Table of Contents

As filed with the Securities and Exchange Commission on September 25, 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

Aligos Therapeutics, Inc.

(Exact name of registrant as specified in its charter)

Delaware	2836	82-4724808
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

One Corporate Dr., 2nd Floor
South San Francisco, CA 94080
(800) 466-6059

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

Lawrence M. Blatt, Ph.D.
Chief Executive Officer
Aligos Therapeutics, Inc.
One Corporate Dr., 2nd Floor
South San Francisco, CA 94080
(800) 466-6059

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

Copies to:

Mark V. Roeder John C. Williams Latham & Watkins LLP 140 Scott Drive Menlo Park, California 94025 (650) 328-4600	Lucinda Quan, J.D. Executive Vice President, Chief Business Officer and General Counsel Aligos Therapeutics, Inc. One Corporate Dr., 2nd Floor South San Francisco, CA 94080 (800) 466-6059	Alan F. Denenberg Emily Roberts Davis Polk & Wardwell LLP 1600 El Camino Real Menlo Park, California 94025 (650) 752-2000

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

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

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

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

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

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

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

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

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Proposed maximum aggregate offering price(1)(2)	Amount of registration fee
Common Stock, $0.0001 par value per share	$100,000,000	$12,980

(1) Estimated solely for the purpose of calculating the amount of the registration fee in accordance with 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 from the registrant, if any. See the section titled "Underwriting."

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.

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

Subject to completion, dated September 25, 2020

Preliminary prospectus

shares

ALIGOS THERAPEUTICS

Common stock

This is the initial public offering of shares of common stock of Aligos Therapeutics, Inc. We are selling shares of our common stock. The estimated initial public offering price is between $ and $ per share.

Prior to this offering, there has been no public market for our common stock.

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

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

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

(1) See the section titled “Underwriting” beginning on page 200 for additional information regarding compensation payable to the underwriters.

We have granted the underwriters an option to purchase up to an additional shares from us at the initial public offering price less the underwriting discounts and commissions. The underwriters may exercise this right at any time within 30 days after the date of this prospectus.

Investing in our common stock involves a high degree of risk. See the section titled “Risk factors” beginning on page 12 to read about factors you should consider before buying shares of our common stock.

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

The underwriters expect to deliver the shares against payment in New York, New York on , 2020.

J.P. Morgan **Jefferies** **Piper Sandler**

Cantor

Prospectus dated , 2020

Table of contents

	Page
Prospectus summary	1
Risk factors	12
Special note regarding forward-looking statements	80
Market and industry data	82
Use of proceeds	83
Dividend policy	85
Capitalization	86
Dilution	89
Selected consolidated financial data	92
Management's discussion and analysis of financial condition and results of operations	94
Business	111
Management	156
Director and executive compensation	166
Certain relationships and related party transactions	179
Principal stockholders	184
Description of capital stock	188
Shares eligible for future sale	194
Material U.S. federal income tax consequences to non-U.S. holders	197
Underwriting	201
Legal matters	214
Experts	214
Where you can find more information	214
Index to consolidated financial statements	F-1

Neither we nor the underwriters have authorized anyone to provide you with information that is different from that, or to make any representations other than those, contained in this prospectus or in any free writing prospectus we may authorize to be delivered or made available to you. We and the underwriters take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. We and the underwriters are offering to sell shares of common stock and seeking offers to buy shares of common stock only in jurisdictions where offers and sales are permitted. The information contained in this prospectus or in any applicable free writing prospectus is accurate only as of the date on the front of this prospectus or any such free writing prospectus, as applicable, or other earlier date stated in this prospectus or such free writing prospectus, regardless of the time of delivery of this prospectus or such free writing prospectus or any sale of shares of our common stock. Our business, financial condition, results of operations and prospects may have changed since that date.

No action is being taken in any jurisdiction outside the United States to permit a public offering of our common stock or possession or distribution of this prospectus in that jurisdiction. Persons who come into possession of this prospectus in jurisdictions outside the United States are required to inform themselves about and to observe any restrictions as to this offering and the distribution of this prospectus applicable to that jurisdiction.

Aligos® and our logo are some of our trademarks used in this prospectus. This prospectus also includes trademarks, tradenames and service marks that are the property of other organizations. Solely for convenience, our trademarks, service marks and tradenames referred to in this prospectus may appear without the ® and ™ symbol, but those references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights, or the right of the applicable licensor to these trademarks, service marks and tradenames.

Through and including , 2020 (the 25th day 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.

Prospectus summary

This summary highlights information contained elsewhere in this prospectus. This summary does not contain all of the information you should consider before investing in our common stock. You should read this entire prospectus carefully, especially the section titled "Risk factors" and our consolidated financial statements and the related notes thereto included at the end of this prospectus, before making an investment decision. As used in this prospectus, unless the context otherwise requires, references to "we," "us," "our," "our company," "the Company", "Aligos" and "Aligos Therapeutics" refer to Aligos Therapeutics, Inc. and its subsidiaries, taken as a whole.

Overview

We are a clinical-stage biopharmaceutical company currently focused on developing novel therapeutics to address unmet medical needs in viral and liver diseases. We utilize our proprietary oligonucleotide and small molecule platforms to develop pharmacologically optimized drug candidates for use in combination regimens designed to achieve improved treatment outcomes. Our lead effort is to develop a functional cure for Chronic Hepatitis B ("CHB"), which often results in other life-threatening conditions such as cirrhosis, end-stage liver disease ("ESLD") and the most common form of liver cancer, hepatocellular carcinoma ("HCC"). The most widely used treatment for CHB, nucleos(t)ide analogs, suppresses viral replication but only achieves low rates of functional cure and often requires long-term administration. To address this issue, we have developed a portfolio of differentiated drug candidates for CHB, including an S-antigen Transport-inhibiting Oligonucleotide Polymers ("STOPS") molecule, a small molecule Capsid Assembly Modulator ("CAM"), and oligonucleotides (ASO and siRNA), each of which is designed against clinically validated targets in the Hepatitis B Virus ("HBV") life cycle. We believe that combination regimens utilizing our portfolio of CHB drug candidates may lead to higher rates of functional cure. A Phase 1 proof of concept trial for our STOPS molecule is ongoing in New Zealand and we expect to initiate a Phase 1 clinical trial with our CAM in the second half of 2020. Our second area of focus is in non-alcoholic steatohepatitis ("NASH"), a complex, chronic liver disease where combination regimens may likewise prove beneficial. Our most advanced drug candidate for NASH is ALG-055009, a small molecule THR-b agonist currently in nonclinical studies to enable a first-in-human clinical trial. We believe ALG-055009 has the potential to become an integral component of future combination regimens for NASH. Our third area of focus is to develop drug candidates with pan-coronavirus activity, including Severe Acute Respiratory Syndrome coronavirus 2 ("SARS-CoV-2"), the virus responsible for COVID-19.

Our oligonucleotide and small molecule platforms allow us to discover drug candidates that can be used to develop potentially best-in-class combination regimens. Oligonucleotide approaches enable specific inhibition of the translation of viral or host genes to affect a desired outcome that would be challenging to achieve with traditional small molecules. We believe the diversity of chemical matter we can generate with these complementary modalities broadens the range of therapeutic targets we can address with our platforms, and provides us with a differentiated set of in-house capabilities to use in developing novel, optimized combination regimens across all of our current areas of focus.

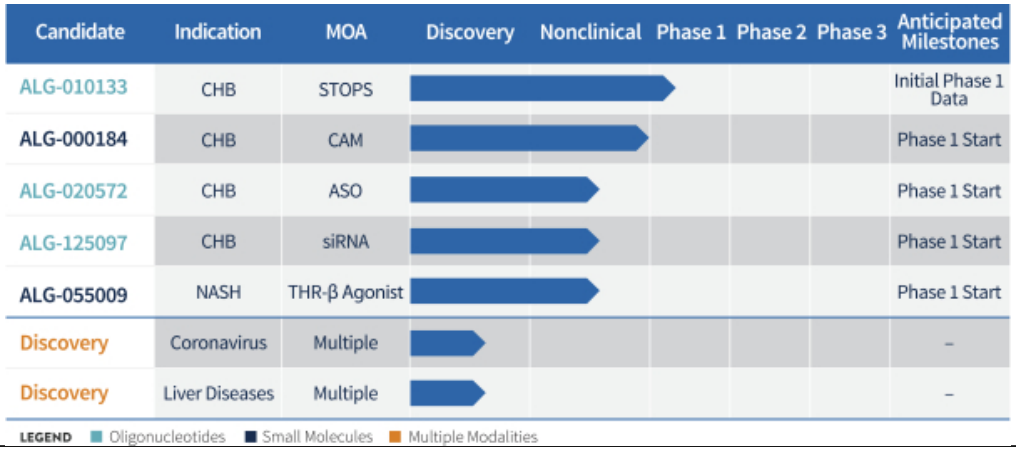
Our approach of combining multiple mechanisms from these distinct modalities is based on the observation that most chronic diseases, whether extrinsic (e.g., HIV and Hepatitis C) or intrinsic (e.g., metabolic syndrome conditions such as hypertension and diabetes), often require combination therapy to achieve optimal outcomes. Combination approaches have the advantage of simultaneously targeting multiple pathways and can act broadly and potentially synergistically. Particularly in the case of viral diseases, the simultaneous use of multiple drugs in combination can increase the barrier to viral resistance. As part of our drug candidate screening paradigm, we perform in vitro combination studies to ensure that none of the combinations we plan to evaluate clinically demonstrate antagonistic interactions.

Our approach to developing best-in-class regimens for our therapeutic areas of interest leverages the most promising modalities from our oligonucleotide and small molecule platforms to advance rapidly from monotherapy Phase 1 trials into Phase 2 combination trials. As a first step, we evaluate the safety and activity of each drug candidate in healthy volunteers and patients with the disease of interest. We intend to then efficiently evaluate drug candidates shown to have activity in Phase 1 in various combinations in Phase 2 platform protocols to enable us to identify optimized combination regimens that will then be evaluated in Phase 3 pivotal trials. The combinations we evaluate may include additional drug candidates or current standard of care. Throughout all phases of clinical development, pre-specified adaptive study rules allow real-time adjustment of trial conduct based on emerging clinical trial data. These practices allow us to gain a rapid understanding of the risk/benefit profile for our individual drug candidates and combination regimens, and iteratively refine our strategy based on emerging data.

Our management team consists of a group of highly collaborative, culturally diverse executives with decades of drug discovery and development experience and a proven track record of success in the areas of viral infections and liver diseases. Most members of our management team have worked together across multiple companies, many for over a decade, and have been collectively involved in the discovery and/or development of a number of drugs that have been successfully commercialized, including Ganovo, Olysio, Sovaldi, Hepsera, Infergen, Valtrex, Sirturo, Neupogen, Andexxa and Esbriet, among others. In support of our management team, we also have assembled an industry-leading board of directors and a world-class group of scientific advisors with significant experience in drug development for viral and liver diseases. Finally, we have top-tier investors, including Boxer Capital of Tavistock Group, Cormorant Asset Management, Janus Henderson Investors, Logos Capital, Novo Holdings, Pivotal bioVenture Partners, Roche Venture Fund, Versant Ventures, Vivo Capital and Wellington Management Company.

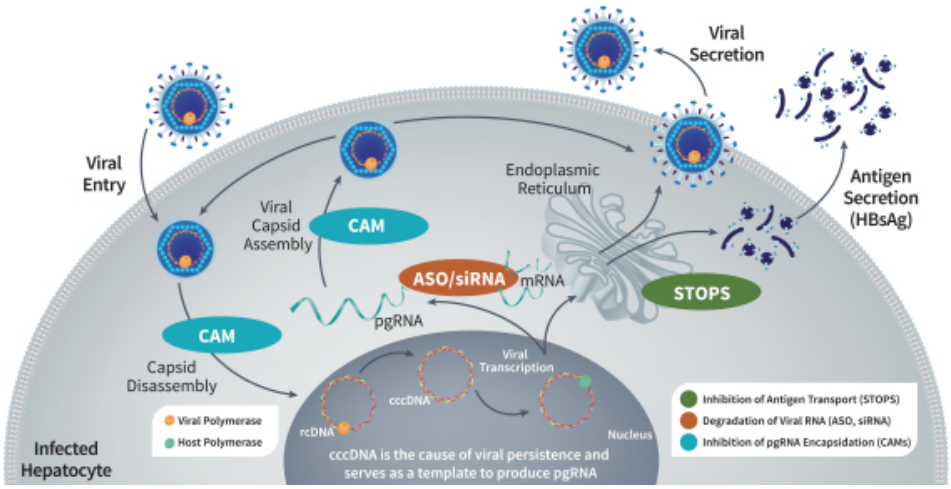
Our pipeline

Our pipeline is focused on viral and liver diseases for which there is a significant unmet medical need. We hold worldwide development and commercialization rights, including through exclusive licenses, to all of our drug candidates, which allows us to strategically maximize value from our product portfolio over time. Our drug candidates are summarized below:



Our most advanced drug candidates are for the treatment of CHB, a disease that affects more than 290 million people worldwide with approximately 30 million people becoming newly infected every year, despite the availability of an efficacious prophylactic vaccine. Approximately 900,000 people worldwide died from complications of CHB in 2015, according to the World Health Organization, and CHB is the primary cause of liver cancer worldwide. Currently approved therapies for CHB include pegylated forms of interferon-alfa ("peg-IFNa") and nucleos(t)ide analogs, which are designed to boost the body's immune response to the virus or inhibit viral replication, respectively. While these therapies have improved treatment outcomes for some patients with CHB, they have not been able to achieve meaningful rates of functional cure, which is the consensus goal of treatment and defined as a sustained loss of HBsAg with or without hepatitis B surface antibody seroconversion. Functional cure has been shown to greatly reduce the risk of developing certain other more serious downstream liver conditions, such as cirrhosis and ESLD.

Our clinical development strategy involves evaluating both Hepatitis B E-antigen ("HBeAg") positive and HBeAg negative CHB patient populations. HBeAg is typically present in earlier stages of the disease and is associated with higher rates of viral replication. During the natural course of the disease, HBeAg can be cleared and antibodies develop, resulting in an HBeAg negative state where viral replication is often lower. Patients with HBeAg negative CHB are typically older and have more progressive disease-related complications (e.g., fibrosis of the liver). In addition, their immune system is likely to be more exhausted by chronic exposure to HBsAg, which makes viral clearance more difficult. Although we plan to ultimately study both populations, due to the greater availability of patients with HBeAg negative CHB at investigational sites, we intend to study this population first.



Multiple steps in the HBV life cycle, including those involving capsid assembly and production and secretion of HBsAg, are known to be essential to sustain HBV infection. We have built a portfolio of CHB drug candidates directed against clinically validated targets at several critical stages of the HBV life cycle. Our CHB portfolio includes:

- **STOPS are protein-binding oligonucleotides that share structural similarity with nucleic acid polymers ("NAPs"), which have been reported in clinical trials to significantly reduce circulating HBsAg and result in high rates of functional cure when used in combination with nucleos(t)ide analogs and peg-IFNa. Our most**

advanced STOPS molecule is ALG-010133, which is currently being evaluated in a Phase 1 clinical trial. In nonclinical studies, ALG-010133 has demonstrated higher inhibitory activity than a reference NAP compound that is currently in clinical development.

- **CAMs** are small molecule antiviral agents that accelerate HBV capsid assembly and inhibit pregenomic RNA ("pgRNA") encapsidation, which reduces production of new virions capable of infecting other cells. CAMs may also inhibit the de novo establishment of covalently closed circular DNA ("cccDNA"), a major factor for the persistence of HBV infection, when introduced at the onset of infection. In clinical trials, other CAM drug candidates have demonstrated significant reductions in HBV DNA and pgRNA. However, it is likely that CAMs will need to be combined with other modalities that affect HBsAg in order to achieve functional cure. Our most advanced CAM drug candidate is ALG-000184, a prodrug of ALG-001075 which we plan to advance into a Phase 1 clinical trial in the second half of 2020. In nonclinical studies, we have shown that ALG-001075 has significantly enhanced potency compared to other CAMs in clinical development of which we are aware.
- **ASOs** are single-stranded DNA or RNA molecules that interfere with viral replication by binding to complementary messenger RNA ("mRNA"), allowing the combined ASO and mRNA to be degraded by the enzyme RNase H. Using our oligonucleotide discovery capabilities, we identified ALG-020572, an ASO that targets HBV mRNA and can reduce HBsAg production, which we plan to advance into clinical trials in the second half of 2021. In third-party clinical trials, ASOs targeting HBV mRNA have demonstrated significant reductions in HBsAg. Our ASO approach utilizes state of the art bioinformatics, proprietary stabilization chemistry and liver targeting technology that we believe provides a number of potential benefits compared to other ASO candidates of which we are aware, including increased potency, a higher barrier to resistance and broad genotype coverage.
- **siRNAs** are a class of double-stranded, non-coding RNA that interferes with viral replication by silencing gene expression. Multiple siRNAs have demonstrated significant reductions in HBsAg levels in clinical trials. Our oligonucleotide discovery capabilities resulted in the identification of ALG-125097, an siRNA drug candidate directed at HBV mRNA, which utilizes our proprietary liver targeting technology.

We believe that a combination of drugs capable of inhibiting HBV DNA replication and RNA packaging (e.g., using CAMs) while simultaneously suppressing HBsAg production (e.g., using STOPS molecules, ASO, and/or siRNA) has the potential to act additively or synergistically and may lead to a higher rate of functional cure. Our clinical development strategy is designed to evaluate safety and antiviral activity as monotherapy prior to evaluating multiple combinations of our CHB assets, with or without other currently available treatment modalities such as nucleos(t)ide analogs or peg-IFNa, to identify optimized combination regimens.

Our second development effort is focused on the treatment of NASH. An estimated 1.5% to 6.5% of the global population, or up to about 450 million people, was believed to have NASH as of 2015 and this is expected to increase significantly in the coming decade due to the adoption of Western dietary habits. In the absence of lifestyle modifications, the inflammation inherent in NASH persists and results in progressive fibrosis of the liver, which may lead to cirrhosis, ESLD, HCC, the need for liver transplant, and death. We believe one of the most promising pharmacologic approaches in development for NASH is a selective agonist of the beta subtype of the thyroid hormone receptor ("THR-b"), which, in clinical trials conducted by third parties, has demonstrated significant reduction in liver fat and inflammation, as well as the reduction in lipid levels in the serum, which may have important advantages in the NASH patient population that is at a high risk of cardiovascular co-morbidities. Utilizing our expertise in small molecule drug discovery, we identified ALG-055009, a once-daily oral THR-b agonist. In nonclinical studies, ALG-055009 has been shown to be substantially more potent compared to other THR-b agonists currently in development of which we are aware

and may avoid some of their potential safety liabilities while having the potential to achieve equal or better efficacy. As a result, we believe ALG-055009 has the potential to become an integral component of combination regimens to treat NASH. We intend to advance ALG-055009 into clinical development in the second half of 2021.

Our third area of focus is to develop pan-coronavirus treatment regimens. SARS-CoV-2 is responsible for the COVID-19 pandemic, which has been identified as a cause of more than 750,000 deaths worldwide as of August 2020. After MERS and SARS (SARS-CoV-1), SARS-CoV-2 is the third known coronavirus to have crossed over from animal species to humans in the past 20 years and cause significant morbidity and mortality. While multiple vaccines are likely to become available in the future, it is unlikely that a vaccine will be fully efficacious and widely adopted, indicating that the need for effective therapeutic treatments will remain. Currently, repurposed drugs which have not been optimized for the treatment of coronavirus infections are being studied to treat SARS-CoV-2, and there is a need for purpose-built drugs which are suitable across a broad range of coronaviruses, patient populations and clinical settings, including prophylactic and post-exposure settings. We believe that, similar to CHB, a combination of antiviral and/or immunomodulatory drugs which target multiple points in the viral replication cycle offers the best chance of success. To address this urgent, unmet medical need, we are in early stages of development for multiple drug candidates including nucleos(t)ide, siRNA/ASO and protease inhibitors that are specifically designed to interact with targets that are highly conserved across multiple coronaviruses. Each of these drug candidates is intended to have pan-coronavirus activity and to be used in combination regimens to maximize their antiviral activity.

Our strategy

Our strategy is to develop pharmacologically optimized drug candidates for use in combination regimens designed to achieve improved treatment outcomes. Our initial areas of focus are viral and liver diseases where our team can leverage their in-depth knowledge and expertise to develop potentially best-in-class combination regimens addressing large areas of unmet medical need. The core elements of our business strategy include:

- Developing improved drug candidates against clinically validated targets;
- Creating combination regimens to achieve better outcomes;
- Developing a functional cure for CHB;
- Expanding our development capabilities and pipeline; and
- Maximizing the value of our drug candidates.

Risks related to our business

Our ability to execute our business strategy is subject to numerous risks, including those described in the section titled “Risk factors” immediately following this prospectus summary. These risks include the following, among others:

- We are a clinical-stage biopharmaceutical company with a limited operating history and no products approved for commercial sale. We have incurred significant losses since inception. We expect to incur losses for at least the next several years and may never achieve or maintain profitability, which, together with our limited operating history, makes it difficult to assess our future viability.
- We have never generated revenue from product sales and may never be profitable.
- Even if this offering is successful, we will require substantial additional financing to achieve our goals, which may not be available on acceptable terms, or at all. A failure to obtain this necessary capital when needed could force us to delay, limit, reduce or terminate our product development or commercialization efforts.

- We are early in our development efforts, and our business is dependent on the successful development of our current and future drug candidates. If we are unable to advance our current or future drug candidates through clinical trials, obtain marketing approval and ultimately commercialize any drug candidates we develop, or experience significant delays in doing so, our business will be materially harmed.
- Our current or future drug candidates may cause undesirable side effects or have other properties when used alone or in combination with other approved products or investigational new drugs that could delay or halt their clinical development, prevent their marketing approval, limit their commercial potential or result in significant negative consequences.
- We depend on collaborations with third parties for the development of certain of our potential drug candidates, and we may depend on additional collaborations in the future for the development and commercialization of these or other potential candidates. If our collaborations are not successful, we may not be able to capitalize on the market potential of these drug candidates.
- We intend to develop our current drug candidates, and expect to develop other future drug candidates, in combination with other therapies, which exposes us to additional risks.
- We face significant competition, and if our competitors develop and market products that are more effective, safer or less expensive than the drug candidates we develop, our commercial opportunities will be negatively impacted.
- If we and our collaborators are unable to obtain, maintain, protect and enforce sufficient patent and other intellectual property protection for our drug candidates and technology, our competitors could develop and commercialize products and technology similar or identical to ours, and we may not be able to compete effectively in our market or successfully commercialize any drug candidates we may develop.
- Third parties may initiate legal proceedings alleging that we are infringing, misappropriating or otherwise violating their intellectual property rights, the outcome of which would be uncertain and could negatively impact the success of our business.
- We have entered into licensing agreements with third parties. If we fail to comply with our obligations in the agreements under which we license intellectual property rights to or from third parties, or these agreements are terminated, or we otherwise experience disruptions to our business relationships with our licensors or licensees, our competitive position, business, financial condition, results of operations and prospects could be harmed.
- We are highly dependent on our key personnel, and if we are not successful in attracting, motivating and retaining highly qualified personnel, we may not be able to successfully implement our business strategy.

Corporate information

We were founded in February 2018 as a Delaware corporation. Our principal executive offices are located at One Corporate Dr., 2nd Floor, South San Francisco, California 94080, and our telephone number is (800) 466-6059.

Our website address is www.aligos.com. The information on, or that can be accessed through, our website is not part of this prospectus and is not incorporated by reference herein. We have included our website address as an inactive textual reference only.

Implications of being an emerging growth company

We are an emerging growth company as defined in the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"). We will remain an emerging growth company until the earliest of: (1) the last day of the fiscal year following the fifth anniversary of the consummation of this offering, (2) the last day of the fiscal year in which we have total annual gross revenue of at least $1.07 billion, (3) the last day of the fiscal year in which we are deemed to be a "large accelerated filer" as defined in Rule 12b-2 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), which would occur if the market value of our common stock held by non-affiliates exceeded $700.0 million as of the last business day of the second fiscal quarter of such year or (4) the date on which we have issued more than $1.0 billion in non-convertible debt securities during the prior three-year period. An emerging growth company may take advantage of specified reduced reporting requirements and is relieved of certain other significant requirements that are otherwise generally applicable to public companies. As an emerging growth company:

- we will present in this prospectus only two years of audited annual financial statements, plus any required unaudited financial statements, and related management's discussion and analysis of financial condition and results of operations;
- we will avail ourselves of the exemption from the requirement to obtain an attestation and report from our independent registered public accounting firm on the assessment of our internal control over financial reporting pursuant to the Sarbanes-Oxley Act of 2002;
- we will provide less extensive disclosure about our executive compensation arrangements; and
- we will not require stockholder non-binding advisory votes on executive compensation or golden parachute arrangements.

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. This provision allows an emerging growth company to delay the adoption of some accounting standards until those standards would otherwise apply to private companies. We have elected to use the extended transition period for any other new or revised accounting standards during the period in which we remain an emerging growth company; however, we may adopt certain new or revised accounting standards early.

The offering

Common stock offered by us	shares.
Underwriters' option to purchase additional shares from us	We have granted the underwriters a 30-day option to purchase up to additional shares at the initial public offering price, less underwriting discounts and commissions.
Common stock to be outstanding immediately after this offering	shares (or shares if the underwriters exercise in full their option to purchase additional shares).
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, at an assumed initial public offering price of $ per share, the midpoint of the price range set forth on the cover of this prospectus, after deducting the underwriting discounts and commissions and estimated offering expenses payable by us. We currently expect to use the net proceeds from this offering to fund the advancement, including clinical development and manufacturing activities, of our STOPS candidate, ALG-010133, our CAM candidate, ALG-000184, our ASO candidate, ALG-020572, our siRNA candidate, ALG-125097 and our NASH THR-b candidate, ALG-055009, and to fund discovery and research to broaden our pipeline of drug and backup candidates, as well as 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 the section titled "Use of proceeds" on page 84 for a more complete description of the intended use of proceeds from this offering.
Risk factors	See the section titled "Risk factors" beginning on page 13 and other information included in this prospectus for a discussion of factors that you should consider carefully before deciding to invest in our common stock.
Proposed Nasdaq Global Market symbol	"ALGS "

The number of shares of common stock to be outstanding after this offering is based on 216,566,632 shares of common stock outstanding as of June 30, 2020, plus shares of common stock issuable pursuant to the conversion of our Series B-2 convertible preferred stock issued in 2020, and excludes the following:

- 20,938,237 shares of common stock issuable upon the exercise of outstanding stock options as of June 30, 2020 having a weighted-average exercise price of $0.34 per share;

- shares of common stock reserved for issuance pursuant to future awards under our 2020 Incentive Award Plan, which will become effective on the day prior to the first public trading date of our common stock, as well as any automatic increases in the number of shares of our common stock reserved for future issuance under this plan; and
- shares of common stock reserved for issuance under our 2020 Employee Stock Purchase Plan, which will become effective on the day prior to the first public trading date of our common stock, as well as any automatic increases in the number of shares of our common stock reserved for future issuance under this plan.

In addition, unless we specifically state otherwise, all information in this prospectus reflects and assumes the following:

- a -for- reverse stock split of our common stock and preferred stock to be effected prior to the effectiveness of the registration statement of which this prospectus is a part;
- the conversion of all 178,951,919 shares of our outstanding preferred stock as of June 30, 2020 into an equivalent number of shares of common stock immediately prior to the closing of this offering;
- the issuance of shares of our Series B-2 convertible preferred stock in 2020, and the conversion of such shares into an equal number of shares of common stock immediately prior to the completion of this offering;
- the issuance of shares of our common stock upon the net exercise of our Series A Warrants outstanding as of June 30, 2020 (which will automatically net exercise immediately prior to the closing of this offering if not earlier exercised), as a result of the conversion of shares of our Series A convertible preferred stock issuable upon the net exercise of our Series A Warrants and the automatic conversion of such shares of Series A convertible preferred stock into an equivalent number of shares of common stock immediately prior to the closing of this offering, based on an assumed initial public offering price of $ per share, the midpoint of the price range set forth on the cover page of this prospectus, and an exercise price of $1.00 per share;
- the filing and effectiveness of our amended and restated certificate of incorporation in Delaware and the adoption of our amended and restated bylaws, each of which will occur immediately prior to the closing of this offering;
- no exercise of outstanding stock options or outstanding Series A Warrants subsequent to June 30, 2020; and
- no exercise of the underwriters' option to purchase additional shares of common stock.

Unless otherwise specified and unless the context otherwise requires, in this prospectus, we refer to our Series A redeemable convertible preferred stock as our Series A convertible preferred stock, our Series B-1 redeemable convertible preferred stock as our Series B-1 convertible preferred stock and our Series B-2 redeemable convertible preferred stock as our Series B-2 convertible preferred stock, and collectively our Series A convertible preferred stock, Series B-1 convertible preferred stock and Series B-2 convertible preferred stock as our "preferred stock" (other than for financial reporting purposes and in the financial tables included in this prospectus). In this prospectus, we refer to our outstanding warrants to purchase shares of our Series A convertible preferred stock issued in April 2018 and June 2018 as our Series A Warrants.

Summary consolidated financial data

The following tables present our summary consolidated financial data. You should read this data together with our consolidated financial statements and related notes appearing elsewhere in this prospectus and the information under the sections titled "Selected consolidated financial data" and "Management's discussion and analysis of financial condition and results of operations." We refer to the year ended December 31, 2019 as "Fiscal 2019" and the period from February 5, 2018 to December 31, 2018 as "Fiscal 2018."

We have derived the consolidated summary statements of operations and comprehensive loss data for the years ended December 31, 2018 and 2019 (except for the pro forma net loss per share and the pro forma share information) from our audited consolidated financial statements and related notes included in this prospectus. The consolidated summary statements of operations and comprehensive loss data for the six months ended June 30, 2019 and 2020 and the balance sheet data as of June 30, 2020 have been derived from our unaudited consolidated financial statements included in this prospectus and have been prepared on the same basis as the audited consolidated financial statements. Results for historical periods may not be indicative of results expected for future periods, and results for the six months ended June 30, 2020 may not be indicative of results expected for the full year or any other period.

	Fiscal		Six Months Ended June 30,	
	2018	2019	2019	2020
	(in thousands, except share and per share data)			
Consolidated Statements of Operations Data				
Operating expenses:				
Research and development	$ 10,456	$ 44,038	$ 17,336	$ 34,478
General and administrative	3,205	10,005	3,767	7,514
Total operating expenses	13,661	54,043	21,103	41,992
Loss from operations	(13,661)	(54,043)	(21,103)	(41,992)
Interest and other income (expense), net	(272)	1,864	1,073	1,108
Loss before income tax expense	(13,933)	(52,179)	(20,030)	(40,884)
Income tax expense	—	(85)	—	58
Net loss	(13,933)	(52,264)	(20,030)	(40,826)
Other comprehensive (loss) income:				
Unrealized gain (loss) on pension plans	3	(118)	(46)	27
Unrealized gain on available-for-sale investments	—	—	—	238
Comprehensive loss	$ (13,930)	$ (52,382)	$ (20,076)	$ (40,561)
Net loss per share, basic and diluted(1)	$ (1.25)	$ (2.78)	$ (1.24)	$ (1.60)
Weighted average shares of common stock, basic and diluted	11,107,095	18,823,148	16,173,043	25,441,974
Pro forma net loss per share, basic and diluted (unaudited)(2)		$ (0.26)		$ (0.20)
Pro forma weighted average shares of common stock, basic and diluted (unaudited)		197,435,055		204,393,893

(1) See Note 16 to our audited consolidated financial statements and Note 13 to our unaudited consolidated financial statements appearing elsewhere in this prospectus for details on the calculation of basic and diluted net loss per share.

(2) See Note 17 to our audited consolidated financial statements and Note 14 to our unaudited consolidated financial statements appearing elsewhere in this prospectus for details on the calculation of basic and diluted pro forma net loss per share.

	As of June 30, 2020		
	Actual	Pro forma	Pro forma as adjusted(1)
			(in thousands)
Consolidated Balance Sheet Data:			
Cash, cash equivalents and investments	$ 88,122		
Working capital(2)	76,090		
Total assets	107,901		
Current liabilities	15,364		
Redeemable convertible preferred stock liabilities	2,810		
Operating lease liabilities, net of current portion	11,106		
Redeemable convertible preferred stock	182,566		
Accumulated deficit	(107,023)		
Total stockholders' (deficit) equity	(104,573)		

(1) Each $1.00 increase (decrease) in the assumed initial public offering price of $ per share (the midpoint of the price range set forth on the cover of this prospectus), would increase (decrease) the amount of each of cash, cash equivalents and investments, working capital, total assets and total stockholders' (deficit) equity by $ million, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the underwriting discounts and commissions and estimated offering expenses payable by us. We may also increase (decrease) the number of shares we are offering. Each increase (decrease) of 1,000,000 in the number of shares we are offering would increase (decrease) the amount of each of cash, cash equivalents and investments, working capital, total assets and total stockholders' (deficit) equity by $ million, assuming the assumed initial public offering price of $ per share (the midpoint of the price range set forth on the cover of this prospectus), remains the same and after deducting the underwriting discounts and commissions and estimated offering expenses payable by us. The pro forma as adjusted information is illustrative only and we will adjust this information based on the actual initial public offering price and other terms of this offering determined at pricing.

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

The preceding table presents our consolidated balance sheet data as of June 30, 2020:

- on an actual basis;
- on a pro forma basis to give effect to: (i) the conversion of all 178,951,919 shares of our preferred stock outstanding as of June 30, 2020 into an equivalent number of shares of our common stock, which will be effective immediately prior to the closing of this offering; (ii) the issuance of shares of our Series B-2 convertible preferred stock in 2020, and the subsequent conversion of such shares into an equal number of shares of common stock; (iii) the issuance of shares of our common stock upon the net exercise of our Series A Warrants outstanding as of June 30, 2020 (which will automatically net exercise immediately prior to the closing of this offering if not earlier exercised), as a result of the conversion of shares of our Series A convertible preferred stock issuable upon the net exercise of our Series A Warrants and the automatic conversion of such shares of Series A convertible preferred stock into an equivalent number of shares of common stock immediately prior to the closing of this offering, based on an assumed initial public offering price of $ per share, the midpoint of the price range set forth on the cover page of this prospectus, and an exercise price of $1.00 per share; and (iv) the filing and effectiveness of our amended and restated certificate of incorporation, which will occur immediately prior to the closing of this offering; and
- on a pro forma as adjusted basis to give further effect to the sale of shares of common stock in this offering at an assumed initial public offering price of $ per share, the midpoint of the price range set forth on the cover of this prospectus, after deducting the underwriting discounts and commissions and estimated offering expenses payable by us.

Risk factors

Investing in our common stock involves a high degree of risk. You should carefully consider the risks described below, as well as the other information in this prospectus, including our consolidated financial statements and the related notes and "Management's discussion and analysis of financial condition and results of operations," before deciding whether to invest in our common stock. Many of the following risks and uncertainties are, and will be, exacerbated by the coronavirus pandemic ("COVID-19") and any worsening of the global business and economic environment as a result. The occurrence of any of the events or developments described below could harm our business, financial condition, results of operations and growth prospects. In such an event, the market price of our common stock could decline, and you may lose all or part of your investment. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business operations.

Risks related to our limited operating history, financial position and need for additional capital

We are a clinical-stage biopharmaceutical company with a limited operating history and no products approved for commercial sale. We have incurred significant losses since inception. We expect to incur losses for at least the next several years and may never achieve or maintain profitability, which, together with our limited operating history, makes it difficult to assess our future viability.

Biopharmaceutical product development is a highly speculative undertaking and involves a substantial degree of risk. We are a clinical-stage biopharmaceutical company, and we have only a limited operating history upon which you can evaluate our business and prospects. We currently have no products approved for commercial sale, have not generated any revenue from sales of products and have incurred losses in each year since our inception in February 2018. In addition, we have limited experience as a company and have not yet demonstrated an ability to successfully overcome many of the risks and uncertainties frequently encountered by companies in new and rapidly evolving fields, particularly in the biopharmaceutical industry. Only one of our drug candidates, ALG-010133, is currently in clinical development.

Since inception, we have incurred significant net losses. Our net losses were $13.9 million for the period from February 5, 2018 (date of inception) to December 31, 2018, $52.3 million for the year ended December 31, 2019 and $40.8 million for the six months ended June 30, 2020. As of June 30, 2020, we had a total stockholders' deficit of $104.6 million. We have funded our operations to date primarily with proceeds from the sale of preferred stock and convertible notes. To date, we have devoted substantially all of our resources to organizing and staffing our company, business planning, raising capital, acquiring and discovering development programs, securing intellectual property rights and conducting discovery, research and development activities for our programs. We have not yet demonstrated our ability to successfully complete any clinical trials, including pivotal 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. Our drug candidates will require substantial additional development time and resources before we will be able to apply for or receive regulatory approvals and, if approved, begin generating revenue from product sales. We expect to continue to incur significant expenses and operating losses for the foreseeable future.

We have never generated revenue from product sales and may never be profitable.

Our ability to generate revenue from product sales and achieve profitability depends on our ability, alone or with our collaboration partners, to successfully complete the development of, and obtain the regulatory approvals necessary to commercialize, our drug candidates. We do not anticipate generating revenue from

product sales for the next several years, if ever. Our ability to generate revenue from product sales depends heavily on our and our current and potential future collaborators' success in:

- completing clinical and nonclinical development of drug candidates and programs and identifying and developing new drug candidates;
- seeking and obtaining marketing approvals for any drug candidates that we develop;
- launching and commercializing drug candidates for which we obtain marketing approval by establishing a sales force, marketing, medical affairs and distribution infrastructure or, alternatively, collaborating with a commercialization partner;
- achieving adequate coverage and reimbursement by third-party payors for drug candidates that we develop;
- establishing and maintaining supply and manufacturing relationships with third parties that can provide adequate, in both amount and quality, products and services to support clinical development and the market demand for drug candidates that we develop, if approved;
- obtaining market acceptance of drug candidates that we develop as viable treatment options;
- addressing any competing technological and market developments;
- negotiating favorable terms in any collaboration, licensing or other arrangements into which we may enter and performing our obligations in such collaborations;
- maintaining, protecting, enforcing and expanding our portfolio of intellectual property rights, including patents, trade secrets and know-how;
- defending against third-party interference, infringement or other intellectual property-related claims, if any; and
- attracting, hiring and retaining qualified personnel.

Even if one or more of the drug candidates that we develop is approved for commercial sale, we anticipate incurring significant costs associated with commercializing any approved drug candidate. Our expenses could increase beyond expectations if we are required by the U.S. Food and Drug Administration (the "FDA"), the European Medicines Agency (the "EMA"), or other regulatory agencies to perform clinical trials or studies in addition to those that we currently anticipate. Even if we are able to generate revenue from the sale of any approved products, we may not become profitable and may need to obtain additional funding to continue operations.

Even if this offering is successful, we will require substantial additional financing to achieve our goals, which may not be available on acceptable terms, or at all. A failure to obtain this necessary capital when needed could force us to delay, limit, reduce or terminate our product development or commercialization efforts.

Our operations have consumed substantial amounts of cash since our inception. Since our inception, we have invested a significant portion of our efforts and financial resources in research and development activities for our initial nonclinical and clinical drug candidates. Nonclinical studies and clinical trials and additional research and development activities will require substantial funds to complete. As of June 30, 2020, we had cash, cash equivalents and investments of $88.1 million. We expect to continue to spend substantial amounts to continue the nonclinical and clinical development of our current and future programs. If we are able to gain marketing approval for drug candidates that we develop, we will require significant additional amounts of cash in order to launch and commercialize such drug candidates. In addition, other unanticipated costs may arise.

Because the design and outcome of our planned and anticipated clinical trials is highly uncertain, we cannot reasonably estimate the actual amounts necessary to successfully complete the development and commercialization of any drug candidate we develop.

Our future capital requirements depend on many factors, including:

- the scope, progress, results and costs of researching and developing our drug candidates and programs, and of conducting nonclinical studies and clinical trials;
- the timing of, and the costs involved in, obtaining marketing approvals for drug candidates we develop if clinical trials are successful;
- the cost of commercialization activities for our current drug candidates, and any future drug candidates we develop, whether alone or in collaboration, including marketing, sales and distribution costs if our current drug candidates or any future drug candidate we develop is approved for sale;
- the cost of manufacturing our current and future drug candidates for clinical trials in preparation for marketing approval and commercialization;
- our ability to establish and maintain strategic licenses or other arrangements and the financial terms of such agreements;
- the costs involved in preparing, filing, prosecuting, maintaining, expanding, defending and enforcing patent claims, including litigation costs and the outcome of such litigation;
- the timing, receipt and amount of sales of, or profit share or royalties on, our future products, if any;
- the emergence of competing therapies for hepatological indications and viral diseases and other adverse market developments; and
- any acquisitions or in-licensing of other programs or technologies.

We expect to finance our cash needs through a combination of public or private equity offerings, debt financings, collaborations, strategic alliances, licensing arrangements and other marketing or distribution arrangements. In addition, we may seek additional capital to take advantage of favorable market conditions or strategic opportunities even if we believe we have sufficient funds for our current or future operating plans. Based on our research and development plans, we expect that the net proceeds from this offering, together with our existing cash, cash equivalents and investments, will enable us to fund our operations for at least 12 months following the date of this offering. However, our operating plan may change as a result of many factors currently unknown to us, and we may need to seek additional funds sooner than planned. Moreover, it is particularly difficult to estimate with certainty our future expenses given the dynamic nature of our business, the COVID-19 pandemic and the macro-economic environment generally.

Our ability to raise additional funds will depend on financial, economic and other factors, many of which are beyond our control. In particular, the COVID-19 pandemic continues to rapidly evolve and has already resulted in a significant disruption of global financial markets. If the disruption persists or deepens, we could be unable to access additional capital, which could negatively affect our ability to consummate certain corporate development transactions or other important, beneficial or opportunistic investments. If additional funds are not available to us when we need them, on terms that are acceptable to us, or at all, we may be required to:

- delay, limit, reduce or terminate nonclinical studies, clinical trials or other research and development activities or eliminate one or more of our development programs altogether; or

- delay, limit, reduce or terminate our efforts to establish manufacturing and sales and marketing capabilities or other activities that may be necessary to commercialize any future approved products, or reduce our flexibility in developing or maintaining our sales and marketing strategy.

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

To date, we have primarily financed our operations through the sale of preferred stock and convertible notes. We will be required to seek additional funding in the future and may to do so through public or private equity offerings or debt financings, credit or loan facilities, collaborations or a combination of one or more of these funding sources. If we raise additional funds by issuing equity securities, our stockholders may suffer dilution and the terms of any equity financing may adversely affect the rights of our stockholders. In addition, as a condition to providing additional funds to us, future investors may demand, and may be granted, rights superior to those of existing stockholders. Debt financing, if available, is likely to involve restrictive covenants limiting our flexibility in conducting future business activities, and, in the event of insolvency, debt holders would be repaid before holders of our equity securities received any distribution of our corporate assets. If we raise additional capital through marketing and distribution arrangements or other collaborations, strategic alliances or licensing arrangements with third parties, we may have to relinquish certain valuable rights to our drug candidates, technologies, future revenue streams or research programs or grant licenses on terms that may not be favorable to us. Attempting to secure additional financing may also divert our management's attention from our day-to-day activities, which may adversely affect our ability to develop our drug candidates.

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

Our quarterly and annual operating results may fluctuate significantly, which will make it difficult for us to predict our future results. These fluctuations may occur due to a variety of factors, many of which are outside of our control and may be difficult to predict, including:

- the timing and cost of, and level of investment in, research, development and commercialization activities, which may change from time to time;
- the timing and status of enrollment for our clinical trials;
- the timing of regulatory approvals, if any, in the United States and internationally;
- the timing of expanding our operational, financial and management systems and personnel, including personnel to support our clinical development, quality control, manufacturing and commercialization efforts and our operations as a public company;
- the cost of manufacturing, as well as building out our supply chain, which may vary depending on the quantity produced, and the terms of any agreements we enter into with third-party suppliers;
- the timing and amount of any milestone, royalty or other payments due under any current or future collaboration or license agreement, including our existing license agreements with Emory University ("Emory") and Luxna Biotech Co., Ltd. ("Luxna");
- coverage and reimbursement policies with respect to any future approved products, and potential future drugs that compete with our products;
- the timing and cost to establish a sales, marketing, medical affairs and distribution infrastructure to commercialize any products for which we may obtain marketing approval and intend to commercialize on our own or jointly with current or future collaborators;

- expenditures that we may incur to acquire, develop or commercialize additional products and technologies;
- the level of demand for any future approved products, which may vary significantly over time;
- future accounting pronouncements or changes in accounting principles or our accounting policies; and
- the timing and success or failure of nonclinical studies and clinical trials for our drug candidates or competing drug candidates, or any other change in the competitive landscape of our industry, including consolidation among our competitors or collaboration partners.

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

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

Our business could be materially adversely affected by the effects of health pandemics or epidemics, including the current outbreak of COVID-19 and future coronavirus outbreaks, and in particular in regions where we or third parties on which we rely have significant manufacturing facilities, concentrations of clinical trial sites or other business operations, including the San Francisco Bay Area where our headquarters are located.

Our business could be materially adversely affected by the effects of health pandemics or epidemics, including the current outbreak of COVID-19, which the World Health Organization declared a global pandemic and which has prompted severe lifestyle and commercial restrictions aimed at reducing the spread of the disease. In March 2020, the San Francisco Bay Area counties issued a joint shelter-in-place order, which was subsequently followed by a California state-wide shelter order, and other state and local governments implemented similar orders which, among other things, directed individuals to shelter at their places of residence, directed businesses and governmental agencies to cease non-essential operations at physical locations, prohibited certain non-essential gatherings, and ordered cessation of non-essential travel. As a result of these developments, we implemented work-from-home policies for most of our employees. The California state-wide order has no current expiration date. The state-wide shelter order, the local shelter-in-place orders implemented by San Mateo County and any other San Francisco Bay Area counties, government-imposed quarantines and our work-from-home policies may negatively impact productivity, disrupt our business and delay our clinical programs and timelines, the magnitude of which will depend, in part, on the length and severity of the restrictions, the potential impact of changing government orders in response to upticks in COVID-19 cases and other limitations on our ability to conduct our business in the ordinary course. Although we do not anticipate any impacts to our clinical programs, these and similar, and perhaps more severe, disruptions in our operations could negatively impact our business, operating results and financial condition in the future.

Quarantines, shutdowns and shelter-in-place and similar government orders related to COVID-19 or other infectious diseases, or the perception that such events, orders or other restrictions on the conduct of business operations could occur, could impact personnel at third-party manufacturing facilities in the United States and other countries, or the availability or cost of materials, which would disrupt our supply chain. Although we do not anticipate any clinical supply issues or concerns for our planned clinical trials, restrictions resulting from the COVID-19 outbreak may disrupt our supply chain in the future and delay or limit our ability to obtain sufficient materials for our drug candidates.

In addition, our current clinical trial and planned clinical trials may be affected by the ongoing COVID-19 pandemic. Site initiation and patient enrollment may be delayed due to prioritization of hospital resources toward the COVID-19 pandemic, and potential patients may not be able or willing to comply with clinical trial protocols, whether due to quarantines impeding patient movement or interrupting healthcare services, or due to potential patient concerns regarding interactions with medical facilities or staff. Similarly, our ability to recruit and retain principal investigators and site staff who, as healthcare providers, may have heightened exposure to COVID-19, may be delayed or disrupted, which may adversely impact our clinical trial operations.

In addition, the global COVID-19 pandemic has adversely affected, and any future significant outbreak of contagious diseases in the human population could similarly adversely affect, the economies and financial markets of many countries, including the United States, resulting in an economic downturn that could suppress demand for our future products. Any of these events could have a material adverse effect on our business, financial condition, results of operations or cash flows.

In addition, while the duration and severity of the effects of COVID-19 may be difficult to assess or predict, a continuing widespread pandemic could result in significant disruption of global financial markets, reducing our ability to access capital, which could negatively affect our liquidity and ability to progress our operations. In addition, a recession, down-turn or market correction resulting from the COVID-19 pandemic could materially adversely affect the value of our common stock.

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

Our results of operations could be adversely affected by general conditions in the global economy and in the global financial markets. For example, the 2008 global financial crisis caused extreme volatility and disruptions in the capital and credit markets. A severe or prolonged economic downturn, such as the 2008 global financial crisis, could result in a variety of risks to our business, including, weakened demand for any drug candidates we may develop and our ability to raise additional capital when needed on acceptable terms, if at all. A weak or declining economy could also strain our suppliers, possibly resulting in supply disruption. If the current equity and credit markets deteriorate, it may make any necessary debt or equity financing more difficult, more costly, and more dilutive. Failure to secure any necessary financing in a timely manner and on favorable terms could have a material adverse effect on our growth strategy, financial performance and stock price and could require us to delay or abandon clinical development plans. In addition, there is a risk that one or more of our current service providers, manufacturers or other partners may not survive such difficult economic times, which could directly affect our ability to attain our operating goals on schedule and on budget. Any of the foregoing could harm our business and we cannot anticipate all of the ways in which the current economic climate and financial market conditions could adversely impact our business. Furthermore, our stock price may decline due in part to the volatility of the stock market and any general economic downturn.

Risks related to product development and regulatory process

We are early in our development efforts, and our business is dependent on the successful development of our current and future drug candidates. If we are unable to advance our current or future drug candidates through clinical trials, obtain marketing approval and ultimately commercialize any drug candidates we develop, or experience significant delays in doing so, our business will be materially harmed.

Our clinical development efforts across our drug candidates are in an early stage. In August 2020, we initiated a clinical trial for our most advanced drug candidate, ALG-010133, in New Zealand. Our other programs are in the discovery or nonclinical development stage. We have invested substantially all of our efforts and financial resources in the identification of targets and nonclinical development of therapeutics to address hepatological

indications and viral diseases. However, the biology of these indications and diseases is complex and not completely understood, and our current and future drug candidates may never achieve expected or functional levels of efficacy or achieve an acceptable safety profile. Our use of clinically validated targets to pursue treatments of these indications and diseases does not guarantee efficacy or safety or necessarily reduce the risk that our current or future drug candidates will not achieve expected or functional levels of efficacy or achieve an acceptable safety profile.

The success of our business, including our ability to finance our company and generate revenue from products in the future, which we do not expect will occur for several years, if ever, will depend heavily on the successful development and eventual commercialization of the drug candidates we develop, which may never occur. Our current drug candidates, and any future drug candidates we develop, will require additional nonclinical and clinical development, management of clinical, nonclinical and manufacturing activities, marketing approval in the United States and other markets, demonstrating effectiveness to pricing and reimbursement authorities, obtaining sufficient manufacturing supply for both clinical development and commercial production, building of a commercial organization, and substantial investment and significant marketing efforts before we generate any revenues from product sales.

As an organization, we have not yet completed any clinical trials for any of our drug candidates. Our lead drug candidate, ALG-010133, is currently being evaluated in a Phase 1 clinical trial in New Zealand. As a company, we have limited experience in preparing, submitting and prosecuting regulatory filings. Specifically, we have not previously submitted a new drug application (“NDA”) to the FDA or similar approval filings to a comparable foreign regulatory authority for any drug candidate. An NDA or other relevant regulatory filing must include extensive nonclinical and clinical data and supporting information to establish that the drug candidate is safe and effective for each desired indication. The NDA or other comparable regulatory filing must also include significant information regarding the chemistry, manufacturing and controls for the product. We have had limited interactions with the FDA and cannot be certain how many clinical trials of any of our drug candidates will be required or whether the FDA will agree with the design or implementation of our clinical trials. In addition, we cannot be certain that our current or future drug candidates will be successful in clinical trials such that the information contained in an NDA or comparable regulatory filing would support approval, and thus we cannot guarantee that any of our drug candidates will receive regulatory approval. Further, even if our current or future drug candidates are successful in clinical trials, such candidates may not receive regulatory approval. If we do not receive regulatory approvals for current or future drug candidates, we may not be able to continue our operations. Even if we successfully obtain regulatory approval to market a drug candidate, our revenue will depend, in part, upon the size of the markets in the territories for which we gain regulatory approval and have commercial rights, as well as the availability of competitive products, third-party reimbursement and adoption by physicians.

We plan to seek regulatory approval to commercialize our drug candidates both in the United States and in select foreign countries. While the scope of regulatory approval in other countries is generally similar to that in the United States, in order to obtain separate regulatory approval in other countries we must comply with numerous and varying regulatory requirements of such countries regarding safety and efficacy. Other countries also have their own regulations governing, among other things, clinical trials and commercial sales, as well as pricing and distribution of drugs, and we may be required to expend significant resources to obtain regulatory approval and to comply with ongoing regulations in these jurisdictions.

The success of our current and future drug candidates will depend on many factors, which may include the following:

- sufficiency of our financial and other resources to complete the necessary nonclinical studies and clinical trials, and our ability to raise any additional required capital on acceptable terms, or at all;

- our ability to develop and successfully utilize our drug discovery platforms;
- the timely and successful completion of our nonclinical studies and clinical trials, which may be significantly slower or cost more than we currently anticipate and will depend substantially upon the performance of third-party contractors;
- acceptance of investigational new drug applications ("INDs"), CTAs and/or similar applications in other jurisdictions for our planned and future clinical trials;
- whether we are required by the FDA or a comparable foreign regulatory agency to conduct additional clinical trials or other studies beyond those planned to support approval of our drug candidates;
- successful enrollment and completion of clinical trials;
- successful data from our clinical program that supports an acceptable risk-benefit profile of our drug candidates in the intended populations;
- receipt and maintenance of marketing approvals from applicable regulatory authorities;
- establishing agreements with third-party manufacturers for clinical supply for our clinical trials and commercial manufacturing, if our drug candidates are approved;
- our ability, and the ability of any third parties with whom we contract, to remain in good standing with regulatory agencies and develop, validate and maintain commercially viable manufacturing processes that are compliant with current good manufacturing practices ("cGMPs");
- entry into collaborations to further the development of our drug candidates in select indications or geographies;
- obtaining, maintaining and expanding our portfolio of intellectual property rights, including patents, trade secrets and know-how;
- enforcing and defending our intellectual property rights and having and successfully executing an intellectual property life cycle management strategy that supports long-term product development and commercialization goals;
- obtaining and maintaining regulatory exclusivity for our drug candidates;
- successfully launching commercial sales of our drug candidates, if approved;
- acceptance of the drug candidate's benefits and uses, if approved, by patients, the medical community and third-party payors;
- the prevalence, duration and severity of potential side effects or other safety issues experienced with our drug candidates following approval;
- effectively competing with other therapies; and
- obtaining and maintaining healthcare coverage and adequate reimbursement from third-party payors.

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 obtain approval of or commercialize the drug candidates we develop, which would materially harm our business. If we do not receive marketing approvals for our current or future drug candidates, we may not be able to continue our operations. Even if regulatory approvals are obtained, we may never be able to successfully commercialize any products. Accordingly, we cannot provide assurances that we will be able to generate sufficient revenue through the sale of products to continue our business.

Nonclinical development is uncertain. Our nonclinical programs may experience delays or may never advance to clinical trials, which would adversely affect our ability to obtain regulatory approvals or commercialize our drug candidates on a timely basis or at all, which would have an adverse effect on our business.

In order to obtain approval from the FDA and other major regulatory agencies in non-U.S. countries to market a new drug candidate, we must demonstrate proof of safety and efficacy in humans. To meet these requirements, we will have to conduct adequate and well-controlled clinical trials. Before we can commence clinical trials for a drug candidate, we must complete extensive nonclinical studies that support our planned INDs or CTAs in the United States and other countries. At this time, we have one drug candidate being evaluated in a clinical trial in New Zealand, ALG-010133. The rest of our programs are in nonclinical research or earlier stages of development, including our other chronic hepatitis B ("CHB") drug candidates, our nonalcoholic steatohepatitis ("NASH") drug candidate and our coronavirus drug candidates. We cannot be certain of the timely completion or outcome of our nonclinical studies and cannot predict if the FDA or other regulatory authorities will accept our proposed clinical programs or if the outcome of our nonclinical studies will ultimately support further development of our programs. In addition, the FDA may decline to accept the data we obtain from foreign clinical studies in support of an IND or NDA in the United States, which may require us to repeat or conduct additional nonclinical studies or clinical trials that we did not anticipate in the United States. As a result, we cannot be sure that we will be able to submit INDs in the United States, or CTAs or similar applications in other jurisdictions, on the timelines we expect, if at all, and we cannot be sure that submission of INDs, CTAs or similar applications will result in the FDA or other regulatory authorities allowing additional clinical trials to begin.

Conducting nonclinical testing is a complex, lengthy, time-consuming and expensive process. The length of time may vary substantially according to the type, complexity and novelty of the program, and often can take several years or more per program. Delays associated with programs for which we are directly conducting nonclinical studies may cause us to incur additional operating expenses. Moreover, we may be affected by delays associated with the studies of certain programs that are the responsibility of potential future partners, if any, over which we have no control. The commencement and rate of completion of nonclinical studies and clinical trials for a drug candidate may be delayed by many factors, including:

- inability or failure by us or third parties to comply with regulatory requirements, including the requirements of good laboratory practice ("GLP");
- inability to generate sufficient nonclinical or other in vivo or in vitro data to support the initiation of clinical studies;
- delays in reaching a consensus with regulatory agencies on study design and obtaining regulatory authorization to commence clinical trials;
- obtaining sufficient quantities of our drug candidates for use in nonclinical studies and clinical trials from third-party suppliers on a timely basis;
- delays due to the COVID-19 pandemic, including due to reduced workforce productivity as a result of our implementation of a temporary work-from-home policy or illness among personnel, or due to delays at our third-party contract research organizations throughout the world for similar reasons or due to restrictions imposed by applicable governmental authorities; and
- delays due to other global-scale potentially catastrophic events, including other pandemics, terrorism, war, and climate changes.

Moreover, even if candidates from our drug programs advance into clinical trials, our development efforts may not be successful, and clinical trials that we conduct or that third parties conduct on our behalf may not

demonstrate sufficient safety or efficacy to obtain the requisite regulatory approvals for any drug candidates we develop. Even if we obtain positive results from nonclinical studies or initial clinical trials, we may not achieve the same success in future trials.

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

The time required to obtain approval by the FDA, the EMA and comparable foreign authorities is unpredictable but typically takes many years following the commencement of clinical trials and depends upon numerous factors, including the substantial discretion of the regulatory authorities. In addition, approval policies, regulations, or the type and amount of clinical data necessary to gain approval may change during the course of a drug candidate's clinical development and may vary across jurisdictions. We have not obtained regulatory approval for any drug candidate and it is possible that none of our current or future drug candidates will ever obtain regulatory approval.

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

- the FDA, the EMA or comparable foreign regulatory authorities may disagree with the design or implementation of our clinical trials;
- we may be unable to demonstrate to the satisfaction of the FDA, the EMA or comparable foreign regulatory authorities that a drug candidate is safe or effective for its proposed indication;
- the results of clinical trials may not meet the level of statistical significance required by the FDA, the EMA or comparable foreign regulatory authorities for approval;
- we may be unable to demonstrate that a drug candidate's clinical and other benefits outweigh its safety risks;
- the FDA, the EMA or comparable foreign regulatory authorities may disagree with our interpretation of data from clinical trials or nonclinical studies;
- the data collected from clinical trials of our drug candidates may not be sufficient to support the submission of an NDA to the FDA or other submission or to obtain regulatory approval in the United States, the European Union or elsewhere;
- the FDA, the EMA or comparable foreign regulatory authorities may find deficiencies with or fail to approve the manufacturing processes or facilities of third-party manufacturers with which we contract for clinical and commercial supplies; and
- the approval policies or regulations of the FDA, the EMA or 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 clinical trial results may result in our failing to obtain regulatory approval to market any drug candidate we develop, which would significantly harm our business, results of operations and prospects. The FDA, the EMA and other comparable foreign authorities have substantial discretion in the approval process, and in determining when or whether regulatory approval will be obtained for any drug candidate that we develop. Even if we believe the data collected from future clinical trials of our drug candidates are promising, such data may not be sufficient to support approval by the FDA, the EMA or any other regulatory authority.

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

We cannot be certain that any of our programs will be successful in clinical trials or receive regulatory approval. Further, drug candidates we develop may not receive regulatory approval even if they are successful in clinical trials. If we do not receive regulatory approvals for our drug candidates, we may not be able to continue our operations.

Clinical product development involves a lengthy and expensive process, with uncertain outcomes. We may experience delays in completing, or ultimately be unable to complete, the development and commercialization of our current and future drug candidates, which could result in increased costs to us, delay or limit our ability to generate revenue and adversely affect our business, financial condition, results of operations and prospects.

To obtain the requisite regulatory approvals to commercialize any of our drug candidates, we must demonstrate through extensive nonclinical studies and clinical trials that our products are safe and effective in humans. Clinical trials are expensive and can take many years to complete, and their outcomes are inherently uncertain. Failure can occur at any time during the clinical trial process and our future clinical trial results may not be successful.

We may experience delays in completing our clinical trials and initiating or completing additional clinical trials. We may also experience numerous unforeseen events prior to, during, or as a result of our nonclinical studies or clinical trials that could delay or prevent our ability to receive marketing approval or commercialize the drug candidates we develop, including:

- regulators, Institutional Review Boards (“IRBs”) or ethics committees may not authorize us or our investigators to commence a clinical trial or conduct a clinical trial at a prospective trial site;
- we may experience delays in reaching, or fail to reach, agreement on acceptable terms with prospective trial sites and prospective contract research organizations (“CROs”);
- the number of patients required for clinical trials may be larger than we anticipate;
- it may be difficult to enroll a sufficient number of suitable patients, or enrollment in these clinical trials may be slower than we anticipate or participants may drop out of these clinical trials or fail to return for post-treatment follow-up at a higher rate than we anticipate;
- our third-party contractors may fail to comply with regulatory requirements or meet their contractual obligations to us in a timely manner, or at all, or may deviate from the clinical trial protocol or drop out of the trial, which may require us to add new clinical trial sites or investigators;
- the supply or quality of materials for drug candidates we develop or other materials necessary to conduct clinical trials may be insufficient or inadequate; and
- we may experience disruptions by man-made or natural disasters or public health pandemics or epidemics or other business interruptions, including the current COVID-19 pandemic and future outbreaks of the disease.

We could encounter delays if a clinical trial is suspended or terminated by us, by the IRBs or ethics committees of the institutions in which such trials are being conducted, by a Data Safety Monitoring Board for such trial or by the FDA or other 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 other 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 product, changes in governmental regulations or administrative actions or lack of adequate funding to continue the clinical trial. Many of the factors that cause, or lead to, a delay in the commencement or completion of clinical trials may also ultimately lead to the denial of marketing approval of our drug candidates.

Further, we are currently conducting a clinical trial for ALG-010133 in New Zealand and may in the future conduct clinical trials for ALG-010133 and other drug candidates in other countries, which presents additional risks that may delay completion of our clinical trials. These risks include the possibility that we could be required to conduct additional nonclinical studies before initiating any clinical trials, may be unable to enroll and retain patients as a result of differences in healthcare services, research guidelines or cultural customs, or may face additional administrative burdens associated with comparable foreign regulatory schemes, as well as political and economic risks relevant to such foreign countries.

