultant's service to the Company or the termination thereof, including any and all claims arising under federal, state, or local laws, including without limitation claims of wrongful discharge, breach of express or implied contract, fraud, misrepresentation, defamation, or liability in tort, and claims of any kind that may be brought in any court or administrative agency.

Notwithstanding the generality of the foregoing, Consultant does not release any Claims which, my law, may not be released, or the following claims:

(i) Claims for indemnity under the bylaws of the Company, as provided for by Delaware law or under any applicable insurance policy with respect to Consultant's liability as a director or officer of the Company;

(ii) Claims based on any right Consultant may have to enforce the Company's executory obligations under the Agreement;

(iii) Claims Consultant may have to vested or earned compensation and benefits; and

(iv) Consultant's right to communicate or cooperate with any government agency.

(b) CONSULTANT ACKNOWLEDGES THAT HE HAS BEEN ADVISED OF AND IS FAMILIAR WITH THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542, 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 PARTY."

BEING AWARE OF SAID CODE SECTION, CONSULTANT HEREBY EXPRESSLY WAIVES ANY RIGHTS HE MAY HAVE THEREUNDER, AS WELL AS UNDER ANY OTHER STATUTES OR COMMON LAW PRINCIPLES OF SIMILAR EFFECT.

(c) Consultant understands that this Release shall become effective, irrevocable, and binding upon his execution of it.

(d) Consultant further understands that Consultant will not be given any termination payments under the Agreement unless this Release is effective on or before the date that is fifty-five (55) days following the date of Consultant's termination of service.

2. No Assignment. Consultant represents and warrants to the Company Releasees that there has been no assignment or other transfer of any interest in any Claim that Consultant may have against the Company Releasees. Consultant agrees to indemnify and hold harmless the Company Releasees from any liability, claims, demands, damages, costs, expenses and attorneys' fees incurred as a result of any such assignment or transfer from Consultant.

3. Severability. In the event any provision of this Release is found to be unenforceable by an arbitrator or court of competent jurisdiction, such provision shall be deemed modified to the extent necessary to allow enforceability of the provision as so limited, it being intended that the parties shall receive the benefit contemplated herein to the fullest extent permitted by law. If a

deemed modification is not satisfactory in the judgment of such arbitrator or court, the unenforceable provision shall be deemed deleted, and the validity and enforceability of the remaining provisions shall not be affected thereby.

4. Interpretation; Construction. The headings set forth in this Release are for convenience only and shall not be used in interpreting this Agreement. This Release has been drafted by legal counsel representing the Company, but Consultant has participated in the negotiation of its terms. Furthermore, Consultant acknowledges that Consultant has had an opportunity to review and revise the Release and have it reviewed by legal counsel, if desired, and, therefore, the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Release. Either party's failure to enforce any provision of this Release shall not in any way be construed as a waiver of any such provision, or prevent that party thereafter from enforcing each and every other provision of this Release.

5. Governing Law and Venue. This Release will be governed by and construed in accordance with the laws of the United States of America and the State of California applicable to contracts made and to be performed wholly within such State, and without regard to the conflicts of laws principles thereof. Any suit brought hereon shall be brought in the state or federal courts sitting in San Diego County, California, the Parties hereby waiving any claim or defense that such forum is not convenient or proper. Each party hereby agrees that any such court shall have in personam jurisdiction over it and consents to service of process in any manner authorized by California law.

6. Entire Agreement. This Release and the Agreement constitute the entire agreement of the Parties in respect of the subject matter contained herein and therein and supersede all prior or simultaneous representations, discussions, negotiations and agreements, whether written or oral. This Release may be amended or modified only with the written consent of Consultant and an authorized representative of the Company. No oral waiver, amendment or modification will be effective under any circumstances whatsoever.

7. Counterparts. This Release may be executed in multiple counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument.

(Signature Page Follows)

IN WITNESS WHEREOF, and intending to be legally bound, the Parties have executed the foregoing Release as of the date first written above.

CONSULTANT

_____

Print Name: Kevin Bunker, Ph.D.

ZENO MANAGEMENT, INC.

By: _____

Print Name: _____

Title: _____