If we experience termination or delays in the completion of any clinical trial of our drug candidates, the commercial prospects of our drug candidates will be harmed, and our ability to generate product revenues from any of these drug candidates will be delayed. In addition, any delays in completing our clinical trials will increase our costs, slow down our drug candidate development and approval process and jeopardize our ability to commence product sales and generate revenues. Significant clinical trial delays could also allow our competitors to bring products to market before we do, shorten any periods during which we may have the exclusive right to commercialize our drug candidates, impair our ability to commercialize our drug candidates and harm our business and results of operations.

Specifically, the clinical trial sites for our current and future planned drug trials, including for ALG-010133, may be affected by the COVID-19 outbreak due to prioritization of hospital resources toward COVID-19 efforts, travel or quarantine restrictions imposed by national, federal, state or local governments, and the inability to access sites for initiation and patient monitoring and enrollment. As a result, patient screening, new patient enrollment, monitoring and data collection may be affected or delayed. Some of our third-party manufacturers we use for the supply of materials for drug candidates or other materials necessary to manufacture product to conduct clinical trials are located in countries affected by COVID-19, and, should they experience disruptions such as temporary closures or suspension of services, we would likely experience delays in advancing these trials.

Separately, principal investigators for our clinical trials serve as scientific advisors or consultants to us from time to time and may receive cash or equity compensation in connection with such services. If these relationships and any related compensation result in perceived or actual conflicts of interest, or a regulatory authority concludes that the financial relationship may have affected the interpretation of the clinical trial, the integrity of the data generated at the applicable clinical trial site may be questioned and the utility of the clinical trial itself may be jeopardized, which could result in the delay or rejection of any applications we submit. Any such delay or rejection could prevent or delay us from commercializing our current or future drug candidates.

Any of these occurrences may harm our business, financial condition and prospects significantly. In addition, many of the factors that cause, or could lead to, a delay in the commencement or completion of clinical trials may also ultimately lead to the denial of regulatory approval of our drug candidates or result in the development of our drug candidates being terminated.

Our pursuit of potential treatments for NASH is at an early stage and we may be unable to produce a therapy that successfully treats NASH. Even if successful, we may be unable to obtain regulatory approval for and successfully commercialize our drug candidates.

We have invested, and will continue to invest, a significant portion of our time and financial resources in the pursuit of a treatment for NASH. If we cannot successfully develop, obtain regulatory approval for and commercialize our drug candidates for the treatment of NASH, our business may be harmed. The mechanism of action of our NASH drug candidates is complex, and we do not know the degree to which it will translate into a therapeutic benefit, if any, in NASH or any other indication, and we do not know the degree to which the complex mechanism of action may contribute to long-term safety issues or adverse events when our drug candidates are taken for prolonged periods, as is inherent in the treatment of NASH.

In addition, the standards implemented by clinical or regulatory agencies may change at any time and we cannot be certain what efficacy endpoints the FDA or foreign clinical or regulatory agencies may require at the time we plan to conduct clinical trials with respect to NASH or any other applicable indication. Also, if we are able to obtain accelerated approval of our drug candidates based on a liver biopsy endpoint, we may be required to conduct a post-approval clinical outcomes trial to confirm the clinical benefit of the drug candidate; if any such post-approval trial is not successful, we would not be able to continue marketing the product.

If we are successful and any of our drug candidates are approved for the treatment of NASH, our drug candidates will likely compete with products that may be approved for the treatment of NASH prior to our drug candidates and/or that have greater efficacy than our drug candidates, either alone or in combination. Behavioral modifications, such as diet and exercise, can also decrease or eliminate the demand for our potential NASH treatments.

Our pursuit of potential therapies for COVID-19 is at an early stage.

In response to the recent outbreak of COVID-19, the disease caused by the virus SARS-CoV-2, we are pursuing various potential therapies to address the disease, including protease inhibitors and oligonucleotides. Our identification and development of these potential therapies is at an early stage, and we may be unable to produce in a timely manner a therapy that successfully treats the virus or that has broad clinical applicability, if at all.

For example, in June 2020, we entered into a Research, Licensing and Commercialization Agreement (the “KU Leuven Agreement”) with Katholieke Universiteit Leuven (“KU Leuven”) under which we are collaborating with KU Leuven’s Rega Institute for Medical Research, as well as its Centre for Drug Design and Discovery, to research, develop, manufacture and commercialize potential protease inhibitors for the treatment of coronaviruses, including SARS-CoV-2. We are in the earliest stages of our collaboration under the KU Leuven Agreement. The KU Leuven Agreement may not result in a therapy that successfully treats SARS-CoV-2. Further, if the KU Leuven Agreement does result in such a therapy, the therapy may not be developed and commercialized in a timely manner.

We are also committing significant financial resources and personnel to the development of potential therapies for COVID-19, which may cause delays in or otherwise negatively impact our other development programs, despite uncertainties surrounding the longevity and extent of COVID-19 as a global health concern. COVID-19 may be substantially eradicated prior to our development of a successful therapy or a vaccine may be developed that is highly efficacious and widely adopted, reducing or eliminating the need for therapies to treat the disease. Further, while we hope to develop potential therapies that are effective against other or future coronaviruses, in addition to SARS-CoV-2, we cannot be certain this will be the case. If our potential therapies are not effective against other or future coronaviruses, the value and/or sales potential of our therapies will be reduced or eliminated. Our business could be negatively impacted by our allocation of significant resources to a

global health threat that is unpredictable and could rapidly dissipate or against which our potential therapies, if developed, may not be partially or fully effective, and may ultimately prove unsuccessful or unprofitable. Furthermore, there are no assurances that our therapy will be approved for inclusion in government stockpile programs, which may be material to the commercial success of any approved coronavirus-related drug candidate, either in the United States or abroad.

We will also need to enter into manufacturing arrangements in the future in order to create a supply chain for our COVID-19 drug candidates that can adequately support demand. Even if we are successful in developing and manufacturing an effective treatment for COVID-19, the SARS-CoV-2 virus could develop resistance to our treatment, which could affect any long-term demand or sales potential for our potential therapies.

In addition, another party may be successful in producing a more efficacious therapy for COVID-19 or a therapy with a more convenient or preferred route of administration or in producing a therapy in a more timely manner, which may lead to the diversion of funding away from us and toward other companies or lead to decreased demand for our potential therapies. Further, other therapies that are more affordable than our potential therapies may be used to treat COVID-19, including existing generic drugs, which could also hurt the funding of and demand for our potential therapies. There are efforts by several public and private entities to develop a therapy or vaccine for COVID-19, including Alexion Pharmaceuticals Inc., Incyte Corporation, Sanofi S.A., Regeneron Pharmaceuticals, Inc., Amgen Inc. (together with Adaptive Biotechnologies Corporation), Abcellera Biologics, Inc. (together with Eli Lilly and Company), Vir Biotechnology, Inc. (together with GSK, Biogen Inc. and WuXi Biologics Ltd.), Altimmune, Inc., AstraZeneca PLC (together with Oxford University), BioNTech SE (together with Pfizer Inc.), GlaxoSmithKline (“GSK”) (together with Sanofi), Heat Biologics, Inc., Inovio Pharmaceuticals, Inc., Johnson & Johnson, Moderna, Inc., Novavax, Inc., and Vaxart, Inc., many of which are further along in the development process than we are. These other entities may be more successful at developing, manufacturing or commercializing a therapy for COVID-19, especially given that several of these other organizations are much larger than we are and have access to larger pools of capital, including U.S. government funding, and broader manufacturing infrastructure. The success or failure of other entities, or perceived success or failure, may adversely impact our ability to obtain any future funding for our development and manufacturing efforts or to ultimately commercialize a therapy for COVID-19, if approved.

The regulatory pathways for our drug candidates targeting SARS-CoV-2, the virus that causes COVID-19, are continually evolving, and may result in unexpected or unforeseen challenges.

Our drug candidates targeting SARS-CoV-2, the virus that causes COVID-19, are in the early discovery stages. The speed at which companies and institutions are acting to create and test many therapeutics and vaccines for COVID-19 is unusually rapid, and evolving or changing plans or priorities within the FDA, including changes based on new knowledge of COVID-19 and how the disease affects the human body, may significantly affect the regulatory timelines for our COVID-19 drug candidates. Results from our continued development and planned clinical trials may raise new questions and require us to redesign proposed nonclinical studies and clinical trials, including revising proposed endpoints or adding new clinical trial sites or cohorts of subjects, with minimal lead time.

The FDA has the authority to grant an Emergency Use Authorization (“EUA”) to allow unapproved medical products to be used in an emergency to diagnose, treat, or prevent serious or life-threatening diseases or conditions when, based on the totality of scientific evidence, there is evidence of effectiveness of the medical product, and there are no adequate, approved, and available alternatives. Depending on the outcomes of our planned nonclinical and initial clinical testing for our proposed COVID-19 therapies, we may seek an EUA for one or more of our drug candidates for use in the ongoing public health emergency, which would permit us to commercialize a drug candidate prior to FDA approval of an NDA. However, commercialization under an EUA is permitted only during the underlying public health emergency (as declared by the Secretary of the Department

of Health and Human Services), meaning that once the emergency declaration is terminated, we would be required to obtain NDA approval to continue marketing the product. Furthermore, the FDA may revoke an EUA based on a determination that the product no longer satisfies the criteria for issuance of an EUA—for example, if there is no longer evidence of effectiveness of the product or there are other adequate, approved alternatives. Accordingly, we cannot predict how long, if at all, an EUA for any of our drug candidates may remain in place. Any termination or revocation of an EUA (if any) for one of our drug candidates could adversely impact our business in a variety of ways, including if one of our COVID-19 drug candidates is not yet approved by the FDA and if we and our manufacturing partners have invested in the supply chain to provide one of our COVID-19 drug candidates under an EUA.

The results of nonclinical studies and early-stage clinical trials may not be predictive of future results.

The results of nonclinical studies may not be predictive of the results of clinical trials, and the results of any early-stage clinical trials we commence may not be predictive of the results of the later-stage clinical trials. Drug candidates in later stages of clinical trials may fail to show the desired safety and efficacy despite having progressed through nonclinical studies and initial clinical trials. There is a high failure rate for drugs proceeding through clinical trials, and a number of companies in the pharmaceutical and biotechnology industries have suffered significant setbacks in clinical development even after achieving promising results in earlier studies. There can be no assurance that any of our current or future clinical trials will ultimately be successful or support further clinical development of any of our drug candidates. Even if our clinical trials are completed, the results may not be sufficient to obtain regulatory approval of any products. Any such setbacks in our clinical development could have a material adverse effect on our business and operating results.

Interim, "topline" and preliminary data from our clinical trials may differ materially from the final data.

From time to time, we may disclose interim data from our clinical trials. Interim data from clinical trials are subject to the risk that one or more of the clinical outcomes may materially change as patient enrollment continues and more data on existing patients become available. Adverse differences between interim data and final data could significantly harm our business, financial condition, results of operations and prospects. From time to time, we may also publicly disclose preliminary or "topline" data from our clinical trials, which are 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 results that we report may differ from future results of the same clinical trials, or different conclusions or considerations may qualify such topline 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.

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 drug candidate or product and the value of our company in general. In addition, the information we choose to publicly disclose regarding a particular study or clinical trial is typically a summary of extensive information, and you or others may not agree with what we determine is the material or otherwise appropriate information to include in our disclosure, and any information we determine not to disclose may ultimately be deemed significant with respect to future decisions, conclusions, views, activities or otherwise regarding a particular product, drug candidate or our business. If the topline 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 drug candidates may be harmed, which could harm our business, financial condition, operating results and prospects.

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

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

- the patient eligibility criteria defined in the protocol;
- the size of the patient population required for analysis of the trial's primary endpoints;
- the proximity of patients to study sites;
- the design of the trial;
- our ability to recruit clinical trial investigators with the appropriate competencies and experience;
- clinicians' and patients' perceptions as to the potential advantages of the drug candidate being studied in relation to other available therapies, including any new products that may be approved for the indications we are investigating;
- our ability to obtain and maintain patient consents for participation in our clinical trials and, where appropriate, biopsies for future patient enrichment efforts;
- the risk that patients enrolled in clinical trials will not remain in the trial through the completion of evaluation; and
- disruption by man-made or natural disasters, or public health pandemics or epidemics or other business interruptions, including the current COVID-19 pandemic and future outbreaks of the virus.

In addition, our clinical trials will compete with other clinical trials for drug candidates that are in the same therapeutic areas as our current and potential future drug candidates. This competition will reduce the number and types of patients available to us, because some patients who might have enrolled in our trials may instead opt to enroll in a trial conducted by one of our competitors. Since the number of qualified clinical investigators is limited, we may conduct some of our clinical trials at the same clinical trial sites that some of our competitors use, which would reduce the number of patients who are available for our clinical trials at such sites. Moreover, because our current and potential future drug candidates may represent a departure from more commonly used methods for treatment, potential patients and their doctors may be inclined to use conventional therapies rather than enroll patients in our clinical trials.

Delays in patient enrollment may result in increased costs or may affect the timing or outcome of clinical trials, which could prevent completion of these trials and adversely affect our ability to advance the development of our drug candidates.

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

As drug candidates proceed from nonclinical studies to late-stage clinical trials towards potential approval and commercialization, it is common that various aspects of the development program, such as manufacturing methods and formulation, are altered to optimize results. However, any change could entails additional cost and risks potential delay if the reformulated or otherwise altered drug candidate performs different than

expected or intended, which could require modification to the nonclinical or clinical program. Such changes may also require additional testing, including bridging or comparability testing to demonstrate the validity of clinical data obtained in clinical trials following manufacturing changes, FDA notification or FDA approval.

Moreover, we have not yet manufactured or processed on a commercial scale any of our drug candidates. We may make changes as we work to optimize our manufacturing processes, but we cannot be sure that even minor changes in our processes will result in therapies that are safe and effective or that will be approved for commercial sale.

Our current or future drug candidates may cause undesirable side effects or have other properties when used alone or in combination with other approved products or investigational new drugs that could delay or halt their clinical development, prevent their marketing approval, limit their commercial potential or result in significant negative consequences.

Undesirable or clinically unmanageable side effects from one or more of our drug candidates or potential future products could occur and cause us or regulatory authorities to interrupt, delay or terminate clinical trials, could result in a more restrictive label or could cause the delay or denial of marketing approval by the FDA or comparable foreign regulatory authorities. Further, results of our planned clinical trials could reveal unacceptably severe and prevalent side effects or unexpected characteristics.

If unacceptable toxicities or other undesirable side effects arise in the development of any of our current or future drug candidates, we could suspend or terminate our trials, or the FDA or comparable foreign regulatory authorities could order us to cease clinical trials or deny approval of the drug candidate for any or all targeted indications. 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. In addition, these side effects may not be appropriately recognized or managed by the treating medical staff. Inadequately recognizing or managing the potential side effects of our drug candidates could result in patient injury or death. Any of these occurrences may prevent us from achieving or maintaining market acceptance of the affected drug candidate and may harm our business, financial condition and prospects significantly.

Although our current and future drug candidates will undergo safety testing to the extent possible and, where applicable, under such conditions discussed with regulatory authorities, not all adverse effects of drugs can be predicted or anticipated. Unforeseen side effects could arise either during clinical development or, if such side effects are more rare, after our products have been approved by regulatory authorities and the approved product has been marketed, resulting in the exposure of additional patients. To date, we have not demonstrated that any of our drug candidates are safe in humans, and we cannot predict if ongoing or future clinical trials will do so.

Furthermore, we plan to evaluate our drug candidates in combination with approved and/or experimental therapies. These combinations may have additional or more severe side effects than caused by our drug candidates as monotherapies or may cause side effects at lower doses. The uncertainty resulting from the use of our drug candidates in combination with other therapies may make it difficult to accurately predict side effects in potential future clinical trials.

If any of our drug candidates receives marketing approval and we or others later identify undesirable side effects caused by such products, a number of potentially significant negative consequences could occur, including:

- regulatory authorities may withdraw their approval of the product;
- we may be required to recall a product or change the way such product is administered to patients;

- additional restrictions may be imposed on the marketing of the particular product or the manufacturing processes for the product or any component thereof;
- regulatory authorities may require the addition of labeling statements, such as a “black box” warning or a contraindication;
- we may be required to implement a Risk Evaluation and Mitigation Strategy (“REMS”) or create a Medication Guide outlining the risks of such side effects for distribution to patients;
- we could be sued and held liable for harm caused to patients;
- the product may become less competitive; and
- our reputation may suffer.

Any of the foregoing events could prevent us from achieving or maintaining market acceptance of the particular drug candidate, if approved, and result in the loss of significant revenue to us, which would adversely affect our business, financial condition, results of operations and prospects. In addition, if one or more of our drug candidates prove to be unsafe, our entire technology platform and pipeline could be affected, which would have a material adverse effect on our business, financial condition, results of operations and prospects.

Even if we complete the necessary nonclinical studies and clinical trials, the marketing approval process is expensive, time-consuming and uncertain and may prevent us or any of our future collaboration partners from obtaining approvals for the commercialization of our current drug candidates and any other drug candidate we develop.

Any current or future drug candidates we may develop and the activities associated with their development and commercialization, including their design, testing, manufacture, safety, efficacy, recordkeeping, labeling, storage, approval, advertising, promotion, sale, and distribution, are subject to comprehensive regulation by the FDA and other regulatory authorities in the United States and by comparable authorities in other countries. Failure to obtain marketing approval for a drug candidate will prevent us from commercializing the drug candidate in a given jurisdiction. We have not received approval to market any drug candidates from regulatory authorities in any jurisdiction and it is possible that none of our current or future drug candidates will ever obtain regulatory approval. As an organization, we have no experience in filing and supporting the applications necessary to gain marketing approvals and expect to rely on third-party CROs or regulatory consultants to assist us in this process. Securing regulatory approval requires the submission of extensive nonclinical and clinical data and supporting information to the various regulatory authorities for each therapeutic indication to establish the drug candidate’s safety and efficacy. Securing regulatory approval also requires the submission of information about the product manufacturing process to, and inspection of manufacturing facilities by, the relevant regulatory authority. Any drug candidates we develop may not be effective, may be only moderately effective, or may prove to have undesirable or unintended side effects, toxicities or other characteristics that may preclude our obtaining marketing approval or prevent or limit commercial use.

The process of obtaining marketing approvals, both in the United States and abroad, is expensive, may take many years if additional clinical trials are required, if approval is obtained at all, and can vary substantially based upon a variety of factors, including the type, complexity, and novelty of the drug candidates involved. Changes in marketing approval policies during the development period, changes in or the enactment of additional statutes or regulations, or changes in regulatory review for each submitted product application, may cause delays in the approval or rejection of an application. The FDA and comparable authorities in other countries 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 nonclinical, clinical or other studies. In

addition, varying interpretations of the data obtained from nonclinical and clinical testing could delay, limit, or prevent marketing approval of a drug candidate. Any marketing approval we ultimately obtain may be limited or subject to restrictions or post-approval commitments that render the approved product not commercially viable.

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

Even if a current or future drug candidate receives marketing approval, it may fail to achieve the degree of market acceptance by physicians, patients, third-party payors and others in the medical community necessary for commercial success.

If any current or future drug candidate we develop receives marketing approval, whether as a single agent or in combination with other therapies, it may nonetheless fail to gain sufficient market acceptance by physicians, patients, third-party payors, and others in the medical community, or such participants may prefer existing treatment options such as nucleos(t)ide analogs including tenofovir and entecavir. If the drug candidates we develop do not achieve an adequate level of acceptance, we may not generate significant product revenues and we may not become profitable. The degree of market acceptance of any drug candidate, if approved for commercial sale, will depend on a number of factors, including:

- efficacy and potential advantages compared to alternative treatments;
- the ability to offer our products, if approved, for sale at competitive prices;
- convenience and ease of administration compared to alternative treatments;
- the willingness of the target patient population to try new therapies and of physicians to prescribe these therapies;
- the strength of marketing and distribution support;
- the ability to obtain sufficient third-party coverage and adequate reimbursement, including with respect to the use of the approved product as a combination therapy;
- adoption of a companion diagnostic and/or complementary diagnostic (if any); and
- the prevalence and severity of any side effects.

Adverse events in our therapeutic areas of focus, including hepatological indications and viral diseases, could damage public perception of our current or future drug candidates and negatively affect our business.

The commercial success of our products will depend in part on public acceptance of our therapeutic areas of focus. Adverse events in clinical trials of our drug candidates, or post-marketing activities, or in clinical trials of others developing similar products or targeting similar indications and the resulting publicity, as well as any other adverse events in our therapeutic areas of focus, including hepatological indications and viral diseases, could result in decreased demand for any product that we may develop. If public perception is influenced by claims that the use of therapies in our therapeutic areas of focus are unsafe, whether related to our therapies or those of our competitors, our products may not be accepted by the general public or the medical community.

Future adverse events in our therapeutic areas of focus or the biopharmaceutical industry could also result in greater governmental regulation, stricter labeling requirements and potential regulatory delays in the testing or approvals of our products. Any increased scrutiny could delay or increase the costs of obtaining marketing approval for the drug candidates we have developed, are developing and may in the future develop.

Negative developments and negative public opinion of technologies on which we rely may damage public perception of our drug candidates or adversely affect our ability to conduct our business or obtain regulatory approvals for our drug candidates.

The clinical and commercial success of our drug candidates will depend in part on public acceptance of the use of technologies for the prevention or treatment of human diseases. Adverse public attitudes may adversely impact our ability to enroll clinical trials. Moreover, our success will depend upon physicians specializing in our targeted diseases prescribing, and their patients being willing to receive, our drug candidates as treatments in lieu of, or in addition to, existing, more familiar, treatments for which greater clinical data may be available. Any increase in negative perceptions of the technologies that we rely on may result in fewer physicians prescribing our products (if approved) or may reduce the willingness of patients to utilize our products or participate in clinical trials for our drug candidates.

Increased negative public opinion or more restrictive government regulations in response thereto, would have a negative effect on our business, financial condition, results of operations or prospects and may delay or impair the development and commercialization of our drug candidates or demand for such drug candidates. Adverse events in our nonclinical studies or clinical trials or those of our competitors or of academic researchers utilizing similar technologies, even if not ultimately attributable to drug candidates we may discover and develop, and the resulting publicity could result in increased governmental regulation, unfavorable public perception, potential regulatory delays in the testing or approval of potential drug candidates we may identify and develop, stricter labeling requirements for those drug candidates that are approved, a decrease in demand for any such drug candidates and a suspension or withdrawal of approval by regulatory authorities of our drug candidates.

Even if we receive marketing approval of a drug candidate, we will be subject to ongoing regulatory obligations and continued regulatory review, which may result in significant additional expense, and we may be subject to penalties if we fail to comply with regulatory requirements or experience unanticipated problems with our products, if approved.

Any marketing approvals that we receive for any current or future drug candidate may be subject to limitations on the approved indicated uses for which the product may be marketed, or contain requirements for potentially costly post-market testing and surveillance to monitor the safety and efficacy of the drug candidate. The FDA may also require a REMS as a condition of approval of any drug candidate, which could include requirements for a Medication Guide, physician communication plans or additional elements to ensure safe use, such as restricted distribution methods, patient registries and other risk-minimization tools. In addition, if the FDA or a comparable foreign regulatory authority approves a drug candidate, the manufacturing processes, labeling, packaging, distribution, adverse event reporting, storage, advertising, promotion, import and export and record keeping for the product will be subject to extensive and ongoing regulatory requirements. These requirements include submissions of safety and other post-marketing information and reports, establishment registration, as well as continued compliance with current Good Manufacturing Practice, or cGMP, and Good Clinical Practice, or GCP, for any clinical trials that we conduct post-approval. Later discovery of previously unknown problems with any approved candidate, including adverse events of unanticipated severity or frequency, or with our third-party manufacturers or manufacturing processes, or failure to comply with regulatory requirements, may result in, among other things:

- restrictions on the marketing or manufacturing of the product, withdrawal of the product from the market, or product recalls;
- fines, untitled and warning letters, or holds on clinical trials;

- refusal by the FDA or other regulatory authorities to approve pending applications or supplements to approved applications we filed or suspension or revocation of license approvals;
- product seizure or detention, or refusal to permit the import or export of the product; and
- injunctions or the imposition of civil or criminal penalties.

The FDA's and other regulatory authorities' policies may change and additional government regulations may be enacted that could prevent, limit or delay marketing approval of a product. 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 profitability.

Even if we obtain and maintain approval for our drug candidates from the FDA, we may never obtain approval outside the United States, which would limit our market opportunities.

Approval of a drug candidate in the United States by the FDA does not ensure approval of such drug candidate by regulatory authorities in other countries or jurisdictions, and approval by one foreign regulatory authority does not ensure approval by regulatory authorities in other foreign countries. Sales of our drug candidates outside the United States will be subject to foreign regulatory requirements governing clinical trials and marketing approval. Even if the FDA grants marketing approval for a drug candidate, comparable foreign regulatory authorities also must approve the manufacturing and marketing of the drug candidate in those countries. Approval procedures vary among jurisdictions and can involve requirements and administrative review periods different from, and more onerous than, those in the United States, including additional nonclinical studies or clinical trials. In many countries outside the United States, a drug candidate must be approved for reimbursement before it can be approved for sale in that country. In some cases, the price that we intend to charge for any drug candidates, if approved, is also subject to approval. Obtaining approval for our drug candidates in the European Union (the "EU") from the European Commission following the opinion of the EMA, if we choose to submit a marketing authorization application there, would be a lengthy and expensive process. Even if a drug candidate is approved, the EMA may limit the indications for which the product may be marketed, require extensive warnings on the product labeling or require expensive and time-consuming additional clinical trials or reporting as conditions of approval. Approval of certain drug candidates outside of the United States, particularly those that target diseases that are more prevalent outside of the United States, will be particularly important to the commercial success of such drug candidates. Obtaining foreign regulatory approvals and compliance with foreign regulatory requirements could result in significant delays, difficulties and costs for us and could delay or prevent the introduction of our drug candidates in certain countries.

Further, clinical trials conducted in one country may not be accepted by regulatory authorities in other countries. For example, we will be conducting our initial clinical trials for ALG-010133 in New Zealand and several other countries within the Asia Pacific and/or Europe, and our conduct of the trial must satisfy specific requirements in order for the FDA to accept the data in support of an IND or NDA in the United States. Further, any regulatory approval for our drug candidates may be withdrawn. If we fail to comply with the applicable regulatory requirements, our target market will be reduced and our ability to realize the full market potential of our drug candidates will be harmed and our business, financial condition, results of operations and prospects could be harmed.

Risks associated with our international operations, including seeking and obtaining approval to commercialize our drug candidates in foreign jurisdictions, could harm our business.

We engage in international operations with offices in the United States and Belgium and intend to seek approval to market our drug candidates outside of the United States. We may also do so for future drug candidates. We

expect that we are or will be subject to additional risks related to these international business markets and relationships, including:

- different regulatory requirements for approval of drug candidates in foreign countries, including challenging processes for marketing biopharmaceutical products;
- reduced protection for and enforcement of intellectual property rights;
- heightened or different data privacy and information security laws, regulations and policies;
- unexpected changes in tariffs, trade barriers and 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 currency fluctuations, which could result in increased operating expenses and reduced revenue, and other obligations incident to doing business in another country;
- foreign reimbursement, pricing and insurance regimes;
- workforce uncertainty in countries where labor unrest is more common than in the United States;
- production shortages resulting from any events affecting raw material supply or manufacturing capabilities;
- business interruptions resulting from geopolitical actions, including war and terrorism, or natural disasters including earthquakes, typhoons, floods and fires; and
- disruptions resulting from the impact of public health pandemics or epidemics (including, for example, the ongoing COVID-19 pandemic).

In addition, there are complex regulatory, tax, labor and other legal requirements imposed by many of the individual countries in which we may operate, with which we will need to comply.

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

The ability of the FDA to review and approve new products can be affected by a variety of factors, including government budget and funding levels, statutory, regulatory, and policy changes, the FDA's ability to hire and retain key personnel and accept the payment of user fees, and other events that may otherwise affect the FDA's ability to perform routine functions. Average review times at the agency have fluctuated in recent years as a result. Disruptions at the FDA and other agencies may also slow the time necessary for new products to be reviewed and/or approved by necessary government agencies, which would adversely affect our business. For example, over the last several years, including for 35 days beginning on December 22, 2018, the U.S. government has shut down several times and certain regulatory agencies, such as the FDA, have had to furlough critical FDA employees and stop critical activities.

Relatedly, in response to the COVID-19 pandemic, on March 10, 2020 the FDA announced its intention to postpone most inspections of foreign manufacturing facilities, and on March 18, 2020, the FDA temporarily postponed routine surveillance inspections of domestic manufacturing facilities. Subsequently, on July 10, 2020 the FDA announced its intention to resume certain on-site inspections of domestic manufacturing facilities subject to a risk-based prioritization system. The FDA intends to use this risk-based assessment system to

identify the categories of regulatory activity that can occur within a given geographic area, ranging from mission-critical inspections to resumption of all regulatory activities. The resumption of prioritized domestic inspections is dependent on the current COVID-19 data in a given state or county and the rules and guidelines established by state and local government. Regulatory authorities outside the United States may adopt similar restrictions or other policy measures in response to events such as the COVID-19 pandemic. If a prolonged government shutdown occurs, or if global health concerns continue to prevent the FDA or other regulatory authorities from conducting their regular inspections, reviews, or other regulatory activities, it could significantly impair the ability of the FDA or other regulatory authorities to timely review and process our regulatory submissions, which could have a material adverse effect on our business.

If the market opportunities for our drug candidates are smaller than we believe or any approval we obtain is based on a narrower definition of the patient population, our business may suffer.

We currently focus our product development on novel therapeutics to address unmet needs in hepatological indications and viral diseases. Our eligible patient population, pricing estimates and available coverage and reimbursement may differ significantly from the actual market addressable by our drug candidates. Our estimates of both the number of people who have these diseases, as well as the subset of people with these diseases who have the potential to benefit from treatment with our drug candidates, are based on our beliefs and analyses based on a variety of sources, including scientific literature, patient foundations or market research, and may prove to be incorrect. Further, new studies may change the estimated incidence or prevalence of the diseases we are targeting. The number of patients may turn out to be lower than expected, and the potentially addressable patient population for each of our drug candidates may be limited or may not be receptive to treatment with our drug candidates, and new patients may become increasingly difficult to identify or access. Certain potential patients may have or develop a resistance to our potential therapies or otherwise be unable to be treated with our potential therapies for COVID-19, HBV or other viral diseases as a result of their genetic makeup. In addition, the route of administration for our potential therapies could be inconvenient and/or not commercially viable, which could also limit the potential market for our therapies. If the market opportunities for our drug candidates are smaller than we estimate, it could have an adverse effect on our business, financial condition, results of operations and prospects.

For example, we believe NASH to be one of the most prevalent chronic liver diseases worldwide, however, our projections of the number of people who have NASH, as well as the subset of people with the disease who have the potential to benefit from treatment with our drug candidates, are based on our beliefs and estimates. The effort to identify patients with NASH is in early stages, and we cannot accurately predict the number of patients for whom treatment might be possible. NASH is often undiagnosed and may be left undiagnosed for a long time, partly because a definitive diagnosis of NASH is currently based on a histological assessment of a liver biopsy, which impairs the ability to easily identify patients. If improved diagnostic techniques for identifying NASH patients who will benefit from treatment are not developed, our market opportunity may be smaller than we currently anticipate. Further, if government authorities and third-party payors choose to limit coverage and reimbursement of our NASH drug candidate, such as limiting the number of patients' treatment that would be covered and reimbursable, this could result in a smaller market opportunity for our NASH drug candidate than we anticipate.

In addition, the number of people who have HBV, as well as the subset of people with the disease who have the potential to benefit from treatment with our drug candidates, may be reduced due to factors including the genotype or variant of HBV, more widespread use of vaccines or alternative therapies, political roadblocks to approval and/or treatment in certain countries and the virus's development of resistance to our potential treatments after long-term and persistent exposure to antiviral therapy.

We intend to develop our current drug candidates, and expect to develop other future drug candidates, in combination with other therapies, which exposes us to additional risks.

We intend to develop our current drug candidates, and expect to develop other future drug candidates, in combination with one or more therapies, including therapies that we develop and those developed externally. Even if a drug candidate we develop were to receive marketing approval or be commercialized for use in combination with other therapies, we would face the risk that the FDA or similar regulatory authority outside of the United States could revoke approval of the therapy used in combination with our drug candidate or that safety, efficacy, manufacturing or supply issues could arise with these other therapies. Combination therapies are commonly used for the treatment of viral diseases and it is generally believed they will be required for NASH, and we would be subject to similar risks if we develop any of our drug candidates for use in combination with other drugs. This could result in our own products, if approved, being removed from the market or suffering commercially. In addition, we may evaluate our current drug candidates and other future drug candidates in combination with one or more other therapies that may have not yet been approved for marketing by the FDA or similar regulatory authorities outside of the United States. We will not be able to market and sell any drug candidate we develop in combination with any such unapproved therapies that do not ultimately obtain marketing approval.

If the FDA or similar regulatory authorities outside of the United States do not approve these other drugs or revoke their approval of, or if safety, efficacy, manufacturing, or supply issues arise with, the drugs we choose to evaluate in combination with or any of our drug candidate, we may be unable to obtain approval of or market any of our combination treatments.

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

The life sciences industry is highly competitive. We are currently developing therapies that will compete, if approved, with other products and therapies that currently exist or are being developed. Products we may develop in the future are also likely to face competition from other products and therapies, some of which we may not currently be aware of. We have competitors both in the United States and internationally, including major multinational pharmaceutical companies, established biotechnology companies, specialty pharmaceutical companies, universities and other research institutions. Many of our competitors have significantly greater financial, manufacturing, marketing, product development, technical and human resources than we do. Large pharmaceutical companies, in particular, have extensive experience in clinical testing, obtaining marketing approvals, recruiting patients and manufacturing pharmaceutical 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 companies may also invest heavily to accelerate discovery and development of novel compounds or to in-license novel compounds that could make the drug candidates that we develop obsolete. Further, mergers and acquisitions in the pharmaceutical and biotechnology industries may result in even more resources being concentrated among a smaller number of our competitors. As a result of all of these factors, our competitors may succeed in obtaining patent protection and/or marketing approval or discovering, developing and commercializing products in our field before we do.

There are a number of companies developing or marketing treatments for CHB, including Roche Holding AG (“Roche”), Gilead, Bristol-Myers Squibb Company, Arbutus Biopharma Corporation, Dicerna Pharmaceuticals, Inc. (together with Roche), Ionis Pharmaceuticals, Inc. (together with GSK), Arrowhead Pharmaceuticals, Inc. (together with Janssen Pharmaceuticals Company (“Janssen”)), Vir Biotechnology, Inc. (together with Alnylam

Pharmaceuticals, Inc.), Johnson & Johnson, Assembly Biosciences Inc., Enanta Pharmaceuticals, Altimmune, Inc., GSK, Janssen, Transgene SA, Dynavax Technologies, Inc., Merck & Co. and Replicor, Inc.

There are also companies developing or marketing treatments or vaccines for COVID-19, including Alexion Pharmaceuticals Inc., Incyte Corporation, Sanofi S.A., Regeneron Pharmaceuticals, Inc., Amgen Inc. (together with Adaptive Biotechnologies Corporation), Abcellera Biologics, Inc. (together with Eli Lilly and Company), Vir Biotechnology, Inc. (together with GSK, Biogen Inc. and WuXi Biologics Ltd.), Altimmune, Inc., AstraZeneca PLC (together with Oxford University), BioNTech SE (together with Pfizer Inc.), GlaxoSmithKline plc ("GSK") (together with Sanofi), Heat Biologics, Inc., Inovio Pharmaceuticals, Inc., Johnson & Johnson, Moderna, Inc., Novavax, Inc., and Vaxart, Inc.

Furthermore, there are companies developing or marketing treatments for NASH, including AbbVie, Inc., AstraZeneca PLC/MedImmune LLC, Bristol-Myers Squibb Company, Eli Lilly and Company, Janssen, Merck & Co., Novartis Pharmaceuticals Corporation (together with Pfizer, Inc.), Novo Nordisk A/S, Pfizer Inc., Roche, Sanofi, Takeda Pharmaceutical Company Limited (together with HemoShear Therapeutics, LLC), 89bio, Inc., Akero Therapeutics, Inc., Blade Therapeutics, Inc., Cirius Therapeutics, Inc., Enanta Pharmaceuticals, Inc., Galectin Therapeutics Inc., Galmed Pharmaceuticals Ltd., Genfit SA, Gilead, Intercept Pharmaceuticals, Inc., Inventiva Pharma SA, Madrigal Pharmaceuticals, Inc., MediciNova, Inc., NGM Biopharmaceuticals, Inc., Pliant Therapeutics, Inc. (together with Novartis), Terns Pharmaceuticals, Inc. and Viking Therapeutics, Inc.

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, including gaining exclusivity for their competing products on formularies thereby excluding our products from such formularies, are reimbursed or are less expensive than any products that we may develop. Our competitors also may obtain FDA, EMA or other marketing approval for their products more rapidly than we may obtain approval for ours (if at all), which could result in our competitors establishing a strong market position before we are able to enter the market (if ever). Even if the drug candidates we develop achieve marketing approval, they may be priced at a significant premium over competitive products, resulting in reduced competitiveness of our products.

Smaller and other early stage companies may also prove to be significant competitors. In addition, academic research departments and public and private research institutions may be conducting research on compounds that could prove to be competitive.

These third parties compete with us not only in drug candidate development, but also in recruiting and retaining qualified scientific and management personnel, establishing clinical trial sites and patient registration for clinical trials, as well as in acquiring and/or licensing technologies complementary to, or necessary for, our programs.

In addition, the biopharmaceutical industry is characterized by rapid technological change. If we fail to keep pace with technological change, we may be unable to compete effectively. Technological advances or products developed by our competitors may render our drug candidates obsolete, less competitive or not economical, thereby adversely affecting our business, financial condition and results of operations.

If any of our current or future drug candidates obtain regulatory approval, additional competitors could enter the market with generic versions of such products, which may result in a material decline in sales of our competing products.

Under the Drug Price Competition and Patent Term Restoration Act of 1984, or the Hatch-Waxman Amendments to the Federal Food, Drug, and Cosmetic Act (the "FDCA"), a pharmaceutical manufacturer may file an abbreviated new drug application (an "ANDA") seeking approval of a generic version of an approved innovator

product. Under the Hatch-Waxman Amendments, a manufacturer may also submit an NDA under section 505(b)(2) of the FDCA that references the FDA's prior approval of the innovator product. A 505(b)(2) NDA product may be for a new or improved version of the original innovator product. The Hatch-Waxman Amendments also provide for certain periods of regulatory exclusivity, which preclude FDA approval (or in some circumstances, FDA filing and review) of an ANDA or 505(b)(2) NDA. In addition to the benefits of regulatory exclusivity, an innovator NDA holder may have patents claiming the active ingredient, product formulation or an approved use of the drug, which would be listed with the product in the FDA publication "Approved Drug Products with Therapeutic Equivalence Evaluations," known as the Orange Book. If there are patents listed in the Orange Book for a product, a generic or 505(b)(2) applicant that seeks to market its product before expiration of the patents must include in their applications what is known as a "Paragraph IV" certification, challenging the validity or enforceability, or claiming non-infringement, of the listed patent or patents. Notice of the certification must be given to the patent owner and NDA holder and if, within 45 days of receiving notice, either the patent owner or NDA holder sues for patent infringement, approval of the ANDA or 505(b)(2) NDA is stayed for up to 30 months.

Accordingly, if any of our future drug candidates are approved, competitors could file ANDAs for generic versions of these products or 505(b)(2) NDAs that reference our products. If there are patents listed for such drug products in the Orange Book, those ANDAs and 505(b)(2) NDAs would be required to include a certification as to each listed patent indicating whether the ANDA applicant does or does not intend to challenge the patent. We cannot predict which, if any, patents in our current portfolio or patents we may obtain in the future will be eligible for listing in the Orange Book, how any generic competitor would address such patents, whether we would sue on any such patents or the outcome of any such suit.

We may not be successful in securing or maintaining proprietary patent protection for products and technologies we develop or license, despite expending a significant amount of resources that could have been focused on other areas of our business. Moreover, if any of our owned or in-licensed patents that are listed in the Orange Book are successfully challenged by way of a Paragraph IV certification and subsequent litigation, the affected product could immediately face generic competition and its sales would likely decline rapidly and materially.

Even if we are able to commercialize any drug candidates, such products may become subject to unfavorable pricing regulations or third-party coverage and reimbursement policies, which would harm our business.

The regulations that govern marketing approvals, pricing and reimbursement for new products vary widely from country to country. Some countries require approval of the sale price of a product before it can be marketed. In many countries, the pricing review period begins after marketing approval is granted. In some foreign markets, prescription pharmaceutical pricing remains subject to continuing governmental control even after initial approval is granted. As a result, we might obtain marketing approval for a drug candidate in a particular country, but then be subject to price regulations that delay our commercial launch of the drug candidate, possibly for lengthy time periods, and negatively impact the revenues we are able to generate from the sale of the drug candidate in that country, potentially to the point of unviability. Adverse pricing limitations may hinder our ability to recoup our investment in one or more drug candidates, even if our drug candidates obtain marketing approval.

Our ability to successfully commercialize any drug candidates, whether as a single agent or in combination, will also depend in part on the extent to which coverage and reimbursement for these drug candidates and related treatments is available from government authorities, private health insurers and other organizations. Government authorities and third-party payors, such as private health insurers and health maintenance organizations, decide which medications they will pay for and establish reimbursement levels. It is difficult to predict at this time what government authorities and third-party payors may decide with respect to coverage and reimbursement for our programs (if approved).

A primary trend in the U.S. healthcare industry and elsewhere is cost containment. Government authorities, particularly in the European Union, and third-party payors have attempted to control costs by limiting coverage and the amount of reimbursement for particular products and requiring substitutions of generic products and/or biosimilars. Increasingly, third-party payors are scrutinizing the prices charged for drugs. We cannot be sure that coverage will be available for any drug candidate that we commercialize and, if coverage is available, the level of reimbursement. These government authorities and third-party payors are also examining the cost-effectiveness of drugs, in addition to their safety and efficacy. For example, in some countries, we, or any future collaborators, may be required to conduct a clinical trial that compares the cost-effectiveness of our drug to other therapies to obtain reimbursement or pricing approval. Reimbursement may impact the demand for, or the price of, any drug candidate for which we obtain marketing approval. If reimbursement is not available or is available only to limited levels, we may not be able to successfully commercialize any drug candidate for which we obtain marketing approval.

Further, there may be significant delays in obtaining coverage and reimbursement for newly approved drugs, as the process is time-consuming and costly, and coverage may be more limited than the purposes for which the drug is approved by the FDA or comparable foreign regulatory authorities. Additionally, no uniform policy requirement for coverage and reimbursement for drug products exists among third-party payors in the United States, which may result in coverage and reimbursement for drug products that differ significantly from payor to payor. Moreover, eligibility for reimbursement does not imply that any drug will be paid for in all cases or at a rate that covers our costs, including research, development, manufacture, sale and distribution. Interim reimbursement levels for new drugs, if applicable, may not be sufficient to cover our costs and may not be permanent. Reimbursement rates may vary according to the use of the drug and the clinical setting in which it is used, may be based on reimbursement levels already set for lower-cost drugs and may be incorporated into existing payments for other services. Net prices for drugs may be reduced by mandatory discounts or rebates required by government healthcare programs or private payors and by any future relaxation of laws that presently restrict imports of drugs from countries where they may be sold at lower prices than in the United States. Our inability to promptly obtain coverage and profitable payment rates from both government-funded and private payors for any approved drugs that we develop could have a material adverse effect on our operating results, our ability to raise capital needed to commercialize drugs and our overall financial condition.

We may not be successful in our efforts to identify or discover other drug candidates and may fail to capitalize on programs or drug candidates that may present a greater commercial opportunity or for which there is a greater likelihood of success.

The success of our business depends upon our ability to identify, develop and commercialize drug candidates. If we do not successfully develop and eventually commercialize products, we will face difficulty in obtaining product revenue in future periods, resulting in significant harm to our financial position and adversely affecting our share price. Research programs to identify new drug candidates require substantial technical, financial and human resources, and we may fail to identify potential drug candidates for numerous reasons.

Additionally, because we have limited resources, we may forego or delay pursuit of opportunities with certain programs or drug candidates or for indications that later prove to have greater commercial potential. For example, we are currently focused on the development of our current drug candidates for hepatological indications. In addition, we are pursuing other drug candidates for viral diseases. However, the advancement of these drug candidates may ultimately prove to be unsuccessful or less successful than another program in our pipeline that we might have chosen to pursue on a less aggressive basis. However, due to the significant resources required for the development of our drug candidates, we must focus on specific diseases and disease pathways and decide which drug candidates to pursue and the amount of resources to allocate to each. Our near-term objective is to demonstrate favorable risk/benefit profiles through Phase 1 clinical trials of our drug candidate, ALG-010133. Our estimates regarding the potential market for our drug candidates could be

inaccurate and our decisions concerning the allocation of research, development, collaboration, management and financial resources toward particular drug candidates or therapeutic areas may not lead to the development of any viable commercial product and may divert resources away from better opportunities. Similarly, any potential decision to delay or terminate development of a drug candidate or program may subsequently also prove to be suboptimal and could cause us to miss valuable opportunities. Further, if we do not accurately evaluate the commercial potential for a particular drug candidate, we may relinquish valuable rights to that drug candidate through collaboration, licensing or other arrangements in cases in which it would have been more advantageous for us to retain sole development and commercialization rights to such drug candidate. Alternatively, we may allocate internal resources to a drug candidate in a therapeutic area in which it would have been more advantageous to enter into a partnering arrangement.

If any of these events occur, we may be forced to abandon or delay our development efforts with respect to a particular drug candidate or we may fail to develop a potentially successful drug candidate or capitalize on profitable market opportunities, all of which could have a material adverse effect on our business, financial condition, results of operations and prospects.

We may seek and fail to obtain fast track or breakthrough therapy designations from the FDA for our current or future drug candidates or priority review designation for any NDA we may submit to the FDA. Even if we are successful, these programs may not lead to a faster development or regulatory review process, and they do not guarantee we will receive approval for any drug candidate. We may also seek to obtain accelerated approval for one or more of our drug candidates but the FDA may disagree that we have met the requirements for such approval.

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

We may also seek breakthrough therapy designation for any drug candidate that we develop. A breakthrough therapy is defined as a drug that is intended, alone or in combination with one or more other drugs, to treat a serious or life-threatening disease or condition, and preliminary clinical evidence indicates that the drug may demonstrate substantial improvement over currently approved therapies on one or more clinically significant endpoints, such as substantial treatment effects observed early in clinical development. Like fast track designation, breakthrough therapy designation is within the discretion of the FDA. Accordingly, even if we believe a drug candidate we develop meets the criteria for designation as a breakthrough therapy, the FDA may disagree and instead determine not to make such designation. In any event, the receipt of breakthrough therapy designation for a drug candidate may not result in a faster development process, review or approval compared to drugs considered for approval under conventional FDA procedures and does not assure ultimate approval by the FDA. In addition, even if a drug candidate we develop qualifies as a breakthrough therapy, the FDA may later decide that the drug no longer meets the conditions for qualification and rescind the designation.

Drugs designated as fast track products or breakthrough therapies by the FDA are also eligible for priority review of any NDA submitted for such drug candidates, which could result in FDA action on the NDA in a shorter timeframe than under standard review. In order to grant priority review designation, the FDA must find that the product, if approved, would provide a significant improvement in the safety or effectiveness of the treatment, diagnosis or prevention of a serious disease or condition. However, priority review does not guarantee approval

of the NDA and may not result in a shorter overall review timeline if the FDA has significant questions or additional requests as part of the NDA review.

In addition, the FDA may grant accelerated approval to a product if the FDA determines that it 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. For example, this is currently the case with drugs for the treatment of NASH. As a condition of accelerated approval, the FDA will generally require the sponsor to perform adequate and well-controlled post-marketing clinical studies to verify and describe the anticipated effect on irreversible morbidity or mortality or other clinical benefit. In addition, the FDA requires pre-approval of promotional materials for accelerated approval products, once approved. We cannot guarantee that the FDA will conclude that any of our drug candidates has met the criteria to receive accelerated approval, which would require us to conduct additional clinical testing prior to seeking FDA approval. Even if any of our drug candidates received approval through this pathway, the product may fail required post-approval confirmatory clinical trials, and we may be required to remove the product from the market or amend the product label in a way that adversely impacts its marketing.

We may seek Orphan Drug Designation for drug candidates we develop, and we may be unsuccessful or may be unable to maintain the benefits associated with Orphan Drug Designation, including the potential for market exclusivity.

As part of our business strategy, we may seek Orphan Drug Designation for any drug candidates we develop, and we may be unsuccessful in obtaining such designation. Regulatory authorities in some jurisdictions, including the United States and the EU, may designate drugs for relatively small patient populations as orphan drugs. Under the Orphan Drug Act, the FDA may designate a drug as an orphan drug if it is a drug intended to treat a rare disease or condition, which is generally defined as a patient population of fewer than 200,000 individuals annually in the United States, or a patient population greater than 200,000 in the United States where there is no reasonable expectation that the cost of developing the drug will be recovered from sales in the United States. In the United States, Orphan Drug Designation entitles a party to financial incentives such as opportunities for grant funding towards clinical trial costs, tax advantages and user-fee waivers.

Similarly, in the EU, the European Commission grants Orphan Drug Designation after receiving the opinion of the EMA Committee for Orphan Medicinal Products on an Orphan Drug Designation application. Orphan Drug Designation is intended to promote the development of drugs that are intended for the diagnosis, prevention or treatment of life-threatening or chronically debilitating conditions affecting not more than 5 in 10,000 persons in Europe and for which no satisfactory method of diagnosis, prevention, or treatment has been authorized (or the product would be a significant benefit to those affected). Additionally, designation is granted for drugs intended for the diagnosis, prevention, or treatment of a life-threatening, seriously debilitating or serious and chronic condition and when, without incentives, it is unlikely that sales of the drug in Europe would be sufficient to justify the necessary investment in developing the drug. In Europe, Orphan Drug Designation entitles a party to a number of incentives, such as protocol assistance and scientific advice specifically for designated orphan medicines, and potential fee reductions depending on the status of the sponsor.

Generally, if a drug with an Orphan Drug Designation subsequently receives the first marketing approval for the indication for which it has such designation, the drug is entitled to a period of marketing exclusivity, which precludes the EMA or the FDA from approving another marketing application for the same drug and indication for that time period, except in limited circumstances. The applicable period is seven years in the United States and ten years in the EU. The EU exclusivity period can be reduced to six years if a drug no longer meets the

criteria for Orphan Drug Designation or if the drug is sufficiently profitable such that market exclusivity is no longer justified.

Even if we obtain orphan drug exclusivity for a drug candidate, that exclusivity may not effectively protect the drug candidate from competition because different therapies can be approved for the same condition. Even after an orphan drug is approved, the FDA can subsequently approve the same drug for the same condition if the FDA concludes that the later drug is clinically superior in that it is shown to be safer, more effective or makes a major contribution to patient care. In addition, a designated orphan drug may not receive orphan drug exclusivity if it is approved for a use that is broader than the indication for which it received orphan designation. Moreover, orphan drug exclusive marketing rights in the United States may be lost if the FDA later determines that the request for designation was materially defective or if the manufacturer is unable to assure sufficient quantity of the drug to meet the needs of patients with the rare disease or condition. Orphan Drug Designation neither shortens the development time or regulatory review time of a drug candidate nor gives the drug candidate any advantage in the regulatory review or approval process. While we may seek Orphan Drug Designation for applicable indications for our current and any future drug candidates, we may never receive such designations. Even if we do receive such designations, there is no guarantee that we will enjoy the benefits of those designations.

We may be required to make significant payments under our license agreements with Emory University and Luxna Biotech Co., Ltd.

We entered into a License Agreement with Emory in June 2018 (the "Emory License Agreement"), and a License Agreement with Luxna in December 2018 and an amendment in April 2020 (as amended, the "Luxna Agreement"). Under the Emory License Agreement and Luxna Agreement, we are subject to significant obligations, including milestone payments, royalty payments, and certain other agreed-to costs. For more information regarding our license agreements, please see "Business—License agreements." If these payments become due under the terms of either the Emory University License Agreement or Luxna Agreement, we may not have sufficient funds available to meet our obligations and our development efforts may be materially harmed. Furthermore, if we are forced to raise additional funds, we may be required to delay, limit, reduce or terminate our product development or future commercialization efforts, or grant rights to develop and market drug candidates that we would otherwise develop and market ourselves.

If product liability lawsuits are brought against us, we may incur substantial liabilities and may be required to limit commercialization of any approved products.

We face an inherent risk of product liability as a result of the clinical testing of drug candidates and will face an even greater risk if we commercialize any products. For example, we may be sued if any drug candidate we develop causes or is perceived to cause illness or is found to be otherwise unsuitable during clinical testing, manufacturing, marketing or sale. Any such product liability claims may include allegations of defects in manufacturing, defects in design, a failure to warn of dangers inherent in the product, negligence, strict liability or a breach of warranties. Claims could also be asserted under state consumer protection acts. If we cannot successfully defend ourselves against product liability claims, we may incur substantial liabilities or be required to limit commercialization of any approved products. Even successful defense would require significant financial and management resources. Regardless of the merits or eventual outcome, liability claims may result in:

- decreased demand for any approved product;
- injury to our reputation;
- withdrawal of clinical trial participants;
- initiation of investigations by regulators;

- costs to defend the related litigation;
- a diversion of management's time and our resources;
- substantial monetary payments to trial participants or patients;
- product recalls, withdrawals or labeling, marketing or promotional restrictions;
- loss of revenue;
- exhaustion of any available insurance and our capital resources;
- adverse effects to our results of operations and business;
- the inability to commercialize any drug candidate; and
- a decline in our share price.

Our inability to obtain sufficient product liability insurance at an acceptable cost or at all to protect against potential product liability claims could prevent or inhibit the commercialization of products we develop, alone or with collaboration partners.

Insurance coverage is increasingly expensive. We may not be able to maintain insurance, including product liability insurance at a reasonable cost or in an amount adequate to satisfy any liability that may arise, if at all. Our product liability insurance policy contains various exclusions, and we may be subject to a product liability claim for which we have no coverage. We may have to pay any amounts awarded by a court or negotiated in a settlement that exceed our coverage limitations or that are not covered by our insurance, and we may not have, or be able to obtain, sufficient capital to pay such amounts. Even if our agreements with current or future collaborators entitle us to indemnification against losses, such indemnification may not be available or adequate should any claim arise.

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

We do not carry insurance for all categories of risk that our business may encounter. Some of the policies we currently maintain include general liability, property, umbrella, clinical trials and directors' and officers' insurance. Any additional insurance coverage we acquire in the future may not be sufficient to reimburse us for any expenses or losses we may suffer. Moreover, insurance coverage is becoming increasingly expensive and in the future we may not be able to maintain insurance coverage at a reasonable cost or in sufficient amounts to protect us against losses due to liability. Any significant uninsured liability may require us to pay substantial amounts, which would adversely affect our cash position and results of operations.

We also expect that operating as a public company will make it more difficult and more expensive for us to obtain directors' and officers' liability insurance, and we may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. As a result, it may be more difficult for us to attract and retain qualified people to serve on our board of directors, our board committees or as executive officers.

Healthcare legislative reform measures may have a material adverse effect on our business and results of operations.

In the United States, there have been and continue to be a number of legislative initiatives to contain healthcare costs. For example, in March 2010, the Affordable Care Act (the "ACA") was passed, which substantially changed the way healthcare is financed by both governmental and private insurers, and significantly impacted the U.S. pharmaceutical industry. The ACA, among other things, increased the minimum Medicaid rebates owed by manufacturers under the Medicaid Drug Rebate Program and extended the rebate program to individuals enrolled in Medicaid managed care organizations, established annual fees and taxes on manufacturers of certain branded prescription drugs, and created a new Medicare Part D coverage gap discount program, in which manufacturers must agree to offer 70% point-of-sale discounts off negotiated prices of

applicable brand drugs to eligible beneficiaries during their coverage gap period, as a condition for the manufacturer's outpatient drugs being covered under Medicare Part D.

Since its enactment, there have been judicial and Congressional challenges to the ACA, as well as efforts by the Trump administration to repeal or replace certain aspects of the ACA. By way of example, the Tax Cuts and Jobs Act of 2017 (the "TCJA") was signed into law, which included 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, commonly referred to as the individual mandate. 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 TCJA. Additionally, on December 18, 2019, the U.S. Court of Appeals for the 5th Circuit ruled that 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. On March 2, 2020, the United States Supreme Court granted the petitions for writs of certiorari to review this case, although it is unclear when or how the Supreme Court will rule. It is also unclear how other efforts to challenge, repeal or replace the ACA will impact the ACA or our business.

Other legislative changes have been proposed and adopted in the United States since the ACA was enacted. On August 2, 2011, the Budget Control Act of 2011, among other things, included aggregate reductions of Medicare payments to providers of 2% per fiscal year. These reductions went into effect on April 1, 2013 and, due to subsequent legislative amendments to the statute, will remain in effect through 2030, with the exception of a temporary suspension from May 1, 2020 through December 31, 2020, unless additional Congressional action is taken. In addition, on January 2, 2013, the American Taxpayer Relief Act of 2012 was signed into law, which, among other things, further reduced Medicare payments to several types of providers.

Moreover, payment methodologies may be subject to changes in healthcare legislation and regulatory initiatives. We expect that additional state and federal healthcare reform measures will be adopted in the future, any of which could limit the amounts that federal and state governments will pay for healthcare products and services, which could result in additional pricing pressure or reduced demand for any drug candidate we develop or complementary or companion diagnostics. For example, it is possible that additional governmental action will be taken to address the COVID-19 pandemic, which could impact our business in an as-yet unknown manner.

Additionally, there has been increasing legislative and enforcement interest in the United States with respect to specialty drug pricing practices. Specifically, there have been several recent U.S. Congressional inquiries and proposed and enacted federal and state legislation and regulation designed to, among other things, bring more transparency to drug pricing, reduce the cost of prescription drugs under Medicare, review the relationship between pricing and manufacturer patient programs, and reform government program reimbursement methodologies for drugs.

Legal, political and economic uncertainty surrounding the exit of the United Kingdom from the European Union may be a source of instability in international markets, create significant currency fluctuations and pose additional risks to our business.

Following the result of a referendum in 2016, the United Kingdom left the European Union on January 31, 2020, commonly referred to as "Brexit." Pursuant to the formal withdrawal arrangements agreed to between the United Kingdom and the EU, the United Kingdom will be subject to a transition period until December 31, 2020 (the "Transition Period"), during which EU rules will continue to apply. Negotiations between the United Kingdom and the EU are expected to continue in relation to the customs and trading relationship between the United Kingdom and the EU following the expiry of the Transition Period.

The uncertainty concerning the United Kingdom's legal, political and economic relationship with the EU after the Transition Period may be a source of instability in the international markets, create significant currency fluctuations, and/or otherwise adversely affect trading agreements or similar cross-border co-operation arrangements (whether economic, tax, fiscal, legal, regulatory or otherwise). These developments, or the perception that any of them could occur, have had, and may continue to have, a significant adverse effect on global economic conditions and the stability of global financial markets, and could significantly reduce global market liquidity and limit the ability of key market participants to operate in certain financial markets. In particular, it could also lead to a period of considerable uncertainty in relation to the U.K. financial and banking markets, as well as on the regulatory process in the EU. Asset valuations, currency exchange rates and credit ratings may also be subject to increased market volatility.

Such a withdrawal from the EU is unprecedented, and it is unclear how the United Kingdom's access to the European single market for goods, capital, services and labor, and the wider commercial, legal and regulatory environment, will impact our business, and in particular our business in Belgium and planned operations in the EU, non-EU European nations and the United Kingdom.

We are subject to certain U.S. and foreign anti-corruption, anti-money laundering, export control, sanctions, and other trade laws and regulations, violations of which can have serious negative consequences for our business.

U.S. and foreign anti-corruption, anti-money laundering, export control, sanctions, and other trade laws and regulations (collectively, "Trade Laws"), prohibit, among other matters, companies and their employees, agents, clinical research organizations, legal counsel, accountants, consultants, contractors, and other partners from authorizing, promising, offering, providing, soliciting, or receiving directly or indirectly, corrupt or improper payments or anything else of value to or from recipients in the public or private sector. Violations of Trade Laws can result in substantial criminal fines and civil penalties, imprisonment, the loss of trade privileges, debarment, tax reassessments, breach of contract and fraud litigation, and reputational harm, among other consequences. We routinely have direct or indirect interactions with officials and employees of government agencies or government-affiliated hospitals, universities, and other organizations, and we expect our non-U.S. activities to increase in time. We plan to engage third parties for clinical trials and/or obtain necessary permits, licenses, patent registrations, and other regulatory approvals from such officials, employees and government agencies and affiliates and we may be held liable for any corrupt or other illegal activities of our personnel, agents, or partners, even if we do not explicitly authorize or have prior knowledge of such activities.

Failure to comply with current or future federal, state and foreign laws and regulations and industry standards relating to privacy and data protection laws could lead to government enforcement actions, which could include civil or criminal penalties, private litigation, and/or adverse publicity and could negatively affect our operating results and business.

We and our partners may be subject to federal, state and foreign data privacy and security laws and regulations. Failure by us or our third-party vendors, collaborators, contractors and consultants to comply with any of these laws and regulations could result in notification obligations or enforcement actions against us, which could result in, among other things, fines, claims for damages by affected individuals, damage to our reputation and loss of goodwill, any of which could have a material adverse effect on our business, financial condition, results of operations or prospects. These laws, rules and regulations evolve frequently and their scope may continually change, through new legislation, amendments to existing legislation and changes in enforcement, and may be inconsistent from one jurisdiction to another. The interpretation and application of consumer, health-related and data protection laws in the United States, the EU and elsewhere, are often uncertain, contradictory and in flux. As a result, implementation standards and enforcement practices are likely

to remain uncertain for the foreseeable future. As our operations and business grow, we may become subject to or affected by new or additional data protection laws and regulations and face increased scrutiny or attention from regulatory authorities.

In the United States, numerous federal and state laws and regulations, including federal health information privacy laws, state data breach notification laws, state health information privacy laws and federal and state consumer protection laws (e.g., Section 5 of the Federal Trade Commission Act), which govern the collection, use, disclosure and protection of health-related and other personal information could apply to our operations or the operations of our collaborators. In addition, we may obtain health information from third parties (including research institutions from which we obtain clinical trial data) that are subject to privacy and security requirements under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), as amended by the Health Information Technology for Economic and Clinical Health Act. Depending on the facts and circumstances, we could be subject to criminal penalties if we knowingly obtain, use, or disclose individually identifiable health information maintained by a HIPAA-covered entity in a manner that is not authorized or permitted by HIPAA.

Many states have also adopted comparable privacy and security laws and regulations, some of which may be more stringent than HIPAA. Such laws and regulations will be subject to interpretation by various courts and other governmental authorities, thus creating potentially complex compliance issues for us and our future customers and strategic partners. In addition, California recently enacted the CCPA, which became effective on January 1, 2020. The CCPA, among other things, requires new disclosures to California consumers and affords such consumers new abilities to access and delete their personal information, opt-out of certain sales of personal information and receive detailed information about how their personal information is used. The CCPA provides for civil penalties for violations, as well as a private right of action for data breaches that is expected to increase the frequency of data breach litigation. In the event that we are subject to or affected by HIPAA, the CCPA or other domestic privacy and data protection laws, any liability from failure to comply with the requirements of these laws could adversely affect our financial condition.

We currently operate in countries outside of the United States, including Belgium and Australia, where laws may in some cases be more stringent than the requirements in the United States. For example, in Europe, the European Union General Data Protection Regulation (the "GDPR") went into effect in May 2018 and imposes strict requirements for the collection, storage, use, disclosure, transfer and other processing of the personal data of individuals within the European Economic Area (the "EEA"). The GDPR applies extra-territorially under certain circumstances and imposes stringent requirements on controllers and processors of personal data, including, for example, requirements to obtain consent or other legal bases from individuals to process their personal data, provide robust disclosures to individuals, accommodate a set of individual data rights, provide data security breach notifications within 72 hours after discovering the breach, limit retention of personal information and apply enhanced protections to health data and other special categories of personal data. The GDPR also applies to pseudonymized data, which is defined as "the processing of personal data in such a way that the data can no longer be attributed to a specific data subject without the use of additional information," and imposes additional obligations when we contract with third-party processors in connection with the processing of any personal data. The GDPR provides that EU and EEA member states may make their own further laws and regulations limiting the processing of personal data, including genetic, biometric or health data, which could limit our ability to use and share personal data, could cause our costs to increase and could harm our financial condition. Failure to comply with the requirements of the GDPR and the applicable national data protection laws of the EU and EEA member states may result in fines of up to €20 million or up to 4% of the total worldwide annual turnover of our preceding fiscal year, whichever is higher, and other administrative penalties. Further, following the United Kingdom's withdrawal from the EU and the EEA and the end of the transition period on December 31, 2020, we will have to comply with the GDPR and the GDPR as incorporated

into United Kingdom national law, the latter regime having the ability to separately fine up to the greater of £17.5 million or 4% of global turnover. Failure to comply with the GDPR and other countries' privacy or data security-related laws, rules or regulations could result in material penalties imposed by regulators, affect our compliance with contracts entered into with our collaborators and other third-party payors, and have an adverse effect on our business and financial condition.

The GDPR further prohibits, without an appropriate legal basis, the transfer of personal data to countries outside of the EEA, such as the United States, which are not considered by the European Commission to provide an adequate level of data protection. Recent legal developments in Europe have created complexity and uncertainty regarding transfers of personal data from the EEA to the United States. For example, on July 16, 2020, the Court of Justice of the European Union ("CJEU") invalidated the EU-US Privacy Shield Framework (the "Privacy Shield") under which personal data could be transferred from the EEA to United States entities that had self-certified under the Privacy Shield scheme. While the CJEU upheld the adequacy, subject to certain conditions, of the standard contractual clauses (a standard form of contract approved by the European Commission as an adequate personal data transfer mechanism), future regulatory guidance could result in changes to the use of standard contractual clauses.

Compliance with U.S. and foreign privacy and security laws, rules and regulations could require us to take on more onerous obligations in our contracts, require us to engage in costly compliance exercises, restrict our ability to collect, use and disclose data, or in some cases, impact our or our partners' ability to operate in certain jurisdictions. Each of these evolving laws can be subject to varying interpretations. Failure to comply with U.S. and foreign data protection laws and regulations could result in government investigations and enforcement actions (which could include civil or criminal penalties), fines, private litigation, and/or adverse publicity and could negatively affect our operating results and business.

Our internal computer systems, or those used by our CROs or other contractors or consultants, may fail or suffer security breaches.

Despite the implementation of security measures, our internal computer systems and those of our CROs and other contractors and consultants are vulnerable to damage from cyber-attacks, computer hacks, theft, viruses, malicious software, phishing, employee error, denial-of-service attacks, unauthorized access and other security breaches that could jeopardize the performance of our software and computer systems, and could expose us to financial and reputational harm. While we have not to our knowledge experienced any such material system failure or security breach to date, if such an event were to occur and cause interruptions in our operations, it could result in a material disruption of our development programs and our business operations. For example, the loss of clinical trial data from completed or future clinical trials could result in delays in our marketing approval efforts and significantly increase our costs to recover or reproduce the data. Likewise, we rely on third parties for the manufacture of our drug candidates and to conduct clinical trials, 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 applications, or inappropriate disclosure of confidential or proprietary information, we could incur liability and the development and commercialization of our future drug candidates could be delayed.

Risks related to reliance on third parties

We depend on collaborations with third parties for the development of certain of our potential drug candidates, and we may depend on additional collaborations in the future for the development and commercialization of these or other potential candidates. If our collaborations are not successful, we may not be able to capitalize on the market potential of these drug candidates.

We are currently collaborating with third parties to develop certain of our potential drug candidates. For example, we are collaborating with the Rega Institute and Centre for Drug Design and Discovery at KU Leuven with respect to potential protease inhibitors for the treatment of coronaviruses, including SARS-CoV-2, and with Emory University with respect to certain aspects of our small molecule CHB program. In the future, we may form or seek strategic alliances, joint ventures, or collaborations, or enter into additional licensing arrangements with third parties that we believe will complement or augment our development and commercialization efforts with respect to drug candidates we develop.

Collaborations involving our current and future drug candidates may pose the following risks to us:

- collaborators have significant discretion in determining the efforts and resources that they will apply to these collaborations;
- collaborators may delay clinical trials, provide insufficient funding for a clinical trial program, stop a clinical trial, abandon a drug candidate, repeat or conduct new clinical trials or require a new formulation of a drug candidate for clinical testing;
- collaborators could independently develop, or develop with third parties, products that compete directly or indirectly with our products (if any) or drug candidates;
- a collaborator with marketing, manufacturing and distribution rights to one or more products may not commit sufficient resources to or may otherwise not perform satisfactorily in carrying out these activities;
- collaborators may not properly prosecute, maintain, enforce or defend our intellectual property rights or may use our proprietary information in a way that gives rise to actual or threatened litigation that could jeopardize or invalidate our intellectual property or proprietary information or expose us to potential litigation, or other intellectual property proceedings;
- collaborators may own or co-own intellectual property covering products that result from our collaboration with them, and in such cases, we may not have the exclusive right to develop, license or commercialize such intellectual property;
- disputes may arise with respect to ownership of any intellectual property developed pursuant to our collaborations;
- disputes may arise between a collaborator or strategic partner and us that cause the delay or termination of the research, development or commercialization of the drug candidate, or that result in costly litigation or arbitration that diverts management attention and resources; and
- if a current or future collaborator of ours were to be involved in a business combination, the continued pursuit and emphasis on our product development or commercialization program under such collaboration could be delayed, diminished or terminated.

As a result, if we enter into additional collaboration agreements and strategic partnerships or license our intellectual property, products or businesses, we may not be able to realize the benefit of such transactions if we are unable to successfully integrate them with our existing operations, which could delay our timelines or

otherwise adversely affect our business. We also cannot be certain that, following a strategic transaction or license, we will achieve the revenue or specific net income that justifies such transaction. Any delays in entering into new collaborations or strategic partnership agreements related to any drug candidate we develop could delay the development and commercialization of our drug candidates, which would harm our business prospects, financial condition, and results of operations.

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

The advancement of our drug candidates and development programs and the potential commercialization of our current and future drug candidates will require substantial additional cash to fund expenses. For some of our programs, we may decide to collaborate with other pharmaceutical and biotechnology companies with respect to development and potential commercialization. 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, divert our management's attention and disrupt our business.

We face significant competition in seeking appropriate strategic partners and the negotiation process is time-consuming and complex. Whether we reach a definitive agreement for any other collaborations 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 progress of our clinical trials, the likelihood of approval by the FDA or similar regulatory authorities outside the United States, the potential market for the subject drug candidate, the costs and complexities of manufacturing and delivering such drug candidate to patients, the potential of competing products, the existence of uncertainty with respect to our ownership of technology, which can exist if there is a challenge to such ownership without regard to the merits of the challenge and industry and market conditions generally. The collaborator may also consider alternative drug candidates or technologies for similar indications that may be available to collaborate on and whether such a collaboration could be more attractive than the one with us for our drug candidate. Further, we may not be successful in our efforts to establish a strategic partnership or other alternative arrangements for future drug candidates because they may be deemed to be at too early of a stage of development for collaborative efforts and third parties may not view them as having the requisite potential to demonstrate safety and efficacy.

We may also be restricted under future collaboration agreements from entering into additional agreements on certain terms with potential collaborators.

In addition, there have been a significant number of recent business combinations among large pharmaceutical companies that have resulted in a reduced number of potential future collaborators.

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 the drug candidate for which we are seeking to collaborate, reduce or delay its development program or one or more of our other development programs, delay its potential commercialization or reduce the scope of any sales or marketing activities, or increase our expenditures and undertake development or commercialization activities at our own expense. 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 drug candidates or bring them to market and generate product revenue.

If conflicts arise between us and our collaborators or strategic partners, these parties may act in a manner adverse to us and could limit our ability to implement our strategies.

If conflicts arise between our academic collaborators or strategic partners and us, the other party may act in a manner adverse to us and could limit our ability to implement our strategies. Current or future collaborators or strategic partners may develop, either alone or with others, products in related fields that are competitive with the products or potential products that are the subject of these collaborations.

Our current or future collaborators or strategic partners may preclude us from entering into collaborations with their competitors, fail to obtain timely regulatory approvals, terminate their agreements with us prematurely, or fail to devote sufficient resources to the development and commercialization of products. Furthermore, competing products, either developed by our current or future collaborators or strategic partners or to which our collaborators or strategic partners may have rights, may result in the withdrawal of partner support for our drug candidates. Any of these developments could harm our product development efforts.

We rely on third parties to conduct our ongoing and planned clinical trials and certain of our nonclinical studies for drug candidates we develop. If these third parties do not successfully carry out their contractual duties, comply with regulatory requirements or meet expected deadlines, we may not be able to obtain marketing approval for or commercialize the drug candidates we are developing and our business could be substantially harmed.

We do not have the ability to independently conduct certain nonclinical studies and clinical trials. We rely on medical institutions, clinical investigators, contract laboratories, and other third parties, such as CROs, to conduct or otherwise support certain nonclinical studies and clinical trials for our drug candidates, including ALG-010133, and we control only certain aspects of their activities. Nevertheless, we are responsible for ensuring that each of our nonclinical studies and clinical trials is conducted in accordance with the applicable protocol, legal and regulatory requirements and scientific standards, and our reliance on CROs will not relieve us of our regulatory responsibilities. For any violations of laws and regulations during the conduct of our nonclinical studies or clinical trials, we could be subject to untitled and warning letters or enforcement action that may include civil penalties up to and including criminal prosecution.

We and our CROs are required to comply with regulations and requirements, including GLP and GCP, for conducting, monitoring, recording and reporting the results of nonclinical studies and clinical trials, respectively, to ensure that the data and results are scientifically credible and accurate, and that the trial patients are adequately informed of the potential risks of participating in clinical trials and their rights are protected. These regulations are enforced by the FDA, the Competent Authorities of the Member States of the EEA and comparable foreign regulatory authorities for any drugs in clinical development. The FDA enforces GLP and GCP requirements through periodic inspections of laboratories conducting studies, clinical trial sponsors, principal investigators and trial sites. If we or our CROs fail to comply with applicable GLP or GCP, the data generated in our nonclinical studies or clinical trials may be deemed unreliable and the FDA or comparable foreign regulatory authorities may require us to perform additional nonclinical studies before allowing us to proceed with clinical trials or additional clinical trials before approving our marketing applications. We cannot assure you that, upon inspection, the FDA will determine that any of our future nonclinical studies or clinical trials will comply with GLP or GCP, as applicable. In addition, our nonclinical studies and clinical trials must be conducted with drug candidates produced under cGMP regulations. Our failure or the failure of our CROs to comply with these regulations may require us to delay or repeat nonclinical studies or clinical trials, which would delay the marketing approval process and could also subject us to enforcement action. We also are required to register certain ongoing clinical trials and provide certain information, including information relating to the trial's protocol, on a government-sponsored database, ClinicalTrials.gov, within specific timeframes. Failure to do so can result in fines, adverse publicity and civil and criminal sanctions.

Although we intend to design the nonclinical studies and clinical trials for our drug candidates, CROs conduct all of the clinical trials and certain nonclinical studies. As a result, many important aspects of our nonclinical and clinical development, including their conduct and timing, will be outside of our direct control. Our reliance on third parties to conduct future nonclinical studies and clinical trials will also result in less direct control over the management of data developed through nonclinical studies or clinical trials than would be the case if we were relying entirely upon our own staff. Communicating with outside parties can also be challenging, potentially leading to mistakes as well as difficulties in coordinating activities. Outside parties may:

- have staffing difficulties;
- fail to comply with contractual obligations;
- experience regulatory compliance issues;
- undergo changes in priorities;
- become financially distressed; or
- form relationships with other entities, some of which may be our competitors.

These factors may materially adversely affect the willingness or ability of third parties to conduct our nonclinical studies or clinical trials and may subject us to unexpected cost increases and/or delays that are beyond our control. If the CROs do not perform nonclinical studies or clinical trials in a satisfactory manner, breach their obligations to us or fail to comply with regulatory requirements, the development, marketing approval and commercialization of our drug candidates may be delayed, we may not be able to obtain marketing approval and commercialize our drug candidates, or our development program may be materially and irreversibly harmed. If we are unable to rely on nonclinical or clinical data collected by our CROs, we could be required to repeat, extend the duration of, or increase the size of any nonclinical studies or clinical trials we conduct and this could significantly delay commercialization and require significantly greater expenditures.

If any of our relationships with these third-party CROs terminate, we may not be able to enter into arrangements with alternative CROs on commercially reasonable terms, or at all. If CROs do not successfully carry out their contractual duties or obligations or meet expected deadlines, if they need to be replaced, if the quality or accuracy of the nonclinical or clinical data they obtain are compromised due to the failure to adhere to our protocols, regulatory requirements or for other reasons, or if they are negatively impacted by the COVID-19 pandemic, any nonclinical studies or clinical trials such CROs are associated with may be extended, delayed or terminated, and we may not be able to obtain marketing approval for or successfully commercialize our drug candidates. As a result, we believe that our financial results and the commercial prospects for our drug candidates in the subject indication would be harmed, our costs would increase and our ability to generate revenue would be delayed.

We rely on third parties to manufacture nonclinical and clinical drug supplies, and we intend to rely on third parties to produce commercial supplies of any approved product which increases the risk that we will not have sufficient quantities of such drug candidates or products or such quantities at an acceptable cost, which could delay, prevent or impair our development or commercialization efforts.

We do not own or operate manufacturing facilities for the production of nonclinical, clinical or commercial supplies of the drug candidates that we are developing or evaluating in our development programs. We have limited personnel with experience in drug manufacturing and lack the resources and the capabilities to manufacture any of our drug candidates on a nonclinical, clinical or commercial scale. We rely on third parties for supply of our nonclinical and clinical drug supplies (including key starting and intermediate materials), and our strategy is to outsource all manufacturing of our drug candidates and products to third parties.

In order to conduct clinical trials of drug candidates, we will need to have them manufactured in potentially large quantities. Our third-party manufacturers may be unable to successfully increase the manufacturing

capacity for any of our clinical drug supplies (including key starting and intermediate materials) in a timely or cost-effective manner, or at all. In addition, quality issues may arise during scale-up activities and at any other time. For example, ongoing data on the stability of our drug candidates may shorten the expiry of our drug candidates and lead to clinical trial material supply shortages, and potentially clinical trial delays. If these third-party manufacturers are unable to successfully scale up the manufacture of our drug candidates in sufficient quality and quantity, the development, testing and clinical trials of that drug candidate may be delayed or infeasible, and regulatory approval or commercial launch of that drug candidate may be delayed or not obtained, which could significantly harm our business.

Our use of new third-party manufacturers increases the risk of delays in production or insufficient supplies of our drug candidates (and the key starting and intermediate materials for such drug candidates) as we transfer our manufacturing technology to these manufacturers and as they gain experience manufacturing our drug candidates (and the key starting and intermediate materials for such drug candidates).

Even after a third-party manufacturer has gained significant experience in manufacturing our drug candidates (or the key starting and intermediate materials for such drug candidates) or even if we believe we have succeeded in optimizing the manufacturing process, there can be no assurance that such manufacturer will produce sufficient quantities of our drug candidates (or the key starting and intermediate materials for such drug candidates) in a timely manner or continuously over time, or at all.

We may be delayed if we need to change the manufacturing process used by a third party. Further, if we change an approved manufacturing process, then we may be delayed if the FDA or a comparable foreign authority needs to review the new manufacturing process before it may be used.

We do not currently have any agreements with third-party manufacturers for long-term commercial supply. In the future, we may be unable to enter into agreements with third-party manufacturers for commercial supplies of any drug candidate that we develop, or may be unable to do so on acceptable terms. Even if we are able to establish and maintain arrangements with third-party manufacturers, reliance on third-party manufacturers entails risks, including:

- reliance on the third party for regulatory compliance and quality assurance;
- the possible breach of the manufacturing agreement by the third party;
- the possible misappropriation of our proprietary information, including our trade secrets and know-how; and
- the possible termination or non-renewal of the agreement by the third party at a time that is costly or inconvenient for us.

Third-party manufacturers may not be able to comply with cGMP requirements or similar regulatory requirements outside the United States. Our failure, or the failure of our third-party manufacturers, to comply with applicable requirements 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 drug candidates or products, operating restrictions and/or criminal prosecutions, any of which could significantly and adversely affect supplies of our drug candidates.

Our future drug candidates and any products that we may develop may compete with other drug candidates and products for access to manufacturing facilities. There are a limited number of manufacturers that operate under cGMP requirements and that might be capable of manufacturing for us.

If the third parties that we engage to supply any materials or manufacture product for our nonclinical studies and clinical trials should cease to continue to do so for any reason, we likely would experience delays in

advancing these studies and trials while we identify and qualify replacement suppliers or manufacturers and we may be unable to obtain replacement supplies on terms that are favorable to us or at all. In addition, if we are not able to obtain adequate supplies of our drug candidates or the substances used to manufacture them, it will be more difficult for us to develop our drug candidates and compete effectively.

Some of our third-party manufacturers which we use for the supply of materials for drug candidates or other materials necessary to manufacture product to conduct clinical trials are located in countries affected by COVID-19, and should they experience disruptions, such as temporary closures or suspension of services, we would likely experience delays in advancing our clinical development.

Our current and anticipated future dependence upon others for the manufacture of our drug candidates (or the key starting and intermediate materials for such drug candidates) may adversely affect our future profit margins and our ability to develop drug candidates and commercialize any products that receive marketing approval on a timely and competitive basis.

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

Healthcare providers, physicians and third-party payors in the United States and elsewhere will play a primary role in the recommendation and prescription of any drug candidates for which we obtain marketing approval. Our future arrangements with third-party payors and customers may expose us to broadly applicable fraud and abuse and other healthcare laws and regulations, including, without limitation, the federal Anti-Kickback Statute and the federal False Claims Act (the "FCA"), which may constrain the business or financial arrangements and relationships through which we sell, market and distribute any products for which we obtain marketing approval. In addition, we may be subject to transparency laws and patient privacy regulation by the U.S. federal and state governments and by governments in foreign jurisdictions in which we conduct our business. The applicable federal, state and foreign healthcare laws and regulations that may affect our ability to operate include:

- the federal Anti-Kickback Statute, which prohibits, among other things, knowingly and willfully soliciting, receiving, offering or paying any remuneration (including any kickback, bribe, or rebate), directly or indirectly, overtly or covertly, in cash or in kind, to induce, or in return for, either the referral of an individual, or the purchase, lease, order or recommendation of any good, facility, item or service for which payment may be made, in whole or in part, under the Medicare and Medicaid programs or other federal healthcare programs. A person or entity can be found guilty of violating the statute without actual knowledge of the statute or specific intent to violate it. The Anti-Kickback Statute has been interpreted to apply to arrangements between pharmaceutical manufacturers on the one hand and prescribers, purchasers, and formulary managers on the other;
- the federal civil and criminal false claims laws, including the FCA, which prohibit any person or entity from, among other things, knowingly presenting, or causing to be presented, a false, fictitious or fraudulent claim for payment to, or approval by, the federal government or knowingly making, using or causing to be made or used a false record or statement material to a false or fraudulent claim to the federal government. In addition, the government may assert that a claim including items or services resulting from a violation of the federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the FCA;
- HIPAA, which created federal criminal statutes that prohibit knowingly and willfully executing, or attempting to execute, a scheme to defraud any healthcare benefit program or obtain, by means of false or fraudulent

pretenses, representations, or promises, any of the money or property owned by, or under the custody or control of, any healthcare benefit program, regardless of the payor (e.g., public or private) and knowingly and willfully falsifying, concealing or covering up by any trick or device a material fact or making any materially false statements in connection with the delivery of, or payment for, healthcare benefits, items or services relating to healthcare matters. Similar to the federal Anti-Kickback Statute, a person or entity can be found guilty of violating HIPAA without actual knowledge of the statutes or specific intent to violate them;

- the Physician Payments Sunshine Act, created under the ACA, and its implementing regulations, which requires manufacturers of drugs, devices, biologics and medical supplies for which payment is available under Medicare, Medicaid or the Children's Health Insurance Program (with certain exceptions) to report annually to CMS information related to payments or other transfers of value made to physicians (defined to include doctors, dentists, optometrists, podiatrists and chiropractors) and teaching hospitals, as well as ownership and investment interests held by physicians and their immediate family members. Beginning in 2022, such obligations will include payments and other transfers of value provided in the previous year to certain other healthcare professionals, including physician assistants, nurse practitioners, clinical nurse specialists, certified nurse anesthetists, and certified nurse-midwives;
- federal consumer protection and unfair competition laws, which broadly regulate marketplace activities and activities that potentially harm consumers; and
- analogous state laws and regulations, such as state anti-kickback and false claims laws, which may apply to sales or marketing arrangements and healthcare items or services reimbursed by non-governmental third-party payors, including private insurers; state laws that require pharmaceutical companies to comply with the pharmaceutical industry's voluntary compliance guidelines and the relevant compliance guidance promulgated by the federal government or otherwise restrict payments that may be made to healthcare providers; state laws that require drug manufacturers to report information related to payments and other transfers of value to physicians and other healthcare providers or marketing expenditures; and healthcare laws in the EU and other jurisdictions, including reporting requirements detailing interactions with and payments to healthcare providers.

Because of the breadth of these laws and the narrowness of the statutory exceptions and regulatory safe harbors available under such laws, it is possible that some of our business activities could be subject to challenge under one or more of such laws. The scope and enforcement of each of these laws is uncertain and subject to rapid change in the current environment of healthcare reform, especially in light of the lack of applicable precedent and regulations. Federal and state enforcement bodies have recently increased their scrutiny of interactions between healthcare companies and healthcare providers, which has led to a number of investigations, prosecutions, convictions and settlements in the healthcare industry. Ensuring that our business arrangements with third parties comply with applicable healthcare laws, as well as responding to investigations by government authorities, can be time- and resource-consuming and can divert management's attention from the business.

If our operations are found to be in violation of any of the laws described above or any other government regulations that apply to us, we may be subject to penalties, including civil, criminal and administrative penalties, damages, fines, disgorgement, individual imprisonment, possible exclusion from participation in federal- and state-funded healthcare programs, contractual damages and the curtailment or restricting of our operations, as well as additional reporting obligations and oversight if we become subject to a corporate integrity agreement or other agreement to resolve allegations of non-compliance with these laws, any of which could harm our ability to operate our business and our financial results. Further, if the physicians or other providers or entities with whom we expect to do business are found not to be in compliance with applicable laws, they may be subject to criminal, civil or administrative sanctions, including exclusions from government

funded healthcare programs. In addition, the approval and commercialization of any drug candidate we develop outside the United States will also likely subject us to foreign equivalents of the healthcare laws mentioned above, among other foreign laws.

Risks related to intellectual property

If we and our collaborators are unable to obtain and maintain sufficient patent and other intellectual property protection for our drug candidates and technology, our competitors could develop and commercialize products and technology similar or identical to ours, and we may not be able to compete effectively in our market or successfully commercialize any drug candidates we may develop.

Our success depends in significant part on our ability and the ability of our current or future collaborators and licensors to obtain, maintain, enforce and defend patents and other intellectual property rights with respect to our drug candidates and technology and to operate our business without infringing, misappropriating, or otherwise violating the intellectual property rights of others. If we and our current or future collaborators and licensors are unable to obtain and maintain sufficient intellectual property protection for our drug candidates or other drug candidates that we may identify, or if the scope of the intellectual property protection obtained is not sufficiently broad, our competitors and other third parties could develop and commercialize drug candidates similar or identical to ours, and our ability to successfully commercialize our drug candidates and other drug candidates that we may pursue may be impaired. We do not own or in-license any issued patents with respect to our programs, including our CHB and NASH programs, and we can provide no assurance that any of our current or future patent applications will result in issued patents or that any issued patents will provide us with any competitive advantage. Failure to obtain such issued patents could have a material adverse effect on our ability to develop and commercialize our drug candidates.

We seek to protect our proprietary positions by, among other things, filing patent applications in the United States and abroad related to our current drug candidates and other drug candidates that we may identify. Obtaining, maintaining, defending and enforcing pharmaceutical patents is costly, time consuming and complex, and we may not be able to file and prosecute all necessary or desirable patent applications, or maintain, enforce and license any patents that may issue from such patent applications, at a reasonable cost or in a timely manner. It is also possible that we will fail to identify patentable aspects of our research and development output before it is too late to obtain patent protection. Moreover, under certain of our license or collaboration agreements, we may not have the right to control the preparation, filing, prosecution and maintenance of patent applications, or to maintain the rights to patents licensed to or from third parties.

We currently are the assignee of a number of U.S. provisional patent applications. U.S. provisional patent applications are not eligible to become issued patents until, among other things, we file a non-provisional patent application within 12 months of filing of one or more of our related provisional patent applications. With regard to such U.S. provisional patent applications, if we do not timely file any non-provisional patent applications, we may lose our priority dates with respect to our provisional patent applications and any patent protection on the inventions disclosed in our provisional patent applications. Further, in the event that we do timely file non-provisional patent applications relating to our provisional patent applications, we cannot predict whether any such patent applications will result in the issuance of patents or if such issued patents will provide us with any competitive advantage.

Although we enter into confidentiality agreements with parties who have access to confidential or patentable aspects of our research and development output, such as our employees, collaborators, CROs, contract manufacturers, consultants, advisors and other third parties, any of these parties may breach these agreements and disclose such output before a patent application is filed, thereby jeopardizing our ability to seek patent protection. Further, we may not be aware of all third-party intellectual property rights potentially

relating to our drug candidates. Publications of discoveries in the scientific literature often lag behind the actual discoveries, and patent applications in the United States and other jurisdictions are typically not published until 18 months after filing or, in some cases, not at all. Therefore, we cannot know with certainty whether we were the first to make the inventions claimed in our patents or pending patent applications, or that we were the first to file for patent protection of such inventions.

The patent position of pharmaceutical companies generally is highly uncertain, involves complex legal, technological and factual questions and has, in recent years, been the subject of much debate and litigation throughout the world. In addition, the laws of foreign countries may not protect our rights to the same extent as the laws of the United States, or vice versa. As a result, the issuance, scope, validity, enforceability, and commercial value of our patent rights are highly uncertain. The subject matter claimed in a patent application can be significantly reduced or eliminated before the patent issues, if at all, and its scope can be reinterpreted or narrowed after issuance. Therefore, our pending and future patent applications may not result in patents being issued in relevant jurisdictions that protect our drug candidates, in whole or in part, or that effectively prevent others from commercializing competitive drug candidates, and even if our patent applications issue as patents in relevant jurisdictions, they may not issue in a form that will provide us with any meaningful protection for our drug candidates or technology, prevent competitors from competing with us or otherwise provide us with any competitive advantage. Additionally, our competitors may be able to circumvent our patents by challenging their validity or by developing similar or alternative drug candidates or technologies in a non-infringing manner.

The issuance of a patent is not conclusive as to its inventorship, scope, validity or enforceability, and our patents may be challenged in the courts or patent offices in the United States and abroad. We may be subject to a third-party preissuance submission of prior art to the United States Patent and Trademark Office (the “USPTO”), or become involved in opposition, derivation, revocation, reexamination, *inter partes* review, post-grant review or interference proceedings challenging our patent rights or the patent rights of others, or other proceedings in the USPTO or applicable foreign offices that challenge priority of invention or other features of patentability. An adverse determination in any such submission, proceeding or litigation could result in loss of exclusivity or ability to sell our products free from infringing the patents of third parties, patent claims being narrowed, invalidated or held unenforceable, in whole or in part, and limitation of the scope or duration of the patents directed to our drug candidates, all of which could limit our ability to stop others from using or commercializing similar or identical drug candidates or technology to compete directly with us, without payment to us, or result in our inability to manufacture or commercialize drug candidates or approved products (if any) without infringing third-party patent rights. In addition, if the breadth or strength of the claims of 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 drug candidates, or could have a material adverse effect on our ability to raise funds necessary to continue our research programs or clinical trials. 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, given the amount of time required for the development, testing and regulatory review of new drug candidates, patents protecting such 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 or technology similar or identical to ours for a meaningful amount of time, or at all. Moreover, some of our licensed patents and owned or licensed patent applications may in the future be co-owned with third parties. If we are unable to obtain exclusive licenses to any such co-owners’ interest in such patents or patent applications, such co-owners may be able to license their rights to other third parties, including our competitors, and our competitors could market competing products and technology. In addition, we may need the cooperation of any such co-owners in order to enforce such patents against third parties, and

such cooperation may not be provided to us. Any of the foregoing could harm our competitive position, business, financial condition, results of operations and prospects.

We have entered into licensing agreements with third parties. If we fail to comply with our obligations in the agreements under which we license intellectual property rights to or from third parties, or these agreements are terminated, or we otherwise experience disruptions to our business relationships with our licensors or licensees, our competitive position, business, financial condition, results of operations and prospects could be harmed.

In addition to patent and other intellectual property rights we own or co-own, we have licensed, and may in the future license, patent and other intellectual property rights to and from other parties. In particular, we have in-licensed significant intellectual property rights from Emory and Luxna. Licenses may not provide us with exclusive rights to use the applicable intellectual property and technology in all relevant fields of use and in all territories in which we may wish to develop or commercialize our drug candidates, products (if approved) and technology in the future. As a result, we may not be able to prevent competitors from developing and commercializing competitive products or technologies.

In addition, in some circumstances, we may not have the right to control the preparation, filing and prosecution of patent applications or to maintain, defend and enforce the patents that we license to or from third parties, and we may have to rely on our partners to fulfill these responsibilities. For example, under the Luxna Agreement, we obtained a license from Luxna under patents relevant to certain aspects of our HBV programs as well as to various potential therapies, which we are pursuing to address SARS-CoV-2. Although we have review and comment rights regarding prosecution of patents that we license under the Luxna Agreement, Luxna retains ultimate decision-making control with respect to the prosecution of these patents. Additionally, under the Emory License Agreement, we obtained a license from Emory University under patents relevant to certain aspects of our small molecule CHB program. Although we direct prosecution of patents licensed under the Emory License Agreement, we are obligated to consult with Emory University with respect to prosecution of these patents and Emory and its counsel are responsible for making all filings related to such prosecution. Similarly, although we will control the prosecution of jointly developed patents resulting from our collaboration with the Rega Institute for Medical Research and the Centre for Drug Design and Discovery under the KU Leuven Agreement, we are obligated to consult with such parties with respect to prosecution of these patents. Consequently, any such licensed patents and applications may not be prepared, filed, prosecuted, maintained, enforced, and defended in a manner consistent with the best interests of our business. If our current or future licensors, licensees or collaborators fail to prepare, file, prosecute, maintain, enforce, and defend licensed patents and other intellectual property rights, such rights may be reduced or eliminated, and our right to develop and commercialize any of our drug candidates or technology that are the subject of such licensed rights could be adversely affected. In addition, our licensors may own or control intellectual property that has not been licensed to us and, as a result, we may be subject to claims, regardless of their merit, that we are infringing or otherwise violating the licensor's rights.

If we fail to comply with our obligations, including the obligation to make various milestone payments and royalty payments, under any of the agreements under which we license intellectual property rights from third parties, such as the Emory License Agreement or Luxna Agreement, the licensor may have the right to terminate the license. Under some of our in-license agreements, as a sublicensee, we may be obligated to comply with applicable requirements, limitations or obligations of our sublicensors to other third parties. For example, the Luxna Agreement includes rights that Luxna in-licensed from Osaka University ("Osaka"), which are in turn sublicensed to us. Prior to granting such rights to Luxna, Osaka granted certain rights to third parties and therefore the rights we in-license from Luxna are subject to such third-party rights. Although we understand that these rights granted to such third parties are for uses outside the scope of our business, license agreements are complex, subject to multiple interpretations and disputes may arise regarding scope of

such licensed rights. Further, under the Luxna Agreement and other in-licenses under which we sublicense certain rights, we rely on Luxna and our other sublicensors to comply with their obligations under their upstream license agreements, where we may have no relationship with the original licensor of such rights. If our sublicensors fail to comply with their obligations under their upstream license agreements, and the upstream license agreements are consequently terminated, such termination may result in the termination of our sublicenses.

If any of our license agreements are terminated, the underlying licensed patents fail to provide the intended exclusivity or we otherwise experience disruptions to our business relationships with our licensors, we could lose intellectual property rights that are important to our business or be prevented from developing and commercializing our drug candidates, and competitors could have the freedom to seek regulatory approval of, and to market, products identical to ours. Termination of these agreements or reduction or elimination of our rights under these agreements may also result in our having to negotiate new or reinstated agreements with less favorable terms, cause us to lose our rights under these agreements, including our rights to important intellectual property or technology, or impede, delay or prohibit the further development or commercialization of one or more drug candidates that rely on such agreements. It is possible that we may be unable to obtain any additional licenses at a reasonable cost or on reasonable terms, if at all. In that event, we may be required to expend significant time and resources to redesign our drug candidates or the methods for manufacturing them or to develop or license replacement technology, all of which may not be feasible on a technical or commercial basis.

In addition, the research resulting in certain of our owned and in-licensed patent rights and technology may have been funded in part by the U.S. federal or state governments. As a result, the government may have certain rights, including march-in rights, to such patent rights and technology. When new technologies are developed with government funding, the government generally obtains certain rights in any resulting patents, including a non-exclusive license authorizing the government to use the invention for noncommercial purposes. These rights may permit the government to disclose our confidential information to third parties or allow third parties to use our licensed technology. The government can exercise its march-in rights if it determines that action is necessary because we fail to achieve practical application of the government-funded technology, or because action is necessary to alleviate health or safety needs, to meet requirements of federal regulations, or to give preference to U.S. industry. In addition, our rights in such inventions may be subject to certain requirements to manufacture products embodying such inventions in the United States. Any of the foregoing could harm our competitive position, business, financial condition, results of operations and prospects.

Licensing of intellectual property is of critical importance to our business and involves complex legal, business and scientific issues and certain provisions in intellectual property license agreements may be susceptible to multiple interpretations. Disputes may arise between us and our licensing partners 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 technology and processes of one party infringe intellectual property of the other party that are not subject to the licensing agreement;
- rights to sublicense patent and other rights to third parties;
- any diligence obligations with respect to the use of the licensed technology in relation to development and commercialization of our drug candidates, and what activities satisfy those diligence obligations;
- the ownership of inventions and know-how resulting from the joint creation or use of intellectual property;

- rights to transfer or assign the license; and
- the effects of termination.

The resolution of any contract interpretation disagreement that may arise could narrow what we believe to be the scope of our rights to the relevant intellectual property or technology, or increase what we believe to be our financial or other obligations under the relevant agreement, either of which could harm our business, financial condition, results of operations and prospects. If disputes over intellectual property that we have licensed prevent or impair our ability to maintain our current licensing arrangements on acceptable terms or at all, we may be unable to successfully develop and commercialize the affected drug candidates. Moreover, any dispute or disagreement with our licensing partners may result in the delay or termination of the research, development or commercialization of our drug candidates or any future drug candidates, and may result in costly litigation or arbitration that diverts management attention and resources away from our day-to-day activities, which may adversely affect our business, financial conditions, results of operations and prospectus.

Furthermore, current and future collaborators or strategic partners may develop, either alone or with others, products in related fields that are competitive with the products or potential products that are the subject of these collaborations. Competing products, either developed by our collaborators or strategic partners or to which the collaborators or strategic partners have rights, may result in the withdrawal of partner support for our drug candidates. Any of these developments could harm our product development efforts.

In addition, if our licensors fail to abide by the terms of the license, if the licensors fail to prevent infringement by third parties or if the licensed patents or other rights are found to be invalid or unenforceable, our business, competitive position, financial condition, results of operations and prospects could be materially harmed. For more information regarding our license agreements, see “Business—License agreements.”

If we are unable to obtain licenses from third parties on commercially reasonable terms or at all, our business could be harmed.

It may be necessary for us to use the patented or proprietary technology of third parties to commercialize our products (if approved), in which case we would be required to obtain a license from these third parties. The licensing of third-party intellectual property rights is a competitive area, and more established companies may pursue strategies to license or acquire third-party intellectual property rights that we may consider attractive or necessary. More established companies may have a competitive advantage over us due to their size, capital resources and greater clinical development and commercialization capabilities. In addition, companies that perceive us to be a competitor may be unwilling to assign or license rights to us. We also may be unable to license or acquire third party intellectual property rights on terms that would allow us to make an appropriate return on our investment or at all. If we are unable to license such technology, or if we are forced to license such technology on unfavorable terms, our business could be materially harmed. If we are unable to obtain a necessary license, we may be unable to develop or commercialize the affected drug 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. Even if we are able to obtain a license, it may be or become non-exclusive, thereby giving our competitors access to the same technologies licensed to us. For example, under the Emory License Agreement we currently have an exclusive license with respect to certain patents and a non-exclusive license with respect to certain of Emory’s specified know-how. Beginning in June 2022, the license to such patents will become non-exclusive with respect to all fields except for the treatment and prevention of HBV. For more information regarding our license agreements, see the section titled “Business—License agreements.” Any of the foregoing could harm our competitive position, business, financial condition, results of operations and prospects.

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

We cannot guarantee that any of our or our licensors' patent searches or analyses, including the identification of relevant patents, the scope of patent claims or the expiration of relevant patents, are complete or thorough, nor can we be certain that we have identified each and every third-party patent and pending patent application in the United States and abroad that is relevant to or necessary for the commercialization of our drug candidates in any jurisdiction. For example, U.S. patent applications filed before November 29, 2000 and certain U.S. patent applications filed after that date that will not be filed outside the United States remain confidential until patents issue. As mentioned above, patent applications in the United States and elsewhere are published approximately 18 months after the earliest filing for which priority is claimed, with such earliest filing date being commonly referred to as the priority date. Therefore, patent applications covering our drug candidates could have been filed by third parties without our knowledge. Additionally, pending patent applications that have been published can, subject to certain limitations, be later amended in a manner that could cover our drug candidates or the use of our drug candidates. The scope of a patent claim is determined by an interpretation of the law, the written disclosure in a patent and the patent's prosecution history. Our interpretation of the relevance or the scope of a patent or a pending application may be incorrect, which may negatively impact our ability to market our drug candidates. We may incorrectly determine that our drug candidates are not covered by a third-party patent or may incorrectly predict whether a third party's pending application will issue with claims of relevant scope. Our determination of the expiration date of any patent in the United States or abroad that we consider relevant may be incorrect, which may negatively impact our ability to develop and market our drug candidates. Our failure to identify and correctly interpret relevant patents may negatively impact our ability to develop and market our drug candidates.

We are aware of certain third-party pending patent applications that, if issued with their current claim scope, may be construed to cover our drug candidates, including ALG-055009 and ALG-125097. In the event that any of these patents were asserted against us, we believe that we would have defenses against any such action, including that such patents are not valid. However, if any such patents were to be asserted against us and our defenses to such assertion were unsuccessful and alternative technology was not available or technologically or commercially practical, unless we obtain a license to such patents, we could be liable for damages, which could be significant and include treble damages and attorneys' fees if we are found to willfully infringe such patents, and we could be precluded from commercializing any drug candidates that were ultimately held to infringe such patents.

In addition, if we fail to identify and correctly interpret relevant patents, we may be subject to infringement claims. We cannot guarantee that we will be able to successfully settle or otherwise resolve such infringement claims. If we fail in any such dispute, in addition to being forced to pay damages, which may be significant, we may be temporarily or permanently prohibited from commercializing any of our drug candidates that are held to be infringing. We might, if possible, also be forced to redesign drug candidates so that they no longer infringe the third-party intellectual property rights. Any of these events, even if we were ultimately to prevail, could require us to divert substantial financial and management resources that we would otherwise be able to devote to our business and could adversely affect our business, financial condition, results of operations and prospects.

Patent terms may be inadequate to establish our competitive position on our drug 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 life of a patent, and the protection it affords, is limited. Even if patents covering our

drug candidates are obtained, once the patent life has expired for a drug candidate, we may be open to competition from competitive medications, including generic versions. Given the amount of time required for the development, testing and regulatory review of new drug candidates, patents directed towards such drug candidates might expire before or shortly after such drug candidates are commercialized. As a result, our owned and licensed patent portfolio may not provide us with sufficient rights to exclude others from commercializing drug candidates similar or identical to ours for a meaningful amount of time, or at all.

Depending upon the timing, duration and conditions of any FDA marketing approval of our drug candidates, one or more of our owned or licensed U.S. patents may be eligible for limited patent term extension under the Hatch-Waxman Act, and similar legislation in the EU and certain other countries. The Hatch-Waxman Act permits a patent term extension of up to five years for a patent covering an approved product as compensation for effective patent term lost during product development and the FDA regulatory review process. However, we may not receive an extension if we fail to exercise due diligence during the testing phase or regulatory review process, fail to apply within applicable deadlines, fail to apply prior to expiration of relevant patents or otherwise fail to satisfy applicable requirements. Moreover, the length of the extension could be less than we request. Only one patent per approved product can be extended, the extension cannot extend the total patent term beyond 14 years from approval and only those claims for the approved drug, a method for using it or a method for manufacturing it may be extended. If we are unable to obtain patent term extension or the term of any such extension is less than we request, the period during which we can enforce our patent rights for the applicable drug candidate will be shortened and our competitors may obtain approval to market competing products sooner. As a result, our revenue from applicable products could be reduced. Further, if this occurs, our competitors may take advantage of our investment in development and trials by referencing our clinical and nonclinical data and launch their product earlier than might otherwise be the case, and our competitive position, business, financial condition, results of operations and prospects could be materially harmed.

Further, there are detailed rules and requirements regarding the patents that may be submitted to the FDA for listing in the Orange Book. We may be unable to obtain patents covering our drug candidates that contain one or more claims that satisfy the requirements for listing in the Orange Book. Even if we submit a patent for listing in the Orange Book, the FDA may decline to list the patent, or a manufacturer of generic drugs may challenge the listing. If one of our drug candidates is approved and a patent covering that drug candidate is not listed in the Orange Book, a manufacturer of generic drugs would not have to provide advance notice to us of any abbreviated new drug application filed with the FDA to obtain permission to sell a generic version of such drug candidate. Any of the foregoing could harm our competitive position, business, financial condition, results of operations and prospects.

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

Filing, prosecuting, maintaining, defending and enforcing patents on our drug candidates in all countries throughout the world would be prohibitively expensive, and consequently our intellectual property rights in some countries outside the United States may be less extensive than those in the United States. In addition, the laws of some foreign countries do not protect intellectual property rights to the same extent as federal and state laws in the United States. Consequently, we may not be able to prevent third parties from practicing our inventions in all countries outside the United States, or from selling or importing products made using our inventions in and into the United States or other jurisdictions. Competitors may use our technologies in jurisdictions where we have not obtained patents to develop their own products and may export otherwise infringing products to territories where we have patents, but enforcement rights are not as strong as those in the United States. These products may compete with our drug candidates and our patents or other intellectual property rights may not be effective or sufficient to prevent them from competing.

Many companies have encountered significant problems in protecting and defending intellectual property rights in foreign jurisdictions. The legal systems of some countries do not favor the enforcement or protection of patents, trade secrets and other intellectual property, which could make it difficult for us to stop the infringement of our patents or marketing of competing products in violation of our intellectual property and proprietary rights generally. Proceedings to enforce our intellectual property rights in foreign jurisdictions could result in substantial costs and divert our efforts and attention from other aspects of our business, could put our patents at risk of being invalidated or interpreted narrowly and our patent applications at risk of not issuing and could provoke third parties to assert claims against us. We may not prevail in any lawsuits that we initiate, and the damages or other remedies awarded, if any, may not be commercially meaningful.

Many foreign countries, including some EU countries, India, Japan and China, have compulsory licensing laws under which a patent owner may be compelled under specified circumstances to grant licenses to third parties. In addition, many countries limit the enforceability of patents against government agencies or government contractors. In those countries, we may have limited remedies if patents are infringed or if we are compelled to grant a license to a third party, which could materially diminish the value of the applicable patents and limit our potential revenue opportunities. Accordingly, our efforts to enforce our intellectual property rights around the world may be inadequate to obtain a significant commercial advantage from the intellectual property that we develop or license, which could adversely affect our business, financial condition, results of operations and prospects.

Changes in patent law could diminish the value of patents in general, thereby impairing our ability to protect our drug candidates.

Obtaining and enforcing patents in the pharmaceutical industry is inherently uncertain, due in part to ongoing changes in the patent laws. For example, in the United States, depending on decisions by Congress, the federal courts, and the USPTO, the laws and regulations governing patents, and interpretation thereof, could change in unpredictable ways that could weaken our and our collaborators' or licensors' ability to obtain new patents or to enforce existing or future patents. 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. Therefore, there is increased uncertainty with regard to our and our collaborators' or licensors' ability to obtain patents in the future, as well as uncertainty with respect to the value of patents once obtained.

Patent reform legislation could increase the uncertainties and costs surrounding the prosecution of our and our collaborators' or licensors' patent applications and the enforcement or defense of our or our collaborators' or licensors' issued patents. For example, assuming that other requirements for patentability are met, prior to March 2013, in the United States, the first to invent the claimed invention was entitled to the patent, while outside the United States, the first to file a patent application was entitled to the patent. After March 2013, under the Leahy-Smith America Invents Act (the "Leahy-Smith Act"), enacted in September 2011, the United States transitioned to a first inventor to file system in which, assuming that other requirements for patentability are met, the first inventor to file a patent application will be entitled to the patent on an invention regardless of whether a third party was the first to invent the claimed invention. The Leahy-Smith Act also includes a number of significant changes that affect the way patent applications are prosecuted and may also affect patent litigation. These include allowing third-party submission of prior art to the USPTO during patent prosecution and additional procedures to challenge the validity of a patent by USPTO-administered post-grant proceedings, including post-grant review, *inter partes* review and derivation proceedings. The USPTO has developed new regulations and procedures to govern administration of the Leahy-Smith Act, and many of the substantive changes to patent law associated with the Leahy-Smith Act, particularly the first inventor-to-file provisions. Accordingly, it is not clear what, if any, impact the Leahy-Smith Act will have on the operation of our business. However, the Leahy-Smith Act and its implementation could increase the uncertainties and costs

surrounding the prosecution of our or our licensors' patent applications and the enforcement or defense of our or our licensors' issued patents. Similarly, statutory or judicial changes to the patent laws of other countries may increase the uncertainties and costs surrounding the prosecution of patent applications and the enforcement or defense of issued patents. All of the foregoing could harm our business, financial condition, results of operations and prospects.

Obtaining and maintaining our patent protection depends on compliance with various procedural, document submission, fee payment and other requirements imposed by governmental patent agencies, and our patent rights, if any, could be reduced or eliminated if we fail to comply with these requirements.

Periodic maintenance fees, renewal fees, annuity fees, and various other fees are required to be paid to the USPTO and foreign patent agencies in several stages over the lifetime of a patent. In certain circumstances, we rely on our collaborators or licensors to pay these fees. The USPTO and various foreign patent agencies also require compliance with a number of procedural, documentary, fee payment and other similar requirements during the patent application and prosecution process. Non-compliance events that could result in abandonment or lapse of a patent or patent application include failure to respond to official communications within prescribed time limits, non-payment of fees and failure to properly legalize and submit formal documents. While an inadvertent lapse can in some cases be cured by payment of a late fee or by other means in accordance with the applicable rules, there are situations in which non-compliance can result in irrevocable abandonment or lapse of the patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. If we or our licensors fail to maintain the patents and patent applications covering our drug candidates, our competitors might be able to enter the market with similar or identical products or technology, which would harm our business, financial condition, results of operations and prospects.

We may become involved in lawsuits to protect or enforce our patents or other intellectual property, which could be expensive, time-consuming and unsuccessful, and issued patents directed towards our technology and drug candidates could be found invalid or unenforceable if challenged.

Competitors and other third parties may infringe or otherwise violate our issued patents or other intellectual property or the patents or other intellectual property of our licensors and collaborators. In addition, our patents or the patents of our licensors and collaborators may become involved in inventorship or priority disputes. To counter infringement or other unauthorized use, we may be required to file infringement claims, which can be expensive and time-consuming. Significantly, our pending patent applications cannot be enforced against third parties practicing the technology claimed in such applications unless and until a patent issues from such applications. Our ability to enforce patent rights also depends on our ability to detect infringement. It may be difficult to detect infringers who do not advertise the components or methods that are used in connection with their products and services. Moreover, it may be difficult or impossible to obtain evidence of infringement in a competitor's or potential competitor's product or service. Any claims we assert against perceived infringers could provoke these parties to assert counterclaims against us alleging that we infringe their patents or that our patents are invalid or unenforceable. In a patent infringement proceeding, a court may decide that a patent of ours is invalid or unenforceable, in whole or in part, construe the patent's claims narrowly or refuse to stop the other party from using the technology at issue on the grounds that our patents do not cover the technology. An adverse result in any litigation proceeding could put one or more of our owned or licensed patents at risk of being invalidated, held unenforceable or interpreted narrowly. We may find it impractical or undesirable to enforce our intellectual property against some third parties.

If we were to initiate legal proceedings against a third party to enforce a patent directed to our drug candidates, or one of our future drug candidates, the defendant could counterclaim that our patent is invalid or unenforceable. In patent litigation in the United States, defendant counterclaims alleging invalidity or unenforceability are commonplace. Grounds for a validity challenge could be an alleged failure to meet any of

several statutory requirements, including lack of novelty, obviousness, non-enablement or insufficient written description. Grounds for an unenforceability assertion could be an allegation that someone connected with prosecution of the patent withheld relevant information from the USPTO or made a misleading statement during prosecution. Third parties may also raise similar claims before the USPTO or an equivalent foreign body, even outside the context of litigation. Potential proceedings include reexamination, post-grant review, inter partes review, interference proceedings, derivation proceedings and equivalent proceedings in foreign jurisdictions (e.g., opposition proceedings). Such proceedings could result in the revocation of, cancellation of, or amendment to our patents in such a way that they no longer cover our technology or any drug candidates that we may develop. The outcome following legal assertions of invalidity and unenforceability is unpredictable. With respect to the validity question, for example, we cannot be certain that there is no invalidating prior art of which we and the patent examiner were unaware during prosecution. If a defendant were to prevail on a legal assertion of invalidity or unenforceability, we would lose at least part, and perhaps all, of the patent rights directed towards the applicable drug candidates or technology related to the patent rendered invalid or unenforceable. Such a loss of patent rights would materially harm our business, financial condition, results of operations and prospects.

Interference proceedings provoked by third parties or brought by us or declared by the USPTO may be necessary to determine the priority of inventions with respect to our 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 materially harmed if the prevailing party does not offer us a license on commercially reasonable terms.

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

Some of our competitors are larger than we are and have substantially greater resources. They are, therefore, likely to be able to sustain the costs of complex patent litigation or proceedings more effectively than we can because of their greater financial resources and more mature and developed intellectual property portfolios. Accordingly, despite our efforts, we may not be able to prevent third parties from infringing, misappropriating or otherwise violating our intellectual property. Even if resolved in our favor, litigation or other legal proceedings relating to intellectual property claims could result in substantial costs and diversion of management resources, which could harm our business. In addition, the uncertainties associated with litigation could compromise our ability to raise the funds necessary to continue our clinical trials, continue our internal research programs, or in-license needed technology or other drug candidates. There could also be public announcements of the results of the hearing, motions, or other interim proceedings or developments. If securities analysts or investors perceive those results to be negative, it could cause the price of shares of our common stock to decline. Any of the foregoing events could harm our business, financial condition, results of operation and prospects.

Third parties may initiate legal proceedings alleging that we are infringing, misappropriating or otherwise violating their intellectual property rights, the outcome of which would be uncertain and could negatively impact the success of our business.

Our commercial success depends upon our ability to develop, manufacture, market and sell our drug candidates and use our proprietary technologies without infringing, misappropriating or otherwise violating the intellectual property and other proprietary rights of third parties. There is considerable intellectual property litigation in the pharmaceutical industry. We may become party to, or threatened with, future adversarial proceedings or litigation regarding intellectual property rights with respect to our drug candidates and their manufacture and our other technology, including reexamination, interference, post-grant review, inter partes

review or derivation proceedings before the USPTO or an equivalent foreign body. Numerous U.S.- and foreign-issued patents and pending patent applications owned by third parties exist in the fields in which we are developing our drug candidates. Third parties may assert infringement claims against us based on existing patents or patents that may be granted in the future, regardless of their merit.

Even if we believe third-party intellectual property claims are without merit, there is no assurance that a court would find in our favor on questions of claim scope, infringement, validity, enforceability or priority. A court of competent jurisdiction could hold that third-party patents asserted against us are valid, enforceable and infringed, which could materially and adversely affect our ability to commercialize any drug candidates we may develop and any other drug candidates or technologies covered by the asserted third-party patents. In order to successfully challenge the validity of any such U.S. patent in federal court, we would need to overcome a presumption of validity. As this burden is a high one requiring us to present clear and convincing evidence as to the invalidity of any such U.S. patent claim, there is no assurance that a court of competent jurisdiction would invalidate the claims of any such U.S. patent. If we are found to infringe, misappropriate or otherwise violate a third party's intellectual property rights, and we are unsuccessful in demonstrating that such rights are invalid or unenforceable, we could be required to obtain a license from such a third party in order to continue developing and marketing our products and technology. However, we may not be able to obtain any required license on commercially reasonable terms or at all. Even if we were able to obtain a license, it could be or may become non-exclusive, thereby giving our competitors access to the same technologies licensed to us. We could be forced, including by court order, to cease commercializing the infringing technology or product. A finding of infringement could prevent us from commercializing our drug candidates or force us to cease some of our business operations. In the event of a successful claim of infringement against us, we may have to pay substantial damages, including treble damages and attorneys' fees for willful infringement, pay royalties and other fees, redesign our infringing drug candidate or obtain one or more licenses from third parties, which may be impossible or require substantial time and monetary expenditure. Claims that we have misappropriated the confidential information or trade secrets of third parties could have a similar negative impact on our business. Any of the foregoing events would harm our business, financial condition, results of operations and prospects.

We may be subject to claims by third parties asserting that we or our employees have infringed, misappropriated or otherwise violated their intellectual property rights, or claiming ownership of what we regard as our own intellectual property.

Many of our employees were previously employed at other biotechnology or pharmaceutical companies. Although we try to ensure that our employees, consultants and advisors do not use the proprietary information or know-how of others in their work for us, we may be subject to claims that we or these individuals have used or disclosed intellectual property, including trade secrets or other proprietary information, of any such individual's former employer. We may also be subject to claims that patents and applications we have filed to protect inventions made on our behalf by our employees, consultants and advisors, even those related to one or more of our drug candidates, are rightfully owned by their former or concurrent employer. Litigation may be necessary to defend against these claims.

If we fail in prosecuting or defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights or personnel. Even if we are successful in prosecuting or defending against such claims, litigation could result in substantial costs, delay development of our drug candidates and be a distraction to management. Any of the foregoing events would harm our business, financial condition, results of operations and prospects.

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

We or our licensors may be subject to claims that former employees, collaborators or other third parties have an interest in our owned or in-licensed patents, trade secrets, or other intellectual property as an inventor or

co-inventor. For example, we or our licensors or collaborators may have inventorship disputes arising from conflicting obligations of employees, consultants or others who are involved in developing our drug candidates. While it is our policy to require our employees and contractors who may be involved in the development of intellectual property to execute agreements assigning such intellectual property to us, we may be unsuccessful in executing such an agreement with each party who in fact develops intellectual property that we regard as our own. Our and their assignment agreements may not be self-executing or may be breached, and litigation may be necessary to defend against these and other claims challenging inventorship or our or our licensors' or collaborators' ownership of our owned or in-licensed patents, trade secrets or other intellectual property. If we or our licensors or collaborators fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights, such as exclusive ownership of, or right to use, intellectual property that is important to our drug candidates. Even if we are successful in defending against such claims, litigation could result in substantial costs and be a distraction to management and other employees. Any of the foregoing could have a material adverse effect on our business, financial condition, results of operations and prospects.

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

Even if resolved in our favor, litigation or other legal proceedings relating to intellectual property claims may cause us to incur significant expenses, and could distract our technical and management personnel from their normal responsibilities. In addition, there could be public announcements of the results of hearings, motions or other interim proceedings or developments, and if securities analysts or investors perceive these results to be negative, it could have a substantial adverse effect on the price of our common stock. Such litigation or proceedings could substantially increase our operating losses and reduce the resources available for development 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. As noted above, 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, including compromising 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 collaborations that would help us commercialize our drug candidates, if approved. Any of the foregoing events would harm our business, financial condition, results of operations and prospects.

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

We rely on confidential methodologies and processes and confidentiality agreements to protect our unpatented know-how, technology and other proprietary information and to maintain our competitive position. Trade secrets and know-how can be difficult to protect. We seek to protect these trade secrets and other proprietary technology, in part, by entering into non-disclosure and confidentiality agreements with parties who have access to them, such as our employees, licensors, collaborators, CROs, contract manufacturers, consultants, advisors and other third parties. We also enter into confidentiality and invention or patent assignment agreements with our employees and consultants. We cannot guarantee that we have entered into such agreements with each party that may have or has had access to our trade secrets or proprietary technology and processes. Despite these efforts, any of these parties may breach the agreements and disclose our proprietary information, including our trade secrets, and we may not be able to obtain adequate remedies for such breaches. Unauthorized parties may also attempt to copy or reverse engineer certain aspects of our drug candidates that we consider proprietary. Monitoring unauthorized uses and disclosures is difficult, and we do not know whether the steps we have taken to protect our proprietary information will be effective.

We also seek to preserve the integrity and confidentiality of our confidential proprietary information by maintaining physical security of our premises and physical and electronic security of our information technology systems, but it is possible that these security measures could be breached. 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. If any of our trade secrets were to be lawfully obtained or independently developed by a competitor or other third party, we would have no right to prevent them from using that technology or information to compete with us. If any of our trade secrets were to be disclosed to or independently developed by a competitor or other third party, our competitive position would be materially and adversely harmed.

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

Our registered or unregistered trademarks or trade names may be challenged, infringed, circumvented or declared generic or determined to be infringing other marks. We may not be able to protect our rights to these trademarks and trade names, which we need to build name recognition among potential collaborators or customers in our markets of interest. At times, competitors may adopt trade names or trademarks similar to ours, thereby impeding our ability to build brand identity and possibly leading to market confusion. In addition, there could be potential trade name or trademark infringement claims brought by owners of other trademarks or trademarks that incorporate variations of our registered or unregistered trademarks or trade names. Over the long term, if we are unable to establish name recognition based on our trademarks and trade names, then we may not be able to compete effectively and our business may be adversely affected. Further, we may license our trademarks and trade names to third parties, such as distributors. Though these license agreements may provide guidelines for how our trademarks and trade names may be used, a breach of these agreements or misuse of our trademarks and tradenames by our licensees may jeopardize our rights in or diminish the goodwill associated with our trademarks and trade names. Our efforts to enforce or protect our proprietary rights related to trademarks, trade names, trade secrets, domain names, copyrights or other intellectual property may be ineffective and could result in substantial costs and diversion of resources and could adversely affect our business, financial condition, results of operations and prospects.

Intellectual property rights do not necessarily address all potential threats.

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

- others may be able to make products that are similar to any drug candidates we may develop or utilize similar technology but that are not covered by the claims of the patents that we license or may own in the future;
- we, or our current or future licensors or collaborators might not have been the first to make the inventions covered by the issued patent or pending patent application that we license or may own in the future;
- we, or our current or future licensors or collaborators might not have been the first to file patent applications covering certain of our or their inventions;
- others may independently develop similar or alternative technologies or duplicate any of our technologies without infringing our owned or licensed intellectual property rights;
- it is possible that our pending owned or licensed patent applications or those that we may own or license in the future will not lead to issued patents;

- issued patents that we hold rights to may be held invalid or unenforceable, including 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;
- the intellectual property rights of others may harm our business; and
- we may choose not to file a patent in order to maintain certain trade secrets or know-how, and a third party may subsequently file a patent directed to such intellectual property.

Should any of these events occur, they could harm our business, financial condition, results of operations and prospects.

Risks related to employee matters, managing our growth and other risks related to our business

We are highly dependent on our key personnel, and if we are not successful in attracting, motivating and retaining highly qualified personnel, we may not be able to successfully implement our business strategy.

We are highly dependent on our management, scientific and medical personnel, including our Chief Executive Officer, Dr. Blatt, and our President, Dr. Beigelman. The loss of the services of any of them may adversely impact the achievement of our objectives. Any of our executive officers could leave our employment at any time, as all of our employees are “at-will” employees. We currently do not have “key person” insurance on any of our employees.

Recruiting and retaining qualified employees, consultants and advisors for our business, including scientific and technical personnel, also will be critical to our success. Competition for skilled personnel is intense and the turnover rate can be high. We may not be able to attract and retain personnel on acceptable terms given the competition among numerous pharmaceutical and biotechnology companies and academic institutions for skilled individuals. In addition, failure to succeed in nonclinical studies, clinical trials or applications for marketing approval may make it more challenging to recruit and retain qualified personnel. The inability to recruit, or the loss of services of certain executives, significant employees, consultants or advisors, may impede the progress of our research, development and commercialization objectives and have a material adverse effect on our business, financial condition, results of operations and prospects.

We currently have no sales organization. If we are unable to establish sales capabilities on our own or through third parties, we may not be able to market and sell any products effectively, if approved, or generate product revenue.

We currently do not have a marketing or sales organization. In order to commercialize any product, if approved, in the United States and foreign jurisdictions, we must build our marketing, sales, distribution, managerial and other non-technical capabilities or make arrangements with third parties to perform these services, and we may not be successful in doing so. In advance of any of our drug candidates receiving regulatory approval, we expect to establish a sales organization with technical expertise and supporting distribution capabilities to commercialize each such drug candidate, which will be expensive and time-consuming. We have no prior experience in the marketing, sale and distribution of pharmaceutical products, and there are significant risks involved in building and managing a sales organization, including our ability to hire, retain, and incentivize qualified individuals, generate sufficient sales leads, provide adequate training to sales and marketing

personnel, and effectively manage a geographically dispersed sales and marketing team. Any failure or delay in the development of our internal sales, marketing and distribution capabilities would adversely impact the commercialization of our drug candidates. We may choose to collaborate 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. If we are unable to enter into such arrangements on acceptable terms or at all, we may not be able to successfully commercialize our drug candidates. If we are not successful in commercializing products, either on our own or through arrangements with one or more third parties, we may not be able to generate any future product revenue and we would incur significant additional losses.

We will need to grow the size of our organization, and we may experience difficulties in managing this growth.

As of June 30, 2020, we had 67 full-time employees, including 55 employees engaged in research and development. As our development and commercialization plans and strategies develop, 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 and FDA review process for our current drug candidates and any other drug candidate we develop, while complying with our contractual obligations to contractors and other third parties; and
- expanding and enhancing our operational, financial and management controls, reporting systems and procedures.

Our future financial performance and our ability to advance development of and, if approved, commercialize our current drug candidates and any other drug candidate we develop 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.

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 substantially all aspects of marketing, clinical management, 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 at a reasonable cost, 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 consultants is compromised for any reason, our nonclinical studies and clinical trials may be extended, delayed or terminated, and we may not be able to obtain marketing approval of any current or future drug candidates or otherwise advance our business. We cannot assure you that we will be able to manage our existing consultants 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 expanding our groups of consultants and contractors, we may experience delays or may not be able to successfully implement the tasks necessary to further develop and commercialize our current drug candidates and any future drug candidates we develop and, accordingly, may not achieve our research, development and commercialization goals.

We may in the future engage in strategic transactions; such transactions could affect our liquidity, dilute our existing stockholders, increase our expenses and present significant challenges in focus and energy to our management or prove not to be successful.

From time to time, we may consider strategic transactions, such as acquisitions of companies, asset purchases and out-licensing or in-licensing of intellectual property, products or technologies.

Such potential transactions that we may consider in the future include a variety of business arrangements, including spin-offs, strategic partnerships, joint ventures, restructurings, divestitures, business combinations, investments and licensings. Any future transactions could result in potentially dilutive issuances of our equity securities, including our common stock, or the incurrence of debt, contingent liabilities, amortization expenses or acquired in-process research and development expenses, any of which could affect our financial condition, liquidity and results of operations. Future acquisitions may also require us to obtain additional financing, which may not be available on favorable terms or at all. These transactions may never be successful and may require significant time and attention of management. In addition, the integration of any business that we may acquire in the future may disrupt our existing business and may be a complex, risky and costly endeavor for which we may never realize the full benefits of the acquisition.

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 the success of 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 and radioactive materials. Our operations also produce hazardous waste products. We cannot eliminate the risk of contamination or injury from these materials, and we generally contract with third parties for the disposal of these materials and wastes. In the event of contamination or injury resulting from our use or third-party disposal of hazardous materials, we could be held liable for any resulting damages, and any liability could exceed our resources. We also could incur significant costs associated with civil or criminal fines and penalties.

Although we maintain workers' compensation insurance to cover us for costs and expenses we may incur due to injuries to our employees resulting from the use of hazardous materials, this insurance may not provide adequate coverage against potential liabilities. We do not maintain insurance for environmental liability or toxic tort claims that may be asserted against us in connection with our storage or disposal of biological, hazardous or radioactive materials, and as such we would have to pay the full amount of any resultant liability out of pocket, which could significantly impair our financial condition.

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

Our corporate headquarters and other facilities are located in the San Francisco Bay Area, which in the past has experienced both severe earthquakes and wildfires. We are also conducting our initial clinical trials for ALG-010133 in New Zealand, an area also known for earthquakes. We do not carry earthquake insurance, and as such we would have to pay the full amount of any resultant liability out of pocket, which could significantly impair our financial condition. In addition, earthquakes, wildfires or other natural disasters could severely disrupt our operations. If a natural disaster, power outage or other event occurred that prevented us from using all or a significant portion of our headquarters, that damaged critical infrastructure, such as our enterprise financial systems or manufacturing resource planning and enterprise quality systems, that delayed our clinical trials, or that otherwise disrupted operations, it may be difficult or, in certain cases, impossible, for

us to continue our business for a substantial period of time. The disaster recovery and business continuity plans we have in place currently are limited and are unlikely to prove adequate in the event of a serious disaster or similar event. We may incur substantial expenses as a result of the limited nature of our disaster recovery and business continuity plans, which, particularly when taken together with our lack of earthquake insurance, could have a material adverse effect on our business, results of operations, financial condition and prospects. Furthermore, integral parties in our supply chain are similarly vulnerable to natural disasters or other sudden, unforeseen and severe adverse events. If such an event were to affect our supply chain, it could have a material adverse effect on our business.

Public health pandemics or epidemics, political instability, terrorist attacks, other acts of violence or war, or other unexpected events could materially and adversely impact us.

Public health pandemics or epidemics, political instability, terrorist attacks, other acts of violence or war or other unexpected events could materially interrupt our business operations (or those of the third parties upon whom we depend), cause consumer confidence and spending to decrease or result in increased volatility in the United States and worldwide financial markets and economy. They also could result in or prolong an economic recession in the United States. Any of these occurrences could materially and adversely affect us.

Our employees, independent contractors, vendors, principal investigators, CROs and consultants may engage in misconduct or other improper activities, including non-compliance with regulatory standards and requirements and insider trading.

We are exposed to the risk that our employees, independent contractors, vendors, principal investigators, CROs and consultants may engage in fraudulent conduct or other illegal activity. Misconduct by these parties could include intentional, reckless and/or negligent conduct or disclosure of unauthorized activities to us that violate the regulations of the FDA and comparable foreign regulatory authorities, including those laws requiring the reporting of true, complete and accurate information to such authorities; healthcare fraud and abuse laws and regulations in the United States and abroad; or laws that require the reporting of financial information or data accurately. In particular, sales, marketing and business arrangements in the healthcare industry are subject to extensive laws and regulations intended to prevent fraud, misconduct, kickbacks, self-dealing and other abusive practices. These laws and regulations may restrict or prohibit a wide range of pricing, discounting, marketing and promotion, sales commission, customer incentive programs and other business arrangements. Activities subject to these laws also involve the improper use of information obtained in the course of clinical trials or creating fraudulent data in our nonclinical studies or clinical trials, which could result in regulatory sanctions and cause serious harm to our reputation. It is not always possible to identify and deter misconduct by employees and other third 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. Additionally, we are subject to the risk that a person could allege such fraud or other misconduct, even if none occurred. If any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, those actions could have a significant impact on our business, including the imposition of civil, criminal and administrative penalties, damages, monetary fines, possible exclusion from participation in Medicare, Medicaid and other federal healthcare programs, contractual damages, reputational harm, diminished profits and future earnings, and curtailment of our operations, any of which could adversely affect our ability to operate our business and our results of operations.

Current or future litigation or administrative proceedings could have a material adverse effect on our business, our financial condition and our results of operations.

We may be involved in legal proceedings, administrative proceedings, claims, and other litigation that arise in the ordinary course of business. Unfavorable outcomes or developments relating to proceedings to which we

are a party or transactions involving our current or future drug candidates, such as judgments for monetary damages, injunctions, or denial or revocation of permits, could have a material adverse effect on our business, our financial condition, and our results of operations. In addition, settlement of claims could adversely affect our financial condition and our results of operations.

Risks related to our common stock and this offering

If you purchase our common stock in this offering, you will incur immediate and substantial dilution in the book value of your shares.

The initial public offering price of our common stock will be substantially higher than the pro forma as adjusted net tangible book value per share of our common stock. Therefore, if you purchase our common stock in this offering, you will pay a price per share that substantially exceeds the pro forma as adjusted net tangible book value per share after the completion of this offering. 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, you will experience immediate dilution of $ per share. As a result of this dilution, investors purchasing stock in this offering may receive significantly less than the full purchase price that they paid for the shares purchased in this offering in the event of a liquidation. In addition, investors purchasing common stock in this offering will contribute % of the total amount invested by stockholders since inception, but will own only % of our common stock outstanding after this offering. In the past, we issued options and other securities to acquire common stock at prices significantly below the initial public offering price. To the extent these outstanding securities are ultimately exercised, investors purchasing common stock in this offering will incur further dilution. See “Dilution” for a more detailed description of the dilution to new investors in the offering.

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

Our stock price is likely to be volatile. The stock market in general and the market for biopharmaceutical companies in particular have experienced extreme volatility that has often been unrelated to the operating performance of particular companies. The ongoing COVID-19 pandemic, for example, has negatively affected the stock market and investor sentiment and has resulted in significant volatility. As a result of this volatility, you may not be able to sell your common stock at or above the initial public offering price. The market price for our common stock may be influenced by many factors, including:

- the success of our and competitive products or technologies;
- results of clinical trials and nonclinical studies or those of 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;
- the level of expenses related to our drug candidates or clinical development programs;
- the results of our efforts to discover, develop, acquire or in-license drug candidates;
- actual or anticipated changes in estimates as to financial results, development timelines or recommendations by securities analysts;
- variations in our financial results or those of companies that are perceived to be similar to us;
- changes in the structure of healthcare payment systems;

- market conditions in the pharmaceutical and biotechnology sectors;
- general economic, political, and market conditions and overall fluctuations in the financial markets in the United States and abroad;
- the COVID-19 pandemic; and
- investors' general perception of us and our business.

These and other market and industry factors may cause the market price and demand for our common stock to fluctuate substantially, regardless of our actual operating performance, which may limit or prevent investors from selling their shares at or above the price paid for the shares and may otherwise negatively affect the liquidity of our common stock.

Some companies that have experienced volatility in the trading price of their shares have been the subject of securities class action litigation. Any lawsuit to which we are a party, with or without merit, may result in an unfavorable judgment. We also may decide to settle lawsuits on unfavorable terms. Any such negative outcome could result in payments of substantial damages or fines, damage to our reputation or adverse changes to our business practices. Defending against litigation is costly and time-consuming, and could divert our management's attention and our resources. Furthermore, during the course of litigation, there could be negative public announcements of the results of hearings, motions or other interim proceedings or developments, which could have a further negative effect on the market price of our common stock.

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

Prior to this offering, there has been no public market for shares of our common stock and an active trading market for our shares may never develop or be sustained following this offering. The initial public offering price of our common stock will be determined through negotiations between us and the underwriters. This initial public offering price may not be indicative of the market price of our common stock after this offering. In the absence of an active trading market for our common stock, investors may not be able to sell their common stock at or above the initial public offering price or at the time that they would like to sell.

We do not intend to pay dividends on our common stock so any returns will be limited to the value of our stock.

We do not currently intend to pay any cash dividends on our common stock for the foreseeable future. We currently intend to invest our future earnings, if any, to fund our growth. Therefore, you are not likely to receive any dividends on your common stock for the foreseeable future. Since we do not intend to pay dividends, your ability to receive a return on your investment will depend on any future appreciation in the market value of our common stock. There is no guarantee that our common stock will appreciate or even maintain the price at which you purchase it.

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 Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"). For as long as we continue to be an emerging growth company, we may take advantage of exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies, including the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, certain disclosure obligations regarding executive compensation in this prospectus and our periodic reports and proxy statements and the requirements of holding nonbinding advisory votes on executive compensation and stockholder approval of any golden parachute payments not previously approved. We could be an emerging

growth company for up to five years following the year in which we complete this offering, although circumstances could cause us to lose that status earlier. We will remain an emerging growth company until the earlier of (1) the last day of the fiscal year (a) following the fifth anniversary of the completion of this offering, (b) in which we have total annual gross revenue of at least $1.07 billion or (c) in which we are deemed to be a large accelerated filer, which requires the market value of our common stock that is held by non-affiliates to exceed $700.0 million as of the prior June 30th, and (2) the date on which we have issued more than $1.0 billion in non-convertible debt during the prior three-year period.

Under the JOBS Act, emerging growth companies can also delay adopting new or revised accounting standards until such time as those standards apply to private companies. We have elected to use the extended transition period for any other new or revised accounting standards during the period in which we remain an emerging growth company; however, we may adopt certain new or revised accounting standards early. 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.

We cannot predict if investors will find our common stock less attractive because we may rely on these exemptions as an emerging growth company. 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.

Our executive officers, directors and their affiliates will continue to exercise significant influence over our company after this offering, which will limit your ability to influence corporate matters and could delay or prevent a change in corporate control.

Immediately following the completion of this offering, our executive officers, directors and their affiliates will beneficially own, in the aggregate, approximately % of our outstanding common stock, assuming the sale by us of shares of common stock in this offering, 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. As a result, these stockholders, if they act together, will be able to influence our management and affairs and the outcome of matters submitted to our stockholders for approval, including the election of directors and any sale, merger, consolidation or sale of all or substantially all of our assets. These stockholders acquired their shares of common stock for substantially less than the price of the shares of common stock sold in this offering, and these stockholders may have interests, with respect to their common stock, that are different from those of investors purchasing shares of our common stock in this offering, and the concentration of voting power among these stockholders may have an adverse effect on the price of our common stock. In addition, this concentration of ownership might adversely affect the market price of our common stock by:

- delaying, deferring or preventing a change of control of us;
- impeding a merger, consolidation, takeover or other business combination involving us; or
- discouraging a potential acquirer from making a tender offer or otherwise attempting to obtain control of us.

See “Principal stockholders” in this prospectus for more information regarding the ownership of our outstanding common stock by our executive officers, directors and their affiliates.

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

We will have considerable discretion in the application of the net proceeds from this offering. As a result, investors will be relying upon management’s judgment with only limited information about our specific

intentions for the use of the net proceeds from this offering. We may use the net proceeds from this offering for purposes that do not yield a significant return or any return at all for our stockholders. In addition, pending their use, we may invest the net proceeds from this offering in a manner that does not produce income or that loses value.

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

As a public company, and particularly after we are no longer an emerging growth company, we will incur significant legal, accounting and other expenses that we did not incur as a private company. We will be subject to the reporting requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), which will require, among other things, that we file with the U.S. Securities and Exchange Commission (the "SEC"), annual, quarterly and current reports with respect to our business and financial condition. In addition, the Sarbanes-Oxley Act, as well as rules subsequently adopted by the SEC and Nasdaq to implement provisions of the Sarbanes-Oxley Act, impose significant requirements on public companies, including requiring establishment and maintenance of effective disclosure and financial controls and changes in corporate governance practices. Further, in July 2010, the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") was enacted. There are significant corporate governance and executive compensation-related provisions in the Dodd-Frank Act that require the SEC to adopt additional rules and regulations in these areas, such as "say on pay" and proxy access. Recent legislation permits emerging growth companies to implement many of these requirements over a longer period and up to five years from the pricing of this offering. We intend to take advantage of this legislation, but cannot guarantee that we will not be required to implement these requirements sooner than budgeted or planned and thereby incur unexpected expenses. Stockholder activism, the current political environment and the current high level of government intervention and regulatory reform may lead to substantial new regulations and disclosure obligations, which may lead to additional compliance costs and impact the manner in which we operate our business in ways we cannot currently anticipate.

We expect the rules and regulations applicable to public companies to substantially increase our legal and financial compliance costs and to make some activities more time-consuming and costly. If these requirements divert the attention of our management and personnel from other business concerns, they could have a material adverse effect on our business, financial condition, results of operations and prospects. The increased costs will decrease our net income or increase our net loss, and may require us to reduce costs in other areas of our business or increase the prices of our products or services (if approved). For example, we expect these rules and regulations to make it more difficult and more expensive for us to obtain director and officer liability insurance and we may be required to incur substantial costs to maintain the same or similar coverage. We cannot predict or estimate the amount or timing of additional costs we may incur to respond to these requirements. The impact of these requirements could also make it more difficult for us to attract and retain qualified persons to serve on our board of directors, our board committees or as executive officers.

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

If our existing stockholders sell, or indicate an intention to sell, or if the market perceives that such existing stockholders might sell, substantial amounts of our common stock in the public market after the lock-up and other legal restrictions on resale discussed in this prospectus lapse, the market price of our common stock could decline. Based upon the number of shares of common stock, on an as-converted basis, outstanding as of June 30, 2020, upon the completion of this offering, we will have outstanding a total of shares of common stock, assuming no exercise of the underwriters' option to purchase an additional shares. Of these shares, as of the date of this prospectus, approximately shares of our common stock, or % of

shares of our common stock, plus any shares sold upon exercise of the underwriters' option to purchase additional shares, will be freely tradable, without restriction, in the public market immediately following this offering, assuming that current stockholders and affiliates do not purchase shares in this offering.

The lock-up agreements with the underwriters pertaining to this offering will expire 180 days from the date of this prospectus. J.P. Morgan Securities LLC, Jefferies LLC and Piper Sandler & Co., in their sole discretion, may permit our equityholders who are subject to these lock-up agreements to sell shares prior to the expiration of the lock-up agreements. After the lock-up agreements expire, based upon the number of shares of common stock, on an as-converted basis, outstanding as of June 30, 2020, up to an additional shares of common stock will be eligible for sale in the public market. Approximately % of these additional shares are held by directors, executive officers and other affiliates and will be subject to certain limitations of Rule 144 under the Securities Act of 1933, as amended (the "Securities Act").

Upon completion of this offering, shares of common stock that are either subject to outstanding options or reserved for future issuance under our equity incentive plans will become eligible for sale in the public market to the extent permitted by the provisions of various vesting schedules, the lock-up agreements and Rule 144 and Rule 701 under the Securities Act. If these additional shares of common stock are sold, or if it is perceived that they will be sold, in the public market, the market price of our common stock could decline.

After this offering, the holders of approximately shares of our common stock, including those issuable upon the conversion of our preferred stock, will be entitled to rights with respect to the registration of their shares under the Securities Act, subject to the lock-up agreements described above. Registration of these shares under the Securities Act would result in the shares becoming freely tradable without restriction under the Securities Act, except for shares purchased by affiliates. Any sales of securities by these stockholders could have a material adverse effect on the market price of our common stock.

Our ability to utilize our net operating loss carryforwards and certain other tax attributes may have been limited by "ownership changes" and may be further limited.

Under Sections 382 and 383 of the Internal Revenue Code of 1986, as amended (the "Code"), and corresponding provisions of state law, if a corporation undergoes an "ownership change" (generally defined as a greater than 50 percentage point change (by value) in its equity ownership over a rolling three-year period), the corporation's ability to use its pre-change net operating loss carryforwards and other pre-change tax attributes to offset its post-change income may be limited. We may have experienced, and we may in the future experience, ownership changes, either as a result of this offering or other changes in our stock ownership (some of which are not in our control). For these reasons, our ability to utilize our NOL carryforwards and other tax attributes to reduce future tax liabilities may be limited.

We may experience fluctuations in our tax obligations and effective tax rate, which could materially and adversely affect our results of operations.

We are subject to U.S. federal and state income taxes and taxes in certain other non-U.S. jurisdictions. Tax laws, regulations and administrative practices in various jurisdictions may be subject to significant change, with or without advance notice, due to economic, political and other conditions, and significant judgment is required in evaluating and estimating our provision and accruals for these taxes. There are many transactions that occur during the ordinary course of business for which the ultimate tax determination is uncertain. Our effective tax rates could be affected by numerous factors, such as changes in tax, accounting and other laws, regulations, administrative practices, principles and interpretations, the mix and level of earnings in a given taxing jurisdiction or our ownership or capital structures.

If we sell shares of our common stock in future financings, stockholders may experience immediate dilution and, as a result, our stock price may decline.

We may from time to time issue additional shares of common stock at a discount from the current trading price of our common stock. As a result, our stockholders would experience immediate dilution upon the purchase of any shares of our common stock sold at such discount. In addition, as opportunities present themselves, we may enter into financing or similar arrangements in the future, including the issuance of debt securities, preferred stock or common stock. If we issue common stock or securities convertible into common stock, our common stockholders would experience additional dilution and, as a result, our stock price may decline.

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

The trading market for our common stock will rely, in part, on the research and reports that industry or financial analysts publish about us or our business. We may never obtain research coverage by industry or financial analysts. If no or few analysts commence coverage of us, the trading price of our stock would likely decrease. Even if we do obtain analyst coverage, if one or more of the analysts covering our business downgrade their evaluations of our stock, the price of our stock could decline. If one or more of these analysts cease to cover our stock, we could lose visibility in the market for our stock, which, in turn, could cause our stock price to decline.

If we fail to implement and maintain proper and effective internal control over financial reporting, our ability to produce accurate and timely financial statements could be impaired, investors may lose confidence in our financial reporting and the trading price of our common stock may decline.

Pursuant to Section 404 of Sarbanes-Oxley, our management will be required to report upon the effectiveness of our internal control over financial reporting beginning with the annual report for our fiscal year ending December 31, 2021. When we lose our status as an “emerging growth company,” our independent registered public accounting firm will be required to attest to the effectiveness of our internal control over financial reporting. The rules governing the standards that must be met for management to assess our internal control over financial reporting are complex and require significant documentation, testing and possible remediation. To comply with the requirements of being a reporting company under the Exchange Act, we will need to implement additional financial and management controls, reporting systems and procedures and hire additional accounting and finance staff, all of which will entail additional expense.

We cannot assure you that there will not be material weaknesses in our internal control over financial reporting in the future. Any failure to implement and maintain internal control over financial reporting could severely inhibit our ability to accurately report our financial condition, results of operations or cash flows. If we are unable to conclude that our internal control over financial reporting is effective, or if our independent registered public accounting firm determines we have a material weakness in our internal control over financial reporting, investors may lose confidence in the accuracy and completeness of our financial reports, the market price of our common stock could decline, and we could be subject to sanctions or investigations by Nasdaq, the SEC or other regulatory authorities. Failure to remedy any material weakness in our internal control over financial reporting, or to implement or maintain other effective control systems required of public companies, could also restrict our future access to the capital markets.

If our estimates or judgments relating to our critical accounting policies are based on assumptions that change or prove to be incorrect, our operating results could fall below our publicly announced guidance or the expectations of securities analysts and investors, resulting in a decline in the market price of our common stock.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in our consolidated financial statements and accompanying notes. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets, liabilities, equity, revenue and expenses that are not readily apparent from other sources. If our assumptions change or if actual circumstances differ from our assumptions, our operating results may be adversely affected and could fall below our publicly announced guidance or the expectations of securities analysts and investors, resulting in a decline in the market price of our common stock.

Provisions in our charter documents and under Delaware law could discourage a takeover that stockholders may consider favorable and may lead to entrenchment of management.

Our amended and restated certificate of incorporation and amended and restated bylaws that will be in effect upon the consummation of this offering will contain provisions that could delay or prevent changes in control or changes in our management without the consent of our board of directors. These provisions will include the following:

- a classified board of directors with three-year staggered terms, which may delay the ability of stockholders to change the membership of a majority of our board of directors;
- no cumulative voting in the election of directors, which limits the ability of minority stockholders to elect director candidates;
- the exclusive right of our board of directors to elect a director to fill a vacancy created by the expansion of the board of directors or the resignation, death or removal of a director, which prevents stockholders from being able to fill vacancies on our board of directors;
- the ability of our board of directors to authorize the issuance of shares of preferred stock and to determine the price and other terms of those shares, including preferences and voting rights, without stockholder approval, which could be used to significantly dilute the ownership of a hostile acquiror;
- the ability of our board of directors to alter our amended and restated bylaws without obtaining stockholder approval;
- the required approval of at least 66 2/3% of the shares entitled to vote at an election of directors to adopt, amend or repeal our amended and restated bylaws or repeal the provisions of our amended and restated certificate of incorporation regarding the election and removal of directors;
- a prohibition on stockholder action by written consent, which forces stockholder action to be taken at an annual or special meeting of our stockholders;
- the requirement that a special meeting of stockholders may be called only by our chief executive officer or president or by the board of directors, which may delay the ability of our stockholders to force consideration of a proposal or to take action, including the removal of directors; and
- advance notice procedures that stockholders must comply with in order to nominate candidates to our board of directors or to propose matters to be acted upon at a stockholders' meeting, which may discourage or deter a potential acquiror from conducting a solicitation of proxies to elect the acquiror's own slate of directors or otherwise attempting to obtain control of us.

We are also subject to the anti-takeover provisions contained in Section 203 of the Delaware General Corporation Law. Under Section 203, a corporation may not, in general, engage in a business combination with any holder of 15% or more of its capital stock unless the holder has held the stock for three years or, among other exceptions, the board of directors has approved the transaction. For a description of our capital stock, see the section titled "Description of capital stock."

Claims for indemnification by our directors and officers may reduce our available funds to satisfy successful third-party claims against us and may reduce the amount of money available to us.

Our amended and restated certificate of incorporation and amended and restated bylaws will provide that we will indemnify our directors and officers, in each case to the fullest extent permitted by Delaware law.

In addition, as permitted by Section 145 of the Delaware General Corporation Law, our amended and restated bylaws to be effective upon the completion of this offering and our indemnification agreements that we have entered into with our directors and officers will provide that:

- we will indemnify our directors and officers for serving us in those capacities or for serving other business enterprises at our request, to the fullest extent permitted by Delaware law. Delaware law provides that a corporation may indemnify such person if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the registrant and, with respect to any criminal proceeding, had no reasonable cause to believe such person's conduct was unlawful;
- we may, in our discretion, indemnify employees and agents in those circumstances where indemnification is permitted by applicable law;
- we are required to advance expenses, as incurred, to our directors and officers in connection with defending a proceeding, except that such directors or officers shall undertake to repay such advances if it is ultimately determined that such person is not entitled to indemnification;
- we will not be obligated pursuant to our amended and restated bylaws to indemnify a person with respect to proceedings initiated by that person against us or our other indemnitees, except with respect to proceedings authorized by our board of directors or brought to enforce a right to indemnification;
- the rights conferred in our amended and restated bylaws are not exclusive, and we are authorized to enter and have entered into indemnification agreements with our directors, officers, employees and agents and to obtain insurance to indemnify such persons; and
- we may not retroactively amend our amended and restated bylaw provisions to reduce our indemnification obligations to directors, officers, employees and agents.

Our amended and restated certificate of incorporation will provide that the Court of Chancery of the State of Delaware will be the exclusive forum for certain disputes between us and our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or employees.

Our amended and restated certificate of incorporation that will become effective upon the closing of this offering specifies 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 any state law derivative action or proceeding brought on our behalf; any action asserting a breach of fiduciary duty; any action asserting a claim against us arising pursuant to the Delaware General Corporation Law; or any action asserting a claim against us that is governed by the internal affairs doctrine. Our amended and restated certificate of incorporation will also provide that the federal district courts of the United States of America will be the exclusive forum for the

resolution of any complaint asserting a cause of action against us or any of our directors, officers, employees or agents and arising under the Securities Act. We believe these provisions may benefit us by providing increased consistency in the application of Delaware law and federal securities laws by chancellors and judges, as applicable, particularly experienced in resolving corporate disputes, efficient administration of cases on a more expedited schedule relative to other forums and protection against the burdens of multi-forum litigation. However, these provisions may have the effect of discouraging lawsuits against our directors and officers. The choice of forum provision requiring that the Court of Chancery of the State of Delaware be the exclusive forum for certain actions would not apply to suits brought to enforce any liability or duty created by the Exchange Act. Our exclusive forum provision will not relieve us of our duties to comply with the federal securities laws and the rules and regulations thereunder, and our stockholders will not be deemed to have waived our compliance with these laws, rules and regulations. Although our amended and restated certificate of incorporation will contain the choice of forum provisions described above, it is possible that a court could find that such a provision is inapplicable for a particular claim or action or that such provision is unenforceable.

Special note regarding forward-looking statements

This prospectus contains forward-looking statements concerning our business, operations and financial performance and condition, as well as our plans, objectives and expectations for our business, operations and financial performance and condition. Any statements contained herein that are not statements of historical facts may be deemed to be forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as “aim,” “anticipate,” “assume,” “believe,” “contemplate,” “continue,” “could,” “due,” “estimate,” “expect,” “goal,” “intend,” “may,” “objective,” “plan,” “predict,” “potential,” “positioned,” “seek,” “should,” “target,” “will,” “would,” and other similar expressions that are predictions of or indicate future events and future trends, or the negative of these terms or other comparable terminology. These forward-looking statements include, but are not limited to, statements about:

- the scope, progress, results and costs of developing our drug candidates or any other future drug candidates, and conducting nonclinical studies and clinical trials, including our ALG-010133 Phase 1 clinical trials;
- the scope, progress, results and costs related to the research and development of our pipeline;
- the timing of and costs involved in obtaining and maintaining regulatory approval for any of our current or future drug candidates, and any related restrictions or limitations;
- the impact of COVID-19 on our business and operations, including clinical trials, manufacturing suppliers, collaborators, use of contract research organizations and employees;
- our expectations regarding the potential market size and size of the potential patient populations for ALG-010133, our other drug candidates and any future drug candidates, if approved for commercial use;
- our ability to maintain existing, and establish new, collaborations, licensing or other arrangements and the financial terms of any such agreements;
- our commercialization, marketing and manufacturing capabilities and expectations;
- the rate and degree of market acceptance of our drug candidates, as well as the pricing and reimbursement of our drug candidates, if approved;
- the implementation of our business model and strategic plans for our business, drug candidates and technology, including additional indications for which we may pursue;
- the scope of protection we are able to establish and maintain for intellectual property rights covering our drug candidates, including the projected term of patent protection;
- estimates of our expenses, future revenue, capital requirements, our needs for additional financing and our ability to obtain additional capital;
- developments and projections relating to our competitors and our industry, including competing therapies and procedures;
- regulatory and legal developments in the United States and foreign countries;
- the performance of our third-party suppliers and manufacturers;
- our ability to attract and retain key management, scientific and medical personnel;
- our expectations regarding the period during which we will qualify as an emerging growth company under the JOBS Act;

- our expectations regarding our ability to obtain, maintain, enforce and defend our intellectual property protection for our drug candidates;
- our use of proceeds from this offering; and
- other risks and uncertainties, including those listed under the caption “Risk factors.”

These forward-looking statements are based on management’s current expectations, estimates, forecasts and projections about our business and the industry in which we operate and management’s beliefs and assumptions and are not guarantees of future performance or development and involve known and unknown risks, uncertainties and other factors that are in some cases beyond our control. As a result, any or all of our forward-looking statements in this prospectus may turn out to be inaccurate. Factors that may cause actual results to differ materially from current expectations include, among other things, those listed under the section titled “Risk factors” and elsewhere in this prospectus. Potential investors are urged to consider these factors carefully in evaluating the forward-looking statements. These forward-looking statements speak only as of the date of this prospectus. Except as required by law, we assume no obligation to update or revise these forward-looking statements for any reason, even if new information becomes available in the future. You should, however, review the factors and risks we describe in the reports we will file from time to time with the SEC after the date of this prospectus. See the section titled “Where you can find more information.”

Market and industry data

This prospectus contains estimates, projections and other information concerning our industry and business, as well as data regarding market research, estimates and forecasts prepared by our management. Information that is based on estimates, forecasts, projections, market research or similar methodologies is inherently subject to uncertainties and actual events or circumstances may differ materially from events and circumstances that are assumed in this information. Unless otherwise expressly stated, we obtained this industry, business, market and other data from reports, research surveys, studies and similar data prepared by market research firms and other third parties, industry, medical and general publications, government data and similar sources. In some cases, we do not expressly refer to the sources from which this data is derived. In that regard, when we refer to one or more sources of this type of data in any paragraph, you should assume that other data of this type appearing in the same paragraph is derived from the same sources, unless otherwise expressly stated or the context otherwise requires.

This industry, business, market and other information involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. We have not independently verified any third-party information and cannot assure you of its accuracy or completeness. Although we are responsible for all of the disclosure contained in this prospectus and we believe the market position, market opportunity, market size and other information included in this prospectus is reliable, such information is inherently imprecise. In addition, projections, assumptions and estimates of our future performance and the future performance of the industry in which we operate is necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described in the section titled “Risk factors” and elsewhere in this prospectus. 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 the sale of shares of our common stock in this offering will be approximately $ million at an assumed initial public offering price of $ per share (the midpoint of the price range set forth on the cover of this prospectus), after deducting the underwriting discounts and commissions and estimated offering expenses payable by us. If the underwriters exercise their option to purchase additional shares in full, we estimate that the net proceeds will be approximately $ million at an assumed initial public offering price of $ per share (the midpoint of the price range set forth on the cover of this prospectus), after deducting the underwriting discounts and commissions and estimated offering expenses payable by us.

Each $1.00 increase (decrease) in the assumed initial public offering price of $ per share (the midpoint of the price range set forth on the cover of this prospectus) would increase (decrease) the net proceeds to us from this offering, after deducting the underwriting discounts and commissions and estimated offering expenses payable by us, by $ million, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same. We may also increase or decrease the number of shares we are offering. Each increase (decrease) of 1,000,000 in the number of shares we are offering would increase (decrease) the net proceeds to us from this offering, after deducting the underwriting discounts and commissions and estimated offering expenses payable by us, by $ million, assuming the assumed initial public offering price stays the same. We do not expect that a change in the offering price or the number of shares by these amounts would have a material effect on our intended uses of the net proceeds from this offering, although it may impact the amount of time prior to which we may need to seek additional capital.

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

- approximately $ million to $ million to advance our STOPS candidate, ALG-010133, including to fund the Phase 1 clinical trial and drug product manufacturing activities;
- approximately $ million to $ million to advance our CAM candidate, ALG-000184, including to fund the Phase 1 clinical trial and drug product manufacturing activities;
- approximately $ million to $ million to advance our ASO candidate, ALG-020572;
- approximately $ million to $ million to advance our siRNA candidate, ALG-125097;
- approximately $ million to $ million to advance our NASH THR-b candidate, ALG-055009; and
- the remainder to fund discovery and research to broaden our pipeline of drug and backup candidates, including other discovery candidates for viral and liver diseases, development of our technology platform, and any potential future combination or other clinical trials and nonclinical studies. In addition, the remainder of the net proceeds, if any, may be used for working capital and other general corporate purposes, which may include the hiring of additional personnel, capital expenditures and the costs of operating as a public company.

Due to the uncertainties inherent in the clinical development and regulatory approval process, it is difficult to estimate with certainty the exact amounts of the net proceeds from this offering that may be used for the above purposes. As such, our management will retain broad discretion over the use of the net proceeds from this offering. The amounts and timing of our expenditures may depend upon numerous factors, including: (i) the time and cost necessary to advance our drug candidates through nonclinical studies and clinical trials; (ii) the

time and cost associated with our research and development activities for our pipeline; (iii) the time and cost associated with the manufacture and supply of drug candidates for clinical development; (iv) our ability to obtain regulatory approval for and subsequently commercialize our drug candidates; and (v) potential payments under our licensing agreements.

We believe that the net proceeds from this offering, together with our existing cash, cash equivalents and investments, will enable us to fund our operations for at least 12 months following the date of this offering. After this offering, we will require substantial capital in order to advance our current and future drug candidates through clinical trials, regulatory approval and, if approved, commercialization. For additional information regarding our potential capital requirements, see the section titled “Risk factors—Even if this offering is successful, we will require substantial additional financing to achieve our goals, which may not be available on acceptable terms, or at all. A failure to obtain this necessary capital when needed could force us to delay, limit, reduce or terminate our product development or commercialization efforts.”

Pending the use of the proceeds from this offering, we intend to invest the net proceeds in interest-bearing, investment-grade securities, certificates of deposit or government securities.

Dividend policy

We have never declared or paid cash dividends on our capital stock. We intend to retain all available funds and future earnings, if any, to fund the development and expansion of our business, and we do not anticipate paying any cash dividends in the foreseeable future. Any future determination related to dividend policy will be made at the discretion of our board of directors and will depend upon, among other factors, our results of operations, financial condition, capital requirements, contractual restrictions, business prospects and other factors our board of directors might deem relevant.

Capitalization

The following table sets forth our cash, cash equivalents and investments and capitalization as of June 30, 2020:

- on an actual basis;
- on a pro forma basis to give effect to: (i) the conversion of all 178,951,919 shares of our preferred stock outstanding as of June 30, 2020 into an equivalent number of shares of our common stock, which will be effective immediately prior to the closing of this offering; (ii) the issuance of shares of our Series B-2 convertible preferred stock in 2020, and the subsequent conversion of such shares into an equal number of shares of common stock, (iii) the issuance of shares of our common stock upon the net exercise of our Series A Warrants outstanding as of June 30, 2020 (which will automatically net exercise immediately prior to the closing of this offering if not earlier exercised), as a result of the conversion of shares of our Series A convertible preferred stock issuable upon the net exercise of our Series A Warrants and the automatic conversion of such shares of Series A convertible preferred stock into an equivalent number of shares of common stock immediately prior to the closing of this offering, based on an assumed initial public offering price of $ per share, the midpoint of the price range set forth on the cover page of this prospectus, and an exercise price of $1.00 per share; and (iv) the filing and effectiveness of our amended and restated certificate of incorporation, which will occur immediately prior to the closing of this offering; and
- on a pro forma as adjusted basis to give further effect to the sale of shares of common stock in this offering at an assumed initial public offering price of $ per share (the midpoint of the price range set forth on the cover of this prospectus), after deducting the underwriting discounts and commissions and estimated offering expenses payable by us.

You should read this information together with our consolidated financial statements and related notes appearing elsewhere in this prospectus and the information set forth in the sections titled “Selected consolidated financial data” and “Management’s discussion and analysis of financial condition and results of operations.”

	As of June 30, 2020		
	Actual	Pro forma	Pro forma as adjusted(1)
	(in thousands, except share and per share amounts)		
Cash, cash equivalents and investments	$ 88,122		
Derivative liabilities	380		
Series A redeemable convertible preferred stock, $0.0001 par value per share; 101,962,864 shares authorized, 101,187,864 shares issued and outstanding, actual; no shares authorized, issued and outstanding, pro forma and pro forma as adjusted	101,182		—
Series B-1 redeemable convertible preferred stock, $0.0001 par value per share; 77,764,055 shares authorized, 77,764,055 shares issued and outstanding, actual; no shares authorized, issued and outstanding, pro forma and pro forma as adjusted	81,384		—
Series B-2 redeemable convertible preferred stock, $0.0001 par value per share; 33,268,045 shares authorized, no shares issued and outstanding, actual; no shares authorized, issued and outstanding, pro forma and pro forma as adjusted			
Stockholders’ (deficit) equity:			
Preferred stock, $0.0001 par value per share; no shares authorized, issued and outstanding, actual; shares authorized, and no shares issued and outstanding, pro forma and pro forma as adjusted	—		—
Common stock, $0.0001 par value per share; 278,000,000 shares authorized, 37,614,713 shares issued and outstanding, actual; 278,000,000 shares authorized, 216,566,632 shares issued and outstanding, pro forma; shares authorized, shares issued and outstanding, pro forma as adjusted	4		
Additional paid-in capital	2,296		
Accumulated other comprehensive income	150		
Accumulated deficit	(107,023)		
Total stockholders’ (deficit) equity	(104,573)	—	
Total capitalization	$ 78,373	$ —	

(1) Each $1.00 increase (decrease) in the assumed initial public offering price of $ per share (the midpoint of the price range set forth on the cover of this prospectus) would increase (decrease) the amount of each of cash, cash equivalents and investments, additional paid-in capital, total stockholders’ (deficit) equity and total capitalization by $, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting underwriting discounts and commissions and estimated offering expenses payable by us. We may also increase or decrease the number of shares we are offering. Each increase (decrease) of 1,000,000 shares in the number of shares offered by us would increase (decrease) each of cash, cash equivalents and investments, additional paid-in capital, total stockholders’ (deficit) equity and total capitalization by $, assuming the assumed initial public offering price of $ per share (the midpoint of the price range set forth on the cover of this prospectus) remains the same, and after deducting underwriting discounts and commissions and estimated offering expenses payable by us. The pro forma as adjusted information discussed above is illustrative only and will be adjusted based on the actual public offering price and other terms of this offering determined at pricing.

The outstanding share information in the table above excludes the following:

- 20,938,237 shares of common stock issuable upon the exercise of outstanding stock options as of June 30, 2020 having a weighted-average exercise price of $0.34 per share;
- shares of common stock reserved for issuance pursuant to future awards under our 2020 Incentive Award Plan, which will become effective on the day prior to the first public trading date of our common stock, as well as any automatic increases in the number of shares of our common stock reserved for future issuance under this plan; and
- shares of common stock reserved for issuance under our 2020 Employee Stock Purchase Plan, which will become effective on the day prior to the first public trading date of our common stock, as well as any automatic increases in the number of shares of our common stock reserved for future issuance under this plan.

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 immediately after this offering.

As of June 30, 2020, we had a historical net tangible book value of $ million, or $ per share of common stock. Our historical net tangible book value represents total tangible assets less total liabilities and redeemable convertible preferred stock, all divided by 215,566,632 shares of common stock outstanding on June 30, 2020. Our pro forma net tangible book value as of June 30, 2020, before giving effect to this offering, was $ million, or $ per share of our common stock. Pro forma net tangible book value, before the issuance and sale of shares in this offering, gives effect to:

- the conversion of all 178,951,919 outstanding shares of our preferred stock as of June 30, 2020 into an equivalent number of shares of common stock upon the closing of this offering;
- the issuance of shares of our Series B-2 convertible preferred stock in 2020, and the subsequent conversion of such shares into an equal number of shares of common stock;
- the issuance of shares of our common stock upon the net exercise of our Series A Warrants outstanding as of June 30, 2020 (which will automatically net exercise immediately prior to the closing of this offering if not earlier exercised), as a result of the conversion of shares of our Series A convertible preferred stock issuable upon the net exercise of our Series A Warrants and the automatic conversion of such shares of Series A convertible preferred stock into an equivalent number of shares of common stock immediately prior to the closing of this offering, based on an assumed initial public offering price of $ per share, the midpoint of the price range set forth on the cover page of this prospectus, and an exercise price of $1.00 per share; and
- the filing and effectiveness of our amended and restated certificate of incorporation, which will occur immediately prior to the closing of this offering.

After giving effect to the sale of shares of common stock in this offering at an assumed initial public offering price of $ per share (the midpoint of the price range set forth on the cover of this prospectus) and after deducting the underwriting discounts and commissions and estimated offering expenses payable by us, our pro forma as adjusted net tangible book value as of June 30, 2020 would have been $ million, or $ per share. This represents an immediate increase in pro forma as adjusted net tangible book value of $ per share to existing stockholders and an immediate dilution in pro forma net tangible book value of $ per share to new investors. The following table illustrates this per share dilution:

Assumed initial public offering price per share		$
Historical net tangible book value per share as of June 30, 2020	$	
Pro forma change in historical net tangible book value per share attributable to the pro forma transactions described in the preceding paragraphs		
Pro forma net tangible book value per share as of June 30, 2020		
Increase in pro forma net tangible book value per share attributable to new investors purchasing shares in this offering		
Pro forma as adjusted net tangible book value per share after this offering		
Dilution per share to new investors purchasing shares in this offering		$

Each $1.00 increase (decrease) in the assumed initial public offering price of $ per share (the midpoint of the price range set forth on the cover of this prospectus) would increase (decrease) our pro forma as adjusted net tangible book value as of June 30, 2020 after this offering by $ million, or $ per share,

and would decrease (increase) dilution to investors in this offering by $ per share, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same, after deducting the underwriting discounts and commissions and estimated offering expenses payable by us. We may also increase or decrease the number of shares we are offering. Assuming the assumed initial public price of $ per share (the midpoint of the price range set forth on the cover of this prospectus) remains the same, after deducting the underwriting discounts and commissions and estimated offering expenses payable by us, each increase of 1,000,000 in the number of shares we are offering would increase our pro forma as adjusted net tangible book value as of June 30, 2020 after this offering by $ million, or $ per share, and would decrease dilution to investors in this offering by $ per share, and a decrease of 1,000,000 in the number of shares we are offering would decrease our pro forma as adjusted net tangible book value as of June 30, 2020 after this offering by $ million, or $ per share, and would increase dilution to investors in this offering by $ per share. The pro forma as adjusted information is illustrative only, and we will adjust this information based on the actual initial public offering price and other terms of this offering determined at pricing.

If the underwriters fully exercise their option to purchase additional shares, the pro forma as adjusted net tangible book value after this offering would be $, the increase in pro forma as adjusted net tangible book value per share to existing stockholders would be $ per share, and there would be an immediate dilution of $ per share to new investors, in each case assuming an initial offering price of $ per share (the midpoint of the price range set forth on the cover of this prospectus).

To the extent that outstanding options with an exercise price per share that is less than the pro forma as adjusted net tangible book value per share are exercised, new investors will experience further dilution. In addition, we may choose to raise additional capital due to market conditions or strategic considerations even if we believe we have sufficient funds for our current or future operating plans. To the extent that we raise additional capital through the sale of equity or convertible debt securities, the issuance of these securities could result in further dilution to our stockholders.

The following table shows, as of June 30, 2020, on a pro forma as adjusted basis, the number of shares of common stock purchased from us, the total consideration paid or to be paid to us and the average price paid per share by existing stockholders for shares issued prior to this offering and the price to be paid by new investors purchasing common stock in this offering at an assumed initial public offering price of $ per share (the midpoint of the price range set forth on the cover of this prospectus), before deducting the underwriting discounts and commissions and estimated offering expenses payable by us:

	Shares purchased		Total consideration		Average price per share
	Number	Percent	Amount	Percent	
			(in thousands, except shares and per share amounts)		
Existing stockholders before this offering		%	$	%	$
Investors participating in this offering		%	$	%	$
Total		%	$	%	

The number of shares of common stock to be outstanding after this offering is based on 216,566,632 shares of common stock outstanding as of June 30, 2020 and excludes the following:

- 20,938,237 shares of common stock issuable upon the exercise of outstanding stock options as of June 30, 2020 having a weighted-average exercise price of $0.34 per share;

- shares of common stock reserved for issuance pursuant to future awards under our 2020 Incentive Award Plan, which will become effective on the day prior to the first public trading date of our common stock, as well as any automatic increases in the number of shares of our common stock reserved for future issuance under this plan; and
- shares of common stock reserved for issuance under our 2020 Employee Stock Purchase Plan, which will become effective on the day prior to the first public trading date of our common stock, as well as any automatic increases in the number of shares of our common stock reserved for future issuance under this plan.

Selected consolidated financial data

The following tables summarize our selected consolidated financial data. You should read this data together with our consolidated financial statements and related notes included in this prospectus and the information under the section titled "Management's discussion and analysis of financial condition and results of operations." The selected consolidated financial data in this section are not intended to replace the financial statements and are qualified in their entirety by the consolidated financial statements and related notes included elsewhere in this prospectus. Our historical results are not necessarily indicative of results that should be expected in any future period, and our results for the six months ended June 30, 2020 are not necessarily indicative of results that should be expected for the full year or any other period.

We have derived the following selected consolidated statements of operations and comprehensive loss data for Fiscal 2018 and Fiscal 2019 (except for the pro forma net loss per share and the pro forma share information) and the balance sheet data as of December 31, 2018 and 2019 from our audited consolidated financial statements and related notes included in this prospectus . The consolidated summary statements of operations and comprehensive loss data for the six months ended June 30, 2019 and 2020 and the balance sheet data as of June 30, 2020 have been derived from our unaudited consolidated financial statements included in this prospectus and have been prepared on the same basis as the audited consolidated financial statements. Our historical results and unaudited interim results are not necessarily indicative of the results that may be expected in the future.

			Six Months Ended June 30,	
	Fiscal 2018	Fiscal 2019	2019	2020
	(in thousands, except share and per share data)			
Consolidated Statements of Operations Data:				
Operating expenses:(1)				
Research and development	$ 10,456	$ 44,038	$ 17,336	$ 34,478
General and administrative	3,205	10,005	3,767	7,514
Total operating expenses	13,661	54,043	21,103	41,992
Loss from operations	(13,661)	(54,043)	(21,103)	(41,992)
Interest and other (income) expense, net	(272)	1,864	1,073	1,108
Loss before provision for income taxes	(13,933)	(52,179)	(20,030)	(40,884)
Income tax (expense) benefit	—	(85)	—	58
Net loss	$ (13,933)	$ (52,264)	$ (20,030)	$ (40,826)
Net loss per share:(2)				
Basic and diluted	$ (1.25)	$ (2.78)	$ (1.24)	$ (1.60)
Weighted-average number of shares used in computing net loss per share:(2)				
Basic and diluted	11,107,095	18,823,148	16,173,043	25,441,974
Unaudited pro forma net loss per share:(2)				
Basic and diluted		$ (0.26)		$ (0.20)
Unaudited weighted-average shares used in computing pro forma net loss per share:(2)				
Basic and diluted		197,435,055		204,393,893

(1) Includes stock-based compensation expense as follows (in thousands):

			Six Months Ended June 30,	
	Fiscal 2018	Fiscal 2019	2019	2020
Research and development	$ 130	$ 462	$ 272	$ 350
General and administrative	49	290	181	308
Total	$ 179	$ 752	$ 453	$ 658

(2) See Notes 16 and 17 to our audited consolidated financial statements and Notes 13 and 14 to our unaudited consolidated financial statements included elsewhere in this prospectus for an explanation of the calculations of our basic and diluted net loss per share and our pro forma net loss per share, respectively.

	Fiscal 2018	Fiscal 2019	As of June 30, 2020
			(in thousands)
Consolidated Balance Sheet Data:			
Cash, cash equivalents and investments	$ 90,852	$ 127,682	$ 88,122
Working capital	84,880	106,408	76,090
Total assets	107,731	146,520	107,901
Current liabilities	7,489	13,818	15,364
Convertible preferred stock liabilities	—	3,174	2,810
Operating lease liabilities, net of current portion	12,584	11,701	11,106
Redeemable convertible preferred stock	100,519	182,079	182,566
Accumulated deficit	(13,933)	(66,197)	(107,023)
Total stockholders' (deficit)	(13,748)	(64,891)	(104,573)

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

You should read the following discussion and analysis of our financial condition and results of operations in conjunction with the consolidated financial statements and the related notes and other financial information included elsewhere in this prospectus. In addition to historical financial information, this discussion contains forward-looking statements based upon current expectations that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under "Special note regarding forward-looking statements" and "Risk factors" and elsewhere in this prospectus. Our fiscal year ends on December 31 each year.

Overview

We are a clinical-stage biopharmaceutical company currently focused on developing novel therapeutics to address unmet medical needs in viral and liver diseases. We utilize our proprietary oligonucleotide and small molecule platforms to develop pharmacologically optimized drug candidates for use in combination regimens designed to achieve improved treatment outcomes. Our lead effort is to develop a functional cure for Chronic Hepatitis B ("CHB"), which often results in other life-threatening conditions such as cirrhosis, end-stage liver disease ("ESLD") and the most common form of liver cancer, hepatocellular carcinoma ("HCC"). The most widely used treatment for CHB, nucleos(t)ide analogs, suppresses viral replication but only achieves low rates of functional cure and often requires long-term administration. To address this issue, we have developed a portfolio of differentiated drug candidates for CHB, including an S-antigen Transport-inhibiting Oligonucleotide Polymers ("STOPS") molecule, a small molecule Capsid Assembly Modulator ("CAM"), and oligonucleotides (ASO and siRNA), each of which is designed against clinically validated targets in the Hepatitis B Virus ("HBV") life cycle. We believe that combination regimens utilizing our portfolio of CHB drug candidates may lead to higher rates of functional cure. A Phase 1 proof of concept trial for our STOPS molecule is ongoing and in New Zealand we expect to initiate a Phase 1 clinical trial with our CAM in the second half of 2020. Our second area of focus is in non-alcoholic steatohepatitis ("NASH"), a complex, chronic liver disease where combination regimens may prove beneficial. Our most advanced drug candidate for NASH is ALG-055009, a small molecule THR-b agonist currently in nonclinical studies to enable a first-in-human clinical trial. We believe ALG-055009 has the potential to become an integral component of future combination regimens for NASH. Our third area of focus is to develop drug candidates with pan-coronavirus activity, including SARS-CoV-2, the virus responsible for COVID-19.

We have incurred net losses and negative cash flows from operations in each year since our inception in February 2018. Our net losses were $13.9 million and $52.3 million for the period from February 5, 2018, to December 31, 2018 and for the year ended December 31, 2019, respectively, and were $20.0 million and $40.8 million for the six months ended June 30, 2019 and 2020, respectively. We have had no revenue from product sales. As of June 30, 2020, we had an accumulated deficit of $107.0 million. Substantially all of our net losses have resulted from costs incurred in connection with our research and development programs and from general and administrative costs associated with our operations. We expect to continue to incur significant expenses and increasing operating losses over at least the next several years. Our net operating losses may fluctuate from quarter to quarter and year to year depending primarily on the timing of our clinical trials and nonclinical studies and our other research and development expenses. We have no internal manufacturing capabilities or salesforce and outsource a substantial portion of our clinical trial work to third parties.

Components of our results of operations

Operating expenses

Our operating expenses since inception have consisted solely of research and development costs and general and administrative costs.

Research and development expenses

We rely substantially on third parties to conduct our discovery activities, nonclinical studies, clinical trials and manufacturing. We estimate research and development expenses based on estimates of services performed, and rely on third party contractors and vendors to provide us with timely and accurate estimates of expenses of services performed to assist us in these estimates. Research and development costs consist primarily of costs incurred for the identification and development of our drug candidates through our technology platforms, which include:

- salaries, benefits and other employee-related costs, including stock-based compensation expense, for personnel engaged in research and development functions;
- costs of outside consultants, including their fees, and related travel expenses;
- costs associated with in-process research and development, including license fees and milestones paid to third-party collaborators for technologies with no alternative use;
- costs related to production of clinical materials, including fees paid to contract manufacturers;
- expenses incurred under agreements with collaborators that perform nonclinical activities;
- costs related to compliance with regulatory requirements; and
- facility costs, depreciation, and other expenses, which include direct and allocated expenses for rent and maintenance of facilities, insurance, and other supplies.

We expense research and development costs as the services are performed or the goods are received. Non-refundable payments for goods or services that will be used for future research and development activities are deferred and capitalized. Such amounts are recognized as an expense as the goods are delivered or the related services are performed until it is no longer expected that the goods will be delivered or the services will be rendered.

We expect our research and development costs to increase in future periods as we continue to invest in research and development activities and advance our nonclinical and clinical programs through clinical development. The process of conducting nonclinical studies and, eventually, clinical trials necessary to obtain regulatory approval is costly and time consuming, and the successful development of our drug candidates is highly uncertain. As a result, we are unable to determine the duration and completion costs of our research and development projects or clinical trials or if and to what extent we will generate revenue from the commercialization and sale of any of our drug candidates.

General and administrative expenses

General and administrative expenses consist primarily of salaries and other related costs, including stock-based compensation, for personnel in our executive, finance, corporate and business development and administrative functions. General and administrative expenses also include legal fees relating to patent 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 not otherwise classified as research and development costs.

We expect that our general and administrative expenses will increase in the future as we increase our general and administrative personnel headcount to support personnel in research and development and to support our operations generally as we increase our research and development activities and activities related to the potential commercialization of our drug candidates. We also expect to incur increased expenses associated with operating as a public company, including costs of accounting, audit, legal, regulatory and tax-related services associated with maintaining compliance with exchange listing rules and requirements of the Securities and Exchange Commission (the "SEC"), director and officer insurance costs, and investor and public relations costs.

Interest and other income (expense), net

Interest and other income (expense), net comprises interest income (expense), net and other income (expense), net. Interest income (expense), net primarily consists of interest earned on our cash, cash equivalents, and short-term investments and interest expense related to our convertible note instruments. Other income (expense), net consists primarily of the change in fair value of our derivative liabilities.

We classify our warrants and the commitment to sell redeemable convertible preferred stock as liabilities on our consolidated balance sheets and record changes in fair value at each balance sheet date with the corresponding change recorded as other income (expense). We will continue to record adjustments to the fair value of the warrants and the redeemable convertible preferred stock liability at each balance sheet date until they are exercised, automatically converted into common stock or expire. Immediately prior to the completion of this offering, any then outstanding warrants will automatically be exercised, on net share basis, for the issuance of shares of common stock and, upon that exercise, such warrants will no longer be outstanding.

We anticipate other income (expense) to fluctuate in the future based on subsequent revaluations at each balance sheet date of the redeemable convertible preferred stock liability through the date on which such shares are converted into shares of common in connection with the consummation of this offering, if not earlier converted.

Provision for income taxes

Since our inception in 2018, we have not recorded any U.S. federal or state income tax benefits for the net losses we have incurred in any year or for our earned research and development tax credits, due to our uncertainty of realizing a benefit from those items. As of December 31, 2019, we had federal net operating loss ("NOL") carryforwards of $57.6 million available to reduce taxable income and these NOLs can be carried forward indefinitely. We have state NOL carryforwards of $60.5 million as of December 31, 2019, available to reduce future state taxable income, which expire at various dates beginning in 2038. As of December 31, 2019, we also had federal and state research and development tax credit carryforwards of $1.4 million and $1.1 million, respectively. The federal development tax credit carryforwards begin to expire in 2029, while the state development tax credit carryforwards can be carried forward indefinitely. In addition, we may in the future experience ownership changes, either as a result of this offering or other changes in our stock ownership (some of which are not in our control). For these reasons, our ability to utilize our NOL carryforwards and other tax attributes to reduce future tax liabilities may be limited.

Comparison of six months ended June 30, 2019 and 2020

Operating expenses

The following table summarizes our operating expenses for the six months ended June 30, 2019 and 2020:

	Six Months Ended June 30,		Change	
	2019	2020	($)	%
	(in thousands, except percentages)			
Operating expenses:				
Research and development	$ 17,336	$ 34,478	$17,142	99%
General and administrative	3,767	7,514	3,747	99%
Total operating expenses	$ 21,103	$ 41,992	$20,889	

Research and development expenses

	Six Months Ended June 30,		Change	
	2019	2020	($)	%
	(in thousands, except percentages)			
Third party expenses	$ 9,365	$22,242	$12,877	138%
Employee related expenses	5,276	8,533	3,257	62%
Laboratory supplies and other costs	1,238	2,223	985	80%
Facilities and other allocated expenses	1,178	861	(317)	(27)%
Depreciation and other expenses	279	619	340	122%
Total research and development expenses	$17,336	$34,478	$17,142	

Research and development expenses were $17.3 million for the six months ended June 30, 2019, compared to $34.5 million for the six months ended June 30, 2020, an increase of $17.1 million. The increase was primarily due to an increase of $12.9 million in third-party expenses for our preclinical programs and the continued increase in expenditures related to research and development activities associated with our STOPs molecule and CAM candidates, as well as activities related to our NASH program. The increase also includes $3.3 million of additional employee-related costs, including a $0.1 million increase in stock-based compensation, and $1.0 million of increased laboratory supplies primarily due to higher headcount. Additional increases include $0.3 million in depreciation and other expenses. These increases were partially offset by a decrease of $0.3 million in allocable facilities costs as a result of less overall rent expense from the amortization of leasehold improvements paid by the landlord at our new corporate headquarters.

General and administrative expenses

General and administrative expenses were $3.8 million for the six months ended June 30, 2019, compared to $7.5 million for the six months ended June 30, 2020, an increase of $3.7 million. The increase was primarily due to $3.0 million in increased personnel-related costs, including an increase of $0.1 million of additional stock-based compensation expense, primarily due to increased general and administrative headcount to support the growth of our research and development organization, and $0.7 million in increased facilities and other expenses related to the continued expansion of our new corporate headquarters and subsidiary facilities.

Interest and other income (expense), net

	Six Months Ended June 30,		Change	
	2019	2020	($)	%
	(in thousands, except percentages)			
Interest income, net	$ 960	$ 748	$ (212)	(22)%
Other income, net	113	360	247	(219)%
Total interest and other income, net	$ 1,073	$ 1,108	$ 35	

Interest income, net decreased from $1.0 million for the six months ended June 30, 2019 to $0.8 million for the six months ended June 30, 2020, a decrease in $0.2 million, primarily due to the change in our portfolio of cash equivalents, short-term investments and long-term investments.

Other income, net increased from $0.1 million for the six months ended June 30, 2019 to $0.4 million for the six months ended June 30, 2020, a increase of $0.2 million, primarily due to the gain recognized on the net decrease in fair value of both our redeemable convertible preferred stock liability and warrant liabilities.

Comparison of Fiscal 2018 and 2019

Operating expenses

The following table summarizes our operating expenses for Fiscal 2018 and 2019:

	Fiscal 2018	Fiscal 2019	Change ($)	Change %
		(in thousands, except percentages)		
Operating expenses:				
Research and development	$ 10,456	$ 44,038	$ 33,582	321%
General and administrative	3,205	10,005	6,800	212%
Total operating expenses	$ 13,661	$ 54,043	$ 40,382	

Research and development expenses

	Fiscal 2018	Fiscal 2019	Change ($)	Change %
		(in thousands, except percentages)		
Third party expenses	$ 4,141	$ 26,416	$ 22,275	538%
Employee related expenses	4,977	11,694	6,717	135%
Laboratory supplies and other costs	834	3,157	2,323	279%
Facilities and other allocated expenses	438	2,087	1,649	376%
Depreciation and other expenses	66	684	618	936%
Total research and development expenses	$ 10,456	$ 44,038	$ 33,582	

Research and development expenses were $10.5 million in Fiscal 2018, compared to $44.0 million in Fiscal 2019, an increase of $33.5 million. The increase was primarily due to an increase of $22.3 million in third party expenses for our pre-clinical programs and the continued increase in expenditures related to research and development activities associated with ongoing development activities associated with STOPs and CAM as well as activities related to our NASH program. The increase also includes $6.7 million of additional

employee-related costs, including $2.3 million of increased laboratory supplies and a $0.3 million increase in stock-based compensation primarily due to higher headcount. Additional increases related to $1.6 million in increased allocable facilities costs, which is allocated based on personnel headcount within research and development, from the expansion to our new corporate headquarters (including laboratory space) in late 2018, and an increase of $0.6 million in depreciation and other expenses.

General and administrative expenses

General and administrative expenses were $3.2 million for Fiscal 2018, compared to $10.0 million for Fiscal 2019, an increase of $6.8 million. The increase was primarily due to $5.2 million in increased personnel-related costs, including an increase of $0.1 million of stock-based compensation expense, primarily due to increased general and administrative headcount to support the growth of our organization, and $1.6 million in increased facilities and other expenses related to the expansion to our new corporate headquarters in late 2018.

Interest and other income (expense), net

	Fiscal 2018	Fiscal 2019	Change ($)	Change %
		(in thousands, except percentages)		
Interest income, net	$ 163	$ 1,562	$1,399	858%
Other (expense) income, net	(435)	302	737	169%
Total interest and other income (expense), net	$ (272)	$ 1,864	$2,136	

Interest income, net increased from $0.2 million for Fiscal 2018 to $1.6 million for Fiscal 2019, primarily due to an increase in cash, cash equivalents and short-term investments. This also coincided with a decrease in interest expense in Fiscal 2019 as compared to Fiscal 2018 as a result of certain conversions of convertible notes into Series A convertible preferred stock during Fiscal 2018.

Other income (expense), net increased from a $0.4 million expense for Fiscal 2018 to $0.3 million of income for Fiscal 2019. In Fiscal 2018, other expense was primarily due to the $0.4 million charge associated with the conversion of the convertible notes into Series A convertible preferred stock. In Fiscal 2019, $0.3 million in income was recognized, related to the net change in fair value of our warrant liabilities during the year.

Liquidity and capital resources

Since our inception, we have not generated any revenue from product sales or any other sources, and have incurred significant operating losses. We have not yet commercialized any products and we do not expect to generate revenue from sales of any drug candidates for at least several years, if ever. To date, we have financed our operations through private placements of preferred stock, issuances of common stock and convertible debt. Through June 30, 2020, we had received gross proceeds of $186.9 million from sales of our preferred stock, issuances of common stock and our issuance of convertible debt. As of June 30, 2020, we had cash, cash equivalents and investments of $88.1 million.

Funding requirements

We have incurred net losses since inception. Our primary use of cash is to fund operating expenses, which consist primarily of research and development costs related to our drug candidates and our discovery programs, and to a lesser extent, general and administrative expenditures. We expect our expenses to increase substantially in connection with our ongoing clinical development activities related to our most advanced drug

candidates, ALG-010133 and ALG-000184, which are still in the early stages of development, as well as our research and development of our other drug candidates within our CHB, NASH and coronavirus programs.

In addition, commencing upon the closing of this offering, we expect to incur additional costs associated with operating as a public company. We expect that our expenses will increase substantially to the extent we:

- conduct our current and future clinical trials, and additional nonclinical studies;
- initiate and continue research and nonclinical and clinical development of other drug candidates;
- seek to identify additional drug candidates;
- pursue marketing approvals for any of our drug candidates that successfully complete clinical trials, if any;
- establish a sales, marketing and distribution infrastructure to commercialize any products for which we may obtain marketing approval;
- require the manufacture of larger quantities of our drug candidates for clinical development and potentially commercialization;
- obtain, maintain, expand, protect and enforce our intellectual property portfolio;
- acquire or in-license other drug candidates and technologies;
- hire and retain additional clinical, quality control and scientific personnel;
- achieve milestones triggering payments by us under our current and potential future licensing and/or collaboration agreements;
- build out or expand existing facilities to support our ongoing development activity; and
- add operational, financial and management information systems and personnel, including personnel to support our drug development, any future commercialization efforts and our transition to becoming a public company.

As of June 30, 2020, we had cash, cash equivalents and investments of $88.1 million. We believe that our existing cash, cash equivalents and investments will enable us to fund our planned operating expenses and capital expenditure requirements through at least the next twelve months. We have based this estimate on assumptions that may prove to be wrong, and we could exhaust our available capital resources sooner than we expect. Furthermore, we may elect to raise additional capital on an opportunistic basis to fund operations.

Because of the numerous risks and uncertainties associated with our research and development programs and because the extent to which we may enter into collaborations with third parties for development of our drug candidates is unknown, we are unable to estimate the timing and amounts of increased capital outlays and operating expenses associated with completing the research and development of our drug candidates. Our future capital requirements will depend on many factors, including:

- the scope, progress, results and costs of researching and developing our drug candidates and programs, and of conducting nonclinical studies and clinical trials;
- the timing of, and the costs involved in, obtaining marketing approvals for drug candidates we develop if clinical trials are successful;
- the cost of commercialization activities for our current drug candidates, and any future drug candidates we develop, whether alone or in collaboration, including marketing, sales and distribution costs if our current drug candidates or any future drug candidate we develop is approved for sale;

- the cost of manufacturing our current and future drug candidates for clinical trials in preparation for marketing approval and commercialization;
- our ability to establish and maintain strategic licenses or other arrangements and the financial terms of such agreements, including milestone payments to our licensors;
- the costs involved in preparing, filing, prosecuting, maintaining, expanding, defending and enforcing patent claims, including litigation costs and the outcome of such litigation;
- the timing, receipt and amount of sales of, or profit share or royalties on, our future products, if any;
- the emergence of competing therapies and other adverse market developments; and
- any acquisitions or in-licensing of other programs or technologies.

Developing pharmaceutical products, including conducting nonclinical studies and clinical trials, is a time-consuming, expensive and uncertain process that takes years to complete, and we may never generate the necessary data or results required to obtain marketing approval for any drug candidates or generate revenue from the sale of any drug candidate for which we may obtain marketing approval. In addition, our drug candidates, if approved, may not achieve commercial success. Our commercial revenues, if any, will be derived from sales of drugs that we do not expect to be commercially available for many years, if ever. Accordingly, we will need to obtain substantial additional funds to achieve our business objectives.

Adequate additional funds may not be available to us on acceptable terms, or at all. We do not currently have any committed external source of funds. To the extent that we raise additional capital through the sale of equity or convertible debt securities, your ownership interest may be diluted, and the terms of these securities may include liquidation or other preferences and anti-dilution protections that could adversely affect your rights as a common stockholder. Additional debt or preferred equity financing, if available, may involve agreements that include restrictive covenants that may limit our ability to take specific actions, such as incurring debt, making capital expenditures or declaring dividends, which could adversely constrain our ability to conduct our business, and may require the issuance of warrants, which could potentially dilute your ownership interest.

If we raise additional funds through collaborations, strategic alliances or licensing arrangements with third parties, we may have to relinquish valuable rights to our technology, future revenue streams, research programs, or drug 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 or collaborations, strategic alliances or licensing arrangements with third parties when needed, we may be required to delay, limit, reduce and/or terminate our product development programs or any future commercialization efforts or grant rights to develop and market drug candidates that we would otherwise prefer to develop and market ourselves.

Cash flows

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

	Fiscal		Six Months Ended June 30,	
	2018	2019	2019	2020
			(in thousands)	
Net cash (used in) operating activities	$ (6,049)	$ (46,766)	$ (18,335)	$ (38,013)
Net cash (used in) provided by investing activities	(69,289)	6,791	21,694	(8,838)
Net cash (used in) provided by financing activities	99,885	85,532	(17)	(21)
Net increase (decrease) in cash, cash equivalents, and restricted cash	$ 24,547	$ 45,557	$ 3,342	$ (46,872)

Operating activities

During the six months ended June 30, 2020, operating activities used $38.0 million of cash, primarily resulting from our net loss of $43.0 million, partially offset by non-cash charges of $4.2 million and cash provided by changes in our operating assets and liabilities of $0.8 million. Net cash provided by changes in our operating assets and liabilities of $0.8 million consisted of an increase of $2.0 million in accounts payable and accrued liabilities, partially offset by a decrease of $0.6 million in operating lease liability and an increase of $0.6 million in other current assets. The increase in accounts payable and accrued liabilities was largely due to an increase in external research and development costs. The decrease in the operating lease liability was a result of payments made on outstanding lease obligations. The increase in other assets was largely due to an increase in prepayments for services.

During the six months ended June 30, 2019, operating activities used $18.3 million of cash, primarily resulting from our net loss of $20.0 million, partially offset by non-cash charges of $0.7 million and cash provided by changes in our operating assets and liabilities of $1.0 million. Net cash provided by changes in our operating assets and liabilities of $1.0 million consisted of an increase of $0.3 million in accounts payable and accrued liabilities, an increase of $0.3 million in operating lease liability, a decrease of $0.1 million in right of use assets, and a decrease of $0.3 million in other current assets. The increase in accounts payable and accrued liabilities was largely due to an increase in external research and development costs. The decrease in other assets was largely due to receipt of tax credits associated with income taxes paid by us on behalf of employees due to the exercise of restricted stock purchase rights.

During Fiscal 2019, operating activities used $46.8 million of cash, primarily resulting from our net loss of $52.3 million, partially offset by non-cash charges of $1.8 million and cash provided by changes in our operating assets and liabilities of $3.7 million. Net cash provided by changes in our operating assets and liabilities of $3.7 million consisted of an increase of $4.6 million in accounts payable and accrued liabilities, a decrease of $0.3 million in other receivables, and a decrease of $0.1 million in right of use assets, partially offset by an increase of $1.3 million in other current assets. The increase in accounts payable and accrued liabilities was largely due to an increase in external research and development costs. The increase in other assets was largely due to an increase in prepayments for services. The decrease in other receivables was due to receipt of tax credits associated with income taxes paid by us on behalf of employees due to the exercise of restricted stock purchase rights.

During Fiscal 2018, operating activities used $6.1 million of cash, primarily resulting from our net loss of $13.9 million, partially offset by non-cash charges of $3.0 million and cash provided by changes in our operating assets and liabilities of $4.8 million. Net cash provided by changes in operating assets and liabilities of $4.8 million consisted of an increase of $6.2 million in accounts payable and accrued liabilities, partially offset by an increases of $0.7 million in other assets, $0.4 million in other receivables, and $0.1 million in right of use assets. The increase in accounts payable and accrued liabilities was largely due to an increase in external research and development costs. The increase in other assets was largely due to an increase in prepayments for services. The increase in other receivables related to income taxes paid by us on behalf of employees due to the exercise of restricted stock purchase rights and tax credit receivables.

Investing activities

During the six months ended June 30, 2020, investing activities used $8.8 million of cash, consisting primarily of $45.3 million of short-term and long-term investment purchases and $1.6 million of purchases of property and equipment, offset by $38.1 million of short-term investment maturities.

During the six months ended June 30, 2019, investing activities provided $21.7 million of cash, consisting primarily of $49.5 million of short-term investment maturities, offset by $26.4 million of short-term investment purchases and $1.4 million of purchases of property and equipment.

During Fiscal 2019, investing activities provided $6.8 million of cash, consisting primarily of $80.0 million of short-term investment maturities, offset by $70.4 million of short-term and long-term investment purchases and $2.8 million of purchases of property and equipment.

During Fiscal 2018, investing activities used $69.3 million of cash, consisting primarily of $66.8 million of short-term investment purchases and $2.5 million for the purchase of property and equipment.

Financing activities

During the six months ended June 30, 2020, net cash used in financing activities was a de minimis amount, consisting primarily of a $0.4 million payment of Series B-1 convertible preferred stock issuance costs, partially offset by the proceeds from the exercise of warrants to purchase shares of Series A convertible preferred stock of $0.4 million and proceeds from the exercise of stock options of $0.1 million.

During the six months ended June 30, 2019, net cash used in financing activities was a de minimis amount, consisting solely of payments of finance leases.

During Fiscal 2019, net cash provided by financing activities was $85.5 million, consisting primarily of net proceeds of $85.0 million from our sales of shares of our Series B-1 convertible preferred stock, proceeds from the exercise of stock options of $0.5 million, and proceeds from the exercise of warrants to purchase shares of Series A convertible preferred stock of $0.1 million, partially offset by the payment of finance leases of $0.1 million.

During Fiscal 2018, net cash provided by financing activities was $99.9 million, consisting of net proceeds of $94.8 million from our sales of shares of Series A convertible preferred stock, proceeds from the issuance of convertible notes and warrants of $5.0 million, and proceeds from the exercise of stock options and sale of common stock of $0.1 million.

Contractual obligations and commitments

The following table summarizes our commitments and contractual obligations 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 commitments	$19,588	$ 2,507	$5,292	$5,375	$ 6,414
Finance lease commitments	264	75	149	40	—
Total	$19,852	$ 2,582	$5,441	$5,415	$ 6,414

The operating lease commitments noted in the table above represent operating lease obligations related to our currently occupied premises in South San Francisco, California and Belgium. The finance lease commitments represent obligations related to vehicle leases for employees in Belgium. We do not have any material purchase commitments for contracts with fixed or minimum service requirements. We also enter into contracts in the normal course of business with various vendors that generally provide for contract termination following a certain notice period. These contracts do not contain any minimum purchase commitments, and as a result, are not included in the table of contractual obligations above. Payments due upon cancelation consist only of

payments for services provided, expenses incurred up to the date of cancelation and de minimis termination penalties. Accordingly, we believe that our non-cancelable obligations under such agreements are not material and therefore have excluded these from the table above.

This table also does not include any milestone or royalty payments to third parties as the amounts, timing and likelihood of such payments are not known at this time. For a summary of certain milestone and royalty payment obligations under our agreements with Emory and Luxna, see the section titled “Business—License agreements”.

Off-balance sheet arrangements

We did not have during the periods presented, and we do not currently have, any off-balance sheet arrangements, as defined in the rules and regulations of the SEC.

Indemnification agreements

We enter into standard indemnification arrangements in the ordinary course of business. Pursuant to these arrangements, we indemnify, hold harmless and agree to reimburse the indemnified parties for losses suffered or incurred by the indemnified party, in connection with any trade secret, copyright, patent or other intellectual property infringement claim by any third party with respect to its technology. The term of these indemnification agreements is generally perpetual any time after the execution of the agreement. The maximum potential amount of future payments we could be required to make under these arrangements is not determinable. We have never incurred costs to defend lawsuits or settle claims related to these indemnification agreements. As a result, we believe the fair value of these agreements is minimal.

Quantitative and qualitative disclosures about market risk

Interest rate risk

We are exposed to market risk related to changes in interest rates applicable to our investment portfolio of cash equivalents and short-term and long-term investments. As of June 30, 2020, our cash equivalents consisted of money market funds. As of June 30, 2020, our short-term and long-term investments consisted of U.S. Treasury securities. Our primary exposure to market risk is interest income sensitivity, which is affected by changes in the general level of U.S. interest rates. Should U.S. interest rates decline, interest income would be reduced in future periods for short- and long-term investments which mature and the proceeds of which are reinvested in similar instruments at lower interest rates. Additionally, the fair value of our short-term and long-term investments is subject to change as a result of potential changes in market interest rates, including changes resulting from the impact of the COVID-19 pandemic. The potential change in fair value from interest-rate-sensitive instruments has been assessed on a hypothetical 100 basis point adverse movement across all maturities. As of June 30, 2020, we estimate that a hypothetical 100 basis point adverse movement would not result in a material impact on our financial position or results of operations or cash flows. As of June 30, 2020, we had no debt outstanding, besides short-term payables arising in the normal course of business, and are therefore not exposed to interest rate risk with respect to debt.

Foreign currency exchange risk

We have employees and operations, including contracts with third-party vendors, in Europe through our subsidiary Aligos Belgium BVBA. We have similar, but more limited, operations in Australia. Though the functional currency in these locations is the U.S. dollar, we remeasure transactions initially recorded in local

currencies in these locations, the Euro and Australian dollar, respectively, to the U.S. dollars periodically. As such, we are exposed to foreign currency exchange risk as the underlying contracts to pay employees or vendors in these locations are generally denominated in the local currencies. A decline in the value of the U.S. dollar relative to these currencies would increase our cost of doing business in these locations. We are subject to foreign currency transaction gains or losses on our contracts denominated in foreign currencies. To date, foreign currency transaction gains and losses have not been material to our financial statements, and we have not had a formal hedging program with respect to foreign currency. A 10% increase or decrease in current exchange rates would not have a material effect on our financial position or results of operations or cash flows.

Critical accounting policies and use of estimates

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

While our significant accounting policies are described in the notes to our consolidated financial statements included elsewhere in this prospectus, we believe that the following critical accounting policies are most important to understanding and evaluating our reported financial results and future performance, as these policies relate to the more significant areas involving management's judgments and estimates.

Accrued research and development costs

We record accrued expenses for estimated costs of our research and development activities conducted by third-party service providers, which include the conduct of clinical trials and nonclinical studies. We record the estimated costs of research and development activities based upon the estimated amount of services provided but not yet invoiced and include these costs in accrued liabilities in the consolidated balance sheets and within research and development expense in the consolidated statements of operations and comprehensive loss. These expenses are a significant component of our research and development costs. We record accrued expenses for these costs based on factors such as estimates of the work completed and in accordance with agreements established with these third-party service providers. Any payments made in advance of services provided are recorded as prepaid expenses and other assets, which are expensed as the contracted services are performed.

We estimate the amount of work completed through discussions with internal personnel and external service providers as to the progress or stage of completion of the services and the agreed-upon fee to be paid for such services. We make significant judgments and estimates in determining the accrued balance in each reporting period. As actual costs become known, we adjust our accrued estimates. Although we do not expect our estimates to be materially different from amounts actually incurred, our understanding of the status and timing of services performed could vary from actuals and result in us reporting amounts that are too high or too low in any particular period. Our accrued expenses are dependent, in part, upon the receipt of timely and accurate reporting from clinical research organizations and other third-party service providers. For the periods presented, we have experienced no material differences between our accrued expenses and actual expenses.

Research and development expenses

We expense research and development costs as incurred. Acquired intangible assets are expensed as research and development if, at the time of payment, the technology is under development; is not approved by the U.S. Food and Drug Administration or other regulatory agencies for marketing; has not reached technical feasibility; or otherwise has no foreseeable alternative future use.

Research and development expenses also include costs incurred for internal and sponsored and collaborative research and development activities. Research and development expenses consist of salaries and benefits, including associated stock-based compensation, and laboratory supplies and facility costs, as well as fees paid to other entities that conduct certain research and development activities on our behalf. Costs associated with co-development activities performed under the various license and collaboration agreements are included in research and development expense as incurred.

Stock-based compensation

We measure stock options and other stock-based awards granted to employees, directors and other service providers based on their fair value on the date of grant and recognize compensation expense of those awards over the requisite service period, which is generally the vesting period of the respective award. We recognize the impact of forfeitures on stock-based compensation expense as forfeitures occur. We apply the straight-line method of expense recognition to all awards with only service-based vesting conditions. During the period from inception through December 31, 2018 and the year ended December 31, 2019, we did not grant any stock-based awards with performance-based vesting conditions. During the six months ended June 30, 2020, we granted stock-based awards with performance-based vesting conditions. We recognize compensation expense related to these awards when it is determined that satisfying the performance conditions is probable using the accelerated attribution method over the requisite service period.

We estimate the fair value of each stock option grant on the date of grant using the Black-Scholes option-pricing model, which requires the use of highly subjective assumptions including:

- Expected term—We have opted to use the “simplified method” for estimating the expected term of plain-vanilla options, whereby the expected term equals the arithmetic average of the vesting term and the original contractual term of the option (generally 10 years). We estimated the expected term of performance-based vesting options based on the expected life of the options to remain outstanding, which is estimated to be materially consistent with time-vesting options.
- Risk-free interest rate—The risk-free rate assumption is based on the U.S. Treasury instruments with maturities similar to the expected term of our stock options.
- Expected dividend—We have not issued any dividends and do not anticipate to issue dividends on our common stock. As a result, we have estimated the dividend yield to be zero.
- Expected volatility—Due to our limited operating history and a lack of company-specific historical and implied volatility data, we have based our estimate of expected volatility on the historical volatility of a group of similar companies that are publicly traded. The historical volatility data was computed using the daily closing prices for the selected companies’ shares during the equivalent period of the calculated expected term of the stock-based awards.

Determination of fair value of common stock

As there has been no public market for our common stock to date, the estimated fair value of our common stock has been determined by our board of directors, or compensation committee thereof, as of the date of each option grant, with input from management, considering our most recently available third-party valuations

of common stock and our board of directors' assessment of additional objective and subjective factors that it believed were relevant and which may have changed from the date of the most recent valuation through the date of the grant. Historically, these independent third-party valuations of our equity instruments were performed contemporaneously with identified value inflection points, including recent preferred stock financings.

These third-party valuations were performed in accordance with the guidance outlined in the American Institute of Certified Public Accountants' Accounting and Valuation Guide, *Valuation of Privately-Held-Company Equity Securities Issued as Compensation (the "Practice Aid")*. The Practice Aid identifies various available methods for allocating the enterprise value across classes of capital stock in determining the fair value of our common stock at each valuation date.

In accordance with the Practice Aid, the probability-weighed expected return method ("PWERM") and the Option Pricing Method ("OPM") were the most appropriate methods for determining the fair value of our common stock based on our stage of development and other relevant factors. Our valuation as of June 2020 contemplated the PWERM, which considers probability weighted future events outcomes for us. Our valuation as of December 2019 contemplated the Hybrid Method, which is a combination of the PWERM and the OPM to allocate the value to the securities, based on the terms of our then-concurrent Series B financing. Our valuation in October 2018 employed an OPM model, and was based on our Series A financing that occurred in September 2018, and included certain adjustments for changes in market conditions and drug failure data sets.

In addition to considering the results of these third-party valuations, our board of directors considered various objective and subjective factors to determine the fair value of our common stock as of each grant date, including:

- the rights, preferences, and privileges or our preferred securities as compared to those of our common stock, including liquidation preferences of our preferred stock;
- the progress of our research and development programs, including the status and results of nonclinical studies and clinical trials for our drug candidates:
- our stage of development and outlook for potential commercialization of our drug candidates and our business strategy;
- external market conditions affecting the biopharmaceutical industry and trends within the biopharmaceutical industry, including a review of the performance and metrics of guideline public companies;
- our financial position, including cash on hand, and our historical and forecasted performance and operating results;
- the lack of an active public market for our common stock and our preferred stock;
- the likelihood of achieving a liquidity event, such as an initial public offering ("IPO") or sale of our company in light of prevailing market conditions; and
- an analysis of IPOs and the market performance of similar companies in the biopharmaceutical industry.

Our valuations were performed using the OPM, PWERM or the Hybrid Method. The method selected was based on the availability and the quality of information to develop the assumptions for the methodology, based on the facts and circumstances applicable to each valuation date.

OPM - The OPM treats common stock and preferred stock as call options on the total equity value of a company, with exercise prices based on the value thresholds at which the allocation among the various holders of a

company's securities changes. The common stock is modeled as a call option on the underlying equity value at a predetermined exercise price. In the model, the exercise price is based on a comparison with the total equity value rather than, as in the case of a regular option, a comparison with a per share stock price. Thus, common stock is considered to be a call option with a claim on the enterprise at an exercise price equal to the remaining value immediately after the preferred stock liquidation preference is paid. The OPM uses the Black-Scholes option pricing model to price the call options. This model defines the fair value of securities as functions of the current fair value of the subject company and uses assumptions such as the anticipated timing of a potential liquidity event and the estimated volatility of the equity securities. The OPM method was used for our October 2018 and December 2019 valuations. The OPM might be used to determine the enterprise value of an entity by using a "backsolve method." By considering the sale price of shares in a recent arms-length financing, the aggregate equity value (and, by implication, enterprise value) can be "back-solved" using an option pricing theory-based model that gives consideration to the subject company's capitalization structure and rights of the holders of preferred stock and common stock. This methodology is most applicable when a valuation is conducted close to the date of a financing transaction, which was the case for our October 2018 and December 2019 valuations.

PWERN - Under the PWERM methodology, the fair value of the common stock is estimated based upon an analysis of future values for the company, assuming various scenario outcomes. The common stock value is based on the probability weighted present value of expected future investment returns considering each of the possible outcomes available, as well as the rights of each class of stock under each scenario. The future value of the common stock under each outcome is discounted back to the valuation date at an appropriate risk-adjusted discount rate and probability to arrive at an indication of value for the common stock. Subsequent to our decision to pursue a public offering of our shares, it was determined that the PWERM was the appropriate methodology to employ for our June 2020 valuation analysis.

The relative probability of each type of future-event scenario was determined based on management's best estimate as of the date of valuation, including then-current expectations as to the timing and likely prospects of the future event scenarios.

Hybrid Method - The Hybrid Method is a PWERM where the equity value in one or more of the scenarios is calculated using an OPM. This method was employed in our December 2019 valuation analysis. In considering valuation approaches for the Company, the third-party valuation specialist applied the Hybrid Method in our December 2019 valuation to determine the implied equity value of the Company in various scenarios, based on the latest round of financing - Series B convertible preferred stock. However, the purchase agreement for this financing round also provided for a second closing if we meet certain milestones before March 31, 2021 (the "Series B Milestones"). The milestones in the agreement are described as follows:

- receipt of permission to proceed under an Investigational New Drug application submitted to the U.S. Food and Drug Administration or approval of the clinical trial application by a comparable foreign regulatory agency having jurisdiction (the "CTA Approval") with respect to our HBV STOPs program; and
- the CTA Approval with respect to our HBV CAM program.

The relative probability of each type of future-event scenario was determined based on management's best estimate as of the date of valuation, including then-current expectations as to the timing and likely prospects of the future event scenarios.

Our valuation in October 2018 employed an OPM model and was based on our Series A convertible preferred stock financing that occurred in September 2018, and included certain adjustments for changes in market conditions and drug failure data sets. The valuation specialist performed a backsolve analysis based on the Series A convertible preferred stock financing to determine the implied enterprise value. This value was then

adjusted based on a change in market conditions that occurred between the financing date and the valuation date. In addition, certain failure rate data sets were reviewed and incorporated into the adjusted invested capital value. An OPM model was then used to estimate the value of the common stock as of October 2018.

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

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

Redeemable convertible preferred stock liability

The freestanding instruments related to the commitments by holders of shares of Series B-1 convertible preferred stock to purchase and by us to sell our shares of Series B-2 convertible preferred stock in a subsequent closing, contingent upon the achievement of certain developmental milestones or an election by investors to waive such contingencies, at a fixed price per share, are considered a liability measured at fair value as the shares underlying the rights contain liquidation preferences upon certain "deemed liquidation events" that are not solely within our control. The instruments are subject to revaluation at each balance sheet date until settlement, with revaluations recognized as a component of interest and other income (expense) net in the consolidated statement of operations and comprehensive loss.

The fair value of the commitment is estimated using a probability weighted multi-scenario Black Scholes hybrid valuation method, which is most sensitive to the probability of each possible outcome and the estimated value for the shares of Series B-2 convertible preferred stock at the end of the term with respect to the achievement of the milestones and issuance of shares of Series B-2 convertible preferred stock. The probability of each scenario is estimated by management based on available information at the end of each reporting period.

Warrants liability

We account for the warrants issued in connection with our 2018 convertible financing as a liability at its fair value and adjust the instrument to fair value at each reporting period as the warrants are exercisable into our Series A convertible preferred stock. This liability is subject to re-measurement at each balance sheet date until exercised or terminated, and any change in fair value is recognized as a component of interest and other income (expense), net on our consolidated statement of operations and comprehensive loss. The fair value of warrants has been estimated using a probability weighted multi-scenario Black Scholes hybrid valuation model. The model accounts for the probability of a liquidity event as best estimated by management, which could significantly impact the valuation of the warrants.

Emerging growth company status

In April 2012, the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"), was enacted. Section 107 of the JOBS Act provides that an "emerging growth company" (an "EGC") can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards. Thus, an EGC can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We have elected to use the extended transition period

for any new or revised accounting standards during the period in which we remain an EGC; however, we may adopt certain new or revised accounting standards early.

We will remain an EGC 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 $700.0 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.

In addition, we intend to rely on the other exemptions and reduced reporting requirements provided to EGCs by the JOBS Act. Subject to certain conditions set forth in the JOBS Act, as an EGC, we are not required to, among other things, (i) provide an auditor’s attestation report on our system of internal controls over financial reporting pursuant to Section 404(b) of the Sarbanes-Oxley Act of 2002, (ii) provide all of the compensation disclosure that may be required of non-emerging growth public companies under the Dodd-Frank Wall Street Reform and Consumer Protection Act, (iii) 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 (auditor discussion and analysis) or (iv) disclose certain executive compensation-related items such as the correlation between executive compensation and performance and comparisons of the Chief Executive Officer’s compensation to median employee compensation.

Recently issued and adopted accounting pronouncements

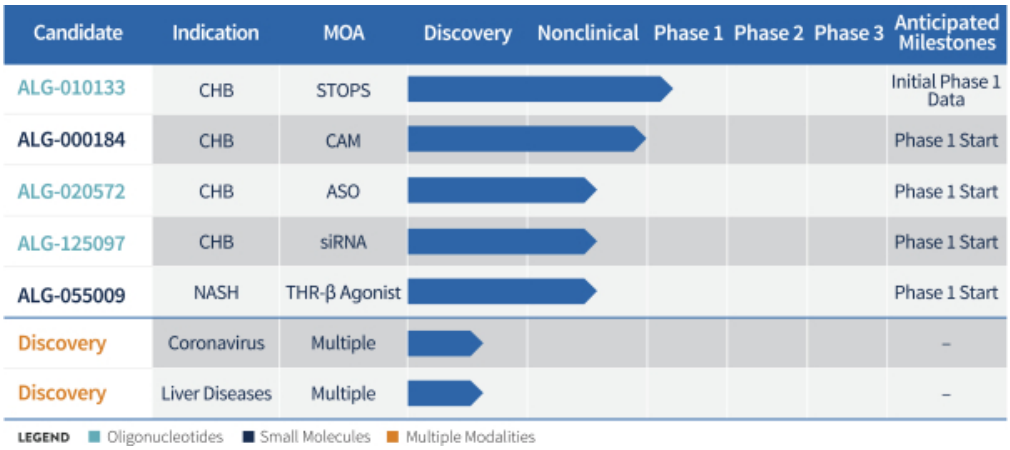
A description of recently issued accounting pronouncements that may potentially impact our financial position and results of operations is disclosed in Note 2 to our consolidated financial statements and Note 2 to our unaudited condensed consolidated financial statements appearing at the end of this prospectus.

Business

Overview

We are a clinical-stage biopharmaceutical company currently focused on developing novel therapeutics to address unmet medical needs in viral and liver diseases. We utilize our proprietary oligonucleotide and small molecule platforms to develop pharmacologically optimized drug candidates for use in combination regimens designed to achieve improved treatment outcomes. Our lead effort is to develop a functional cure for Chronic Hepatitis B ("CHB"), which often results in other life-threatening conditions such as cirrhosis, end-stage liver disease ("ESLD") and the most common form of liver cancer, hepatocellular carcinoma ("HCC"). The most widely used treatment for CHB, nucleos(t)ide analogs, suppresses viral replication but only achieves low rates of functional cure and often requires long-term administration. To address this issue, we have developed a portfolio of differentiated drug candidates for CHB, including an S-antigen Transport-inhibiting Oligonucleotide Polymers ("STOPS") molecule, a small molecule Capsid Assembly Modulator ("CAM"), and oligonucleotides (ASO and siRNA), each of which is designed against clinically validated targets in the Hepatitis B Virus ("HBV") life cycle. We believe that combination regimens utilizing our portfolio of CHB drug candidates may lead to higher rates of functional cure. A Phase 1 proof of concept trial for our STOPS molecule is ongoing in New Zealand and we expect to initiate a Phase 1 clinical trial with our CAM in the second half of 2020. Our second area of focus is in non-alcoholic steatohepatitis ("NASH"), a complex, chronic liver disease where combination regimens may likewise prove beneficial. Our most advanced drug candidate for NASH is ALG-055009, a small molecule THR-ß agonist currently in nonclinical studies to enable a first-in-human clinical trial. We believe ALG-055009 has the potential to become an integral component of future combination regimens for NASH. Our third area of focus is to develop drug candidates with pan-coronavirus activity, including Severe Acute Respiratory Syndrome coronavirus 2 ("SARS-CoV-2"), the virus responsible for COVID-19.

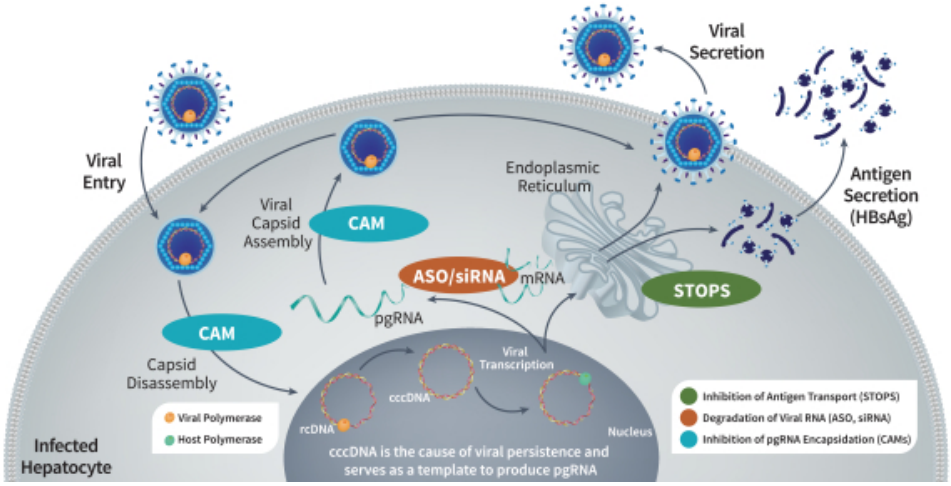
Our team's collective experience and success in discovering and developing drugs targeting viruses and liver diseases, combined with our in-house expertise in oligonucleotide and small molecule drug discovery, gives us a differentiated set of capabilities, which has enabled us to rapidly establish a robust pipeline of multiple novel drug candidates, as summarized in the pipeline chart below.



Our most advanced drug candidates are for the treatment of CHB, a disease that affects more than 290 million people worldwide with approximately 30 million people becoming newly infected every year, despite the availability of an efficacious prophylactic vaccine. Approximately 900,000 people worldwide died from

complications of CHB in 2015, according to the World Health Organization, and CHB is the primary cause of liver cancer worldwide. Currently approved therapies for CHB include pegylated forms of interferon-alfa ("peg-IFNa") and nucleos(t)ide analogs, which are designed to boost the body's immune response to the virus or inhibit viral replication, respectively. While these therapies have improved treatment outcomes for some patients with CHB, they have not been able to achieve meaningful rates of functional cure, which is the consensus goal of treatment and defined as a sustained loss of HBsAg with or without hepatitis B surface antibody seroconversion. Functional cure has been shown to greatly reduce the risk of developing certain other more serious downstream liver conditions, such as cirrhosis and ESLD.

Our clinical development strategy involves evaluating both Hepatitis B E-antigen ("HBeAg") positive and HBeAg negative CHB patient populations. HBeAg is typically present in earlier stages of the disease and is associated with higher rates of viral replication. During the natural course of the disease, HBeAg can be cleared and antibodies develop, resulting in an HBeAg negative state where viral replication is often lower. Patients with HBeAg negative CHB are typically older and have more progressive disease-related complications (e.g., fibrosis of the liver). In addition, their immune system is likely to be more exhausted by chronic exposure to HBsAg, which makes viral clearance more difficult. Although we plan to ultimately study both populations, due to the greater availability of patients with HBeAg negative CHB at investigational sites, we intend to study this population first.



Multiple steps in the HBV life cycle, including those involving capsid assembly and production and secretion of HBsAg, are known to be essential to sustain HBV infection. We have built a portfolio of CHB drug candidates directed against clinically validated targets at several critical stages of the HBV life cycle. Our CHB portfolio includes:

- **STOPS** are protein-binding oligonucleotides that share structural similarity with nucleic acid polymers ("NAPs"), which have been reported in clinical trials to significantly reduce circulating HBsAg and result in high rates of functional cure when used in combination with nucleos(t)ide analogs and peg-IFNa. Our most advanced STOPS molecule is ALG-010133, which is currently being evaluated in a Phase 1 clinical trial. In nonclinical studies, ALG-010133 has demonstrated higher inhibitory activity than a reference NAP compound that is currently in clinical development.

- **CAMs** are small molecule antiviral agents that accelerate HBV capsid assembly and inhibit pregenomic RNA ("pgRNA") encapsidation, which reduces production of new virions capable of infecting other cells. CAMs may also inhibit the de novo establishment of covalently closed circular DNA ("cccDNA"), a major factor for the persistence of HBV infection, when introduced at the onset of infection. In clinical trials, other CAM drug candidates have demonstrated significant reductions in HBV DNA and pgRNA. However, it is likely that CAMs will need to be combined with other modalities that affect HBsAg in order to achieve functional cure. Our most advanced CAM drug candidate is ALG-000184, a prodrug of ALG-001075, which we plan to advance into a Phase 1 clinical trial in the second half of 2020. In nonclinical studies, we have shown that ALG-001075 has significantly enhanced potency compared to other CAMs in clinical development of which we are aware.
- **ASOs** are single-stranded DNA or RNA molecules that interfere with viral replication by binding to complementary messenger RNA ("mRNA"), allowing the combined ASO and mRNA to be degraded by the enzyme RNase H. Using our oligonucleotide discovery capabilities, we identified ALG-020572, an ASO that targets HBV mRNA and can reduce HBsAg production, which we plan to advance into clinical trials in the second half of 2021. In third-party clinical trials, ASOs targeting HBV mRNA have demonstrated significant reductions in HBsAg. Our ASO approach utilizes state of the art bioinformatics, proprietary stabilization chemistry and liver targeting technology that we believe provides a number of potential benefits compared to other ASO candidates of which we are aware, including increased potency, a higher barrier to resistance and broad genotype coverage.
- **siRNAs** are a class of double-stranded, non-coding RNA that interferes with viral replication by silencing gene expression. Multiple siRNAs have demonstrated significant reductions in HBsAg levels in clinical trials. Our oligonucleotide discovery capabilities resulted in the identification of ALG-125097, an siRNA drug candidate directed at HBV mRNA, which utilizes our proprietary liver targeting technology.

We believe that a combination of drugs capable of inhibiting HBV DNA replication and RNA packaging (e.g., using CAMs) while simultaneously suppressing HBsAg production (e.g., using our STOPS molecule, ASO, and/or siRNA) has the potential to act additively or synergistically and may lead to a higher rate of functional cure. Our clinical development strategy is designed to evaluate safety and antiviral activity as monotherapy prior to evaluating multiple combinations of our CHB assets, with or without other currently available treatment modalities such as nucleos(t)ide analogs or peg-IFNa, to identify optimized combination regimens.

Our second development effort is focused on the treatment of NASH. An estimated 1.5% to 6.5% of the global population, or up to about 450 million people, was believed to have NASH as of 2015 and this is expected to increase significantly in the coming decade due to the adoption of Western dietary habits. In the absence of lifestyle modifications, the inflammation inherent in NASH persists and results in progressive fibrosis of the liver, which may lead to cirrhosis, ESLD, HCC, the need for liver transplant, and death. We believe one of the most promising pharmacologic approaches in development for NASH is a selective agonist of the beta subtype of the thyroid hormone receptor ("THR-ß"), which, in clinical trials conducted by third parties, has demonstrated significant reduction in liver fat and inflammation, as well as the reduction in lipid levels in the serum, which may have important advantages in the NASH patient population that is at a high risk of cardiovascular co-morbidities. Utilizing our expertise in small molecule drug discovery, we identified ALG-055009, a once-daily oral THR-ß agonist. In nonclinical studies, ALG-055009 has been shown to be substantially more potent compared to other THR-ß agonists currently in development of which we are aware and may avoid some of their potential safety liabilities while having the potential to achieve equal or better efficacy. As a result, we believe ALG-055009 has the potential to become an integral component of combination regimens to treat NASH. We intend to advance ALG-055009 into clinical development in the second half of 2021.

Our third area of focus is to develop pan-coronavirus treatment regimens. SARS-CoV-2 is responsible for the COVID-19 pandemic, which has been identified as a cause of more than 750,000 deaths worldwide as of August

2020. After MERS and SARS (SARS-CoV-1), SARS-CoV-2 is the third known coronavirus to have crossed over from animal species to humans in the past 20 years and cause significant morbidity and mortality. While multiple vaccines are likely to become available in the future, it is unlikely that a vaccine will be fully efficacious and widely adopted, indicating that the need for effective therapeutic treatments will remain. Currently, repurposed drugs which have not been optimized for the treatment of coronavirus infections are being studied to treat SARS-CoV-2, and there is a need for purpose-built drugs which are suitable across a broad range of coronaviruses, patient populations and clinical settings, including prophylactic and post-exposure settings. We believe that, similar to CHB, a combination of antiviral and/or immunomodulatory drugs which target multiple points in the viral replication cycle offers the best chance of success. To address this urgent, unmet medical need, we are in early stages of development for multiple drug candidates including nucleos(t)ide, siRNA/ASO and protease inhibitors that are specifically designed to interact with targets that are highly conserved across multiple coronaviruses. Each of these drug candidates is intended to have pan-coronavirus activity and to be used in combination regimens to maximize their antiviral activity.

Our management team consists of a group of highly collaborative, culturally diverse executives with decades of drug discovery and development experience and a proven track record of success in the areas of viral infections and liver diseases. Most members of our management team have worked together across multiple companies, many for over a decade, and have been collectively involved in the discovery and/or development of a number of drugs that have been successfully commercialized, including Ganovo, Olysio, Sovaldi, Hepsera, Infergen, Valtrex, Sirturo, Neupogen, Andexxa and Esbriet, among others. In support of our management team, we also have assembled an industry-leading board of directors and a world-class group of scientific advisors with significant experience in drug development for viral and liver diseases. Finally, we have top-tier investors, including Boxer Capital of Tavistock Group, Cormorant Asset Management, Janus Henderson Investors, Logos Capital, Novo Holdings, Pivotal bioVenture Partners, Roche Venture Fund, Versant Ventures, Vivo Capital and Wellington Management Company.

Our strategy

Our strategy is to develop pharmacologically optimized drug candidates for use in combination regimens designed to achieve improved treatment outcomes. Our initial areas of focus are viral and liver diseases where our team can leverage their in-depth knowledge and expertise to develop potentially best-in-class combination regimens addressing large areas of unmet medical need. The core elements of our business strategy include:

- ***Developing improved drug candidates against clinically validated targets.*** We leverage our oligonucleotide and small molecule platforms to identify drug candidates with pharmacologically optimized characteristics compared to other drug candidates, including the potential for improved efficacy, safety and/or route of administration. By initially focusing on clinically validated targets, we increase the likelihood of demonstrating clinical efficacy and delivering optimized combination regimens.
- ***Creating combination regimens to achieve better outcomes.*** We believe that most chronic and viral diseases require combination therapies for optimal treatment outcomes, and that combining individual drugs which can act additively or synergistically provides the greatest potential for enhanced efficacy. For each of our drug candidates, our strategy in Phase 1 is to rapidly evaluate safety and demonstrate proof of activity for each individual drug. Subsequently, we plan to combine multiple drug candidates in Phase 2 trials to identify optimized combination regimens to be advanced into pivotal trials.
- ***Developing a functional cure for CHB.*** We have a portfolio of differentiated drug candidates for CHB, including a STOPS molecule, a small molecule CAM, and oligonucleotides (ASO and siRNA) each of which is designed to inhibit clinically validated, distinct and critical points in the HBV life cycle. Our two lead drug candidates for CHB, ALG-010133, a STOPS molecule, and ALG-000184, a CAM, are currently in, or advancing

in the second half of 2020, into Phase 1 trials, respectively. Based on nonclinical studies, we believe that each of these drug candidates has demonstrated strong potential relative to other drugs in development. In combination, we expect our drug candidates to provide greater viral suppression, potentially leading to higher rates of functional cure.

- ***Expanding our development capabilities and pipeline.*** We are utilizing our in-house discovery expertise to continually improve upon our existing drug candidates by identifying promising backup candidates and exploring novel and emerging drug targets in viral and liver diseases. We are also evaluating novel mechanisms of action with the potential to complement our current pipeline. To further supplement our internal discovery and development efforts, we actively evaluate external technology platforms and assets for future development candidates for liver and viral diseases. To date, we have secured licenses for technology from Emory, Luxna and AM Chemicals, LLC ("AM Chemicals"), and have entered into a collaboration with KU Leuven's Rega Institute for Medical Research, as well as its Centre for Drug Design and Discovery.
- ***Maximizing the value of our drug candidates.*** We currently hold worldwide development and commercialization rights, including through exclusive licenses, to all of our drug candidates. We intend to pursue independent development and commercialization in select indications and markets that we can address with a specialty sales and marketing organization. We may opportunistically explore licensing agreements, collaborations or partnerships to develop our drug candidates in larger market indications where we could accelerate development utilizing the resources of larger biopharmaceutical companies, or to commercialize them in specific geographies.

Our approach to research and development

Our oligonucleotide and small molecule platforms allow us to discover drug candidates that can be used to develop potentially best-in-class combination regimens. Oligonucleotide approaches enable specific inhibition of the translation of viral or host genes to affect a desired outcome that would be challenging to achieve with traditional small molecules. We believe the diversity of chemical matter we can generate with these complementary modalities broadens the range of therapeutic targets we can address with our platforms, and provides us with a differentiated set of in-house capabilities to use in developing novel, optimized combination regimens across all of our current areas of focus.

Our approach of combining multiple mechanisms from these distinct modalities is based on the observation that most chronic diseases, whether extrinsic (e.g., HIV and Hepatitis C) or intrinsic (e.g., metabolic syndrome conditions such as hypertension and diabetes), often require combination therapy to achieve optimal outcomes. Combination approaches have the advantage of simultaneously targeting multiple pathways and can act broadly and potentially synergistically. Particularly in the case of viral diseases, the simultaneous use of multiple drugs in combination can increase the barrier to viral resistance. As part of our drug candidate screening paradigm, we perform in vitro combination studies to ensure that none of the combinations we plan to evaluate clinically demonstrate antagonistic interactions.

Our team has extensive end-to-end drug discovery and development experience across multiple therapeutic areas and disciplines. Our clinical development strategy leverages past experience to rapidly advance drug candidates towards optimized combination regimens. We have strengthened our platforms by in-licensing select intellectual property, which, together with our in-house expertise, allows us to develop novel and proprietary drug candidates.

Oligonucleotide platform

We have multiple distinct modalities within our oligonucleotide platform, including STOPS molecules, ASOs, and siRNAs. We have developed a portfolio of oligonucleotide drug candidates for the treatment of CHB, including: ALG-010133, a STOPS molecule drug candidate; ALG-020572, an ASO drug candidate; and ALG-125097, an siRNA drug candidate. In addition, we are leveraging our oligonucleotide platform to develop drug candidates for coronaviruses and other diseases.

We have exclusively licensed proprietary technologies that enhance our oligonucleotide platform. These technologies include third generation bridged nucleic acid ("BNA") and N-acetylgalactosamine ("GalNAc") chemistries, which can improve liver targeting, increase potency and enhance pharmacokinetic properties.

S-antigen Transport-inhibiting Oligonucleotide Polymers ("STOPS") molecules

STOPS molecules are oligonucleotides which in vitro reduce the levels of key HBV viral markers, including HBsAg. They share structural similarity with NAPs such as IV-administered REP 2139 and REP 2165, which, when used in combination with nucleos(t)ides analogs and peg-IFNa in clinical trials conducted by others, have demonstrated significant declines in key HBV viral markers and increased functional cure rates over current standard of care. Our STOPS molecules, such as our lead drug candidate ALG-010133, have been highly optimized and contain several novel chemical features, leading to enhanced in vitro potency and allowing for subcutaneous dosing.

Antisense oligonucleotides ("ASOs")

ASOs are single-stranded DNA or RNA molecules that interfere with viral replication by binding to and down-regulating mRNA expression, preventing subsequent protein translation. This technology has been validated across multiple indications, including CHB, where significant reductions in viral markers have been observed. We have discovered potent, liver-targeted ASOs, including ALG-020572, which has demonstrated a promising profile in nonclinical CHB models.

Small interfering RNAs ("siRNAs")

siRNAs are a class of double-stranded RNA that interfere with viral replication by silencing gene expression and subsequent protein translation. siRNAs have shown efficacy across multiple indications, including CHB, where significant reductions in viral markers have been observed. Our novel and proprietary siRNA technology has resulted in the identification of molecules, including ALG-125097, that have demonstrated high potency and long-lasting durability in nonclinical CHB models.

Small molecule platform

Our team has the capability and experience to rapidly identify and optimize small molecules, including traditional small molecules, peptidomimetics and prodrugs. Our team has a strong track record of developing and commercializing small molecule drug candidates. We use state-of-the-art computational chemistry and crystallography to enable structure-guided drug design. We have applied this approach to the multidimensional optimization of potential drug candidates in multiple therapeutic areas, including for viral and liver diseases.

Traditional small molecules

To date, traditional small molecules represent the vast majority of approved drugs and are the primary chemistry approach used for drug discovery. CAMs are small molecules that have been shown to significantly

reduce viral markers in CHB patients in clinical studies. Applying our small molecule platform, we have identified ALG-001075 which has demonstrated improved in vitro potency and increased efficacy in nonclinical animal models, as compared to other CAM candidates that have advanced into the clinic. ALG-001075 is currently being advanced as the prodrug ALG-000184.

THR-ß agonists are small molecules that have been shown to significantly reduce circulating lipid levels and improve liver histology in patients with NASH. We have discovered ALG-055009, a THR-ß agonist that has demonstrated improved potency in vitro and increased efficacy in nonclinical animal models relative to other THR-ß agonists in Phase 2 or later stages of development.

Peptidomimetics

Peptidomimetics are small molecules derived from short polypeptides that can be used as drug candidates against multiple targets. The peptidomimetic approach has been successfully used in the antiviral field to develop protease inhibitor drugs against Hepatitis C virus (“HCV”) and human immunodeficiency virus (“HIV”). Our team has discovered multiple potential nanomolar potency drug candidates targeting the 3C-Like protease of coronaviruses. These projects are moving towards the identification of a lead drug candidate with potentially broad spectrum activity against COVID-19, SARS, MERS, and possibly other emergent coronaviruses.

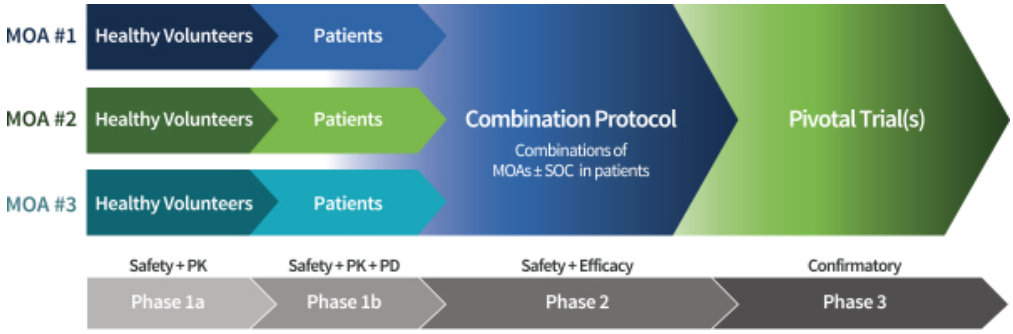
Small molecule prodrugs

A prodrug is a compound that, after administration, is metabolized into the pharmacologically active parent drug. We use small molecule prodrug chemistry to optimize the drug-like properties of drug candidates to improve their solubility and pharmacokinetics. We have successfully applied this approach to ALG-001075 to create ALG-000184, which is our lead CAM drug candidate that we are advancing towards the clinic for the treatment of CHB.

We are engaged in multiple other small molecule discovery efforts to identify additional potentially best-in-class drug candidates for the treatment of CHB, NASH and coronaviruses.

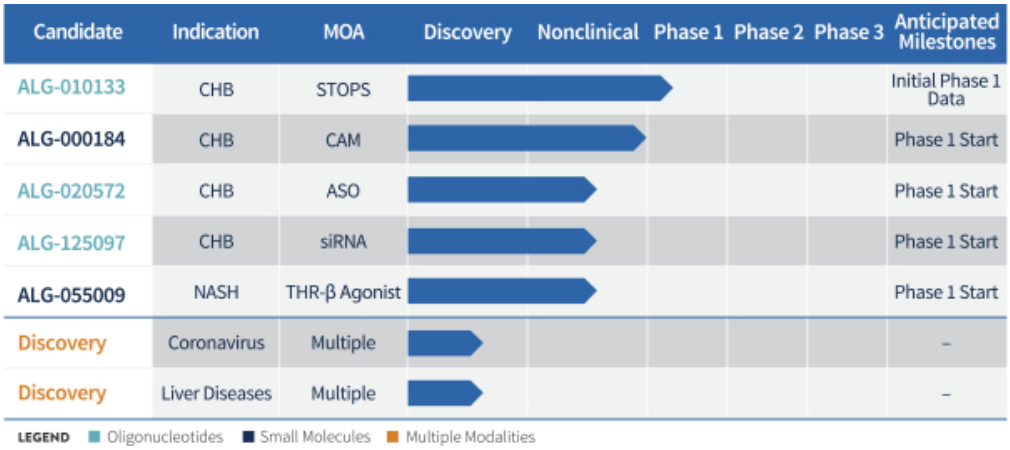
Our approach to developing best-in-class therapeutic combinations

Our approach to developing best-in-class regimens for our therapeutic areas of interest leverages the most promising modalities from our oligonucleotide and small molecule platforms to advance rapidly from monotherapy Phase 1 trials into Phase 2 combination trials. As a first step, we evaluate the safety and activity of each drug candidate in healthy volunteers and patients with the disease of interest. We intend to then efficiently evaluate drug candidates shown to have activity in Phase 1 in various combinations in Phase 2 platform protocols to enable us to identify optimized combination regimens that will then be evaluated in Phase 3 pivotal trials. The combinations we evaluate may include additional drug candidates or current standard of care. Throughout all phases of clinical development, pre-specified adaptive study rules allow real-time adjustment of trial conduct based on emerging clinical trial data. These practices allow us to gain a rapid understanding of the risk/benefit profile for our individual drug candidates and combination regimens, and iteratively refine our strategy based on emerging data. This approach is summarized in the figure below.



Our pipeline

We are focused on viral and liver diseases, areas in which our employees have expertise and decades of experience. Our most advanced drug candidates are designed for use in CHB to achieve higher rates of functional cure, which we believe will require the use of a combination of drugs with complementary mechanisms of action ("MOA"). Each of our CHB modalities plays an important role in disrupting the HBV life cycle and, in nonclinical studies, certain combinations have been shown to act additively or synergistically. We are also advancing a THR-ß agonist for NASH and purpose-built drug candidates for coronaviruses. As with CHB, we believe combination therapy will be critical for improved patient outcomes in these disease settings and intend to combine our drug candidates with others that have potentially complementary MOAs.

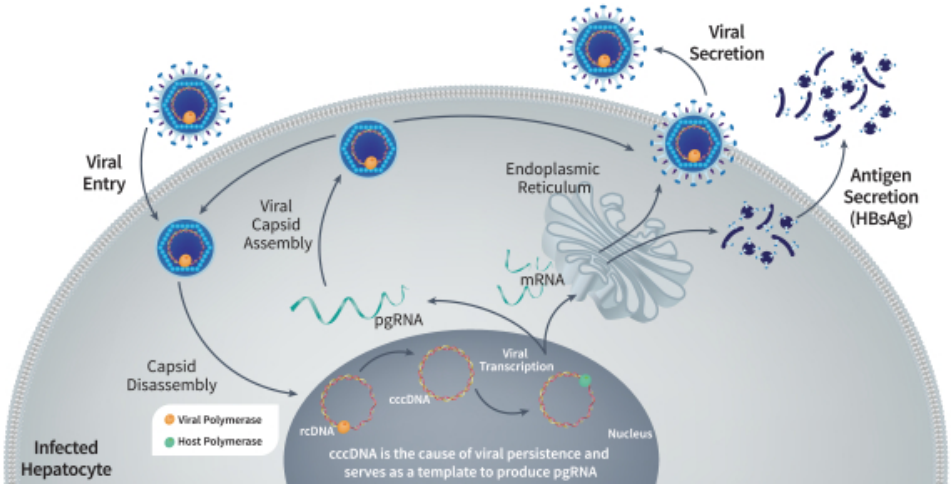


Functional cure for CHB

CHB is the most common viral infection in the world and an area of substantial unmet medical need. There were over 290 million chronic carriers worldwide as of July 2020 and approximately 30 million individuals become newly infected every year despite the availability of a prophylactic vaccine. In 2015, there were more than 90 million cases of CHB in China alone, while the EU, United States and Japan accounted for nearly 8 million cases. Complications from CHB include cirrhosis, end-stage liver disease, and hepatocellular carcinoma, which collectively resulted in approximately 900,000 deaths in 2015, according to the World Health Organization. CHB is the primary cause of liver cancer worldwide, and the mortality associated with HBV-related liver cancer continues to increase.

Current therapy for CHB may entail life-long treatment and does not eliminate the virus in a meaningful number of patients. In the case of nucleos(t)ide analogs, long-term treatment can lower the amount of HBV DNA in circulation, resulting in improvements in long-term disease outcomes, but virological relapse is common after treatment cessation. Our goal is to achieve meaningful rates of functional cure, which is defined as a sustained loss of HBsAg with or without hepatitis B surface antibody seroconversion. Our team's years of experience in antiviral drug development suggest that only by developing a combination regimen targeting multiple mechanisms can meaningful functional cure rates for CHB be achieved.

HBV viral lifecycle and targets



HBV is a small DNA virus consisting of a nucleocapsid in which the viral DNA is packaged together with the HBV polymerase by the hepatitis B core protein and a membranous envelope containing HBsAg. After infection of liver cells, HBV DNA is transformed in the nucleus into a stable viral mini-chromosome, which is composed of a cccDNA molecule, from which mRNAs encoding viral proteins are transcribed, and pgRNA, the template for the formation of new viral DNA genomes by reverse transcription. Parts of the viral genome can integrate into the host genome, which is thought to contribute to the production of HBsAg in chronically infected patients and play an important role in liver carcinogenesis, but the integrated viral genome does not produce infectious virus. HBsAg is known to prevent immune-mediated clearance of infected liver cells. HBsAg seroclearance correlates with significant decreases in cccDNA levels and implies immune control of HBV, indicating the need to reduce HBsAg to achieve functional cure.

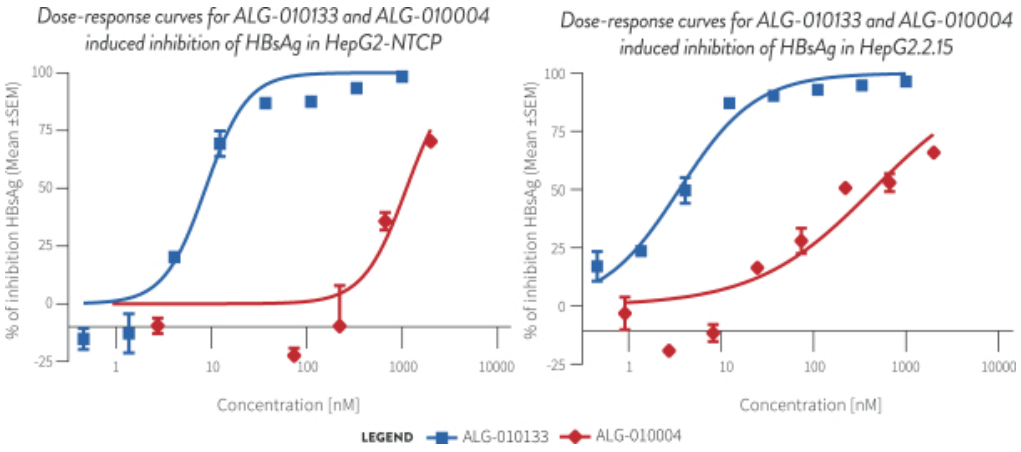
We have developed a portfolio of differentiated drug candidates for CHB, including a STOPS molecule, a small molecule CAM, and oligonucleotides (ASO and siRNA), each of which are designed to interfere with multiple clinically validated targets in the HBV life cycle and may lead to higher rates of functional cure when used in combination.

ALG-010133 (STOPS molecule) for CHB

STOPS molecules share structural similarity with NAPs but contain several novel chemical features, providing enhanced potency in several HBV-infected cell lines. NAPs such as REP 2139 and REP 2165 have been reported to significantly reduce circulating HBsAg in patients with CHB when administered either as a monotherapy or as a combination therapy, resulting in multiple $\log_{10}$ IU/mL reductions in HBsAg levels. The Replicor 401 study, a study of NAPs in combination with tenofovir and pegylated interferon, reported a 39% functional cure rate. A major drawback of NAP drug candidates is the requirement for weekly IV infusions given over two hours for 48 weeks. However, by exploring the chemistry around the STOPS structure, we have optimized STOPS molecules for activity, dose frequency and subcutaneous delivery, potentially negating the need for lengthy IV infusions. Use of our STOPS molecules given via subcutaneous injections and in combination with other convenient drug regimens may improve treatment adherence and functional cure rates. Enrollment in the Phase 1 proof of concept trial of our lead STOPS molecule, ALG-010133, is currently ongoing and we anticipate study completion in the second half 2022.

ALG-010133 is a synthetic oligonucleotide discovered by our team that we are developing for the treatment of CHB. We originally optimized existing compounds to generate ALG-010133 by using nucleotide stabilization chemistry. Varying the length of the STOPS molecule revealed a length dependency on antiviral activity; potency was maintained at lengths of more than 34 nucleotides, and dramatically reduced at lengths of less than 30 nucleotides. Nucleotide sequence variations in STOPS molecules also had effects on activity. In addition to length and sequence, backbone and sugar chemistry were modified; activity was improved with site-specific incorporation of backbone chemistries. Collectively, these structural elements provided a framework for STOPS molecule design and were important for the progression of ALG-010133 into clinical development.

As shown in the figure and table below, transfection of STOPS molecules into multiple HBV-infected cell lines, including primary human hepatocytes, resulted in the inhibition of HBsAg release into the supernatant in a dose-dependent manner. In addition, transfection of close analogs of ALG-010133 were shown to decrease intracellular levels of HBsAg, indicating that this inhibition occurs inside the cell. This suggests that the inhibition of HBsAg release is not the result of only an inhibition of protein secretion, which would result in HBsAg accumulation within the cell, but instead could be the result of inhibition of synthesis and intracellular transport of HBsAg. The data below shows the comparison of ALG-010133 to a NAP reference compound, ALG-010004, which has an identical oligonucleotide sequence to REP 2139.



	Inhibition of HBsAg EC_{50} (nM) in Different Cell Lines		
Test Material	HepG2.2.15[a]	HepG2-NTCP[b]	HBV-Infected PHH[b]
ALG-010133 (STOPS)	3.86	3.2	5.97
ALG-010004 (NAP)	343.3	339.5	1740

EC_{50}=half-maximal effective concentration; PHH=primary human hepatocytes.
[a] A commonly used HBV model that integrates the Genotype D HBV genome.
[b] The HepG2 NTCP and PHH cell lines are live Genotype D laboratory strains of HBV-infected cells.
Data in table represents mean values.

The HepG2.2.15 cell line is a commonly used in vitro HBV cell model. The cells contain two copies of the Genotype D HBV genome that produce infectious HBV and other subviral particles. The HepG2-NTCP (Na+-taurocholate co-transporting polypeptide) cell line over-expresses the NTCP receptor and has been shown

to be a robust cell culture system supporting the complete life cycle of HBV. HepG2-NTCP cells were infected with a Genotype D HBV laboratory strain. In this cell line, HBsAg and other HBV viral proteins are produced from RNA transcripts derived from HBV cccDNA. ALG-010133 and ALG-010004 were evaluated in the HepG2.2.15 cell line to assess HBsAg release in the supernatant and cell viability.

In addition, ALG-010133 demonstrated potent activity in the inhibition of HBsAg release from a variety of infected cell types with half-maximal effective concentration (EC_{50}) values £22.5 nM when tested against cells infected with all major HBV genotypes (A, B, C, and D), indicating that ALG-010133 may have pan-genotypic activity in CHB patients. Further, in patients with CHB, HBsAg can also be derived from an integrated HBV genome. The PLC/PRF/5 cell line, which contains an integrated partial HBV genome and produces HBsAg but not infectious virions, was used as a cell model of this condition. ALG-010133 demonstrated activity in the inhibition of HBsAg secretion from the PLC/PRF/5 cell line with an EC_{50} of 23.7 nM with a 50% cellular cytotoxic concentration ("CC_{50}") of more than 1000 nM.

To assess the capability for immune activation, ALG-010133 was assayed in human peripheral blood mononuclear cells from three independent donors for cytokine induction. The results of these experiments demonstrated that no direct immune activation is mediated by ALG-010133. Nonclinical PK studies following subcutaneous dosing indicate long liver residence time that supports weekly or less frequent dosing for patients.

Our ongoing three-part Phase 1 first-in-human clinical trial comprises single and multiple ascending dose (SAD/MAD) evaluations in healthy volunteers followed by a multiple dose evaluation in patients with HBeAg negative CHB. ALG-010133 is being administered subcutaneously once (SAD) or once weekly for three doses (MAD) in up to 104 healthy volunteers, or once weekly for twelve doses in up to 60 patients with virologically suppressed HBeAg negative CHB.

ALG-000184 (CAM) for CHB

CAMs are a class of small molecule antiviral agents that accelerate HBV capsid assembly and inhibit pgRNA encapsidation, resulting in lower circulating HBV pgRNA and DNA levels. CAMs are also believed to regulate formation and transcription of cccDNA at the onset of infection, a major factor for the persistence of HBV infection. In clinical trials, CAMs have been shown to provide greater HBV DNA and RNA reduction when combined with nucleos(t)ide analogs than can be achieved with the current standard of care, nucleos(t)ide analogs alone.

In 2018, we in-licensed a lead drug candidate (GLP-26) and the associated IP for a CAM from the laboratory of Professor Raymond Schinazi at Emory. Our scientists optimized this lead drug candidate to discover the potent CAM ALG-001075, which was further optimized to the prodrug ALG-000184. ALG-000184 is on track to enter clinical development in the second half of 2020.

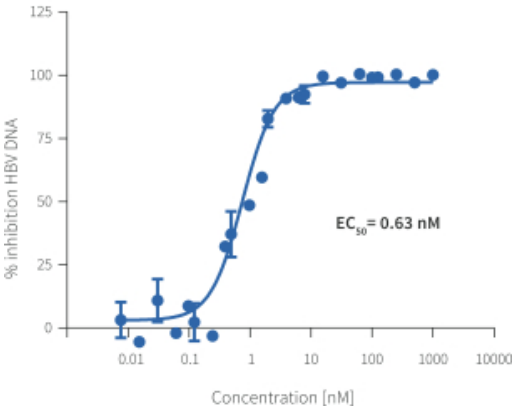
Molecular characteristics and nonclinical data

In biochemical assays, ALG-001075 was shown to induce the rapid assembly of core proteins into small, spherical capsids. Capsids assembled in the presence of ALG-001075 were highly stable with a compound residence time of more than 16 hours. In assays using genotype D HBV infected HepG2.2.15 cells, ALG-001075 demonstrated enhanced potency with an EC_{50} value of 0.53 nM compared to several CAM reference compounds. This finding was repeated in HepG2.117 cells where ALG-001075 had an EC_{50} value of 0.63 nM. This level of potency exceeds that of all other known CAMs that have entered clinical development.

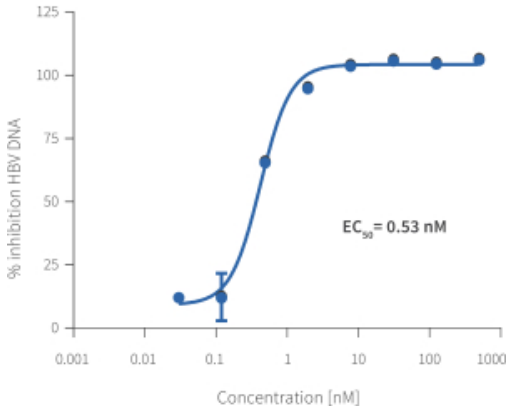
Compound	Current Status	HBV DNA reduction (EC_{50} nM)	Cell Type
Assembly ABI-H0731	Phase 2	172	AD38
Assembly ABI-H2158	Phase 2	22	AD38
Assembly ABI-H3733	Phase 1	5	AD38
Janssen JNJ-6379	Phase 2	54	HepG2.117
Janssen JNJ-0440	Completed Phase 1	12	HepG2.117
Enanta EDP-514	Phase 1	17	HepG2.2.15
Aligos ALG-000184	**Phase 1 CTA approved**	**0.63**	**HepG2.117**
		0.53	**HepG2.2.15**

With the exception of ALG-000184, data was sourced from publicly available literature, posters and presentations. ALG-000184 data was generated by Aligos on the parent compound ALG-001075.

Dose-response curve for ALG-001075-induced inhibition of HBV DNA in HepG2.117 cells

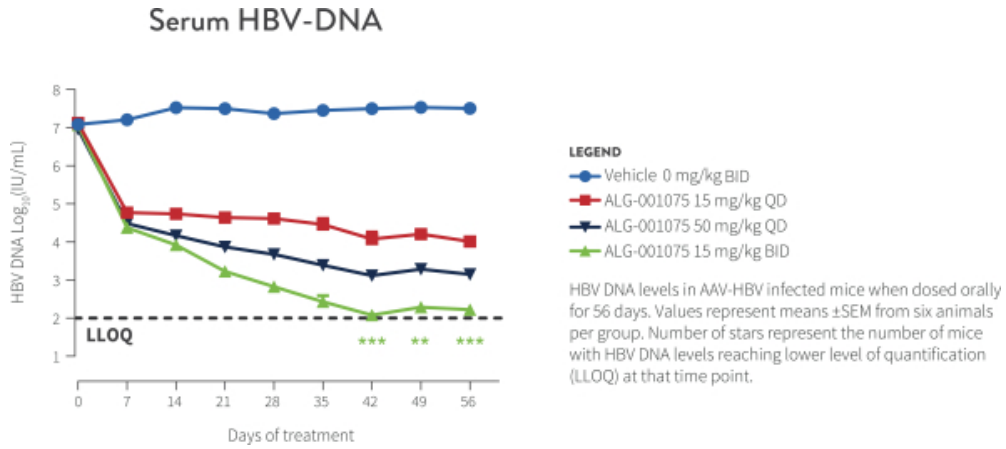


Dose-response curve for ALG-001075-induced inhibition of HBV DNA in HepG2.2.15 cells

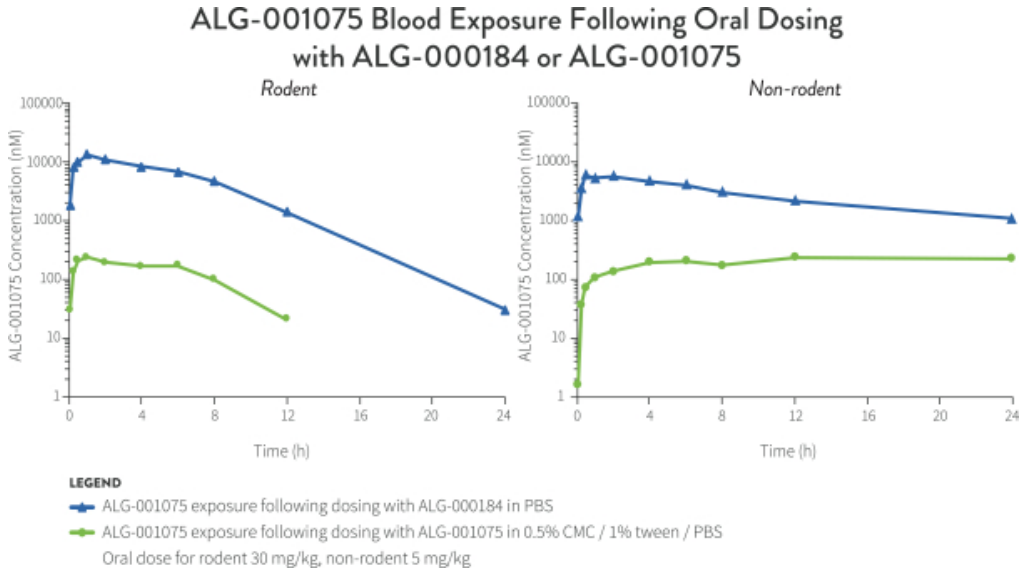


ALG-001075 was further tested in a transient HBV assay against a broad panel of HBV screens from genotypes A through J and was shown to maintain good activity against all genotypes tested except for certain genotypes with known CAM-resistant mutations.

In the adeno-associated virus (AAV)-HBV mouse efficacy model, ALG-001075 demonstrated a dose-dependent inhibition of viral replication with >5 log_{10} reduction in HBV DNA IU/mL at a dose of 15 mg/kg/dose given twice daily at 12-hour intervals (BID) as compared to a vehicle group.



We developed a highly soluble prodrug of ALG-001075, ALG-000184, to address the bioavailability limitations of ALG-001075. ALG-000184 has improved aqueous solubility, significantly better permeability and a reduced efflux ratio compared with ALG-001075. Consequently, ALG-000184 has significantly improved oral bioavailability compared to ALG-001075. When administered in vivo, as shown in the figure below, ALG-000184 was rapidly absorbed and efficiently converted to ALG-001075 in nonclinical animal models.

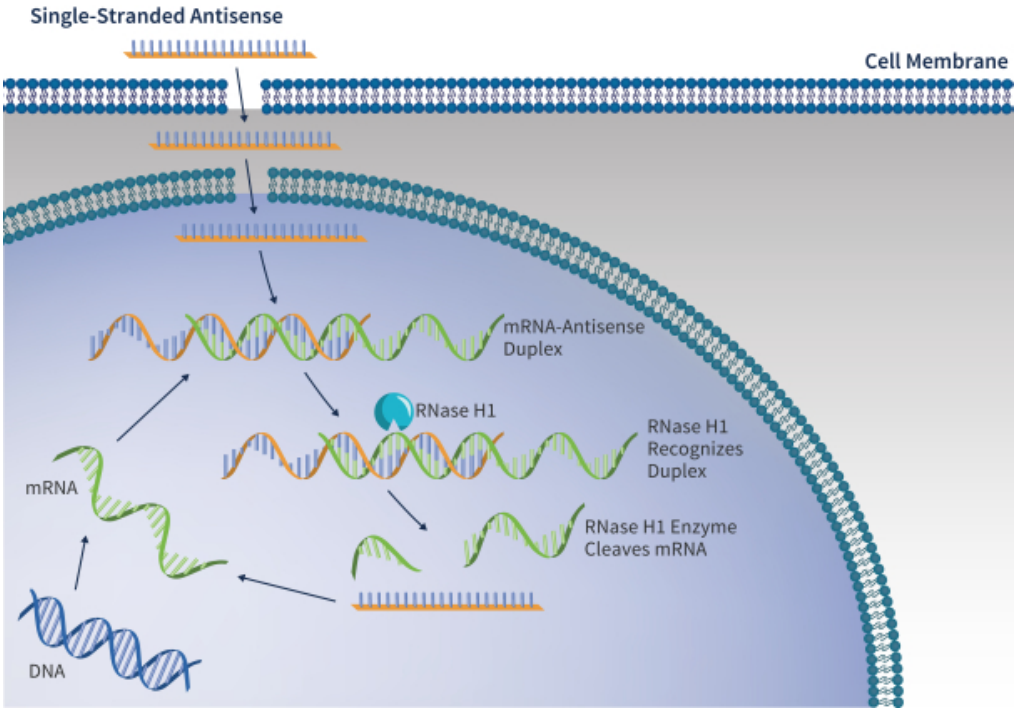


Our planned three-part Phase 1 first-in-human clinical trial comprises single and multiple ascending dose (SAD/MAD) evaluations in healthy volunteers followed by a multiple dose evaluation in patients with CHB.

ALG-000184 will be orally administered once (SAD) or once-daily for 7 days (MAD) in up to 96 healthy volunteers, or once-daily for 28 days in up to 60 patients with CHB who are not currently receiving treatment. We plan to initiate dosing in this Phase 1 study in the second half of 2020.

ALG-020572 (ASO) for HBV

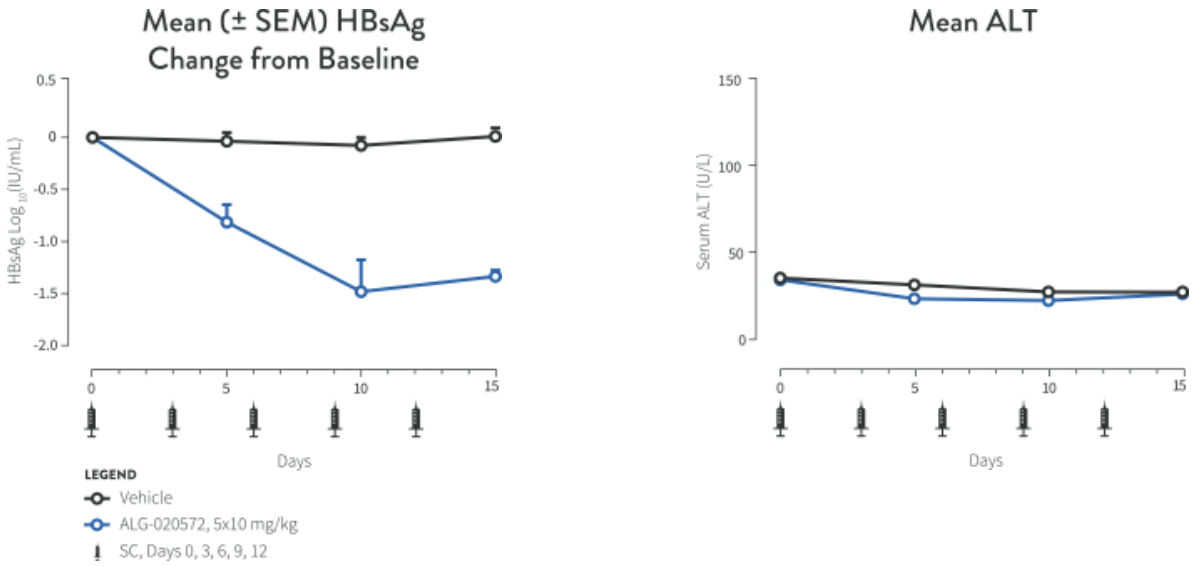
ASOs are single-stranded DNA or RNA molecules that are complementary to a selected target sequence. ASO structures are typically composed of three sections, known as the wings and the gap. The wings are on each end of the oligonucleotide strand with the gap section bridging the wing sections. Wings are generally made up of BNAs, while the gap sections are typically made up of DNA or modified DNA nucleotides. ASOs interfere with viral replication by binding to complementary mRNA, a process known as hybridization. If binding occurs, this hybrid can be degraded by the enzyme RNase H resulting in significant down-regulation of mRNA expression, and, in the case of our CHB ASOs, preventing subsequent HBsAg translation and secretion. This process is shown in the figure below. ASOs have been validated across multiple indications, including CHB, where rapid and significant reductions in HBsAg have been observed.



We have exclusively licensed Luxna's intellectual property for use of next-generation nucleotide monomers in our current focus areas, including CHB and SARS-CoV-2. This chemistry forms the basis of our ASO platform and has enabled us to design highly potent, stable ASOs that have an improved toxicology profile, including a reduction of hepatotoxicity, as compared to ASOs using earlier nucleotide monomer technology. The application of this technology, combined with our proprietary liver-targeting GalNAc conjugation, has led to our discovery of ALG-020572, a potentially best-in-class HBV ASO targeting the open reading frame of HBsAg.

Molecular characteristics and nonclinical data

We explored the structure activity relationship of BNA wing and nucleobase gap modifications across a set of diverse locked nucleic acid ASOs. When conjugated to our proprietary GalNAc moiety and subcutaneously administered 5 times at a 10 mg/kg dose to mice previously infected with an AAV-HBV construct, ALG-020572 demonstrated a 1.17 log_{10} IU/mL mean reduction in serum HBsAg. Vehicle-treated animals did not exhibit any significant changes in their serum HBsAg. Importantly, this intensive dosing regimen was not associated with any changes in alanine aminotransferase ("ALT") levels, a marker of liver cell damage.

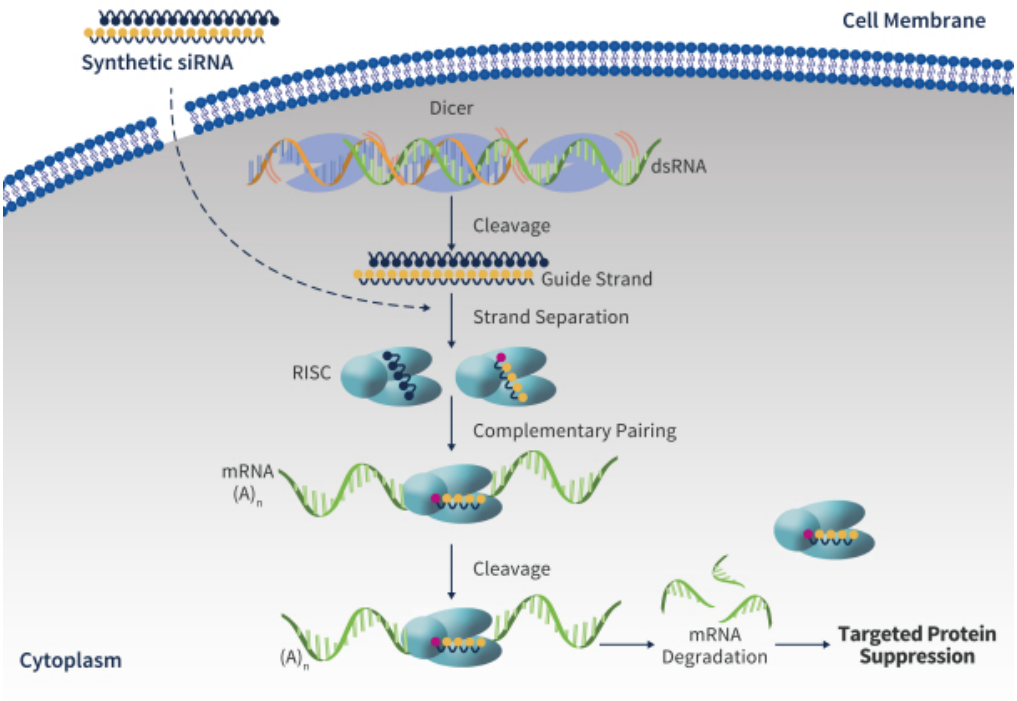


We have discovered potent, liver-targeted ASOs, including ALG-020572, which has demonstrated a promising profile in nonclinical CHB models. These ASO drug candidates may also be combined with other drug candidates against CHB.

siRNA

Small interfering RNA ("siRNA"), also known as short interfering RNA or silencing RNA ("RNAi"), are a class of double-stranded, non-coding RNA, typically 20-27 base pairs in length. siRNA interferes with viral replication by silencing gene expression and subsequent protein (e.g., HBsAg) translation and secretion. siRNAs have shown efficacy across multiple indications, including CHB, where significant, gradual and durable reductions in HBsAg have been observed in clinical trials.

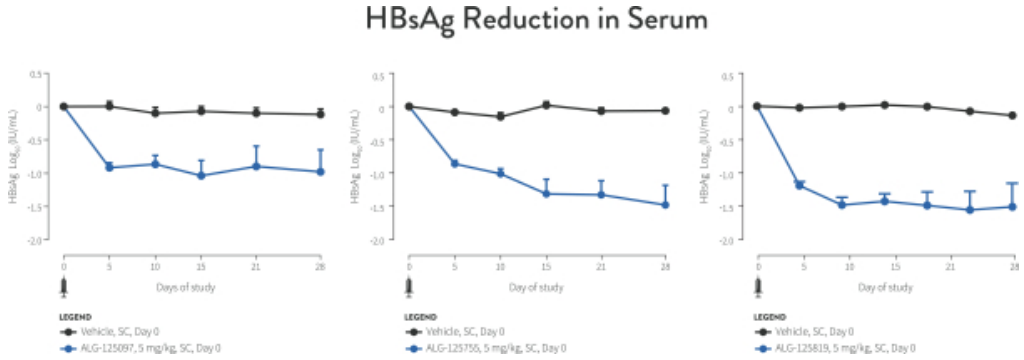
siRNA-induced gene silencing is initiated with the assembly of the RNA-induced silencing complex (“RISC”). One of the two siRNA strands, the guide strand or anti-sense strand, is loaded into the RISC while the other strand, the passenger strand or sense strand, is degraded. Dicer enzymes are responsible for loading the guide strand into RISC. The cleavage of the mRNA molecule is thought to be catalyzed by the Argonaute proteins of the RISC. The mRNA molecule is then cut by cleaving the phosphodiester bond between the target nucleotides which are paired to siRNA residues. This cleavage results in mRNA fragments that are further degraded by cellular exonucleases. The process of siRNA-mediated RNA degradation is shown in the figure below.



We started with our bioinformatics approach to identify regions of the HBV genome for targeting, and used our proprietary technology to maximize potency and minimize the number of 2’-F nucleotides in our sequences. We applied this approach to our screening paradigm to identify our lead siRNA candidate, ALG-125097.

Molecular characteristics and nonclinical data

In cell-based assays measuring reduction in HBsAg in infected cells, our lead siRNA drug candidate, ALG-125097, as well as additional backup compounds ALG-125755 and ALG-125819, demonstrated potent inhibition of HBsAg release from HBV-infected cells. When dosed in vivo in the AAV-HBV mouse model of CHB infection, a single 5 mg/kg subcutaneous injection resulted in a sustained reduction of serum HBsAg of approximately 1-1.5 log_{10} IU/mL through the last measurement at 28 days. The results from these experiments are shown in the figure below.



Currently, we are conducting additional studies using these siRNA drug candidates in the AAV-HBV mouse model to establish the effect of doses and dosing regimens on the extent and duration of HBsAg reduction.

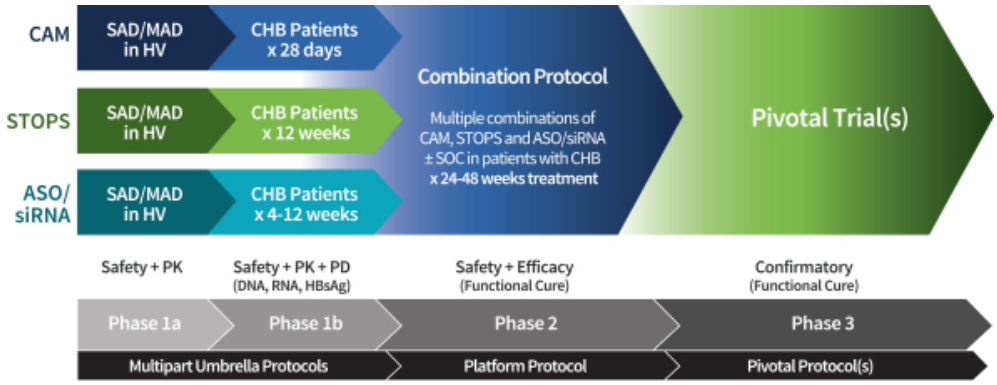
In conclusion, our proprietary siRNA technology is based on modifying chemistries and has resulted in the identification of drug candidates, including ALG-125097, that have promising profiles with long lasting durability in nonclinical CHB models.

Nonclinical combination data

We performed in vitro studies in HepG2.2.15 cells to assess the potential for drug-drug interactions on HBsAg or HBV DNA reductions when combining our drug candidates, and the degree of synergy was quantified using MacSynergy II software. Combinations of our STOPS molecule, ALG-010133, our CAM drug candidate, ALG-001075, or our ASO drug candidate, ALG-020572, with other inhibitors of HBV replication generally demonstrated either additive or synergistic interactions. We also studied in vivo combinations in the AAV-HBV mouse model with ALG-020572. These studies indicate that our drug candidates could become part of an effective combination regimen for CHB.

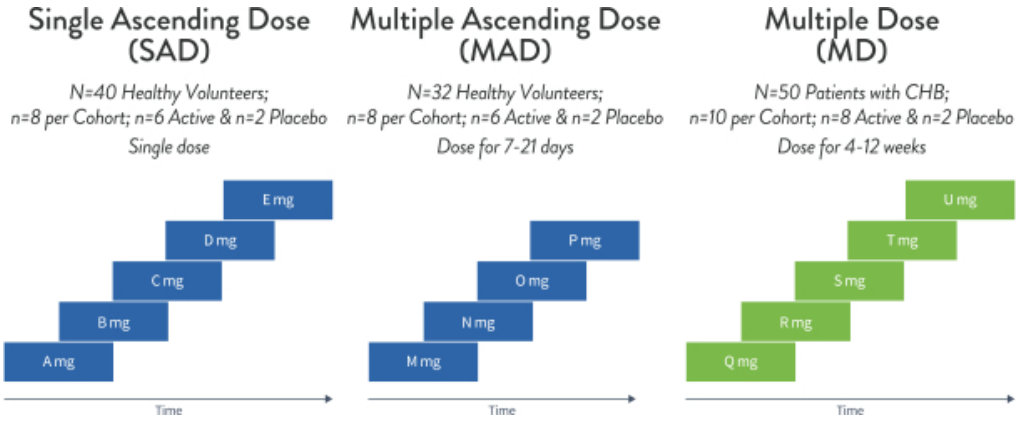
Clinical development plan for CHB

Our approach for developing a best-in-class CHB combination regimen is to discover and develop drug candidates initially targeting clinically validated MOAs, which are evaluated as monotherapy in Phase 1 and subsequently studied in Phase 2 and Phase 3 combination trials. This approach maximizes the chance of achieving higher rates of functional cure compared to current standard of care. Our CHB development strategy is depicted in the figure below.



Our STOPS molecule (ALG-010133) trial is ongoing and our clinical trial application for our CAM candidate (ALG-000184) was approved in September 2020.

The figure below illustrates our planned general approach to Phase 1 trial design for each of our CHB drug candidates.



Although we expect the basic Phase 1 trial design to be the same across all of our CHB drug candidates, we anticipate there will be important differences, which include routes of administration, dose and dosing frequency, patient population, and key viral markers. A summary table of the key Phase 1 design elements and how we expect them to differ across our drug candidates can be found in the table below.

	Phase 1 Key Study Elements		
	STOPS (ALG-010133)	CAM (ALG-000184)	ASO (ALG-020572) siRNA (ALG-125097)
Primary Objective	Safety in healthy volunteers and CHB patients		
Key Secondary Objectives	Pharmacokinetics in healthy volunteers		
	Pharmacokinetics and antiviral activity in CHB patients		
Key HBV Biomarker Endpoint(s)	HBsAg	HBV DNA and HBV RNA	HBsAg
Route of Administration	Subcutaneous	Oral	Subcutaneous
Anticipated Dosing Frequency	Once weekly	Once daily	To be determined
Clinical Status	Enrollment Ongoing	CTA approved September 2020	Future CTAs planned

Drug candidates that show favorable risk/benefit profiles as monotherapy in Phase 1 will be evaluated in combination in our Phase 2 platform trials. This platform approach allows us to evaluate many combinations of our drug candidates along with approved drugs and/or other drug candidates in development, as needed. This strategy allows us to identify combination regimens that could achieve a higher rate of functional cure compared to current standard of care. The optimized regimen(s) identified in Phase 2 will then be evaluated in Phase 3 registrational trials.

NASH

One of the effects of improper diet and insufficient exercise is the accumulation of fatty deposits in the liver, referred to as nonalcoholic fatty liver disease (“NAFLD”), which was estimated to occur in approximately 25% of the worldwide population as of 2015. At that time, an estimated 1.5% to 6.5% of the global population was estimated to have an ongoing inflammatory response to these excess fat deposits, which is referred to as NASH. Over the past several years, the prevalence of NASH has continued to rise. In the United States alone, the prevalence of NASH is projected to increase from approximately 16.5 million in 2015 to 27.0 million in 2030. In the absence of changes in diet and exercise, the inflammation inherent in NASH persists and may result in progressive fibrosis of the liver, which may result in cirrhosis. These fibrotic changes are associated with numerous morbidities including recurrent hospitalization for complications of cirrhosis, hepatocellular carcinoma, need for liver transplant, and death.

The only widely accepted treatment for NASH is weight loss through behavioral modifications such as diet and exercise, which is difficult to achieve at the broad population level. As there are currently no approved drugs to treat NASH, many development programs are underway to identify drugs to address this epidemic. One of the promising MOAs in the NASH space appears to be drugs which preferentially target the beta subtype of the THR receptor.

THR-ß background

The thyroid hormone triiodothyronine (“T3”) has many physiological effects throughout the body, ranging from increasing metabolism, including fat metabolism, to stimulating growth and development. T3 exerts its effects

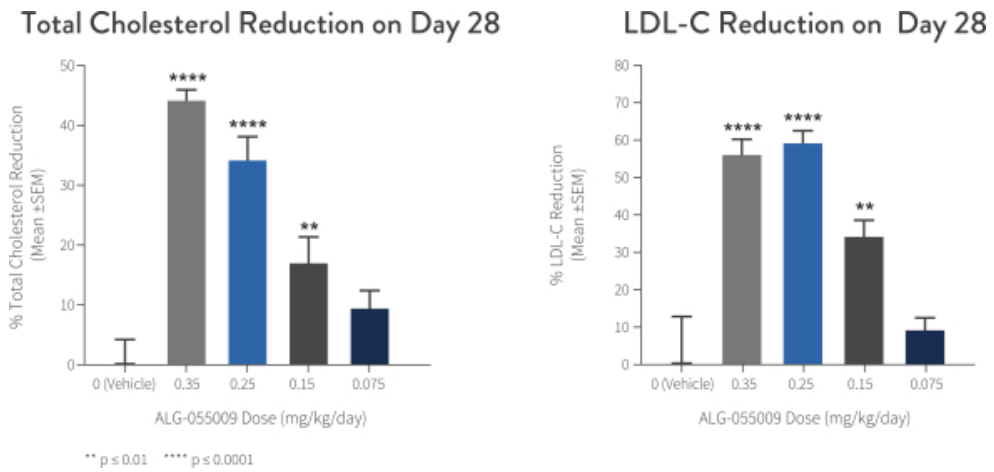
by binding to the thyroid hormone receptor (THR), which has two subtypes: alpha (THR-a) and beta (THR-ß). The distribution of the two THR subtypes varies by organ, with THR-ß predominantly expressed in the liver and THR-a predominantly expressed in other tissues (e.g., heart, skeletal muscles and bone). Drug candidates like resmetirom, which preferentially binds the THR-ß subtype, have been shown in clinical trials to lower lipid levels in serum and the liver, while avoiding the unwanted effects associated with THR-a stimulation. In addition to the intended effect of lowering liver lipid levels in NASH patients, lowering serum lipid levels via THR-ß agonism may have favorable consequences in this population, which has a high rate of underlying cardiovascular disease.

There are multiple other mechanisms being explored for the treatment of NASH, but none have yet to demonstrate a favorable risk/benefit profile and many have important limitations. In some cases, mechanisms such as Farnesoid X Receptor ("FXR") agonists, Fibroblast Growth Factor-19 analogs, and Acetyl-CoA Carboxylase inhibitors have been shown to increase serum lipid profiles, which may require additional pharmacologic therapy or put patients at additional risk of cardiovascular disease. In other cases, mechanisms such as FXR agonists and drugs targeting various subtypes of the Peroxisome Proliferator Activated Receptors are associated with dose limiting toxicities such as pruritus and edema, respectively, that might limit widespread uptake even if approved. Other mechanisms in development, such as FGF19/FGF21 analogs, require subcutaneous administration, which may similarly limit widespread adoption even if approved.

The most advanced THR-ß agonists in clinical development are VK-2809 in Phase 2b and resmetirom in Phase 3. Both of these drugs have demonstrated significant reductions in lipid levels in the liver and serum and, to date, have an acceptable risk-benefit profile. In addition, resmetirom has demonstrated histologic evidence of NASH resolution in Phase 2 trials, which is one of two FDA approvable endpoints. Our lead THR-ß drug candidate ALG-055009 may have important advantages over these compounds. Side-by-side biochemical and cell-based experiments in HEK293T cells indicate that ALG-055009 is 5- to 47-fold more potent and 3- to 2-fold more selective for the ß receptor compared to VK-2809 and resmetirom, respectively, which may optimize the risk-benefit profile for ALG-055009. When studied in a diet induced obesity (DIO) mouse model, these potency advantages were shown to result in greater serum lipid reductions compared to what has been previously reported for VK-2809 and resmetirom at exposures being evaluated in the clinic. Specifically, ALG-055009 achieved a 34% reduction in serum total cholesterol levels with an acceptable safety profile in mice, as shown in the figure below. An ALG-055009 dose-related decrease in serum LDL-C was also noted in mice. Further, nonclinical pharmacokinetic studies of ALG-055009 predict low, once-daily dosing in humans with a low risk of drug-drug interactions.

Relative THR-α and THR-β Activity in Cell-Based Assays

	EC_{50} α (nM)	EC_{50} β (nM)	Relative THR-β Selectivity (α/β)
T3	14.3	11.5	1.2
MGL-3196	5927	2366	2.5
VK-2809 parent	366	269	1.4
ALG-055009	**191**	**50**	**3.8**



ALG-055009 development plans

We plan to initiate toxicology studies in 2021 to support first-in-human trials. In keeping with our general clinical development strategy, the first planned human trial of ALG-055009 is expected to be a Phase 1a/1b umbrella study assessing orally administered single ascending doses in HV followed by multiple ascending doses administered orally once-daily (QD) in subjects with mild hyperlipidemia. The data from this study will establish proof of activity and help identify doses that we plan to evaluate in larger studies involving patients with NASH.

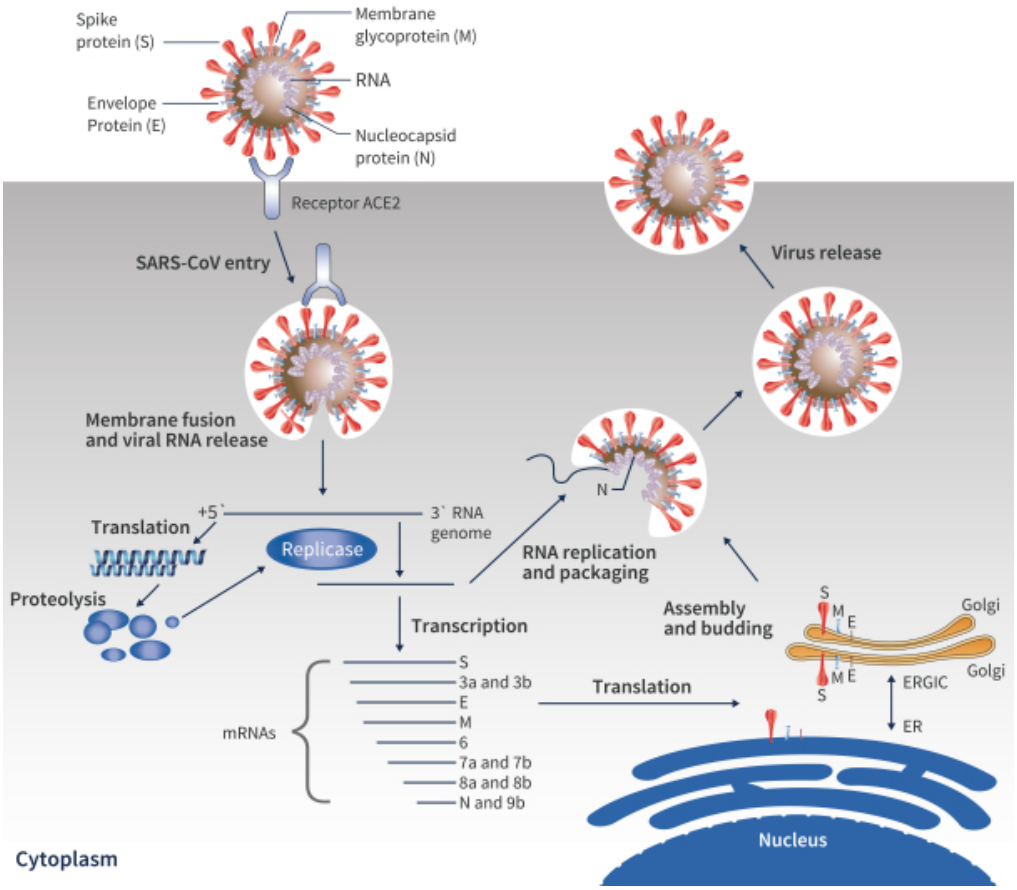
Coronaviruses

SARS-CoV-2 is responsible for the COVID-19 pandemic, which has infected more than 21 million individuals and is responsible for the death of more than 750,000 individuals worldwide. After MERS and SARS (SARS-CoV-1), SARS-CoV-2 is the third known coronavirus to cross over from animal species to humans and cause significant morbidity and mortality in the past 20 years. Due to the ongoing SARS-CoV-2 pandemic and the risk of additional novel coronaviruses emerging in the future, there is a need to develop novel therapeutics with pan-coronavirus activity that have a high barrier to resistance. While multiple vaccines are likely to become available in the next several years, it is unlikely that a vaccine will be fully efficacious and adopted, indicating that a need for effective treatments will remain.

Currently, repurposed drugs which have not been optimized for the treatment of coronavirus infections are being used against SARS-CoV-2, with efficacy only in certain patient populations. Therefore, there is a need for new efficacious, purpose-built drugs which target a broad range of coronaviruses that would be suitable for use across a wide range of patient populations and clinical settings, including in pre-exposure prophylaxis and post-exposure treatment. We believe that a combination of antiviral drugs targeting multiple steps of the viral replication cycle poses the best chance of success. This approach maximizes the odds of covering a broad range of coronavirus strains and protecting against the emergence of resistance. To address this urgent unmet medical need, we are developing pan-coronavirus drug candidates including oligonucleotide and small molecule approaches that may be used in combination regimens.

Disease overview and biology

The life cycle of SARS-CoV-2 is illustrated in the figure below. The spike (S) protein binds to the angiotensin-converting enzyme 2 cellular receptor, leading to a fusion of the viral envelope with the cell membrane through the endosomal pathway. SARS-CoV-2 RNA is then released into the host cell and is subsequently translated into viral replicase polyproteins pp1a and 1ab, which are then cleaved into small products by viral protease to form the RNA replicase–transcriptase complex. The polymerase produces a series of subgenomic mRNAs by transcription, which are eventually translated into relevant viral proteins. Viral proteins and genome RNA are subsequently assembled into virions in the endoplasmic reticulum and Golgi and then transported via vesicles and released out of the infected cells through exocytosis.



Therapeutic approaches to coronaviruses

Therapeutic options for coronaviruses are currently limited and have significant drawbacks. Remdesivir, a drug originally advanced for HCV and Respiratory Syncytial Virus, but repurposed for Ebola and, now, SARS-CoV-2, is currently limited to IV administration in hospitalized patients and has been commonly associated with a high risk of ALT elevation. Dexamethasone, a corticosteroid, has been shown to lower mortality in severe

SARS-CoV-2 infections, but has important safety liabilities, including immunosuppression, impaired wound healing and, rarely, anaphylaxis.

We are leveraging our expertise in virology and utilizing both our oligonucleotide and small molecule platforms to develop purpose-built pan-coronavirus drug candidates targeting key steps of the viral life cycle, which we intend to evaluate in combination. Building on the success of HIV and HCV protease inhibitors, which are integral components of existing therapies, we are exploring small molecule peptidomimetics that inhibit the 3C-like protease ("3CLPro"). 3CLPro is the essential enzyme that is responsible for cleaving well-defined regions of the viral polyprotein and is highly conserved across major coronaviruses including MERS, SARS-CoV-1 and SARS-CoV-2. Drug candidates inhibiting the 3CLPro have the potential to be active against a wide range of coronavirus strains and become a foundational component of future combination regimens. We have identified multiple distinct proprietary lead series with potent nanomolar activity in a SARS-CoV-2 3CLPro protease assay and in multiple coronavirus cell-based assays. Our work in this area is being performed in collaboration with KU Leuven's Rega Institute for Medical Research, as well as its Centre for Drug Design and Discovery.

We are also leveraging our oligonucleotide platform to develop broadly active coronavirus drug candidates. Using our bioinformatics capabilities, we have identified over 350 highly conserved regions across coronavirus genomes. We are currently evaluating oligonucleotides with the goal of identifying a suitable lead sequence for further optimization into a drug candidate.

Drawing on our small molecule and oligonucleotide approaches, we plan to develop a combination drug regimen that can serve in both treatment and prophylactic settings.

Clinical development plan

We plan to advance our coronavirus drug candidates individually in Phase 1 studies designed to evaluate the safety and pharmacokinetics of single and multiple ascending doses in healthy volunteers. Following this, we plan to conduct dose range finding Phase 2 studies in subjects infected with COVID-19 to evaluate proof of activity and identify a dosing regimen(s) to advance into larger confirmatory studies that could support drug registration. Following the initial Phase 2 study, we may evaluate combinations of our drug candidates, with or without the then-prevailing standard of care. We intend to assess a range of patient populations, including community and hospital-based subjects, as well as various degrees of disease severity, following the establishment of proof of activity. In addition to evaluating our drug candidates as treatment options after infection, we may also evaluate them as potential prophylactic or post-exposure therapies.

Early stage discovery efforts

For all of our drug candidates, we are pursuing backup candidates in order to create a robust portfolio of assets which we can draw upon to create an optimized combination regimen for treatment in all of our disease areas of interest. We are also targeting additional novel viral and host targets with our oligonucleotide and small molecule platforms.

Sales and marketing

All of our assets are currently pre-commercial, and as such we have not yet established a sales and marketing organization or distribution capabilities. We intend to pursue independent development and commercialization in select indications and markets, and plan to build a commercial infrastructure to support a specialty sales and marketing organization, as well as distribution capabilities. Similar to our research, clinical and manufacturing operations, we expect to manage sales, marketing and distribution through dedicated staff and third-party contractors and consultants. We may opportunistically explore licensing agreements, collaborations or partnerships with one or more pharmaceutical companies to enhance our commercial capabilities.

Manufacturing

We are currently developing drug candidates in two primary modalities: oligonucleotides and small molecules. We have internal oligonucleotide and small molecule chemistry teams that are able to produce drug candidates at sufficient scale to support discovery activities. In addition, we have a dedicated internal chemistry, manufacturing and control ("CMC") team that works with contract development and manufacturing organizations to produce drug candidates in larger quantities, including to support nonclinical and clinical studies. We have built the teams and infrastructure needed to conduct and manage process development, analytical development, quality, manufacturing and supply chain activities.

Oligonucleotides

Oligonucleotide manufacturing technology has matured significantly over the last several decades, with advanced oligonucleotide synthesizers commercially available to support smaller-scale synthesis, and a network of oligonucleotide contract manufacturers available to support larger-scale syntheses. Our internal CMC team supports our contract manufacturers with process development and optimization, or, where needed, we may collaborate with external consultants and contractors to optimize synthesis and scale-up.

Small molecules

Small molecule manufacturing is a mature industry and is well supported by an extensive network of contract manufacturers. Like our approach for oligonucleotides, our internal CMC team conducts process development and optimization, and supports our contract manufacturers with technology transfer.

Competition

The biotechnology industry is intensely competitive and subject to rapid and significant technological change. Our competitors include multinational pharmaceutical companies, specialized biotechnology companies, universities and other research institutions. Many of our competitors have substantially greater financial, technical, human and other resources than we do and may be better equipped to develop, manufacture and market technologically superior products. In addition, many of these competitors may have significantly greater experience than we have in undertaking nonclinical studies and human clinical trials of new pharmaceutical drug candidates and in obtaining regulatory approvals of human therapeutic candidates. Accordingly, our competitors may develop superior drug candidates and may succeed in obtaining FDA approval for such candidates. Many of our competitors have established distribution channels for the commercialization of their products, whereas we have no such channel or capabilities. In addition, many competitors have greater name recognition and more extensive collaborative relationships.

Any drug candidates that we successfully develop and commercialize may compete with existing therapies and/or new therapies that may become available in the future. Our competitors may obtain regulatory approval of their candidates more rapidly than we do or may obtain patent protection or other intellectual property rights that limit our ability to develop or commercialize our drug candidates or any future drug candidates. Our competitors may also develop drugs that are more effective, more convenient, more widely used and less costly or that have a better safety profile than our drugs (if any) and these competitors may also be more successful than we are in manufacturing and marketing their products. If we are unable to compete effectively against our competitors, we may not be able to commercialize our drug candidates or any future drug candidates or achieve a competitive position in the market. This would adversely affect our ability to generate revenue. It is likely that our competitors, either working alone or in collaboration with others, will have significantly greater financial resources, an established presence in target markets, expertise in research and development,

manufacturing, nonclinical and clinical testing, and experience obtaining regulatory approvals and reimbursement and marketing approved products than we do. We are also in competition for the limited qualified scientific, sales, marketing and management personnel, space at clinical trial sites, for patient registration for clinical trials and technologies complementary to, or necessary for, our programs. New competitors may emerge, smaller or early-stage companies may grow, either on their own or through collaborative arrangements with large and established companies and competitors may concentrate through mergers and acquisitions.

Chronic Hepatitis B (CHB)

Current FDA-approved treatments for chronic HBV infection include peg-IFNa, marketed by Roche Holding AG ("Roche"), and oral antiviral agents such as nucleoside analogs, marketed by Gilead Sciences, Inc. ("Gilead") and Bristol-Myers Squibb Company. These treatments do not lead to either a functional or a complete cure in the vast majority of patients, and in the case of nucleoside analogs, may require life-long treatment. Several large and small pharmaceutical companies are developing programs with various mechanisms of action, to be used alone or in combination, with the goal of achieving higher rates of functional or complete cure in patients with CHB. Companies with oligonucleotide agents in clinical development include Arbutus Biopharma Corporation, Dicerna Pharmaceuticals, Inc. (together with Roche), Ionis Pharmaceuticals, Inc. (together with GlaxoSmithKline plc ("GSK")), Arrowhead Pharmaceuticals, Inc. (together with Janssen Pharmaceuticals, Inc. ("Janssen")), and Vir Biotechnology, Inc. (together with Alnylam Pharmaceuticals, Inc.). Several companies are developing CAMs, including Johnson & Johnson, Assembly Biosciences Inc., Arbutus Biopharma Corporation, Roche and Enanta Pharmaceuticals. Several companies, including Altimmune, Inc., GSK, Janssen and Transgene SA, are developing therapeutic vaccines for HBV, and several others have approved HBV vaccines, including Dynavax Technologies, Inc., GSK, Johnson & Johnson, and Merck & Co. Replicor, Inc. is developing NAPs for use in CHB patients.

Nonalcoholic Steatohepatitis (NASH)

There currently are no FDA-approved treatments for NASH. A number of pharmaceutical companies, including AbbVie, Inc., AstraZeneca PLC/MedImmune LLC, Bristol-Myers Squibb Company, Eli Lilly and Company, Janssen, Merck & Co., Novartis Pharmaceuticals Corporation (together with Pfizer, Inc.), Novo Nordisk A/S, Pfizer Inc., Roche, Sanofi S.A. and Takeda Pharmaceutical Company Limited (together with HemoShear Therapeutics, LLC), as well as large and small biotechnology companies such as 89bio, Inc., Akero Therapeutics, Inc., Blade Therapeutics, Inc., Cirius Therapeutics, Inc., Enanta Pharmaceuticals, Inc., FronThera US Pharmaceuticals LLC, Galectin Therapeutics Inc., Galmed Pharmaceuticals Ltd., Genfit SA, Gilead, Intercept Pharmaceuticals, Inc., Inventiva Pharma SA, Madrigal Pharmaceuticals, Inc., MediciNova, Inc., NGM Biopharmaceuticals, Inc., Pliant Therapeutics, Inc. (together with Novartis), Terns Pharmaceuticals, Inc. and Viking Therapeutics, Inc. are pursuing the development or marketing of pharmaceuticals that target NASH. It is also probable that the number of companies seeking to develop products and therapies for the treatment of serious metabolic diseases, such as NASH, will increase.

Coronaviruses

Other than Remdesivir, which is FDA-approved via an emergency use authorization, there are currently no approved treatments for SARS-CoV-2. Several drugs are likely being used off-label for treatment, such as dexamethasone. Several approved drugs are being studied for their utility in reducing the severity of SARS-CoV-2 infections, including Soliris by Alexion Pharmaceuticals Inc., Jakafi by Incyte Corporation, and Kevzara by Sanofi S.A./Regeneron Pharmaceuticals, Inc. There are significant efforts globally to develop both

therapeutic and prophylactic drug candidates. Several companies are focused on antibody treatments, including Amgen Inc. (together with Adaptive Biotechnologies Corporation), Abcellera Biologics, Inc. (with Eli Lilly and Company), Regeneron Pharmaceuticals, Inc. and Vir Biotechnology, Inc. (together with GSK, Biogen Inc. and WuXi Biologics Ltd.). Numerous efforts are underway to develop vaccines against SARS-CoV-2, including by Altimmune, Inc., AstraZeneca PLC (together with Oxford University), BioNTech SE (together with Pfizer Inc.), GSK (together with Sanofi S.A.), Heat Biologics, Inc., Inovio Pharmaceuticals, Inc., Johnson & Johnson, Moderna, Inc., Novavax, Inc., and Vaxart, Inc. If a vaccine is developed that is highly efficacious and widely adopted it would reduce or eliminate the market for therapies to treat COVID-19.

License agreements

License agreement with Emory University

In June 2018, we entered into the Emory License Agreement. In June 2020, we amended the Emory License Agreement (the "Emory Amendment"). Under the Emory License Agreement, Emory granted us a worldwide, sublicenseable license under certain of its intellectual property rights to make, have made, develop, use, offer to sell, sell, import and export products containing certain compounds relating to Emory's hepatitis B virus capsid assembly modulator technology, for all therapeutic and prophylactic uses. Such license is initially exclusive with respect to specified licensed patents owned by Emory and non-exclusive with respect to certain of Emory's specified know-how. Beginning in June 2022, the license to such patents will become non-exclusive with respect to all fields except for the treatment and prevention of HBV; however, we may select up to six compounds which will maintain exclusivity with respect to all therapeutic and prophylactic uses. With respect to all other compounds that are enabled by the licensed patents, those which are jointly invented by Aligos and Emory or inventors in the Schinazi laboratory, or which are disclosed in a specified licensed patent, are licensed to us exclusively including as to Emory, whereas all other such compounds are licensed to us non-exclusively. We have the right to sublicense rights licensed under the Emory License Agreement, provided that the sublicense agreement must be in compliance and consistent with the terms of the Emory License Agreement.

Emory reserves the right for itself to practice, and have practiced by other entities solely for purposes of collaborative research with Emory, under the licensed patents for educational purposes, Emory's internal purposes, and for non-commercial research, patient care and treatment. Emory can further grant licenses to not-for-profit and governmental institutions for their internal non-commercial research and scholarly use.

Ownership of any new inventions arising out of our activities under the Emory License Agreement follows the inventorship laws of the United States. With respect to the licensed patents owned by Emory, we are required to prepare documents and filings for the prosecution and maintenance of such licensed patents, while Emory retains the option to provide final edits and approval of such documents and is responsible for the actual filing of such documents. We are responsible for the cost of the prosecution and maintenance of the licensed patents, and we have the first right, but not the obligation, to enforce such patents. We are solely responsible for the costs of any lawsuits we elect to initiate to enforce the licensed patents and cannot enter into a settlement in respect of such lawsuits without the prior written consent of Emory. Any sums recovered in such lawsuits will be shared equally between us and Emory after reimbursement of our costs for such litigation, except that for any award based on lost profits, Emory shall recover the greater of fifty percent of the award or the royalty Emory would have received had the infringing sales been made by us.

The technology claimed by the licensed patents under the Emory License Agreement may have been developed using U.S. government funding and the licenses therefore may be subject to a non-exclusive license held by the U.S. government, certain requirements that licensed products be manufactured substantially in the United States and U.S. government march-in rights. For more information on risks related to technology developed using government funding see the section titled "Risk Factors—Risks related to intellectual property."

Under the terms of the Emory License Agreement, we are obligated to use commercially reasonable efforts to bring licensed products to market in accordance with a mutually agreed upon development plan.

Pursuant to the Emory License Agreement, we paid an upfront fee of $290,000 to Emory, reimbursed Emory for past patent expenses, and issued a convertible promissory note with a principal amount of $600,000 to Emory. In August 2018, the convertible promissory note was cancelled and converted into 605,600 shares of Series A convertible preferred stock. We paid Emory an additional $150,000 in connection with the Emory Amendment. Additionally, we agreed to pay Emory up to an aggregate of $125 million upon the achievement of specified development, regulatory, and commercial milestones, and all ongoing patent costs. We also agreed to pay Emory tiered single-digit royalties on worldwide annual net sales of licensed products, on a quarterly basis and calculated on a product-by-product basis. With respect to licensed products containing any of a specified subset of the licensed compounds, such royalties range from a mid-single digit to a high-single digit percentage rate. With respect to licensed products which do not contain such compounds, the royalties span a range of percentage rates within the mid-single digits if a Phase 1 clinical trial is initiated for the product within three years of the effective date of the Emory License Agreement, and range from a low-single digit to a mid-single digit rate if a Phase 1 clinical trial is initiated more than three years after the effective date. Our obligation to pay royalties expires on a product-by-product and country-by-country basis upon the later of ten years after the date of first commercial sale of such product in such country and the expiration of the last-to-expire licensed patent right covering such product in such country. Lastly, if we sublicense any of the licensed patent rights, we are required to pay Emory a percentage of any license issuance or upfront fees we might receive, with the percent decreasing if we sublicense after the first anniversary and third anniversary of the effective date of the Emory License Agreement from a mid-double digit to a mid-single digit percentage rate. To date we have not granted any sublicense.

The Emory License Agreement will expire upon expiration of the last-to-expire patent licensed to us thereunder. We may terminate the Emory License Agreement at any time in its entirety or with respect to specific patents for convenience by providing Emory with 90 days' written notice, and are required to terminate the Emory License Agreement if we make a final decision to cease research, development or commercialization of any licensed products. Either party may terminate the Emory License Agreement if the other party materially breaches such agreement and fails to timely cure such breach. Emory may terminate the Emory License Agreement if we fail to reach a milestone at an agreed date and fail to timely provide commercially reasonable evidence of a reasonable, good-faith business or technical justification for such failure. Upon termination of the Emory License Agreement for our material breach, we will, upon Emory's request, grant to Emory a non-exclusive, royalty-free license to all of our rights in patents owned by, licensed or controlled by us to the extent they relate to our exercise of the licensed rights under the Emory License Agreement and include claims covering the manufacture, use or sale of any licensed products containing the licensed compounds. The Emory License Agreement will automatically terminate if we become bankrupt or insolvent or if we challenge the validity or enforceability of any patent licensed to us under the Emory License Agreement.

We have agreed to indemnify Emory and certain others under the Emory License Agreement for losses they may suffer arising out of the rights licensed thereunder or the manufacturing, testing, design, use, sale or labeling of any product containing a licensed compound, unless caused by such potential indemnitee's negligence.

License agreement with Luxna Biotech Co., Ltd.

In December 2018, we entered into the Luxna Agreement. Under the Luxna Agreement, Luxna granted us an exclusive, worldwide, sublicenseable license under certain of Luxna's intellectual property rights to research, develop, make, have made, and commercialize for all therapeutic and prophylactic uses, (i) products containing oligonucleotides targeting the hepatitis B virus genome, (ii) products containing certain oligonucleotides

targeting up to three genes which contribute to NASH, which we may select at any time during the first eight years of the term, to the extent not licensed to a third party, and (iii) products containing oligonucleotides targeting up to three genes which contribute to HCC, which we may select at any time during the first three years of the term. During the first three years of the term, Luxna will not grant rights to any third parties under the licensed patents to research or develop any compounds or products targeting an HCC gene target. As of June 30, 2020, we have identified two HCC gene targets and two NASH gene targets for the exclusive license. In addition, we have a right of first refusal for any additional xeno-nucleic acid ("XNA") and/or gapmer modifications that are not claimed by the licensed patents that Luxna controls. If we exercise this right, we and Luxna will use good faith, diligent efforts to negotiate additional commercially reasonable financial terms for such additional modifications. We are obligated to use commercially reasonable efforts to pursue the research, development and commercialization of the licensed products throughout the term. We have the right to sublicense our licensed rights provided that the sublicense agreement must be in compliance and consistent with the terms of the Luxna Agreement.

Additionally, pursuant to an April 2020 amendment to the Luxna Agreement (the "Luxna Amendment"), we obtained an exclusive, worldwide license under the licensed patents to research, develop, make, have made, and commercialize products containing oligonucleotides targeting three families of viruses: orthomyxoviridae, paramyxoviridae, and coronaviridae (a family which includes SARS-CoV-2).

Pursuant to the Luxna Agreement, we paid Luxna an upfront fee of $600,000 and pursuant to the Luxna Amendment, we paid Luxna an additional $200,000. Additionally, we agreed to pay Luxna up to an aggregate of $55.5 million upon achievement of specified development, regulatory, and commercial milestones. We also agreed to pay Luxna tiered royalties on worldwide annual net sales of licensed products, on a product-by-product basis, spanning a range of rates within low-single digit percentages, on a quarterly basis. With respect to each licensed product, our obligation to pay royalties will continue until the expiration of the last-to-expire licensed patent covering such licensed product in any country.

Luxna's rights to the intellectual property subject to the Luxna Agreement stem from an exclusive license (the "Luxna-Osaka Agreement") from Osaka University ("Osaka") for certain rights pertaining to modifications of XNA and other gapmer technologies covered by the licensed patents. Separately, Osaka granted rights to certain third parties in connection with the licensed patents, such as rights to amido-bridged nucleic acid ("AmNA") for specific indications including NASH, rights to manufacture reagents containing the modifications of AmNA and rights to use specified genes. Such rights are not included in the scope of rights granted to us under the Luxna Agreement and the Luxna Agreement does not prevent Osaka from using any of the licensed rights under the Luxna Agreement for its non-commercial research purposes relating to the modifications of XNA.

Ownership of any new inventions arising out of our activities under the Luxna Agreement will follow the inventorship laws of the United States. Luxna retains the responsibility for the prosecution and maintenance of the licensed patents, provided that Luxna consider our comments and suggestions in connection therewith. We retain step-in rights should Luxna decide to no longer prosecute or maintain any licensed patents under the Luxna Agreement. We have the first right, but not the obligation, at our sole expense to enforce the licensed patents. In connection with any infringement suit, neither party can enter into a settlement without the prior written consent of the other.

The Luxna Agreement will expire upon expiration of the last-to-expire patent licensed to us under the agreement. We may terminate the Luxna Agreement at any time for convenience by providing Luxna with 90 days' written notice. In addition, we have agreed to terminate the Luxna Agreement if we make a final decision to cease research, development or commercialization of the licensed products. Either party may terminate the

Luxna Agreement if the other party materially breaches the Luxna Agreement and fails to timely cure such breach. The Luxna Agreement will automatically terminate if we become bankrupt or insolvent.

We have agreed to indemnify Luxna and certain others under the Luxna Agreement for losses they may suffer arising out of the rights licensed thereunder or the manufacturing, testing, design, use, sale or labeling of any product containing a licensed product, unless caused by such potential indemnitee's negligence.

Intellectual property

One key to our success is our ability to establish and maintain protection for our drug candidates, platform technology and know-how, in order to enforce and defend our intellectual property rights. To protect our drug candidates and technologies, we file U.S., Patent Cooperation Treaty ("PCT") and foreign patent applications related to our inventions, improvements, manufacturing and analytical processes and technology. We also rely on our know-how, confidential methodologies and processes and continuing technological innovation as well as our active third-party intellectual property in-licensing program to develop and maintain our proprietary positions, in addition to trademarks, copyrights and trade secret laws, and employee disclosure and invention assignment agreements. Although we take steps to protect our proprietary information and trade secrets, including through contractual means with our employees, advisors and consultants, these agreements may be breached and we may not have adequate remedies for any breach. In addition, third parties may independently develop substantially equivalent proprietary information and techniques or otherwise gain access to our trade secrets or disclose our technology. As a result, we may not be able to meaningfully protect our trade secrets. It is our policy to require our employees, consultants, outside scientific collaborators, sponsored researchers and other advisors to execute confidentiality agreements upon the commencement of employment or consulting relationships with us. These agreements provide that all confidential information concerning our business or financial affairs developed or made known to the individual or entity during the course of the party's relationship with us is to be kept confidential and not disclosed to third parties except in specific circumstances. In the case of employees, the agreements provide that all inventions conceived of by the individual during the course of employment, and which relate to or are reasonably capable or being used in our current or planned business or research and development, are our exclusive property. In addition, we take other appropriate precautions, such as physical and technological security measures, to guard against misappropriation of our proprietary technology by third parties. However, such agreements and policies may be breached and we may not have adequate remedies for such breaches. For more information regarding the risks related to our intellectual property, see the section titled "Risk factors—Risks related to intellectual property."

We have licensed patents and patent applications from various entities, including Emory, Luxna and AM Chemicals, which are further described below. As of September 23, 2020, we own 11 U.S. non-provisional patent applications, 23 U.S. provisional patent applications (excluding any non-expired U.S. provisional applications to which priority has already been claimed), 11 PCT applications and 11 foreign patent applications, including pending applications in Argentina and Taiwan. The projected expiration date of any patent that issues from our non-provisional U.S. and foreign applications is between 2039 to 2040, excluding any additional term from a potential patent term extension and/or patent term adjustment.

For our drug candidates, although we have filed and licensed certain patent applications and we generally intend to pursue patent protection covering compositions of matter, methods of making, and methods of use, as of September 23, 2020, we do not own or license any issued patents directed to our ALG-010133, ALG-000184, ALG-020572, ALG-125097 and ALG-055009 drug candidates.

Licensed intellectual property

Emory University

We have licensed the exclusive rights to a patent estate from Emory in the CAM chemical space, consisting of one issued U.S. patent, one pending nonprovisional U.S. patent application as well as 22 foreign patent applications. The issued U.S. patent has an expected expiration of March 2037, excluding any potential patent term extension or adjustment.

Luxna

We have licensed the right to a patent estate from Luxna in the oligonucleotide chemical space, consisting of 3 issued U.S. patents, 2 nonprovisional U.S. patent applications and 14 issued foreign patents and 6 foreign patent applications. We have exclusive rights to use this technology in the development of drug candidates for CHB, as well as rights to certain named targets in NASH and respiratory diseases, including coronaviruses. These U.S. patents have an expected expiration between October 2030 and February 2035, excluding any potential patent term extension or adjustment.

AM Chemicals

We have licensed the exclusive right to the use of specific constructs encompassed by the patent estate from AM Chemicals, including 1 issued U.S. patent, 1 U.S. non-provisional patent application and 2 foreign patent applications. The issued U.S. patent has an expected expiration of July 2037. Any patent issuing from such non-provisional applications in this patent estate is projected to expire in July 2037, excluding any potential patent term extension or patent term adjustment.

Drug candidate intellectual property

Hepatitis B—ALG-010133 and additional potential drug candidates

We own a patent family that includes 5 applications pending across multiple jurisdictions (including the United States) and have claims directed to composition of matter, including ALG-010133 (our lead STOPS molecule), pharmaceutical composition and method of use. This patent family also includes claims directed to combination treatment with our lead molecule with other modes of action drugs and drug candidates directed against CHB. The U.S. application, if issued, is projected to expire in November 2039, excluding any potential patent term extension or adjustment.

Hepatitis B—ALG-000184 and additional potential drug candidates

We own a patent family that includes 3 applications pending across multiple jurisdictions (including the United States), and have claims directed to composition of matter, including ALG-000184 (our lead CAM molecule), pharmaceutical composition and method of use claims. This patent family also includes claims directed to combination treatment with our lead molecule with other modes of action drugs and drug candidates directed against CHB. The U.S. application, if issued, is projected to expire in April 2040, excluding any potential patent term extension or adjustment.

Hepatitis B—ALG-020572 and additional potential drug candidates

We own a patent family that includes 3 patent applications pending across multiple jurisdictions (including the United States), and have claims to compositions of matter, including ALG-020572, our lead ASO candidate, and

methods of use. This patent family also discloses combination therapies with our lead molecule. Any patent that issues from such non-provisional applications in this patent family is projected to expire in May 2040, excluding any potential patent term extension or patent term adjustment.

Hepatitis B—ALG-125097 and additional potential drug candidates

We own a patent family that includes 1 U.S. provisional application, and have claims to compositions of matter, including ALG-125097, our lead siRNA candidate, and methods of use. This patent family will also disclose combination therapies with our lead molecule. Any patent that issues from such non-provisional applications in this patent family is projected to expire in March 2040, excluding additional term from a potential patent term extension and/or patent term adjustment.

NASH—ALG-055009 and additional potential drug candidates

We own a patent family that includes 3 applications across multiple jurisdictions, and have claims to compositions of matter, including ALG-055009, our lead drug candidate for the treatment of NASH, and methods of use. This patent family also discloses combination therapies with our lead molecule. Any patent that issues from such non-provisional applications in this patent family is projected to expire in May 2040, excluding any potential patent term extension or patent term adjustment.

Discovery pipeline intellectual property

Hepatitis B

We own multiple families of applications that include claims to compositions of matter, pharmaceutical compositions and methods of use for the treatment of CHB with our additional drug candidates. This includes 5 U.S. non-provisional patent applications, 2 U.S. provisional patent applications, 5 PCT patent applications and 5 foreign patent applications in the small molecule space and more than 5 U.S. provisional applications in the oligonucleotide space. These patent families also disclose combination therapies with our drug candidates and other compounds for treating CHB. Any patent that issues from a non-provisional application in one of these patent families is projected to expire in 2039 to 2041, excluding any potential patent term extension or patent term adjustment.

NASH

We have filed a U.S. provisional application that includes claims to compositions of matter and methods of use with our additional drug candidates for the treatment of NASH. This U.S. provisional application also discloses combination therapies with our drug candidates and other compounds for treating NASH. Any patent that issues from a non-provisional application claiming priority to this U.S. provisional application is projected to expire in July 2041, excluding any potential patent term extension or patent term adjustment.

Coronaviruses

We have filed 10 provisional U.S. patent applications that include claims to compositions of matter, pharmaceutical compositions and methods of use for treating coronaviruses. This includes multiple applications covering both small molecule and oligonucleotide approaches. These patent families also include disclosure relating to combination therapy strategies for treating coronaviruses. Any patent that issues from a non-provisional patent application claiming priority to one or more of these U.S. provisional applications is projected to expire in April 2041, excluding any potential patent term extension or patent term adjustment.

With respect to both our licensed and our owned intellectual property, we cannot be sure that patents will be granted with respect to any of our pending patent applications or with respect to any patent applications filed by us in the future, nor can we be sure that any current patents or any patents that may be granted to us in the future will be commercially useful in protecting our platforms and drug candidates and the methods used to manufacture them. Moreover, the time required for development, testing and regulatory review of our candidate drug candidates may shorten the length of effective patent protection following commercialization. If we do obtain any patents for our drug candidates, the term of such patents depends upon the legal term of the patents in the countries in which they are obtained. In most countries in which we file, the patent term is 20 years from the earliest date of filing of a non-provisional patent application. In the United States, the patent term of a patent that covers an FDA approved drug or biologic may also be eligible for patent term extension, which permits patent term restoration as compensation for the patent term lost during FDA regulatory review process. The Hatch-Waxman Act permits a patent term extension of up to five years beyond the expiration of the patent. The length of the patent term extension is related to the length of time that the drug or biologic is under regulatory review. 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 one patent applicable to an approved drug or biologic may be extended. Similar provisions are available in the EU and other foreign jurisdictions to extend the term of a patent that covers an approved drug or biologic. In the future, if our drug candidates receive FDA approval and if our patent applications relating to such drug candidates issue as patents, we expect to apply for patent term extensions where applicable on patents covering those drugs. We plan to seek patent term extensions to any of our future issued patents in any jurisdiction where these are available, however there is no guarantee that the applicable authorities, including FDA in the United States, will agree with our assessment of whether these extensions should be granted, and if granted, the length of these extensions. For this and other risks related to our proprietary technology, inventions, improvements, platforms and product candidates, see the section titled “Risk factors—Risks related to intellectual property.”

Trademarks

Our trademark portfolio contains several trademark applications and registrations, including U.S. and foreign, as of September 23, 2020. The trademark portfolio includes the marks ALIGOS and STOPS. The mark STOPS is registered in Australia, and is pending in the United States, the EU and Japan. The mark ALIGOS is registered in the United States, Australia, EU and Japan.

Government regulation and product approval

Government regulation

The FDA and other regulatory authorities at the federal, state, and local level, as well as in foreign countries, extensively regulate, among other things, the research, development, testing, manufacture, storage, recordkeeping, approval, labeling, marketing and promotion, distribution, post-approval monitoring and reporting, sampling, and import and export of pharmaceutical products, such as those we are developing. 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.

U.S. drug regulation

In the United States, the FDA regulates drugs under the Federal Food, Drug, and Cosmetic Act (the “FDCA”), and its implementing regulations. FDA approval is required before any new unapproved drug can be marketed in the United States. Drugs are also subject to other federal, state and local statutes and regulations. Failure to comply with applicable FDA or other requirements may subject a company to a variety of administrative or

judicial sanctions, such as FDA clinical holds, refusal to approve pending applications, withdrawal of an approval, warning or untitled letters, product recalls, product seizures, total or partial suspension of production or distribution, injunctions, fines, civil penalties and criminal prosecution.

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

- completion of nonclinical laboratory tests and animal studies, where all supporting safety and toxicity studies are performed in accordance with the FDA's Good Laboratory Practice ("GLP") regulations;
- submission to the FDA of an investigational new drug application ("IND"), which must become effective before human clinical trials may begin and must be updated annually or when significant changes are made;
- approval by an independent institutional review board ("IRB"), representing each clinical site before a clinical trial may be initiated;
- performance of adequate and well-controlled human clinical trials in accordance with good clinical practice ("GCP") regulations to establish the safety and efficacy of the product candidate for each proposed indication;
- preparation of and submission to the FDA of a new drug application ("NDA");
- a determination by the FDA within 60 days of its receipt of an NDA to file the application for review;
- satisfactory completion of an FDA advisory committee review, if applicable;
- satisfactory completion of an FDA pre-approval inspection of the manufacturing facility(ies) where the product is manufactured to assess compliance with current good manufacturing practice ("cGMP") regulations, and of selected clinical investigation sites to assess compliance with GCP; and
- FDA review and approval of an NDA to permit commercial marketing of the product for its particular labeled uses in the United States.

Nonclinical and clinical studies

The nonclinical and clinical testing process can take many years and the actual time required to obtain approval, if any, may vary substantially based upon the type, complexity and novelty of the drug or condition being treated.

Nonclinical tests include laboratory (in vitro) evaluation of drug chemistry, formulation and toxicity, as well as animal (in vivo) studies to assess the characteristics and potential safety and efficacy of the drug candidate. The conduct of nonclinical studies that provide safety and toxicological information must comply with federal regulations and requirements, including GLPs. The results of nonclinical studies are submitted to the FDA as part of an IND along with other information, including information about drug CMC and any available human data or literature to support use of the drug in humans. Long-term nonclinical tests, such as animal tests of reproductive toxicity and carcinogenicity, may continue after the IND is submitted.

The central focus of an IND submission is on the general investigational plan and the protocol(s) for human studies. An IND must become effective before human clinical trials may begin. An IND will automatically become effective 30 days after receipt by the FDA unless, before that time, the FDA raises concerns or questions related to the proposed clinical trials. 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 clinical trials can begin.

For each successive clinical trial conducted with the investigational drug, a separate, new protocol submission to an existing IND must be made, along with any subsequent changes to the investigational plan. Sponsors are also subject to ongoing reporting requirements, including submission of IND safety reports for any serious adverse experiences associated with use of the investigational drug or findings from nonclinical studies suggesting a significant risk for human subjects, as well as IND annual reports on the progress of the investigations conducted under the IND.

Clinical trials involve the administration of the investigational drug 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 participation in each clinical trial. Clinical trials are conducted under protocols detailing, among other things, the objectives of the trial, the parameters to be used in monitoring safety and the efficacy criteria to be evaluated. A protocol for each clinical trial and any subsequent protocol amendments must be submitted to the FDA as part of the IND. Additionally, approval must also be obtained from each clinical trial site's IRB before a trial may be initiated at the site, and the IRB must monitor the trial until completed. Sponsors of clinical trials generally must register and report ongoing clinical trials and clinical trial results to public registries, including the website maintained by the U.S. National Institutes of Health, ClinicalTrials.gov.

For purposes of NDA approval, human clinical trials are typically divided into three or four phases. Although the phases are usually conducted sequentially, they may overlap or be combined.

- ***Phase 1.*** The drug is initially introduced into healthy human subjects or into patients with the target disease or condition. These studies are designed to evaluate the safety, dosage tolerance, metabolism and pharmacologic actions of the drug in humans, the side effects associated with increasing doses, and if possible, to gain early evidence of effectiveness.
- ***Phase 2.*** The drug is administered to a limited patient population to evaluate tolerance and optimal dose, identify possible adverse side effects and safety risks, and preliminarily evaluate efficacy. Multiple Phase 2 trials may be conducted to obtain additional data prior to beginning Phase 3 trials.
- ***Phase 3.*** The drug is administered to an expanded patient population, generally at geographically dispersed clinical trial sites to generate enough data to statistically evaluate dosage, clinical effectiveness and safety, to establish the overall benefit-risk relationship of the investigational drug and to provide an adequate basis for drug approval.
- ***Phase 4.*** In some cases, the FDA may condition approval of an NDA for a drug candidate on the sponsor's agreement to conduct additional clinical trials after approval. In other cases, a sponsor may voluntarily conduct additional clinical trials after approval to gain more information about the drug. Such post-approval trials are typically referred to as Phase 4 clinical trials.

The FDA, the IRB or the clinical trial sponsor may suspend or terminate a clinical trial at any time on various grounds, including a finding that the research subjects are being exposed to an unacceptable health risk. The sponsor may also suspend or terminate a clinical trial based on evolving business objectives and/or competitive climate.

Concurrent with clinical trials, companies may complete additional in vivo studies and develop additional information about the characteristics of the drug candidate. Companies must also finalize a process for manufacturing the drug in commercially applicable quantities in accordance with cGMP requirements. The manufacturing process must be capable of consistently producing quality batches of the drug and, among other things, must use validated methods for testing the drug against specifications to confirm its identity, strength, quality and purity. Additionally, appropriate packaging must be selected and tested and stability studies must be conducted to demonstrate that the drug does not undergo unacceptable deterioration over its shelf life.

Submission of an NDA to the FDA

Assuming successful completion of all required testing in accordance with all applicable regulatory requirements, the results of product development and testing are submitted to the FDA in the form of an NDA requesting approval to market the drug for one or more indications. The submission of an NDA requires payment of a substantial application user fee to the FDA, unless a waiver or exemption applies.

An NDA must include all relevant data available from pertinent nonclinical studies and clinical trials, including negative or ambiguous results as well as positive findings, together with detailed information relating to the drug's chemistry, manufacturing, controls and proposed labeling, among other things. Data can come from company-sponsored clinical trials intended to test the safety and effectiveness of the drug for a specific use, or from a number of alternative sources, including studies initiated by investigators. To support marketing approval, the data submitted must be sufficient in quality and quantity to establish the safety and effectiveness of the drug to the satisfaction of the FDA.

The FDA has 60 days from its receipt of an NDA to determine whether the application will be accepted for filing based on the agency's threshold determination that it is sufficiently complete to permit substantive review. The FDA may request additional information rather than accept an application for filing. In this event, the application must be resubmitted with the additional information and is subject to payment of additional user fees. The resubmitted application is also subject to review before the FDA accepts it for filing. Once the submission is accepted for filing, the FDA begins an in-depth substantive review. Under applicable Prescription Drug User Fee Act ("PDUFA") performance goals, the FDA endeavors to review NDAs for drugs containing new molecular entities within ten months of the 60-day filing date under standard review or within six months of the 60-day filing date under priority review.

The FDA may refer applications for novel drug products or drug products which present difficult questions of safety or efficacy to an advisory committee for review, evaluation and recommendation as to whether the application should be approved and under what conditions.

Before approving an NDA, the FDA typically will inspect the facility or facilities where the drug is manufactured. The FDA will not approve an application unless it determines that the manufacturing processes and facilities are in compliance with cGMP requirements and are adequate to assure consistent production of the drug within required specifications. Additionally, the FDA will typically inspect one or more clinical sites to assure that relevant trial data was obtained in compliance with GCP requirements.

After the FDA evaluates the NDA and conducts inspections of manufacturing facilities, it may issue an approval letter or a complete response letter. A complete response letter indicates that the review cycle of the application is complete and the application is not ready for approval. A complete response letter generally outlines the deficiencies in the submission and may require substantial additional testing or information in order for the FDA to reconsider the application. Even with submission of this additional information, the FDA may ultimately decide that an application does not satisfy the regulatory criteria for approval. If, or when, the deficiencies have been addressed to the FDA's satisfaction in a resubmission of the application, the FDA will issue an approval letter. An approval letter authorizes commercial marketing of the drug with specific prescribing information for specific indications.

As a condition of NDA approval, the FDA may require a Risk Evaluation and Mitigation Strategy ("REMS") program to help ensure that the benefits of the drug outweigh its risks. If the FDA determines a REMS program is necessary, the drug sponsor must develop and submit a REMS as part of its NDA prior to approval. A REMS program may be required to include various elements, such as a medication guide or patient package insert, a communication plan to educate healthcare providers of the drug's risks, or other elements to assure safe use, such as limitations on who may prescribe or dispense the drug, dispensing only under certain circumstances,

special monitoring and the use of patient registries. In addition, all REMS programs must include a timetable to periodically assess the strategy following implementation.

Further, the FDA may require substantial post-approval testing and surveillance as a condition of NDA approval to monitor the drug's safety and efficacy, and the FDA has the authority to prevent or limit further marketing of a product based on the results of these post-marketing programs. Once granted, product approvals may be withdrawn if compliance with regulatory requirements is not maintained or problems are identified following initial marketing. Moreover, changes to the conditions established in an approved application, including changes in indications, labeling or manufacturing processes or facilities may require submission and FDA approval of a new NDA or NDA supplement before the changes can be implemented. An NDA supplement for a new indication typically requires clinical data similar to that supporting the original approval, and the FDA uses similar procedures in reviewing supplements as it does in reviewing original applications.

Expedited development and review programs

The FDA offers a number of expedited development and review programs for qualifying drugs, one or more of which may be available for our current or future drug candidates.

New drug candidates 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. Fast track designation applies to the combination of the drug and the specific indication for which it is being studied. The sponsor of a fast track drug candidate has opportunities for frequent interactions with the review team during drug development and, once an NDA is submitted, the drug candidate may be eligible for priority review. A fast track drug candidate may also be eligible for rolling review, where 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.

A drug candidate intended to treat a serious or life-threatening disease or condition may also be eligible for breakthrough therapy designation to expedite its development and review. A drug candidate can receive breakthrough therapy designation if preliminary clinical evidence indicates that the drug candidate 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 beginning as early as Phase 1 and an organizational commitment to expedite the development and review of the drug candidate, including involvement of senior managers.

After an NDA is submitted for a drug candidate, including a drug candidate with a fast track designation and/or breakthrough therapy designation, the NDA may be eligible for priority review. An NDA is eligible for priority review if it has the potential to provide a significant improvement in the treatment, diagnosis or prevention of a serious disease or condition compared to marketed products. Depending on whether a drug candidate contains a new molecular entity, priority review designation means the FDA's goal is to take an action on the marketing application within six to eight months of the 60-day filing date, compared with ten to twelve months under standard review.

Additionally, drug candidates studied for their safety and effectiveness in treating serious or life-threatening diseases or conditions may receive accelerated approval upon a determination that the drug candidate 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 accelerated approval, the FDA will generally require the sponsor to perform adequate and well-controlled post-marketing clinical trials to verify and describe the anticipated effect on irreversible morbidity or mortality or other clinical benefit. In addition, the FDA currently requires, as a condition for accelerated approval, pre-approval of promotional materials, which could adversely impact the timing of the commercial launch of the drug.

Orphan drug designation

We may pursue orphan drug designation for one or more of our current or future drug candidates, as appropriate, with the potential to obtain orphan drug exclusivity for our products, if approved.

Under the Orphan Drug Act, the FDA may grant orphan designation to a drug intended to treat a rare disease or condition, which is a disease or condition that affects fewer than 200,000 individuals in the United States, or more than 200,000 individuals in the United States for which there is no reasonable expectation that the cost of developing and making available in the United States a drug for this type of disease or condition will be recovered from sales in the United States for that drug. Orphan drug designation must be requested before submitting an NDA. After the FDA grants orphan drug designation, the generic identity of the therapeutic agent and its potential orphan use are disclosed publicly by the FDA. The orphan drug designation does not convey any advantage in, or shorten the duration of, the regulatory review or approval process.

If a drug that has orphan drug designation subsequently receives the first FDA approval for the disease for which it has such designation, the drug is entitled to orphan drug exclusive approval (or exclusivity), which means that the FDA may not approve any other applications, including a full NDA, to market the same drug for the same indication for seven years, except in limited circumstances, such as a showing of clinical superiority to the drug with orphan drug exclusivity. Orphan drug exclusivity does not prevent the FDA from approving a different drug for the same disease or condition, or the same drug for a different disease or condition. Among the other benefits of orphan drug designation are tax credits for certain research and a waiver of the application user fee.

A designated orphan drug may not receive orphan drug exclusivity if it is approved for a use that is broader than the indication for which it received orphan designation. In addition, exclusive marketing rights in the United States may be lost if the FDA later determines that the request for designation was materially defective or if the manufacturer is unable to assure sufficient quantities of the drug to meet the needs of patients with the rare disease or condition.

Under the Pediatric Research Equity Act, certain NDAs and certain supplements to an NDA must contain data to assess the safety and efficacy of the drug for the claimed indications in all relevant pediatric subpopulations and to support dosing and administration for each pediatric subpopulation for which the product is safe and effective. The FDA may grant deferrals for submission of pediatric data or full or partial waivers. The Food and Drug Administration Safety and Innovation Act amended the FDCA to require that a sponsor who is planning to submit an NDA for a drug that includes a new active ingredient, new indication, new dosage form, new dosing regimen or new route of administration submit an initial Pediatric Study Plan (“iPSP”), within 60 days of an end-of-Phase 2 meeting or, if there is no such meeting, as early as practicable before the initiation of a Phase 3 or Phase 2/3 study. The iPSP must include an outline of the pediatric study or studies that the sponsor plans to conduct, including study objectives and design, age groups, relevant endpoints and statistical approach, or a justification for not including such detailed information, and any request for a deferral of pediatric assessments or a full or partial waiver of the requirement to provide data from pediatric studies along with supporting information. The FDA and the sponsor must reach an agreement on the iPSP. A sponsor can submit amendments to an agreed-upon iPSP at any time if changes to the pediatric plan need to be considered based

on data collected from nonclinical studies, early phase clinical trials and/or other clinical development programs.

A drug product can also obtain pediatric market exclusivity in the United States. Pediatric exclusivity, if granted, adds six months to existing exclusivity periods and patent terms. This six-month exclusivity, which runs from the end of other exclusivity protection or patent term, may be granted based on the voluntary completion of a pediatric study in accordance with an FDA-issued "Written Request" for such a study.

Post-approval requirements

Once an NDA is approved, a drug will be subject to pervasive and continuing regulation by the FDA, including, among other things, requirements relating to drug listing and registration, recordkeeping, periodic reporting, product sampling and distribution, adverse event reporting and advertising, marketing and promotion. Drugs may be marketed only for the approved indications and in accordance with the provisions of the approved labeling. While physicians may prescribe for off-label uses, manufacturers may only promote for the approved indications and in accordance with the provisions of the approved label. However, companies may share truthful and not misleading information that is otherwise consistent with a product's FDA approved labeling. The FDA and other agencies actively enforce the laws and regulations prohibiting the promotion of off-label uses, and a company that is found to have improperly promoted off-label uses may be subject to significant liability.

After approval, most changes to the approved drug, such as adding new indications or other labeling claims, are subject to prior FDA review and approval. There also are continuing user fee requirements, under which FDA assesses an annual program fee for each drug identified in an approved NDA. In addition, quality-control, drug manufacture, packaging and labeling procedures must continue to conform to cGMPs after approval. Drug manufacturers and certain of their subcontractors are required to register their establishments with the FDA and certain state agencies. Registration with the FDA subjects entities to periodic unannounced and announced inspections by the FDA and these state agencies, during which the agency inspects manufacturing facilities to assess compliance with cGMPs. FDA regulations also require investigation and correction of any deviations from cGMP and impose reporting requirements upon manufacturers and their subcontractors, if applicable. 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 of a drug if compliance with regulatory requirements is not maintained or if problems occur after the drug reaches the market. Later discovery of previously unknown problems with a drug, 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 trials to assess new safety risks; or imposition of distribution restrictions or other restrictions under a REMS program. Other potential consequences include, among other things:

- restrictions on the marketing or manufacturing of a drug, complete withdrawal of the drug from the market or drug recalls;
- fines, warning or untitled letters or holds on post-approval clinical studies;
- refusal of the FDA to approve pending applications or supplements to approved applications, or suspension or revocation of existing drug approvals;
- drug seizure or detention, or refusal of the FDA to permit the import or export of drugs; or
- injunctions or the imposition of civil or criminal penalties.

The FDA may also require post-approval studies and clinical trials if the FDA finds that scientific data, including information regarding related drugs, deem it appropriate. The purpose of such studies would be to assess a known serious risk or signals of serious risk related to the drug or to identify an unexpected serious risk when available data indicate the potential for a serious risk. The FDA may also require a labeling change if it becomes aware of new safety information that it believes should be included in the labeling of a drug.

International regulation

In addition to regulations in the United States, we are subject to certain and could become subject to a variety of additional foreign regulations regarding development, approval, commercial sales and distribution of our drugs if we seek to market our drugs (if approved) in other jurisdictions. Whether or not we obtain FDA approval for a drug candidate, we must obtain the necessary approvals by the comparable regulatory authorities of foreign countries before we can commence clinical trials or marketing of the drug in those countries. The approval process varies from country to country and can involve additional drug testing and additional review periods, and the time may be longer or shorter than that required to obtain FDA approval. The requirements governing, among other things, the conduct of clinical trials, drug licensing, pricing and reimbursement vary greatly from country to country. Regulatory approval in one country does not ensure regulatory approval in another, but a failure or delay in obtaining regulatory approval in one country may negatively impact the regulatory process in others. If we fail to comply with applicable foreign regulatory requirements, we may be subject to fines, suspension or withdrawal of regulatory approvals, drug recalls, seizure of drugs, operating restrictions and criminal prosecution.

Other U.S. healthcare laws and compliance requirements

Pharmaceutical companies 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. In the United States, such laws include, without limitation, state and federal anti-kickback, fraud and abuse, false claims, price reporting, and physician payment sunshine laws and regulations. Violation of any of such laws or any other governmental regulations that apply may result in significant penalties, including, without limitation, administrative civil and criminal penalties, damages, disgorgement fines, additional reporting requirements and oversight obligations, contractual damages, the curtailment or restructuring of operations, exclusion from participation in governmental healthcare programs and imprisonment.

Pharmaceutical coverage, pricing and reimbursement

Significant uncertainty exists as to the coverage and reimbursement status of any drug candidates for which we or our collaborators obtain regulatory approval. In the United States and markets in other countries, sales of any drugs for which we or our collaborators receive regulatory approval for commercial sale will depend, in part, on the extent to which third-party payors provide coverage, and establish adequate reimbursement levels for such drug products.

In the United States, third-party payors include federal and state healthcare programs, government authorities, private managed care providers, private health insurers, and other organizations. Third-party payors are increasingly challenging the price, examining the medical necessity and reviewing the cost-effectiveness of medical drug products and medical services, in addition to questioning their safety and efficacy. Such payors may limit coverage to specific drug products on an approved list, also known as a formulary, which might not include all of the FDA-approved drugs for a particular indication. We or our collaborators may need to conduct expensive pharmacoeconomic studies in order to demonstrate the medical necessity and cost-effectiveness of our drugs, in addition to the costs required to obtain the FDA approvals. Nonetheless, our drug candidates may

not be considered medically necessary or cost-effective. A payor's decision to provide coverage for a drug product does not imply that an adequate reimbursement rate will be approved. Further, one payor's determination to provide coverage for a drug product does not assure that other payors will also provide coverage for the drug product.

Moreover, the process for determining whether a third-party payor will provide coverage for a drug product may be separate from the process for setting the price of a drug product or for establishing the reimbursement rate that such a payor will pay for the drug product. For drugs 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 drug itself or the treatment for which the drug is used may not be available, which may impact physician utilization. Adequate third-party reimbursement may not be available to enable us to maintain price levels sufficient to realize an appropriate return on our investment in drug development.

Different pricing and reimbursement schemes exist in other countries. In Europe, governments influence the price of pharmaceutical products through their pricing and reimbursement rules and control of national health care systems that fund a large part of the cost of those products to consumers. Some jurisdictions operate positive and negative list systems under which drugs may only be marketed once a reimbursement price has been agreed. To obtain reimbursement or pricing approval, some of these countries may require the completion of clinical trials that compare the cost-effectiveness of a particular drug candidate to currently available therapies. Other member states allow companies to fix their own prices for medicines, but monitor and control company profits. The downward pressure on health care costs in general, particularly prescription drugs, has become very intense. As a result, increasingly high barriers are being erected to the entry of new drugs. In addition, in some countries, cross-border imports from low-priced markets exert a commercial pressure on pricing within a country.

The marketability of any drug candidates for which we or our collaborators receive regulatory approval for commercial sale may suffer if the government and third-party payors fail to provide adequate coverage and reimbursement. In addition, emphasis on managed care in the United States has increased and we expect will continue to increase the pressure on pharmaceutical pricing. Coverage policies and third-party reimbursement rates may change at any time. Even if favorable coverage and reimbursement status is attained for one or more drug candidates for which we or our collaborators receive regulatory approval, less favorable coverage policies and reimbursement rates may be implemented in the future.

Healthcare reform

A primary trend in the U.S. healthcare industry and elsewhere is cost containment. Government authorities and other third-party payors have attempted to control costs by limiting coverage and the amount of reimbursement for particular medical products and services, implementing reductions in Medicare and other healthcare funding and applying new payment methodologies. For example, in March 2010, the Affordable Care Act was enacted, which affected existing government healthcare programs and resulted in the development of new programs.

Among the Affordable Care Act's provisions of importance to the pharmaceutical industry, in addition to those otherwise described above, are the following:

- an annual, nondeductible fee on any entity that manufactures or imports certain specified branded prescription drugs and biologic agents apportioned among these entities according to their market share in some government healthcare programs;

- an increase in the statutory minimum rebates a manufacturer must pay under the Medicaid Drug Rebate Program to 23.1% and 13% of the average manufacturer price for most branded and generic drugs, respectively, and a cap on the total rebate amount for innovator drugs at 100% of the Average Manufacturer Price ("AMP");
- a new Medicare Part D coverage gap discount program, in which manufacturers must agree to offer 70% point-of-sale discounts off negotiated prices of applicable brand drugs to eligible beneficiaries during their coverage gap period, as a condition for the manufacturers' outpatient drugs to be covered under Medicare Part D;
- extension of manufacturers' Medicaid rebate liability to covered drugs dispensed to individuals who are enrolled in Medicaid managed care organizations;
- expansion of eligibility criteria for Medicaid programs by, among other things, allowing states to offer Medicaid coverage to additional individuals, including individuals with income at or below 133% of the federal poverty level, thereby potentially increasing manufacturers' Medicaid rebate liability;
- expansion of the entities eligible for discounts under the Public Health Service pharmaceutical pricing program; and
- a new Patient-Centered Outcomes Research Institute to oversee, identify priorities in, and conduct comparative clinical effectiveness research, along with funding for such research.

Since its enactment, there have been judicial and Congressional challenges to certain aspects of the Affordable Care Act, as well as recent efforts by the Trump administration to repeal or replace certain aspects of the Affordable Care Act. For example, the TCJA was enacted, which includes a provision repealing, effective January 1, 2019, the tax-based shared responsibility payment imposed by the Affordable Care Act on certain individuals who fail to maintain qualifying health coverage for all or part of a year that is commonly referred to as the "individual mandate." On December 14, 2018, a U.S. District Court Judge in the Northern District of Texas ruled that the individual mandate is a critical and inseverable feature of the Affordable Care Act, and therefore, because it was repealed as part of the TCJA, the remaining provisions of the Affordable Care Act are invalid as well. Additionally, on December 18, 2019, the U.S. Court of Appeals for the 5th Circuit ruled that that the individual mandate was unconstitutional and remanded the case back to the District Court to determine whether the remaining provisions of the Affordable Care Act are invalid as well. On March 2, 2020, the U.S. Supreme Court granted the petitions for writs of certiorari to review this case, although it is unclear when or how the Supreme Court will rule. It is also unclear how other efforts to challenge, repeal or replace the Affordable Care Act will impact the law.

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

There has also been heightened governmental scrutiny recently over the manner in which pharmaceutical companies set prices for their marketed products, which has resulted in several Congressional inquiries and proposed federal legislation, as well as state efforts, designed to, among other things, bring more transparency

to drug pricing, reduce the cost of prescription drugs under Medicare, review the relationship between pricing and manufacturer patient programs, and reform government program reimbursement methodologies for drug products. Congress and the Trump administration have each indicated that it will continue to seek new legislative and/or administrative measures to control drug costs.

We anticipate that these new laws will result in additional downward pressure on coverage and the price that we receive for any approved drug, and could seriously harm our business. Any reduction in reimbursement from Medicare and other government programs may result in a similar reduction in payments from private payors. The implementation of cost containment measures or other healthcare reforms may prevent us from being able to generate revenue, attain profitability, or commercialize our drugs (if approved). In addition, it is possible that there will be further legislation or regulation that could harm our business, financial condition, and results of operations.

Data privacy and security

We may also be subject to federal, state and foreign data privacy and security laws and regulations. In the United States, numerous federal and state laws and regulations, including state data breach notification laws, state health information privacy laws, and federal and state consumer protection laws and regulations (e.g., Section 5 of the FTC Act), govern the collection, use, disclosure, and protection of health-related and other personal information could apply to our operations or the operations of our partners. HIPAA, as amended by HITECH, and its implementing regulations, impose requirements relating to the privacy, security and transmission of individually identifiable health information on certain health care providers, health plans and health care clearinghouses, known as covered entities, as well as their business associates that perform certain services that involve creating, receiving, maintaining or transmitting individually identifiable health information for or on behalf of such covered entities. Entities that are found to be in violation of HIPAA as the result of a breach of unsecured protected health information, a complaint about privacy practices or an audit by HHS, may be subject to significant civil, criminal and administrative fines and penalties and/or additional reporting and oversight obligations if required to enter into a resolution agreement and corrective action plan with HHS to settle allegations of HIPAA non-compliance. Further, entities that knowingly obtain, use, or disclose individually identifiable health information maintained by a HIPAA covered entity in a manner that is not authorized or permitted by HIPAA may be subject to criminal penalties.

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

In addition, state laws govern the privacy and security of health information in specified circumstances, many of which differ from each other in significant ways and may not have the same effect, thus complicating compliance efforts. By way of example, California recently enacted the CCPA, which creates new individual privacy rights for California consumers (as defined in the law) and places increased privacy and security obligations on entities handling certain personal data of consumers or households. The CCPA requires covered companies to provide new disclosure to consumers about such companies' data collection, use and sharing practices, provide such consumers new ways to opt-out of certain sales or transfers of personal information, and provide consumers with additional causes of action. The CCPA became effective on January 1, 2020, and the California Attorney General may bring enforcement actions for violations beginning July 1, 2020. The CCPA has

been amended from time to time, and it remains unclear what, if any, further modifications will be made to this legislation or how it will be interpreted. As currently written, the CCPA may impact our business activities and exemplifies the vulnerability of our business to the evolving regulatory environment related to personal data and protected health information.

We also are or will become subject to privacy laws in the jurisdictions in which we sell or market our products or run clinical trials. For example, in the EU we are subject to the GDPR in relation to our collection, control, processing, and other use of personal data (i.e. data relating to an identifiable living individual). We process personal data in relation to participants in our clinical trials in the EEA, including the health and medical information of these participants. The GDPR is directly applicable in each EU and EEA Member State, however, it provides that EU and EEA Member States may introduce further conditions, including limitations which could limit our ability to collect, use and share personal data (including health and medical information), or could cause our compliance costs to increase, ultimately having an adverse impact on our business. The GDPR imposes onerous accountability obligations requiring data controllers and processors to maintain a record of their data processing and implement policies as part of its mandated privacy governance framework. It also requires data controllers to be transparent and disclose to data subjects (in a concise, intelligible and easily accessible form) how their personal information is to be used, imposes limitations on retention of personal data; defines pseudonymized (i.e., key-coded) data; introduces mandatory data breach notification requirements; and sets higher standards for data controllers to demonstrate that they have obtained valid consent for certain data processing activities. We are also subject to EEA rules with respect to cross-border transfers of personal data out of the EEA. Recent legal developments in the EU have created complexity and uncertainty regarding transfers of personal data from the EEA to the United States. On July 16, 2020, the Court of Justice of the European Union (“CJEU”) invalidated the EU-US Privacy Shield Framework (the “Privacy Shield”) under which personal data could be transferred from the EEA to US entities who had self-certified under the Privacy Shield scheme. While the CJEU upheld the adequacy, subject to certain conditions, of the standard contractual clauses (a standard form of contract approved by the European Commission as an adequate personal data transfer mechanism), future regulatory guidance could result in changes to the use of standard contractual clauses. As supervisory authorities issue further guidance on personal data export mechanisms, including circumstances where the standard contractual clauses cannot be used, and/or start taking enforcement action, we could suffer additional costs, complaints and/or regulatory investigations or fines, and/or if we are otherwise unable to transfer personal data between and among countries and regions in which we operate, it could affect the manner in which we operate and the geographical location or segregation of our relevant systems and operations, and could adversely affect our financial results.

We are subject to the supervision of local data protection authorities in those EU jurisdictions where we are subject to the GDPR, and we maintain an office in Belgium, which has its own set of stringent privacy and data protection laws and regulations. Fines for certain breaches of the GDPR are significant: up to the greater of €20 million or 4% of total global annual turnover. Further, following the withdrawal of the UK from the EU on January 31, 2020, pursuant to the transitional arrangements agreed between the UK and the EU, we will have to comply with the GDPR and separately the GDPR as implemented in the UK, each regime having the ability to fine up to the greater of €20 million/ £17 million or 4% of global turnover. The relationship between the UK and the EU in relation to certain aspects of data protection law remains unclear, including how data transfers between EU member states and the UK will be treated. These changes may lead to additional compliance costs and could increase our overall risk. In addition to the foregoing, a breach of the GDPR or other applicable privacy and data protection laws and regulations could result in regulatory investigations, reputational damage, orders to cease / change our use of data, enforcement notices, or potential civil claims including class action type litigation.

Legal proceedings

From time to time, we may become involved in litigation or other legal proceedings. We are not currently a party to any litigation or legal proceedings that, in the opinion of our management, are likely to have a material adverse effect on our business. Regardless of outcome, litigation can have an adverse impact on our business, financial condition, results of operations and prospects because of defense and settlement costs, diversion of management resources and other factors.

Facilities

Our corporate headquarters is located in South San Francisco, California, where we lease and occupy approximately 39,000 square feet of office and laboratory space. The current term of our South San Francisco lease expires in March 2027, with an option to extend the term through March 2035.

We also have an office in Leuven, Belgium, where we lease and occupy approximately 5,400 square feet of office and laboratory space. The current term of our Leuven, Belgium lease expires in August 2023, with an option to extend the term through August 2028.

We believe our existing facilities are sufficient for our needs for the foreseeable future. To meet the future needs of our business, we may lease additional or alternate space, and we believe suitable additional or alternative space will be available in the future on commercially reasonable terms.

Employees

As of June 30, 2020, we had 67 full-time employees, including 55 employees engaged in research and development. None of our employees are represented by labor unions or covered by collective bargaining agreements. We consider our relationship with our employees to be good.

Management

Executive officers, significant employees and directors

The following table sets forth information regarding our executive officers and directors as of June 30, 2020:

Name	Age	Position(s)
Executive Officers and Employee Directors		
Lawrence M. Blatt, Ph.D.	58	Chief Executive Officer and Director
Leonid Beigelman, Ph.D.	62	President and Director
Lesley Ann Calhoun	54	Executive Vice President, Chief Financial Officer
Lucinda Y. Quan, J.D.	48	Executive Vice President, Chief Business Officer and General Counsel
Julian A. Symons, D.Phil.	59	Executive Vice President, Chief Scientific Officer
Significant Employees		
John Fry	57	Executive Vice President, Clinical Development
Matthew W. McClure, M.D.	49	Executive Vice President, Chief Medical Officer
Sushmita M. Chanda, Ph.D., DABT	54	Executive Vice President, Translational Safety Sciences
Non-Employee Directors		
Jack B. Nielsen	56	Chair and Director
K. Peter Hirth, Ph.D.	69	Director
Carole Nuechterlein	59	Director
Peter Moldt, Ph.D.	61	Director
Thomas Woiwode, Ph.D.	48	Director
Kathleen Sereda Glaub	67	Director

Executive officers and employee directors

Lawrence M. Blatt, Ph.D., has served as our Chief Executive Officer and a member of our board of directors since February 2018. Prior to co-founding the Company, Dr. Blatt served as the Global Head of Infectious Diseases and Vaccines at Janssen Pharmaceutical Companies of Johnson & Johnson, a pharmaceutical company, from November 2014 to February 2018. Dr. Blatt co-founded Alios BioPharma, Inc., a biotechnology company, and served as its Chief Executive Officer, President and Director from January 2009 until its acquisition by Janssen Pharmaceutical Companies of Johnson & Johnson in November 2014. Prior to Alios, he served as Chief Scientific Officer at InterMune, Inc., a biotechnology company, from 2002 to 2008. Dr. Blatt currently serves on the board of directors of ReViral Ltd. and previously served on the boards of directors of Alveo Technologies, Inc., which he co-founded in 2014, and Meissa Vaccines, Inc. Dr. Blatt received a B.S. in Microbiology from Indiana University Bloomington, an M.B.A. from California State University, Northridge, and a Ph.D. in Public Health Administration from the University of La Verne. We believe that Dr. Blatt's extensive experience as an

executive of several companies in the biopharmaceutical and biotechnology industries, his extensive knowledge of our company and his educational background provides him with the qualifications and skills necessary to serve as a member of our board of directors.

Leonid Beigelman, Ph.D., has served as President and a member of our board of directors since March 2018. Dr. Beigelman has over 30 years of experience in medicinal chemistry and drug discovery of small molecules and oligonucleotides. Prior to co-founding the Company, he was Vice President of Medicinal Chemistry and Global Head of Discovery of Janssen Pharmaceutical Companies of Johnson & Johnson, a pharmaceutical company, from September 2014 to March 2018, where he established the Center of Excellence in Nucleic Acids. Prior to that, Dr. Beigelman co-founded Alios BioPharma, Inc. and served as its Chief Scientific Officer before it was acquired by Janssen Pharmaceutical Companies of Johnson & Johnson in November 2014. From 2005 to 2009, Dr. Beigelman served as Vice President, Technical Operations at InterMune, Inc. leading teams in hepatitis C virus ("HCV") drug discovery. From 2002 to 2005, Dr. Beigelman worked at Transgenomic, Inc., a biotechnology company, as Vice President of Nucleic Acids Chemistry. While at Ribozyme Pharmaceuticals Inc., a biotechnology company, from 1992 to 2002 (which became SiRNA Pharmaceuticals, Inc.), Dr. Beigelman assumed positions including Senior Director of Chemistry and Biochemistry. Dr. Beigelman received his Ph.D. in Bioorganic Chemistry from The Institute of Molecular Biology (USSR Academy of Sciences) and completed his post-doctoral training at the Department of Pharmacology, Yale University Medical school. We believe that Dr. Beigelman's extensive experience as an executive of several companies in the biopharmaceutical and biotechnology industries, his extensive knowledge of our company and his educational background provides him with the qualifications and skills necessary to serve as a member of our board of directors.

Lesley Ann Calhoun has served as our Executive Vice President, Chief Financial Officer since June 2020. From August 2016 to June 2020, Ms. Calhoun served in various roles at Global Blood Therapeutics, Inc., a drug discovery, development and commercial-stage biopharmaceutical company, including most recently as Senior Vice President, Finance & Administration and Chief Accounting Officer. Prior to these roles, Ms. Calhoun served as Vice President of Finance at Hyperion Therapeutics, Inc., a commercial stage biopharmaceutical company, from January 2013 to September 2015, continuing in her role after it was acquired by Horizon Pharma plc, a pharmaceutical company, in May 2015. Ms. Calhoun also previously served as Senior Director of Finance, Corporate Controller at Innoviva, Inc. (formerly Theravance, Inc.), a biopharmaceutical company, from August 2005 to January 2013. Earlier in her career, Ms. Calhoun was a member of the audit practice of Deloitte & Touche LLP from 1989 to 2001. Ms. Calhoun received her B.S. in Business Administration with a concentration in Accounting from San Francisco State University, College of Business and is a Certified Public Accountant (inactive).

Lucinda Y. Quan, J.D., has served as our Executive Vice President, Chief Business Officer & General Counsel since March 2018. Prior to joining the Company, Ms. Quan served as the Executive Director of Transactions, Business Development & Licensing at the West Coast Innovations Hub of Merck & Co., a multinational pharmaceutical company, from January 2016 to April 2018. From November 2013 to January 2016, Ms. Quan served as Vice President, Head of Legal Affairs at Alios BioPharma, Inc., which was acquired by Janssen Pharmaceutical Companies of Johnson & Johnson, a pharmaceutical company, in November 2014. She also served as Vice President, Legal Affairs & Associate General Counsel at InterMune, Inc. (acquired by Roche in September 2014) from September 2004 to November 2013. Prior to InterMune, Inc., Ms. Quan spent seven years in private practice at various law firms, including Clifford Chance LLP, before transitioning to in-house. Ms. Quan received both her B.A. in Business Economics and J.D. from the University of California, Los Angeles.

Julian A. Symons, D.Phil., has served as our Executive Vice President, Chief Scientific Officer since May 2018. Prior to joining the Company, from January 2010 to March 2015, Dr. Symons served in various roles at Alios BioPharma, Inc., which was acquired by Janssen Pharmaceutical Companies of Johnson & Johnson, a pharmaceutical company, in November 2014, including Senior Director, Product Development from January

2013 to March 2015, and Vice President, Disease Area Research & Development Leader, Respiratory Infections from March 2015 to April 2018. Prior to his time with Alios BioPharma, Inc., Dr. Symons held positions with the Pharmaceutical Division of F. Hoffman-La Roche Ltd and the Departments of Medicine at the University of Edinburgh (1986 – 1990), University of Sheffield (1990 – 1994) and the Sir William Dunn School of Pathology, University of Oxford (1994 – 1999). Dr. Symons received a B.Sc. (Hons) I in Biochemistry and Physiology from the University of Central Lancashire, UK and a D.Phil. in Immunology and Autoimmunity from the University of York, UK.

Significant employees

John Fry has served as our Executive Vice President, Clinical Development since September 2018. Prior to joining the Company, Mr. Fry joined Alios Biopharma, Inc. in March 2011, serving in various roles including Vice President, Clinical Development, from February 2012 until its acquisition by Janssen Pharmaceutical Companies of Johnson & Johnson, a pharmaceutical company, in November 2014, and Vice President, Head of Early Development, Infectious Diseases from November 2014 to August 2018. Mr. Fry received an R.N. from Medway School of Nursing (now part of Canterbury Christ Church University) and a BSc (hons) from the School of Biology, Sussex University, UK.

Matthew W. McClure, M.D., has served as our Executive Vice President and Chief Medical Officer since August 2019. Prior to joining the Company, Dr. McClure served as Chief Medical Officer at Second Genome, Inc., a biotechnology company, from March 2018 to June 2019. From November 2012 to March 2018, Dr. McClure served as Senior Director at Alios BioPharma, Inc., which was acquired by Janssen Pharmaceutical Companies of Johnson & Johnson, a pharmaceutical company, in November 2014. Prior to his tenure at Alios BioPharma, Inc., Dr. McClure held positions with Portola Pharmaceuticals, Inc. Dr. McClure received a B.S. in Biochemistry and Cell Biology from the University of California, San Diego, and an M.D. from Duke University School of Medicine.

Sushmita M. Chanda, Ph.D., has served as our Executive Vice President, Translational Safety Sciences, since August 2018. Prior to joining the Company, from February 2010 to July 2018, Dr. Chanda served as Vice President, Preclinical Development at Alios BioPharma, Inc., which was acquired by Janssen Pharmaceutical Companies of Johnson & Johnson, a pharmaceutical company. Prior to Alios BioPharma, Dr. Chanda served as the Senior Director and Head of Nonclinical Safety at F. Hoffman-La Roche Ltd, a multinational healthcare company, from 2000 to 2010. Prior to Roche, she was a toxicologist at Sugen Inc., a pharmaceutical company (bought by Pfizer), from May 1998 to January 2000. Dr. Chanda is a Diplomate of American Board of Toxicology (DABT). Dr. Chanda received her B.S. and M.S. from Birla Institute of Technology, Mesra, India and a Ph.D. in Toxicology and Pharmacology from the University of Louisiana at Monroe. She completed her post-doctoral fellowship in Toxicology at USEPA through the University of North Carolina at Chapel Hill.

Non-employee directors

Kathleen Sereda Glaub has served as a member of our board of directors since October 2019. Ms. Glaub is co-founder and executive chair of CuraSen Therapeutics, Inc., a biotechnology company, a position she has held since October 2018. She also serves as a director on the boards of Escient Pharmaceuticals, Inc., a biotechnology company, and IO Biotech ApS, a Danish biotechnology company. She previously served on the boards of Codexis, Inc., a publicly traded protein engineering company, from September 2014 to September 2019 and Afferent Pharmaceuticals, Inc., a biotechnology company, from November 2013 to October 2016. Ms. Glaub also served as the Chief Executive Officer of Afferent Pharmaceuticals from August 2014 to October 2016. Ms. Glaub also served as president of Plexxicon Inc. for 12 years. Previously, she held positions as senior vice president and chief financial officer of Cell Genesys, Inc., a biotechnology company, treasurer of Genentech,

Inc., a biotechnology company, and various finance and treasury roles with Intel Corporation, a technology company. Ms. Glaub received a B.A. from the University of California, Berkeley, and an M.B.A. from Northwestern University Kellogg School of Management. We believe that Ms. Glaub's extensive experience in strategy, business development, strategic transactions, financing and operations in both private and public biotechnology companies provides her with the qualifications and skills necessary to serve as a member of our board of directors.

K. Peter Hirth, Ph.D., has served as a member of our board of directors since August 2018. In 2001, Dr. Hirth co-founded Plexxikon, Inc., a pharmaceutical company, and served as its Chief Executive Officer until April 2013. Dr. Hirth currently serves on the boards of directors of Vaxcyte, Inc., a publicly traded biotechnology company, and several private companies. Dr. Hirth holds a M.Sc. and Ph.D. in Molecular Genetics from Heidelberg University, Germany and completed his post-doctoral work at the University of California, San Diego. We believe that Dr. Hirth's extensive experience in the biopharmaceutical and biotechnology industries and his educational background provides him with the qualifications and skills necessary to serve as a member of our board of directors.

Peter Moldt, Ph.D., has served as a member of our board of directors since August 2018. Since May 2012, Dr. Moldt has been employed as a Senior Partner with Novo Ventures (US) Inc., which provides certain consultancy services to Novo Holdings A/S, a Danish limited liability company that manages investments and financial assets. From 2009 to May 2012, Dr. Moldt was employed as a Partner with Novo Holdings A/S. Dr. Moldt founded and served as Chief Executive Officer of Curalogic A/S, a publicly listed Danish pharmaceutical company, from 2004 through its liquidation in 2009. From 2000 to 2004, Dr. Moldt was Chief Operating Officer of 7TM Pharma A/S, a private biotechnology company, which he also co-founded. For the prior 11 years, Dr. Moldt held various positions with NeuroSearch A/S, a publicly listed Danish biotechnology company, including Director of Drug Development where he was responsible for all aspects of preclinical and clinical drug development. Dr. Moldt currently serves on the board of directors of several private biotechnology and biopharmaceutical companies and previously served on the board of directors of Corvus Pharmaceuticals, Inc., a publicly traded company, from 2015 to January 2019. He received an M.Sc. and a Ph.D. in Pharmacy and Medicinal Chemistry from the Royal Danish School of Pharmacy. He also completed his post-doctoral training at Yale University in the Department of Organic Chemistry. We believe that Dr. Moldt's extensive experience in the biopharmaceutical and biotechnology industries, including as a venture capital investor in, and director of, several biotechnology companies, and his educational background provides him with the qualifications and skills necessary to serve as a member of our board of directors.

Jack B. Nielsen has served as a member our board of directors since August 2018. Since August 2017, Mr. Nielsen has also served as a Managing Director at Vivo Capital LLC, a healthcare focused investment firm. Prior to March, 2017, Mr. Nielsen worked within the Novo Holdings A/S organization and its venture activities since 2001 in several roles, most recently being employed as a Senior Partner based in Copenhagen, Denmark. From 2006 to 2012, Mr. Nielsen was employed as a Partner at Novo Ventures (US) Inc. in San Francisco, where he established the office which provides certain consultancy services to Novo Holdings A/S. Mr. Nielsen is currently a member of the board of directors of Reata Pharmaceuticals, Inc. and ALX Oncology Holdings Inc., both of which are publicly traded companies, and a number of private companies. Mr. Nielsen, in the past, has served on the boards of directors of Akebia Therapeutics, Inc., Crinetics Pharmaceuticals, Inc., Merus, N.V. and Apollo Endosurgery, Inc., each of which is publicly traded. Mr. Nielsen received a M.Sc. in Chemical Engineering from the Technical University of Denmark and a Masters in Management of Technology and Economics from the Center for Technology, Economics and Management, Technical University of Denmark. We believe that Mr. Nielsen's experience as a venture capital investor in and director of life sciences companies provides him with the qualifications and skills necessary to serve as a member of our board of directors.

Carole Nuechterlein, J.D., has served as a member of our board of directors since August 2018. Ms. Nuechterlein joined F. Hoffmann-La Roche Ltd. in 2001 and currently serves as a Deputy Director and Head of the Roche Venture Fund. She currently serves as a member of the boards of directors of Millendo Therapeutics, Inc., a publicly traded biopharmaceutical company, BCTG Acquisition Corp., a publicly traded special purpose acquisition company, and a number of private companies, including Entrada Therapeutics, Inc., MacuLogix, Inc., Vivet Therapeutics, CiVi Biopharma, Inc., Mission Therapeutics Ltd., Arch Oncology, Inc., Second Genome, Inc., and Lysosomal Therapeutics Inc. Ms. Nuechterlein previously served as a member of the board of directors of the publicly traded gene therapy company AveXis, Inc., from October 2014 to May 2017, prior to its acquisition by Novartis International AG. She received a B.A. in English and Humanities from Valparaiso University and a J.D. from the University of Michigan. We believe that Ms. Nuechterlein's extensive experience as a venture capital investor in, and director of, several biotechnology companies, provides her with the qualifications and skills necessary to serve as a member of our board of directors.

Thomas Woiwode, Ph.D., has served as a member of our board of directors since August 2018. Dr. Woiwode has served in various roles at Versant Venture Management, LLC, a healthcare investment firm, since 2002, including serving as a Managing Director since July 2014. He also served as the Chief Operating Officer of Okairos AG, a biopharmaceutical company developing genetic vaccines for major infectious diseases, from April 2011 until May 2013 when it was acquired by GlaxoSmithKline plc. Prior to Okairos, Dr. Woiwode co-founded EuroVentures, a wholly owned biotechnology incubator within Versant Ventures, and in this role, served as the founding Chief Business Officer for three biotechnology companies created within Versant Ventures. Before joining Versant Ventures, Dr. Woiwode served as a Research Scientist at XenoPort, Inc., a biopharmaceutical company. He currently serves on the boards of directors of Gritstone Oncology, Inc., a publicly traded immuno-oncology company, Passage Bio, Inc., a publicly traded genetic medicines company, and Adverum Biotechnologies, Inc., a publicly traded gene therapy company, as well as several private companies. He previously served on the board of directors of Audentes Therapeutics, Inc., a publicly traded AAV-based genetic medicines company, from July 2013 to July 2017 and CRISPR Therapeutics AG, a publicly traded biopharmaceutical company, from April 2014 to June 2019. Dr. Woiwode holds a B.A. in English and a B.S. in Chemistry from the University of California, Berkeley and a Ph.D. in Chemistry from Stanford University. We believe that Dr. Woiwode's experience in the biopharmaceutical and biotechnology industries, his educational background and his experience as a venture capital investor in life sciences companies provides him with the qualifications and skills necessary to serve as a member of our board of directors.

Board composition

Director independence

Our board of directors currently consists of nine members. Our board of directors has determined that all of our directors, other than Dr. Blatt and Dr. Beigelman, qualify as "independent" directors in accordance with the Nasdaq Global Market listing requirements. Dr. Blatt and Dr. Beigelman are not considered independent because they are employees of Aligos Therapeutics, Inc. The Nasdaq Global Market's independence definition includes a series of objective tests, such as that the director is not, and has not been for at least three years, one of our employees and that neither the director nor any of his or her family members has engaged in various types of business dealings with us. In addition, as required by the Nasdaq Global Market rules, our board of directors has made a subjective determination as to each independent director that no relationship exists that, in the opinion of our board of directors, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. In making these determinations, our board of directors reviewed and discussed information provided by the directors and us with regard to each director's business and personal activities and relationships as they may relate to us and our management. There are no family relationships among any of our directors or executive officers.

Classified board of directors

In accordance with our amended and restated certificate of incorporation to be in effect immediately prior to the closing of this offering, 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, we expect that our directors will be divided among the three classes as follows:

- the Class I directors will be , and , and their terms will expire at the annual meeting of stockholders to be held in ;
- the Class II directors will be , and , and their terms will expire at the annual meeting of stockholders to be held in ; and
- the Class III directors will be , and , and their terms will expire at the annual meeting of stockholders to be held in .

Our amended and restated certificate of incorporation 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.

Voting arrangements

In December 2019, we entered into an Amended and Restated Voting Agreement (the "Voting Agreement"), with certain holders of our capital stock, including certain members of, and affiliates of, our board of directors and certain of our executive officers.

Pursuant to the Voting Agreement, each of Vivo Capital Fund VIII, L.P. or Vivo Capital Surplus Fund VIII, L.P., Versant Venture Capital VI, L.P., Roche Finance Ltd, Novo Holdings A/S and an additional stockholder has the right to designate one member to be elected to our board of directors, subject to maintaining certain ownership minimums. The Voting Agreement will terminate by its terms in connection with the closing of this offering and none of our stockholders will have any continuing rights regarding the election or designation of members of our board of directors following this offering.

Leadership structure of the board

Our amended and restated bylaws and corporate governance guidelines that will be in effect upon the closing of this offering will provide our board of directors with flexibility to combine or separate the positions of Chairman of the board of directors and Chief Executive Officer.

Our board of directors has concluded that our current leadership structure is appropriate at this time. However, our board of directors will continue to periodically review our leadership structure and may make such changes in the future as it deems appropriate.

Role of board in risk oversight process

Risk assessment and oversight are an integral part of our governance and management processes. Our board of directors encourages management to promote a culture that incorporates risk management into our corporate

strategy and day-to-day business operations. Management discusses strategic and operational risks at regular management meetings, and conducts specific strategic planning and review sessions during the year that include a focused discussion and analysis of the risks facing us. Throughout the year, senior management reviews these risks with the board of directors at regular board meetings as part of management presentations that focus on particular business functions, operations or strategies, and presents the steps taken by management to mitigate or eliminate such risks.

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. While our board of directors is responsible for monitoring and assessing strategic risk exposure, our audit committee is responsible for overseeing our major financial risk exposures and the steps our management has taken to monitor and control these exposures. The audit committee also monitors compliance with legal and regulatory requirements and considers and approves or disapproves any related person transactions. Our nominating and corporate governance committee monitors the effectiveness of our corporate governance guidelines. Our compensation committee assesses and monitors whether any of our compensation policies and programs has the potential to encourage excessive risk-taking.

Board committees

Audit committee

Our audit committee oversees our corporate accounting and financial reporting process. Among other matters, the audit committee:

- appoints our independent registered public accounting firm;
- evaluates the independent registered public accounting firm's qualifications, independence and performance;
- determines the terms of engagement of the independent registered public accounting firm;
- reviews and approves the scope of the annual audit and the audit fee;
- discusses with management and the independent registered public accounting firm the results of the annual audit and the review of our quarterly financial statements;
- approves the retention of the independent registered public accounting firm to perform any proposed permissible non-audit services;
- monitors the rotation of partners of the independent registered public accounting firm on our engagement team in accordance with requirements established by the SEC;
- is responsible for reviewing our audited consolidated financial statements and our management's discussion and analysis of financial condition and results of operations to be included in our annual and quarterly reports to be filed with the SEC;
- reviews our critical accounting policies and estimates;
- reviews all related party transactions on an ongoing basis;
- establishes procedures for the receipt, retention and treatment of complaints received by us regarding accounting, internal controls or auditing matters;

- annually reviews and assesses treasury functions including cash management process;
- discusses on a periodic basis, or as appropriate, with management, our policies and procedures with respect to risk assessment;
- investigates any matters received, and reports to the Board periodically, with respect to ethics issues, complaints and associated investigations; and
- reviews the audit committee charter and the committee's performance at least annually.

The current 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 rules and regulations of the SEC and the Nasdaq Global Market. Our board of directors has determined that is an audit committee financial expert as defined under the applicable rules of the SEC and has the requisite financial sophistication as defined under the applicable rules and regulations of the Nasdaq Global Market. Under the rules of the SEC, members of the audit committee must also meet heightened independence standards. Our board of directors has determined that each of the members of our audit committee are independent under the applicable rules of the SEC and the Nasdaq Global Market. The audit committee operates under a written charter that satisfies the applicable standards of the SEC and the Nasdaq Global Market.

Compensation committee

Our compensation committee oversees policies relating to compensation and benefits of our officers and employees. Among other things, the compensation committee:

- reviews and approves or recommends corporate goals and objectives relevant to compensation of our executive officers, other than our Chief Executive Officer;
- evaluates the performance of our executive officers in light of those goals and objectives and approves the compensation of these officers based on such evaluations;
- reviews and approves or makes recommendations to our board of directors regarding the issuance of stock options and other awards under our stock plans to our executive officers, other than our Chief Executive Officer;
- reviews the performance of our Chief Executive Officer and makes recommendations with respect to his compensation to our board of directors, which retains the authority to make compensation decisions relative to our Chief Executive Officer;
- evaluates compliance with applicable compensation rules, regulations, guidelines and other laws, as applicable; and
- reviews the performance of the compensation committee and its members, including compliance by the compensation committee at least annually.

The current members of our compensation committee are , and . serves as the chair of the committee. Each of the members of our compensation committee is independent under the applicable rules and regulations of the Nasdaq Global Market and is a "non-employee director" as defined in Rule 16b-3 promulgated under the Exchange Act. The compensation committee operates under a written charter that satisfies the applicable standards of the SEC and the Nasdaq Global Market.

Nominating and corporate governance committee

The nominating and corporate governance committee is responsible for making recommendations to our board of directors regarding candidates for directorships and the size and composition of our board of directors. In addition, the nominating and corporate governance committee is responsible for overseeing our corporate governance policies and reporting and making recommendations to our board of directors concerning governance matters. The current members of our nominating and corporate governance committee are , and . serves as the chair of the committee. Each of the members of our nominating and corporate governance committee is an independent director under the applicable rules and regulations of the Nasdaq Global Market relating to nominating and corporate governance committee independence. The nominating and corporate governance committee operates under a written charter that satisfies the applicable standards of the SEC and the Nasdaq Global Market.

Compensation committee interlocks and insider participation

During the year ended December 31, 2019, our compensation committee consisted of Ms. Nuechterlein, Mr. Nielsen, Dr. Hirth and Dr. Woiwode. None of the members of our compensation committee during 2019 nor any of the current members of our compensation committee has at any time been one of our officers or employees. None of our executive officers currently serves, or in the past fiscal year has served, as a member of the board of directors or compensation committee of any entity that has one or more executive officers on our board of directors or compensation committee. For a description of transactions between us and members of our compensation committee and affiliates of such members, please see the section titled “Certain relationships and related party transactions.”

Board diversity

Upon consummation of this offering, our nominating and corporate governance committee will be responsible for reviewing with the board of directors, on an annual basis, the appropriate characteristics, skills and experience required for the board of directors as a whole and its individual members. In evaluating the suitability of individual candidates (both new candidates and current members), the nominating and corporate governance committee, in recommending candidates for election, and the board of directors, in approving (and, in the case of vacancies, appointing) such candidates, may take into account many factors, including but not limited to the following:

- personal and professional integrity;
- ethics and values;
- experience in corporate management, such as serving as an officer or former officer of a publicly held company;
- experience as a board member of another publicly held company;
- experience in the life sciences industry;
- diversity of expertise and experience in substantive matters pertaining to our business relative to other board members;
- conflicts of interest; and
- business judgment.

Currently, our board of directors evaluates, and following the consummation of this offering will evaluate, each individual in the context of the board of directors as a whole, with the objective of assembling a group that can best exercise oversight of management and the business and effectively represent stockholder interests through the exercise of sound business judgment using its diversity and depth of experience in these various areas.

Code of business conduct and ethics

Prior to the closing of this offering, our board of directors will adopt a code of business conduct and ethics that will apply to all of our employees, officers and directors, including those officers responsible for financial reporting. Following the consummation of this offering, the code of business conduct and ethics will be available on our website. We expect that any amendments to the code, or any waivers of its requirements, will be disclosed on our website or in public filings.

Limitation of liability and indemnification matters

Our amended and restated certificate of incorporation, which will become effective immediately prior to the closing of this offering, will contain provisions that limit the liability of our directors for monetary damages to the fullest extent permitted by Delaware law. Consequently, our directors will not be personally liable to us or our stockholders for monetary damages for any breach of fiduciary duties as directors, except liability for:

- any breach of the director's duty of loyalty to us or our stockholders;
- any act or omission not in good faith or that involves intentional misconduct or a knowing violation of law;
- unlawful payments of dividends or unlawful stock repurchases or redemptions as provided in Section 174 of the Delaware General Corporation Law; or
- any transaction from which the director derived an improper personal benefit.

Each of our amended and restated certificate of incorporation and amended and restated bylaws, which will become effective immediately prior to the closing of this offering, will provide that we are required to indemnify our directors and officers, in each case to the fullest extent permitted by Delaware law. Our amended and restated bylaws will also obligate us to advance expenses incurred by a director or officer in advance of the final disposition of any action or proceeding, and 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 that capacity regardless of whether we would otherwise be permitted to indemnify him or her under Delaware law. We have entered and expect to continue to enter into agreements to indemnify our directors, executive officers and other employees as determined by our board of directors. With specified exceptions, these agreements provide for indemnification for related expenses including, among other things, attorneys' fees, judgments, fines and settlement amounts incurred by any of these individuals in any action or proceeding. We believe that these bylaw provisions and indemnification agreements are necessary to attract and retain qualified persons as directors and officers. We also maintain directors' and officers' liability insurance.

The limitation of liability and indemnification provisions that will be included in our amended and restated certificate of incorporation and amended and restated bylaws may discourage stockholders from bringing a lawsuit against our directors and officers for breach of their fiduciary duty. They may also reduce the likelihood of derivative litigation against our directors and officers, even though an action, if successful, might benefit us and our stockholders. Further, a stockholder's investment may be adversely affected to the extent that we pay the costs of settlement and damage.

Director and executive compensation

Director compensation

Historically, we have not had a formalized non-employee director compensation program. However, Dr. Hirth and Ms. Glaub earned $30,000 and $5,000, respectively, for their board service in 2019. In addition, we reimburse our non-employee directors for travel and other necessary business expenses incurred in the performance of their services for us.

The following table sets forth information concerning the compensation earned by our non-employee directors during the year ended December 31, 2019.

Name	Fees earned or paid in cash ($)	Stock awards (1) ($)	Option awards (1) ($)	All other compensation ($)	Total ($)
K. Peter Hirth, Ph.D.(1)	30,000	—	—	—	30,000
Kathleen Sereda Glaub	5,000	—	—	—	5,000

(1) As of December 31, 2019, Dr. Hirth held 233,334 restricted shares of our common stock acquired upon exercise of an option prior to vesting. Upon a termination of Dr. Hirth's service, we have the right to repurchase any unvested shares at the original purchase price, which was $0.14 per share. The restricted shares vest, and our right of repurchase lapses, in equal monthly installments through August 16, 2022, subject to Dr. Hirth continuing to provide services to the Company through the applicable vesting date.

We intend to approve and implement a compensation policy for our non-employee directors to be effective on the consummation of this offering.

Executive compensation

The following is a discussion and analysis of compensation arrangements of our named executive officers ("NEOs"). This discussion contains forward looking statements that are based on our current plans, considerations, expectations and determinations regarding future compensation programs. Actual compensation programs that we adopt may differ materially from currently planned programs as summarized in this discussion. As an "emerging growth company" as defined in the JOBS Act, we are not required to include a Compensation Discussion and Analysis section and have elected to comply with the scaled disclosure requirements applicable to emerging growth companies.

We seek to ensure that the total compensation paid to our executive officers is reasonable and competitive. Compensation of our executives is structured around the achievement of individual performance and near-term corporate targets as well as long-term business objectives.

Our NEOs for fiscal year 2019 were as follows: Lawrence M. Blatt, Chief Executive Officer, Leonid Beigelman, President and Lucinda Y. Quan, Executive Vice President, Chief Business Officer and General Counsel.

2019 summary compensation table

The following table sets forth total compensation paid to our named executive officers for the fiscal year ended on December 31, 2019.

Name and principal position	Year	Salary ($)	Non-equity incentive plan compensation ($)(1)	All other compensation ($)(2)	Total ($)
Lawrence M. Blatt Ph.D., Chief Executive Officer	2019	475,000	180,500	18,866	674,366
Leonid Beigelman, Ph.D., President	2019	400,000	152,000	2,957	554,957
Lucinda Y. Quan, J.D., Executive Vice President, Chief Business Officer and General Counsel	2019	325,000	108,063	11,200	444,263

(1) Amounts shown represent the annual performance-based cash bonuses earned by our NEOs based on the achievement of certain performance objectives during 2019. These amounts were paid to the NEOs in early 2020. Please see the descriptions of the annual performance bonuses paid to our named executive officers under the section titled "2019 bonuses" below.

(2) Amounts shown for Dr. Blatt and Ms. Quan include matching contributions of $11,200 under our 401(k) plan and amounts shown for Drs. Blatt and Beigelman include $7,666 and $2,957, respectively, paid by us in lieu of the employee portion of premiums for health and welfare benefits, including medical, dental and vision benefits, which is a benefit not available to all salaried employees.

Narrative to summary compensation table

2019 salaries

Our NEOs each receive a base salary to compensate the NEO for services rendered to our company. 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.

For fiscal year 2019, Drs. Blatt and Beigelman and Ms. Quan had an annual base salary of $475,000, $400,000 and $325,000, respectively.

Our board of directors and compensation committee may adjust base salaries from time to time in their discretion.

2019 bonuses

We maintain an annual performance-based cash bonus program in which each of our NEOs participated in 2019. Each NEO's target bonus is expressed as a percentage of his or her annual base salary which can be achieved by meeting company and individual goals at target level. The 2019 annual bonuses for Drs. Blatt and Beigelman were targeted at 40% and for Ms. Quan at 35% of their respective base salaries.

For determining performance bonus amounts, our board of directors set certain corporate performance goals applicable to each of our NEOs. For our Chief Executive Officer, our board of directors also set certain individual performance goals after receiving input from our Chief Executive Officer. Our Chief Executive Officer set individual performance goals for each other executive after receiving input from the executive. Following its review and determinations of corporate performance for 2019, our board of directors determined an achievement level of 95% and approved a bonus pool to be allocated among all the employees, including each NEO. The board then determined a 2019 individual performance achievement level of 100% for our Chief

Executive Officer, and our Chief Executive Officer determined that each other executive had achieved his or her 2019 individual performance goals at a level of 100%. The actual amount of the 2019 annual bonus paid to each NEO for 2019 performance are set forth above in the 2019 Summary compensation table in the column titled “Non-equity incentive plan compensation.”

Equity-based compensation

We intend to adopt a 2020 Incentive Award Plan (the “Award Plan”), in order to facilitate the grant of cash and equity incentives to directors, employees (including our NEOs) and consultants of our company and certain of its affiliates and to enable us to obtain and retain services of these individuals, which is essential to our long-term success. We expect that the Award Plan will be effective on the date on which it is adopted by our board of directors, subject to approval of such plan by our stockholders. For additional information about the Award Plan, please see the section titled “Equity compensation plans” below.

Other elements of compensation

Retirement savings and health and welfare benefits

We currently maintain a 401(k) retirement savings plan for our employees, including our NEOs, who satisfy certain eligibility requirements. Our NEOs are eligible to participate in the 401(k) plan on the same terms as other full-time employees. We match 100% of a participant’s annual eligible contribution to the 401(k) plan, up to 4% of their annual base salary or up to the IRS limit, whichever is lower. We believe that providing a vehicle for tax-deferred retirement savings though our 401(k) plan adds to the overall desirability of our executive compensation package and further incentivizes our employees, including our NEOs, in accordance with our compensation policies.

All of our full-time employees, including our named executive officers, are eligible to participate in our health and welfare plans, including medical, dental and vision benefits; short-term and long-term disability insurance; and life and AD&D insurance.

Perquisites and other personal benefits

We determine perquisites on a case-by-case basis and will provide a perquisite to an NEO when we believe it is necessary to attract or retain the NEO. In 2019, except for amounts paid on behalf of Drs. Blatt and Beigelman for the employee portion of health and welfare plan premiums, we did not provide any perquisites or personal benefits to our NEOs not otherwise made available to our other employees.

Outstanding equity awards at 2019 fiscal year end

The following table lists all outstanding equity awards held by our NEOs as of December 31, 2019.

		Option awards				Stock awards	
Name	Vesting commencement date	Number of securities underlying unexercised options (#) exercisable	Number of securities underlying unexercised options (#) unexercisable	Option exercise price ($)	Option expiration date	Number of shares that have not vested (#)	Market value of shares or units of shares that have not vested as ($)(4)
Lawrence M. Blatt, Ph.D.	3/2/2018(1)	—	—	—	—	2,531,250	936,563
Leonid Beigelman, Ph.D.	4/15/2018(1)	—	—	—	—	2,625,000	971,250
Lucinda Y. Quan, J.D.	03/15/2018(2)	—	—	—	—	914,063	210,234
	03/19/2018(3)	—	—	—	—	751,202	277,945
	03/19/2018(3)	—	—	—	—	30,049	11,118

(1) The shares of restricted stock vest and are no longer subject to a risk of forfeiture in substantially equal monthly installments through the fourth anniversary of the vesting commencement date, subject to the holder's continuing to provide services to us through the applicable vesting date. In the event of a change in control the vesting of the shares will be fully accelerated.

(2) Constitute shares of restricted stock acquired by Ms. Quan upon exercise of a stock option prior to vesting. Unvested shares of restricted stock may be repurchased by us at the original exercise price of $0.14 per share upon a termination of Ms. Quan's services to us. The unvested shares vest in substantially equal monthly installments through the fourth anniversary of the vesting commencement date, subject to Ms. Quan's continued service to us through the applicable vesting date. In the event that Ms. Quan is terminated without cause or resigns for good reason, then the vesting of the shares that would have vested within the six-month period following her termination of employment will be accelerated, or in the event such resignation or termination occurs during the twelve month period commencing on a change in control, then the vesting of the shares will be fully accelerated.

(3) The shares of restricted stock vest and become no longer subject to a risk of forfeiture in substantially equal monthly installments through the third anniversary of the vesting commencement date, subject to the Ms. Quan continuing to provide services to us through the applicable vesting date. In the event that, within the period of time 60 days prior to and ending one year following a change in control, Ms. Quan is terminated without cause or resigns for good reason, then the vesting of the shares will be fully accelerated.

(4) The market value of shares that have not vested is calculated by subtracting any repurchase price from the fair market value of our common stock as of December 31, 2019 which our board of directors determined to be $0.37 per share.

Narrative to 2019 summary compensation table and outstanding equity awards at 2019 fiscal year end

Executive compensation arrangements

Employment agreements

On August 16, 2018, we entered into employment agreements with Drs. Blatt and Beigelman setting forth the terms and conditions of their employment. The employment agreements provide for an annual base salary of $475,000 for Dr. Blatt and $400,000 for Dr. Beigelman per year. The employment agreements provided for the grant of 4,500,000 shares of restricted stock and that upon a change in control (as defined in the employment agreement) all shares of restricted stock will immediately vest in full and any risk of forfeiture will lapse. The employment agreements entitle Drs. Blatt and Beigelman to an annual performance bonus targeted at 40% of their annual base salary as determined by our board of directors and/or compensation committee.

In the event Dr. Blatt or Beigelman resigns for good reason or we terminate Dr. Blatt's or Beigelman's employment without cause (in each case as defined in the employment agreement), in addition to any accrued obligations, he is entitled to amount equal to two times the sum of (i) his annual base salary (as of the date of

termination) and (ii) the bonus earned for the calendar year preceding termination of employment, as well as continued healthcare coverage under our medical plan paid or reimbursed by us for up to two years. The severance amount will be paid in substantially equal installments over a 24-month period. Payment of severance is contingent on providing us a general release of claims.

In the event Dr. Blatt or Beigelman resigns for good reason or we terminate Dr. Blatt's or Beigelman's employment without cause, in each case, within the twelve month period commencing on a change in control, in addition to any accrued obligations, he is entitled to receive as severance an amount equal to the present value of his average annual compensation for the five-year period, or such lesser period during which he has then been employed by us, ending with the calendar year immediately preceding the year in which the change in control occurs, as well as continued healthcare coverage under our medical plan paid or reimbursed by us for up to three years. The severance amount will be paid in substantially equal installments over a 12-month period. Payment of severance is contingent on providing us a general release of claims.

On May 14, 2019, we entered into an offer letter with Ms. Quan to confirm the terms and conditions of her employment. The offer letter provides for an annual base salary of $325,000 per year and entitles Ms. Quan to an annual performance bonus targeted at 35% of her annual base salary as determined at our sole discretion. Ms. Quan has also executed our standard confidential information and invention assignment agreement.

In the event Ms. Quan resigns for good reason or we terminate Ms. Quan's employment without cause (in each case as defined in the offer letter), Ms. Quan is entitled to the following: (i) six months of base salary continuation, (ii) continued healthcare coverage under our medical plan for up to six months, (iii) accelerated vesting of any equity award that would have vested within the six-month period following her termination of employment or, if such resignation or termination occurs during the 12 month period commencing on a change in control, accelerated vesting of all equity awards and (iv) all vested options as of her termination date, after giving effect to any accelerated vesting of options will remain exercisable until the earlier of the three-year anniversary of her termination of employment, or the original expiration date of the applicable option. The severance amount will be payable in substantially equal installments for a six-month period. Payment of severance is contingent on providing us a general release of claims. Ms. Quan also has certain accelerated vesting for her restricted stock grants from March 2018 and July 2018, as described in the "Outstanding equity awards at 2019 fiscal year end" table above.

For purposes of the employment agreements, "cause" means (i) material breach of any of the executive's representations or obligations contained in the employment agreement, including a willful failure or refusal to perform the job duties and responsibilities assigned to him by us, which if such material breach is reasonably susceptible of cure is not cured after 30 days have elapsed following the date on which we give written notice of such breach; (ii) conviction of, or plea of guilty or nolo contendere to, any felony or any crime involving moral turpitude; (iii) participation in a fraud, act of dishonesty or misappropriation or similar conduct against us; (iv) conduct that is materially injurious to us or our affiliates or subsidiaries, monetarily or otherwise; (v) improper use or disclosure of our confidential or proprietary information; or (vi) obtaining a direct or indirect personal benefit from the transfer or use of our trade secrets or intellectual property other than on our behalf.

For purposes of the employment agreements, "good reason" means, subject to notice and cure, the continuance of any of the following events without the executive's written consent: (i) any material breach of the terms of the employment agreement by us; (ii) any material restriction or diminution in the executive's responsibilities; (iii) introduction of a requirement that Dr. Blatt report to an officer or employee instead of directly to the board or that Dr. Biegelman report to anyone other than the Chief Executive Officer; (iv) any change in the location of the executive's principal place of employment that increases the executive's one-way commute in excess of 50 miles from the executive's principal place of employment prior to such change; and (v) any material failure by

us to pay the executive's annual base salary, earned bonuses, or benefits that the executive is entitled to receive under the employment agreement, or any material reduction by us of the executive's annual base salary under the employment agreement, provided, however, that if we institute a company-wide reduction in salaries, bonuses and benefits for other executive management team members, such reduction will not be deemed material.

For purposes of Ms. Quan's offer letter, "cause" means (i) material breach of any of Ms. Quan's representations or obligations contained in the offer letter, including Ms. Quan's willful failure or refusal to perform the job duties and responsibilities assigned to her by us, which if such material breach is reasonably susceptible of cure is not cured after 30 days have elapsed following the date on which we give written notice of such breach; (ii) conviction of, or plea of guilty or *nolo contendere* to, any felony or any crime involving moral turpitude; (iii) participation in a fraud, act of dishonesty or misappropriation or similar conduct against us; (iv) conduct that is materially injurious to us or our affiliates or subsidiaries, monetarily or otherwise; (v) improper use or disclosure of our confidential or proprietary information; or (vi) obtaining a direct or indirect personal benefit from the transfer or use of our trade secrets or intellectual property other than on our behalf.

For purposes of Ms. Quan's offer letter, "good reason" means, subject to notice and cure, the continuance of any of the following events without Ms. Quan's written consent: (i) any material breach of the terms of the offer letter by us; (ii) any material restriction or diminution in Ms. Quan's responsibilities; (iii) any change in the location of Ms. Quan's principal place of employment that increases Ms. Quan's one-way commute in excess of fifty miles from Ms. Quan's principal place of employment prior to such change; and (iv) any material failure by us to pay Ms. Quan's annual base salary, bonuses that Ms. Quan has earned, or benefits that Ms. Quan is entitled to receive under the offer letter or any material reduction by us of Ms. Quan's annual base salary under the offer letter, provided, however, that if we institute a company-wide reduction in salaries, bonuses and benefits for other executive management team members, such reduction will not be deemed material.

For purposes of Drs. Blatt and Beigelman's employment agreements and Ms. Quan's offer letter, "change in control" means the consummation of any of the following (x) sale of all or substantially all of our assets, (y) a sale of all of the shares held by our stockholders or (z) any merger, consolidation, sale of a majority of our capital stock (other than in a transaction described in clause (y)) or other similar transaction involving us and as a result of which the holders of our capital stock immediately prior to the transaction will own less than 50% of the voting power of the our capital stock following the transaction.

Equity compensation plans

The following summarizes the material terms of the 2020 Incentive Award Plan (the "Award Plan") we intend to adopt in connection with this offering as the long-term incentive compensation plan in which our NEOs will be eligible to participate following the consummation of this offering, our 2018 Equity Incentive Plan (the "2018 Plan"), under which we have previously made periodic grants of equity and equity-based awards to our named executive officers and other employees, and the 2020 Employee Stock Purchase Plan (the "ESPP") we intend to adopt in connection with this offering to provide our employees an opportunity to purchase our common stock at a discount to fair market value.

2020 Incentive award plan

We intend to adopt the Award Plan, which will be effective on the pricing of this offering. The principal purpose of the Award Plan is to attract, retain and motivate selected employees, consultants and directors through the granting of stock-based compensation awards and cash-based performance bonus awards. The material terms of the Award Plan, as it is currently contemplated, are summarized below.

Share Reserve. Under the Award Plan, shares of our common stock will be initially reserved for issuance pursuant to a variety of stock-based compensation awards, including stock options, stock appreciation rights ("SARs"), restricted stock awards, restricted stock unit awards and other stock-based awards. The number of shares initially reserved for issuance or transfer pursuant to awards under the Award Plan will be increased by an annual increase on the first day of each fiscal year beginning in 2021 and ending in 2030, equal to the lesser of (A) % of the shares of stock outstanding (on an as converted basis) on the last day of the immediately preceding fiscal year and (B) such smaller number of shares of stock as determined by our board of directors; provided, however, that no more than shares of stock may be issued upon the exercise of incentive stock options.

The following counting provisions will be in effect for the share reserve under the Award Plan:

- to the extent that an award terminates, expires or lapses for any reason or an award is settled in cash without the delivery of shares, any shares subject to the award at such time will be available for future grants under the 2020 Plan;
- to the extent shares are tendered or withheld to satisfy the grant, exercise price or tax withholding obligation with respect to any award under the Award Plan, such tendered or withheld shares will be available for future grants under the Award Plan;
- to the extent shares subject to stock appreciation rights are not issued in connection with the stock settlement of stock appreciation rights on exercise thereof, such shares will be available for future grants under the Award Plan;
- to the extent that shares of our common stock are repurchased by us prior to vesting so that shares are returned to us, such shares will be available for future grants under the Award Plan;
- the payment of dividend equivalents in cash in conjunction with any outstanding awards will not be counted against the shares available for issuance under the Award Plan; and
- to the extent permitted by applicable law or any exchange rule, shares issued in assumption of, or in substitution for, any outstanding awards of any entity acquired in any form of combination by us or any of our subsidiaries will not be counted against the shares available for issuance under the Award Plan.

Administration. The compensation committee of our board of directors is expected to administer the Award Plan unless our board of directors assumes authority for administration. The compensation committee must consist of at least three members of our board of directors, each of whom is intended to qualify as a "non-employee director" for purposes of Rule 16b-3 under the Exchange Act and an "independent director" within the meaning of the rules of the Nasdaq Global Market, or other principal securities market on which shares of our common stock are traded. The Award Plan provides that our board of directors or compensation committee may delegate its authority to grant awards to employees other than executive officers and certain senior executives of the company to a committee consisting of one or more members of our board of directors or one or more of our officers, other than awards made to our non-employee directors, which must be approved by our full board of directors.

Subject to the terms and conditions of the Award Plan, the administrator has the authority to select the persons to whom awards are to be made, to determine the number of shares to be subject to awards and the terms and conditions of awards, and to make all other determinations and to take all other actions necessary or advisable for the administration of the Award Plan. The administrator is also authorized to adopt, amend or rescind rules relating to administration of the Award Plan. Our board of directors may at any time remove the compensation committee as the administrator and revest in itself the authority to administer the Award Plan. The full board of directors will administer the Award Plan with respect to awards to non-employee directors.

Eligibility. Options, SARs, restricted stock, restricted stock units and all other stock-based and cash-based awards under the Award Plan may be granted to individuals who are then our officers, employees or consultants or are the officers, employees or consultants of certain of our subsidiaries. Such awards also may be granted to our directors. Only employees of our company or certain of our subsidiaries may be granted incentive stock options ("ISOs").

Awards. The Award Plan provides that the administrator may grant or issue stock options, SARs, restricted stock, restricted stock units, other stock- or cash-based awards and dividend equivalents, or any combination thereof. Each award will be set forth in a separate agreement with the person receiving the award and will indicate the type, terms and conditions of the award.

- *Nonstatutory Stock Options ("NSOs")* will provide the right to purchase shares of our common stock at a specified price which may not be less than fair market value on the date of grant, and usually will become exercisable (at the discretion of the administrator) in one or more installments after the grant date, subject to the participant's continued employment or service with us and/or subject to the satisfaction of corporate performance targets and individual performance targets established by the administrator. NSOs may be granted for any term specified by the administrator that does not exceed ten years.
- *Incentive Stock Options* will be designed in a manner intended to comply with the provisions of Section 422 of the Code and will be subject to specified restrictions contained in the Code. Among such restrictions, ISOs must have an exercise price of not less than the fair market value of a share of common stock on the date of grant, may only be granted to employees, and must not be exercisable after a period of ten years measured from the date of grant. In the case of an ISO granted to an individual who owns (or is deemed to own) at least 10% of the total combined voting power of all classes of our capital stock, the Award Plan provides that the exercise price must be at least 110% of the fair market value of a share of common stock on the date of grant and the ISO must not be exercisable after a period of five years measured from the date of grant.
- *Restricted Stock* may be granted to any eligible individual and made subject to such restrictions as may be determined by the administrator. Restricted stock, typically, may be forfeited for no consideration or repurchased by us at the original purchase price if the conditions or restrictions on vesting are not met. In general, restricted stock may not be sold or otherwise transferred until restrictions are removed or expire. Purchasers of restricted stock, unlike recipients of options, will have voting rights and will have the right to receive dividends, if any, prior to the time when the restrictions lapse, however, extraordinary dividends will generally be placed in escrow, and will not be released until restrictions are removed or expire.
- *Restricted Stock Units* may be awarded to any eligible individual, typically without payment of consideration, but subject to vesting conditions based on continued employment or service or on performance criteria established by the administrator. Like restricted stock, restricted stock units may not be sold, or otherwise transferred or hypothecated, until vesting conditions are removed or expire. Unlike restricted stock, stock underlying restricted stock units will not be issued until the restricted stock units have vested, and recipients of restricted stock units generally will have no voting or dividend rights prior to the time when vesting conditions are satisfied.
- *Stock Appreciation Rights* may be granted in connection with stock options or other awards, or separately. SARs granted in connection with stock options or other awards typically will provide for payments to the holder based upon increases in the price of our common stock over a set exercise price. The exercise price of any SAR granted under the Award Plan must be at least 100% of the fair market value of a share of our common stock on the date of grant. SARs under the Award Plan will be settled in cash or shares of our common stock, or in a combination of both, at the election of the administrator.

- *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.
- *Dividend Equivalents* represent the right to receive the equivalent value of dividends paid on shares of our common stock and may be granted alone or in tandem with awards other than stock options or SARs. Dividend equivalents are credited as of dividend payments dates during the period between a specified date and the date such award terminates or expires, as determined by the plan administrator. In addition, dividend equivalents with respect to shares covered by a performance award will only be paid to the participant at the same time or times and to the same extent that the vesting conditions, if any, are subsequently satisfied and the performance award vests with respect to such shares.

Any award may be granted as a performance award, meaning that the award will be subject to vesting and/or payment based on the attainment of specified performance goals.

Change in Control. In the event of a change in control, unless the plan administrator elects to terminate an award in exchange for cash, rights or other property, or cause an award to accelerate in full prior to the change in control, such award will continue in effect or be assumed or substituted by the acquirer, provided that any performance-based portion of the award will be subject to the terms and conditions of the applicable award agreement. In the event the acquirer refuses to assume or replace awards granted, prior to the consummation of such transaction, awards issued under the Award Plan will be subject to accelerated vesting such that 100% of such awards will become vested and exercisable or payable, as applicable. The administrator may also make appropriate adjustments to awards under the Award Plan and is authorized to provide for the acceleration, cash-out, termination, assumption, substitution or conversion of such awards in the event of a change in control or certain other unusual or nonrecurring events or transactions.

Adjustments of Awards. In the event of any stock dividend or other distribution, stock split, reverse stock split, reorganization, combination or exchange of shares, merger, consolidation, split-up, spin-off, recapitalization, repurchase or any other corporate event affecting the number of outstanding shares of our common stock or the share price of our common stock that would require adjustments to the Award Plan or any awards under the Award Plan in order to prevent the dilution or enlargement of the potential benefits intended to be made available thereunder, the administrator will make appropriate, proportionate adjustments to: (i) the aggregate number and type of shares subject to the Award Plan; (ii) the number and kind of shares subject to outstanding awards and terms and conditions of outstanding awards (including, without limitation, any applicable performance targets or criteria with respect to such awards); and (iii) the grant or exercise price per share of any outstanding awards under the Award Plan.

Amendment and Termination. The administrator may terminate, amend or modify the Award Plan at any time and from time to time. However, we must generally obtain stockholder approval to the extent required by applicable law, rule or regulation (including any applicable stock exchange rule). Notwithstanding the foregoing, an option may be amended to reduce the per share exercise price below the per share exercise price of such option on the grant date and options may be granted in exchange for, or in connection with, the cancellation or surrender of options having a higher per share exercise price without receiving additional stockholder approval.

No incentive stock options may be granted pursuant to the Award Plan after the tenth anniversary of the effective date of the Award Plan, and no additional annual share increases to the Award Plan's aggregate share

limit will occur from and after such anniversary. Any award that is outstanding on the termination date of the Award Plan will remain in force according to the terms of the Award Plan and the applicable award agreement.

2018 Equity incentive plan

Our board of directors adopted the 2018 Plan on August 15, 2018, which was amended on December 23, 2019. Following this offering, and in connection with the effectiveness of our Award Plan, no further awards will be granted under the 2018 Plan. However, all outstanding awards under the 2018 Plan will continue to be governed by their existing terms under the 2018 Plan. Upon the circumstances set forth under the description of our Award Plan, shares subject to outstanding awards under the 2018 Plan will be added to the share reserve of the Award Plan. The purpose of the 2018 Plan is to attract, retain and motivate eligible persons whose present and potential contributions are important to our success by offering eligible persons an opportunity to participate in the 2018 Plan.

Share Reserve. Under the 2018 Plan, we have previously reserved 45,793,887 shares of common stock. Upon the effectiveness of the Award Plan, no additional stock awards may be granted under the 2018 Plan. Any equity awards granted under the 2018 Plan will remain subject to the terms of the 2018 Plan and applicable award agreement, until such outstanding awards that are stock options are exercised, terminate or expire by their terms, and until any restricted stock awards become vested, terminate or are forfeited.

Administration. Our board of directors or a committee appointed by our board of directors acts as the administrator of the 2018 Plan. The 2018 Plan provides that the board may delegate its authority to grant to a committee consisting of one or more members of our board of directors or one or more of our executive officers so long as such officer is a member of the board. Subject to the terms and conditions of the 2018 Plan, the administrator has the authority to select the persons to whom awards are to be made, to determine the number of shares to be subject to awards and the terms and conditions of awards, and to make all other determinations and to take all other actions necessary or advisable for the administration of the 2018 Plan. The administrator has the full power to implement and carry out the 2018 Plan.

Eligibility. Options, restricted stock, restricted stock units and other stock-based awards under the 2018 Plan may be granted to officers, employees, directors and consultants of the Company and its affiliates. Only employees of our company or certain of our subsidiaries may be granted ISOs.

Awards. The 2018 Plan provides for the grant or issue of stock options (both ISOs and NSOs), restricted stock, restricted stock units, other stock- or cash-based awards and dividend equivalents, or any combination thereof. Each award is set forth in a separate agreement with the person receiving the award which indicates the type, terms and conditions of the award.

Adjustments of Awards. In the event that the administrator determines that any dividend or other distribution, reorganization, merger, consolidation, combination, repurchase, recapitalization, liquidation, dissolution, or sale, transfer, exchange or other disposition of all or substantially all of the assets of our company, or sale or exchange of common stock or other securities, issuance of warrants or other rights to purchase common stock or other securities, or other similar corporate transaction or event, affects our common stock, as determined by the administrator, then the administrator may adjust as it may deem equitable, (a) the number of shares of common stock reserved for issuance under the 2018 Plan, (b) the number and kind of shares of common stock subject to outstanding awards, (c) the grant or exercise prices with respect to any award and (d) the terms and conditions of any awards, including any applicable financial or performance targets specified in an award agreement.

Change in Control. If a Change in Control (as defined in the 2018 Plan) occurs and awards are not continued, converted, assumed, or replaced with a substantially similar award by (i) the Company, or (ii) a successor entity

or its parent or subsidiary (an "Assumption"), and the participant continues to provide service to the Company, then immediately prior to the Change in Control such awards shall become fully vested, exercisable and/or payable, as applicable, and all forfeiture, repurchase and other restrictions on such awards shall lapse, in which case, such awards shall be canceled upon the consummation of the Change in Control in exchange for the right to receive the Change in Control consideration payable to other holders of Common Stock (A) which may be on such terms and conditions as apply generally to holders of Common Stock under the Change in Control documents (including, without limitation, any escrow, earn-out or other deferred consideration provisions) or such other terms and conditions as the administrator may provide, and (B) determined by reference to the number of shares subject to such awards and net of any applicable exercise price; provided that if the amount to which a participant would be entitled upon the settlement or exercise of such award at the time of the Change in Control is equal to or less than zero, then such award may be terminated without payment. The administrator shall determine whether an Assumption of an award has occurred in connection with a Change in Control.

Amendment and Termination. The administrator may terminate or amend the 2018 Plan at any time and from time to time, provided that no amendment shall materially or adversely affect any award outstanding at the time of the amendment without the consent of the affected participant. However, we must generally obtain stockholder approval to the extent required by applicable law.

2020 Employee stock purchase plan

We intend to adopt and ask our stockholders to approve the ESPP, which will be effective upon the pricing of the offering to which this prospectus relates. The ESPP is designed to allow our eligible employees to purchase shares of our common stock, at semi-annual intervals, with their accumulated payroll deductions. The ESPP is intended to qualify under Section 423 of the Code. The material terms of the ESPP, as it is currently contemplated, are summarized below.

Administration. Subject to the terms and conditions of the ESPP, our compensation committee will administer the ESPP. Our compensation committee can delegate administrative tasks under the ESPP to the services of an agent and/or employees to assist in the administration of the ESPP. The administrator will have the discretionary authority to administer and interpret the ESPP. Interpretations and constructions of the administrator of any provision of the ESPP or of any rights thereunder will be conclusive and binding on all persons. We will bear all expenses and liabilities incurred by the ESPP administrator.

Share Reserve. The maximum number of shares of our common stock which will be authorized for sale under the ESPP is equal to the sum of (a) shares of common stock and (b) an annual increase on the first day of each year beginning in 2021 and ending in 2030, equal to the lesser of (i) 1% of the shares of common stock outstanding (on an as converted basis) on the last day of the immediately preceding fiscal year and (ii) such number of shares of common stock as determined by our board of directors; provided, however, that no more than shares of our common stock may be issued under the ESPP. The shares reserved for issuance under the ESPP may be authorized but unissued shares or reacquired shares.

Eligibility. Employees eligible to participate in the ESPP for a given offering period generally include employees who are employed by us or one of our subsidiaries on the first day of the offering period, or the enrollment date. Our employees (and, if applicable, any employees of our subsidiaries) who customarily work less than five months in a calendar year or are customarily scheduled to work less than 20 hours per week will not be eligible to participate in the ESPP. Finally, an employee who owns (or is deemed to own through attribution) 5% or more of the combined voting power or value of all our classes of stock or of one of our subsidiaries will not be allowed to participate in the ESPP.

Participation. Employees will enroll under the ESPP by completing a payroll deduction form permitting the deduction from their compensation of at least 1% of their compensation but not more than the lesser of 15% of their compensation or $50,000. Such payroll deductions may be expressed as either a whole number percentage or a fixed dollar amount, and the accumulated deductions will be applied to the purchase of shares on each purchase date. However, a participant may not purchase more than 15,000 shares in each offering period and may not subscribe for more than $25,000 in fair market value of shares of our common stock (determined at the time the option is granted) during any calendar year. The ESPP administrator has the authority to change these limitations for any subsequent offering period.

Offering. Under the ESPP, participants are offered the option to purchase shares of our common stock at a discount during a series of successive offering periods, the duration and timing of which will be determined by the ESPP administrator. However, in no event may an offering period be longer than 27 months in length.

The option purchase price will be the lower of 85% of the closing trading price per share of our common stock on the first trading date of an offering period in which a participant is enrolled or 85% of the closing trading price per share on the purchase date, which will occur on the last trading day of each offering period.

Unless a participant has previously canceled his or her participation in the ESPP before the purchase date, the participant will be deemed to have exercised his or her option in full as of each purchase date. Upon exercise, the participant will purchase the number of whole shares that his or her accumulated payroll deductions will buy at the option purchase price, subject to the participation limitations listed above.

A participant may cancel his or her payroll deduction authorization at any time prior to the end of the offering period. Upon cancellation, the participant will have the option to either (i) receive a refund of the participant's account balance in cash without interest or (ii) exercise the participant's option for the current offering period for the maximum number of shares of common stock on the applicable purchase date, with the remaining account balance refunded in cash without interest. Following at least one payroll deduction, a participant may also decrease (but not increase) his or her payroll deduction authorization once during any offering period. If a participant wants to increase or decrease the rate of payroll withholding, he or she may do so effective for the next offering period by submitting a new form before the offering period for which such change is to be effective.

A participant may not assign, transfer, pledge or otherwise dispose of (other than by will or the laws of descent and distribution) payroll deductions credited to a participant's account or any rights to exercise an option or to receive shares of our common stock under the ESPP, and during a participant's lifetime, options in the ESPP shall be exercisable only by such participant. Any such attempt at assignment, transfer, pledge or other disposition will not be given effect.

Adjustments upon Changes in Recapitalization, Dissolution, Liquidation, Merger or Asset Sale. In the event of any increase or decrease in the number of issued shares of our common stock resulting from a stock split, reverse stock split, stock dividend, combination or reclassification of the common stock, or any other increase or decrease in the number of shares of common stock effected without receipt of consideration by us, we will proportionately adjust the aggregate number of shares of our common stock offered under the ESPP, the number and price of shares which any participant has elected to purchase under the ESPP and the maximum number of shares which a participant may elect to purchase in any single offering period. If there is a proposal to dissolve or liquidate us, then the ESPP will terminate immediately prior to the consummation of such proposed dissolution or liquidation, and any offering period then in progress will be shortened by setting a new purchase date to take place before the date of our dissolution or liquidation. We will notify each participant of such change in writing at least ten business days prior to the new exercise date. If we undergo a merger with or into another corporation or sell all or substantially all of our assets, each outstanding option will be assumed or

an equivalent option substituted by the successor corporation or the parent or subsidiary of the successor corporation. If the successor corporation refuses to assume the outstanding options or substitute equivalent options, then any offering period then in progress will be shortened by setting a new purchase date to take place before the date of our proposed sale or merger. We will notify each participant of such change in writing at least ten business days prior to the new exercise date.

Amendment and Termination. Our board of directors may amend, suspend or terminate the ESPP at any time. However, the board of directors may not amend the ESPP without obtaining stockholder approval within 12 months before or after such amendment to the extent required by applicable laws.

Certain relationships and related party transactions

In addition to the compensation arrangements, including employment, termination of employment, severance and change in control arrangements, with our directors and executive officers, including those discussed in the sections titled “Management” and “Director and executive compensation,” the following is a description of each transaction since February 5, 2018 in which:

- we have been or are to be a participant;
- the amounts involved exceeded or will exceed $120,000; and
- any of our directors, executive officers or holders of more than 5% of our capital stock, or an affiliate or immediate family member thereof, had or will have a direct or indirect material interest.

Sales and purchases of securities

Series seed convertible note and warrant financing

In March 2018, we entered into a note and warrant purchase agreement pursuant to which we issued in April and June 2018 (i) convertible promissory notes (the “Seed Notes”), in an aggregate principal amount of $5.0 million and (ii) warrants to purchase shares of capital stock. The Seed Notes provided for an annual interest rate of 8%. Under the terms of the Seed Notes, under certain circumstances, the unpaid principal of the Seed Notes, including any accrued but unpaid interest thereon, would convert into preferred stock upon the closing of a future preferred stock financing that met specified criteria at the per share price of the preferred stock sold in the financing. In August 2018, as part of the issuance of Series A convertible preferred stock described below, the outstanding principal of $5.0 million under the Seed Notes, plus $0.1 million of accrued interest, converted into 5,107,264 shares of Series A convertible preferred stock at a rate of $1.00 per share in full payment for the note and accrued interest. In addition, each investor who purchased Seed Notes received a warrant to purchase, depending on the occurrence of certain events, a number of shares of either common stock or a future series of preferred stock equal 25% of the principal amount of Seed Notes purchased by an investor divided by the price per share of the common stock or future series of preferred stock issued, which resulted in the issuance of warrants to purchase an aggregate of 1,250,000 shares of our Series A convertible preferred stock. The table below sets forth the principal amount of convertible promissory notes and the number of warrants to purchase shares of Series A convertible preferred stock sold to our directors, executive officers or owners of more than 5% of our capital stock, or an affiliate or immediate family member thereof:

Name	Principal amount of Seed Notes	Number of shares of Series A convertible preferred stock underlying warrants issued in connection with the Seed Notes
Trusts affiliated with Lawrence M. Blatt, Ph.D.(1)	$ 1,400,000	350,000
Trusts affiliated with Leonid Beigelman, Ph.D.(2)	$ 1,400,000	350,000
Julian Symons, D.Phil.(3)	$ 100,000	25,000
Trust affiliated with Lucinda Quan, J.D.(4)	$ 50,000	12,500

(1) The purchasers are trusts affiliated with Lawrence M. Blatt, Ph.D, a member of our board of directors and one of our executive officers, and his immediate family members.

(2) The purchasers are trusts affiliated with Leonid Beigelman, Ph.D., a member of our board of directors and one of our executive officers, and his immediate family members.

(3) Julian Symons, D.Phil. is one of our executive officers.

(4) The purchaser is a trust affiliated with Lucinda Quan, J.D., one of our executive officers.

Series A convertible preferred stock financing

In August and September 2018, we issued an aggregate of 100,712,864 shares of our Series A convertible preferred stock at a price per share of $1.00 for aggregate proceeds to us of $100.7 million (including the cancellation of indebtedness and accrued interest thereon in exchange for which we issued certain of these shares) The table below sets forth the number of shares of Series A convertible preferred stock sold to our directors, executive officers or owners of more than 5% of our capital stock, or an affiliate or immediate family member thereof:

Name	Number of shares of Series A convertible preferred Stock	Purchase price ($)
Entities affiliated with Vivo Capital Fund(1)	20,000,000	20,000,000
Versant Venture Capital VI, L.P.(2)	20,000,000	20,000,000
Roche Finance Ltd(3)	20,000,000	20,000,000
Entities affiliated with Baker Brothers(4)	20,000,000	20,000,000
Novo Holdings A/S(5)	15,000,000	15,000,000
Trusts affiliated with Lawrence M. Blatt, Ph.D.(6)	1,429,732	1,429,732
Trusts affiliated with Leonid Beigelman, Ph.D.(7)	1,429,731	1,429,731
Julian Symons, D.Phil.(8)	102,422	102,422
Trust affiliated with Lucinda Quan, J.D.(9)	51,211	51,211

(1) (i) Vivo Capital Fund VIII, L.P. purchased 17,573,333 shares for a total purchase price of $17,573,333 and (ii) Vivo Capital Surplus Fund VIII, L.P. purchased 2,426,667 shares for a total purchase price of $2,426,667. Entities affiliated with Vivo Capital Fund became beneficial owners of (in the aggregate) more than 5% of our capital stock upon the initial closing of the transaction. Jack B. Nielsen, who is a member of our board of directors, is an affiliate of Vivo Capital Fund.

(2) Versant Venture Capital VI, L.P. became a beneficial owner of more than 5% of our capital stock upon the initial closing of the transaction. Thomas Woiwode, who is a member of our board of directors, is an affiliate of Versant Venture Capital VI, L.P.

(3) Roche Finance Ltd became a beneficial owner of more than 5% of our capital stock upon the initial closing of the transaction. Carole Nuechterlein, who is a member of our board of directors, is an affiliate of Roche Finance Ltd.

(4) (i) Baker Brothers Life Sciences, L.P. purchased 17,999,800 shares for a total purchase price of $17,999,800 and (ii) 667, L.P. purchased 2,000,200 shares for a total purchase price of $2,000,200.00. Entities affiliated with Baker Brothers became beneficial owners of (in the aggregate) more than 5% of our capital stock upon a subsequent closing of the transaction.

(5) Novo Holdings A/S became the beneficial owner of more than 5% of our capital stock upon the initial closing of the transaction. Peter Moldt, who is a member of our board of directors, is employed as a senior partner at Novo Ventures (US), Inc., which provides certain consultancy services to Novo Holdings A/S. Dr. Moldt is not deemed to hold any beneficiary ownership or reportable pecuniary interest in the shares held by Novo Holdings A/S.

(6) The purchasers are trusts affiliated with Lawrence M. Blatt, Ph.D., a member of our board of directors and one of our executive officers, and his immediate family members.

(7) The purchasers are trusts affiliated with Leonid Beigelman, Ph.D., a member of our board of directors and one of our executive officers, and his immediate family members.

(8) Julian Symons, D.Phil. is one of our executive officers.

(9) The purchaser is a trust affiliated with Lucinda Quan, J.D., one of our executive officers.

Series B convertible preferred stock financing

In December 2019, we issued an aggregate of 77,764,055 shares of our Series B-1 convertible preferred stock in the first tranche of our Series B convertible preferred stock financing at a price per share of $1.09305 for aggregate proceeds to us of $85 million. The table below sets forth the number of shares of Series B-1 convertible preferred stock sold to our directors, executive officers or owners of more than 5% of our capital stock, or an affiliate or immediate family member thereof:

Name	Number of shares of Series B-1 convertible preferred stock	Total purchase price ($)
Wellington Biomedical Innovation Master Investors (Cayman) I L.P.(1)	12,442,250	13,600,001
ATI Holdings LLC(2)	12,442,250	13,600,001
Entities affiliated with Versant Venture Capital(3)	6,177,090	6,751,868
Roche Finance Ltd(4)	6,177,090	6,751,868
Entities affiliated with Baker Brothers(5)	6,177,090	6,751,868
Entities affiliated with Vivo Capital Fund(6)	5,554,978	6,071,868
Novo Holdings A/S(7)	5,254,930	5,743,901
Trusts affiliated Leonid Beigelman, Ph.D.(8)	535,893	585,757
Trusts affiliated Lawrence M. Blatt, Ph.D.(9)	535,892	585,756
Julian Symons, D.Phil.(10)	31,633	34,576
Trust affiliated with Lucinda Quan, J.D.(11)	15,817	17,288

(1) Wellington Biomedical Innovation Master Investors (Cayman) I L.P. became a beneficial owner of more than 5% of our capital stock upon the initial closing of the transaction.

(2) ATI Holdings LLC became a beneficial owner of more than 5% of our capital stock upon the initial closing of the transaction.

(3) (i) Versant Venture Capital VI, L.P. purchased 1,853,127 shares of Series B-1 convertible preferred stock for a total purchase price of $2,025,560 and (ii) Versant Vantage I, L.P. purchased 4,323,963 shares of Series B-1 convertible preferred stock for a total purchase price of $4,726,307. Entities affiliated with Versant were beneficial owners of more than 5% of our capital stock at the time of the initial closing of the transaction. Thomas Woiwode, who is a member of our board of directors, is an affiliate of Versant Venture Capital VI, L.P.

(4) Roche Finance Ltd was a beneficial owner of more than 5% of our capital stock at the time of the initial closing of the transaction. Carole Nuechterlein, who is a member of our board of directors, is an affiliate of Roche Finance Ltd.

(5) (i) Baker Brothers Life Sciences, L.P. purchased 5,664,958 shares of Series B-1 convertible preferred stock for a total purchase price of $6,192,082 and (ii) 667, L.P. purchased 512,132 shares of Series B-1 convertible preferred stock for a total purchase price of $559,785. Entities affiliated with Baker Brothers were beneficial owners of (in the aggregate) more than 5% of our capital stock at the time of initial closing of the transaction.

(6) (i) Vivo Capital Fund VIII, L.P. purchased 4,880,974 shares of Series B-1 convertible preferred stock for a total purchase price of $5,335,149 and (ii) Vivo Capital Surplus Fund VIII, L.P. purchased 674,004 shares of Series B-1 convertible preferred stock for a total purchase price of $736,720. Entities affiliated with Vivo Capital Fund were beneficial owners of (in the aggregate) more than 5% of our capital stock at the time of the initial closing of the transaction. Jack B. Nielsen, who is a member of our board of directors, is an affiliate of Vivo Capital Fund.

(7) Novo Holdings A/S was the beneficial owner of more than 5% of our capital stock at the time of the initial closing of the transaction. Peter Moldt, who is a member of our board of directors, is employed as Senior Partner at Novo Ventures (US), Inc., which provides consulting services to Novo Holdings A/S. Dr. Moldt is not deemed to hold any beneficial ownership or pecuniary interest in the shares held by Novo Holdings A/S.

(8) The purchasers are trusts affiliated with Leonid Beigelman, Ph.D., a member of our board of directors and one of our executive officers, and his immediate family members.

(9) The purchasers are trusts affiliated with Lawrence M. Blatt, Ph.D., a member of our board of directors and one of our executive officers, and his immediate family members.

(10) Julian Symons, D.Phil. is one of our executive officers.

(11) The purchaser is a trust affiliated with Lucinda Quan, J.D., one of our executive officers.

Director and executive officer compensation

Please see the section titled “Director and executive compensation” for information regarding the compensation of our directors and executive officers.

Employment agreements

We have entered into employment agreements with our executive officers. For more information regarding these agreements, see the section titled “Director and executive compensation—Narrative to the summary compensation table” and “Director and executive compensation—Outstanding equity awards at 2019 fiscal year end.”

Indemnification agreements and directors’ and officers’ liability insurance

We have entered into or intend to enter into indemnification agreements with each of our directors and executive officers. These agreements will require us to, among other things, indemnify each director and executive officer to the fullest extent permitted by Delaware law, including indemnification of expenses such as attorneys’ fees, judgments, penalties, 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. We have obtained an insurance policy that insures our directors and officers against certain liabilities, including liabilities arising under applicable securities laws. For additional information see the section titled “Management—Limitation of liability and indemnification matters.”

Investors’ rights agreement

We entered into an amended and restated investors’ rights agreement with the purchasers of our outstanding preferred stock, including entities with which certain of our directors are affiliated. Following the consummation of this offering, the holders of approximately 184.3 million shares of our common stock, including the shares of common stock issuable upon the conversion of our preferred stock, will be entitled to rights with respect to the registration of their shares under the Securities Act. For a more detailed description of these registration rights, see the section titled “Description of capital stock—Registration rights.” The amended and restated investors’ rights agreement also provides for a right of first offer in favor of certain holders of preferred stock with regard to certain issuances of our capital stock. The rights of first offer will not apply to, and will terminate immediately before the closing of, this offering.

Voting agreement

We entered into an amended and restated voting agreement with certain holders of our common stock and preferred stock. Upon the closing of this offering, the amended and restated voting agreement will terminate. For a description of the amended and restated voting agreement, see the section titled “Management—Board composition—Voting arrangements.”

Right of first refusal and co-sale agreement

We entered into an amended and restated right of first refusal and co-sale agreement with certain holders of our common stock and preferred stock. This agreement provides for rights of first refusal (which are secondary to our right of first refusal) and co-sale relating to the shares of our common stock held by certain of our stockholders who are parties to the agreement. The amended and restated right of first refusal and co-sale agreement will terminate immediately prior to the closing of this offering.

Public offering participation rights

We entered into letter agreements in December 2019 with Baker Bros. Advisors LP and ATI Holdings LLC pursuant to which we granted Baker Bros. Advisors LP and ATI Holdings LLC participation rights to purchase a specified percentage of shares of our common stock in this offering at the public offering price, subject to compliance with applicable securities laws. The letter agreements terminate upon the closing of this offering.

Policies and procedures for related party transactions

Prior to the consummation of this offering, our board of directors will adopt a written related person transaction policy, to be effective upon the consummation of this offering, 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 and a related person had 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 with an unrelated third party 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 relating to the beneficial ownership of our common stock as of September 25, 2020, 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 current directors;
- each of our named executive officers; and
- all current directors and executive officers as a group.

The number of shares beneficially owned by each entity, person, director or executive officer is determined in accordance with the rules of the SEC, and the information is not necessarily indicative of beneficial ownership for any other purpose. Under such rules, beneficial ownership includes any shares over which the individual has sole or shared voting power or investment power as well as any shares that the individual has the right to acquire within 60 days of September 25, 2020 through the exercise of any stock option, warrants or other rights. Except as otherwise indicated, and subject to applicable community property laws, the persons named in the table have sole voting and investment power with respect to all shares of common stock held by that person.

The percentage of shares beneficially owned is computed on the basis of 217,040,078 shares of our common stock outstanding as of September 25, 2020, which reflects the assumed conversion of all of our outstanding shares of preferred stock into an aggregate of 178,951,919 shares of common stock. Shares of our common stock that a person has the right to acquire within 60 days of September 25, 2020 are deemed outstanding for purposes of computing the percentage ownership of the person holding such rights, but are not deemed outstanding for purposes of computing the percentage ownership of any other person, except with respect to the percentage ownership of all directors and executive officers as a group. The percentage ownership information under the column titled "Beneficial ownership after this offering" is based on the sale of shares of common stock in this offering, assuming no exercise of the underwriters' option to purchase additional shares. Unless otherwise indicated below, the address for each beneficial owner listed is c/o Aligos Therapeutics, Inc., One Corporate Dr., 2nd Floor, South San Francisco, California 94080.

	Beneficial ownership prior to this offering				Beneficial ownership after this offering	
Name of beneficial owner	Number of outstanding shares beneficially owned	Number of shares exercisable within 60 days	Number of shares beneficially owned	Percentage of beneficial ownership	Number of shares beneficially owned	Percentage of beneficial ownership
5% and greater stockholders:						
Roche Finance Ltd(1)	26,177,090	—	26,177,090	12.1%		
Entities affiliated with Versant Ventures(2)	26,177,090	—	26,177,090	12.1%		
Entities affiliated with Baker Bros. Advisors LP(3)	26,177,090	—	26,177,090	12.1%		
Entities affiliated with Vivo Capital(4)	25,554,978	—	25,554,978	11.8%		
Novo Holdings A/S(5)	20,254,930	—	20,254,930	9.3%		
Entities affiliated with Wellington Management(6)	12,442,250	—	12,442,250	5.7%		
Directors and Named Executive Officers:						
Lawrence M. Blatt, Ph.D.(7)	13,621,874	8,225,000	21,846,874	9.7%		
Leonid Beigelman, Ph.D.(8)	13,846,874	2,500,000	16,346,874	7.4%		
Lucinda Quan, J.D.(9)	3,567,028	374,678	3,941,706	1.8%		
Jack B. Nielsen	—	—	—	—		
K. Peter Hirth(10)	555,000	—	555,000	*		
Carole Nuechterlein	—	—	—	—		
Peter Moldt	—	—	—	—		
Thomas Woiwode, Ph.D.(11)	—	—	—	—		
Kathleen Sereda Glaub(12)	555,000	—	555,000	*		
All current directors and executive officers as a group (11 persons) (13)	35,779,831	13,673,863	49,453,694	21.4%		

* Represents beneficial ownership of less than one percent.

(1) Consists of (i) 20,000,000 shares of common stock issuable upon the conversion of the Series A convertible preferred stock directly held by Roche Finance Ltd ("Roche Finance") and (ii) 6,177,090 shares of common stock issuable upon the conversion of the Series B-1 convertible preferred stock directly held by Roche Finance. Roche Finance is a wholly owned subsidiary of Roche Holding Ltd ("Roche Holding"), a publicly held Swiss corporation, traded on the SIX Swiss Exchange. Carole Nuechterlein, a member of our board of directors, is an employee of F. Hoffmann-La Roche Ltd, a subsidiary of Roche Finance. The address of Roche Finance is Grenzacherstrasse 122, Basel, 4058 Switzerland and the address of Roche Holding is Grenzacherstrasse 124, Basel, 4058 Switzerland.

(2) Consists of (i) 20,000,000 shares of common stock issuable upon the conversion of the Series A convertible preferred stock directly held by Versant Venture Capital VI, L.P. ("Versant VI"), (ii) 4,323,963 shares of common stock issuable upon the conversion of the Series B-1 convertible preferred stock directly held by Versant Vantage I, L.P. ("Versant Vantage", and together with Versant VI, the "Versant Funds") and (iii) 1,853,127 shares of common stock issuable upon the conversion of the Series B-1 convertible preferred stock directly held by Versant VI. Versant Ventures VI GP, L.P. is the general partner of Versant VI and Versant Ventures VI GP-GP, LLC is the general partner of Versant Ventures VI GP, L.P. and has voting and dispositive control over the shares held by Versant VI. Each of Bradley J. Bolzon, Jerel C. Davis, Kirk G. Nielsen, Clare Ozawa, Robin L. Praeger and Thomas Woiwode Ph.D., the managing directors of Versant Ventures VI GP-GP, LLC, may be deemed to possess voting and dispositive control over the shares held by Versant VI and may be deemed to have indirect beneficial ownership of the shares held by Versant VI. Versant Vantage I GP, L.P. is the general partner of Versant Vantage and Versant Vantage I GP-GP, LLC is the general partner of Versant Vantage I GP, L.P. and has voting and dispositive control over the shares held by Versant Vantage. Each of Bradley J. Bolzon, Jerel C. Davis, Clare Ozawa, Robin L. Praeger and Thomas Woiwode Ph.D., the managing directors of Versant Vantage I GP-GP, LLC, may be deemed to possess voting and dispositive control over the shares held by Versant Vantage and may be deemed to have indirect beneficial ownership of the shares held by Versant Vantage. Dr. Woiwode is a member of our board of directors. The address for the Versant Funds is One Sansome Street, Suite 3630, San Francisco, CA 94104.

(3) Consists of (i) 2,000,200 shares of common stock issuable upon the conversion of the Series A convertible preferred stock directly held by 667, L.P. ("667"), (ii) 17,999,800 shares of common stock issuable upon the conversion of the Series A convertible preferred stock directly held by Baker Brothers Life Sciences, L.P. ("Life Sciences", and together with 667, the ("BBA Funds")), (iii) 512,132 shares of common stock issuable upon the conversion of the Series B-1 convertible preferred stock directly held by 667 and (iv) 5,664,958 shares of common stock issuable upon the conversion of the Series B-1 convertible preferred stock directly held by Life Sciences. Baker Bros. Advisors LP ("BBA") is the investment advisor to the BBA Funds and has the sole voting and investment power with respect to the shares held by the BBA Funds. Baker Bros. Advisors (GP) LLC ("BBA-GP") is the sole general partner of BBA. The managing members of BBA-GP are Julian C. Baker and Felix J. Baker and may be deemed to share voting and dispositive power over the shares held by the BBA Funds. The address of the BBA Funds is 860 Washington Street, 3rd Floor, New York, NY 10014.

(4) Consists of (i) 17,573,333 shares of common stock issuable upon the conversion of the Series A convertible preferred stock directly held by Vivo Capital Fund VIII, L.P. ("Vivo VIII"), (ii) 2,426,667 shares of common stock issuable upon the conversion of the Series A convertible preferred stock directly held by Vivo Capital Surplus Fund VIII, L.P. ("Vivo Surplus VIII", and together with Vivo VIII, the "Vivo Funds"), (iii) 4,880,974 shares of common stock issuable upon the conversion of the Series B-1 convertible preferred stock directly held by Vivo VIII and (iv) 674,004 shares of common stock issuable upon the conversion of the Series B-1 convertible preferred stock directly held by Vivo Surplus VIII. Vivo Capital VIII, LLC ("Vivo LLC") is the general partner of Vivo VIII and Vivo Surplus VIII and may be deemed the beneficial owner of the securities. The voting members of Vivo LLC are Frank Kung, Edgar Engleman and Shan Fu, who may be deemed to share voting and dispositive power over the shares held by the Vivo Funds. Mr. Nielsen, a member of our board of directors, is an affiliate of Vivo LLC. The address for the Vivo Funds is 192 Lytton Avenue, Palo Alto, CA 94301.

(5) Consists of (i) 15,000,000 shares of common stock issuable upon the conversion of the Series A convertible preferred stock directly held by Novo Holdings A/S ("Novo") and (ii) 5,254,930 shares of common stock issuable upon the conversion of the Series B-1 convertible preferred stock directly held by Novo. The board of directors of Novo has shared voting and investment power with respect to the shares held by Novo and may exercise such control only with the support of a majority of the members of the Novo board of directors. As such, no individual member of the Novo board of directors is deemed to hold any beneficial ownership or reportable pecuniary interest in the shares held by Novo. Dr. Moldt, a member of our board of directors, is employed as a Senior Partner at Novo Ventures (US), Inc., which provides certain consultancy services to Novo, and Dr. Moldt is not deemed to have beneficial ownership of the shares held by Novo. The address for Novo is Tuborg Havnevej 19, DK-2900 Hellerup, Denmark.

(6) Consists of 12,442,250 shares of common stock issuable upon the conversion of the Series B-1 convertible preferred stock directly held by Wellington Biomedical Innovation Master Investors (Cayman) I L.P. ("Wellington"). Wellington Management Company LLP is the investment advisor to Wellington and has investment and voting power over the shares held by Wellington. The address for Wellington is 280 Congress Street, Boston, MA 02210.

(7) Consists of (i) 11,531,250 shares of common stock directly held by Lawrence M. Blatt, (ii) 382,266 shares of common stock issuable upon the conversion of the Series A convertible preferred stock directly held by the Lawrence M. Blatt Living Trust dated 8/27/14 ("Living Trust"), (iii) 917,622 shares of common stock issuable upon the conversion of the Series A convertible preferred stock directly held by PENSCO Trust Company LLC FBO Dr. Lawrence Blatt IRA ("Blatt IRA"), (iv) 127,422 shares of common stock issuable upon the conversion of the Series A convertible preferred stock directly held by the Zachary David Blatt Irrevocable Trust dated 8/24/14 ("Zachary Blatt Trust"); (v) 127,422 shares of common stock issuable upon the conversion of the Series A convertible preferred stock directly held by Zoe Anne Blatt Irrevocable Trust 8/24/14 ("Zoe Blatt Trust"), (vi) 472,626 shares of common stock issuable upon the conversion of the Series B-1 convertible preferred stock directly held by the Living Trust, (vii) 31,633 shares of common stock issuable upon the conversion of the Series B-1 convertible preferred stock directly held by the Zachary Blatt Trust; (viii) 31,633 shares of common stock issuable upon the conversion of the Series B-1 convertible preferred stock directly held by the Zoe Blatt Trust, (ix) warrants directly held by the Blatt IRA to purchase 225,000 shares of common stock issuable upon the conversion of Series A convertible preferred stock and (x) 8,000,000 shares of common stock that may be acquired pursuant to the exercise of stock options within 60 days of September 25, 2020.

(8) Consists of (i) 9,571,250 shares of common stock directly held by Leonid Beigelman, (ii) 1,526,977 shares of common stock issuable upon the conversion of the Series A preferred stock directly held by the Beigelman and Lozovsky Living Trust ("Living Trust"), (iii) 126,377 shares of common stock issuable upon the conversion of the Series A convertible preferred stock directly held by Dina Beigelman Irrevocable Trust ("Dina Trust"), (iv) 126,377 shares of common stock issuable upon the conversion of the Series A convertible preferred stock directly held by the Victor Beigelman Irrevocable Trust ("Victor Trust"), (v) 473,271 shares of common stock issuable upon the conversion of the Series B-1 convertible preferred stock directly held by the Living Trust, (vi) 31,311 shares of common stock issuable upon the conversion of the Series B-1 convertible preferred stock directly held by the Dina Trust, (vii) 31,311 shares of common stock issuable upon the conversion of the Series B-1 convertible preferred stock directly held by the Victor Trust, (viii) 650,000 shares of common stock held by the Beigelman 2020 Grantor Retained Annuity Trust dated June 25, 2020, (ix) 330,000 shares of common stock held by the Dina Beigelman 2020 Irrevocable Trust, dated July 02, 2020, (x) 330,000 shares of common stock held by the Victor Beigelman 2020 Irrevocable Trust, dated July 02, 2020,

(xi) 650,000 shares of common stock held by the Lozovsky 2020 Grantor Retained Annuity Trust dated June 25, 2020 and (xii) 2,500,000 shares of common stock that may be acquired pursuant to the exercise of stock options within 60 days of September 25, 2020.

(9) Consists of (i) 3,500,000 shares of common stock directly held by Lucinda Quan, (ii) 51,211 shares of common stock issuable upon the conversion of the Series A convertible preferred stock directly held by the LYQ Trust, dated August 22, 2010 ("LYQ Trust"), (iii) 15,817 shares of common stock issuable upon the conversion of the Series B-1 convertible preferred stock directly held by the LYQ Trust, (iv) warrants directly held by the LYQ Trust to purchase 12,500 shares of common stock issuable upon the conversion of Series A convertible preferred stock and (v) 362,178 shares of common stock that may be acquired pursuant to the exercise of stock options within 60 days of September 25, 2020.

(10) Consists of 555,000 shares of common stock directly held by K. Peter Hirth.

(11) Consists of the shares described in footnote (2) above.

(12) Consists of 555,000 shares of common stock directly held by Kathleen Sereda Glaub.

(13) Consists of (i) 31,172,500 shares of common stock, (ii) 13,411,363 shares of common stock that may be acquired pursuant to the exercise of stock options within 60 days of September 25, 2020, (iii) 4,607,331 shares of common stock issuable upon conversion of preferred stock and (iv) warrants to purchase 262,500 shares of common stock issuable upon the conversion of Series A convertible preferred stock.

Description of capital stock

The following summary describes our capital stock and certain provisions of our amended and restated certificate of incorporation and our amended and restated bylaws, which will become effective immediately prior to the closing of this offering, the amended and restated investors' rights agreement to which we and certain of our stockholders are parties and of the Delaware General Corporation Law. Because the following is only a summary, it does not contain all of the information that may be important to you. For a complete description, you should refer to our amended and restated certificate of incorporation, amended and restated bylaws and amended and restated investors' rights agreement, copies of which have been filed as exhibits to the registration statement of which this prospectus is part.

General

Immediately prior to the closing of this offering, we will file our amended and restated certificate of incorporation that authorizes shares of common stock, $0.0001 par value per share, and shares of preferred stock, $0.0001 par value per share. As of June 30, 2020, there were outstanding:

- 216,566,632 shares of our common stock, on an as-converted basis, held by approximately 77 stockholders of record; and
- 20,938,237 shares of our common stock issuable upon exercise of outstanding stock options.

In connection with this offering, we expect to consummate a -for- reverse stock split of our common stock and preferred stock.

Common stock

Voting rights

Each holder of our common stock is entitled to one vote for each share on all matters submitted to a vote of the stockholders, including the election of directors. Our stockholders do not have cumulative voting rights in the election of directors. Accordingly, holders of a majority of the voting shares are able to elect all of the directors. In addition, the affirmative vote of holders of 66-2/3% of the voting power of all of the then outstanding voting stock will be required to take certain actions, including amending certain provisions of our amended and restated certificate of incorporation, such as the provisions relating to amending our amended and restated bylaws, our classified board and director liability.

Dividends

Subject to preferences that may be applicable to any then outstanding preferred stock, holders of our common stock are entitled to receive dividends, if any, as may be declared from time to time by our board of directors out of legally available funds.

Liquidation

In the event of our liquidation, dissolution or winding up, holders of our common stock will be entitled to share ratably in the net assets legally available for distribution to stockholders after the payment of all of our debts and other liabilities and the satisfaction of any liquidation preference granted to the holders of any then outstanding shares of preferred stock.

Rights and preferences

Holders of our common stock have no preemptive, conversion, subscription or other rights, and there are no redemption or sinking fund provisions applicable to our common stock. The rights, preferences and privileges of the holders of our common stock are subject to and may be adversely affected by the rights of the holders of shares of any series of our preferred stock that we may designate 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

As of June 30, 2020, there were 178,951,919 shares of preferred stock outstanding, held of record by 48 stockholders. Immediately upon the closing of this offering, all 178,951,919 outstanding shares of our preferred stock as of June 30, 2020, 2019 will be converted into an equivalent number of shares of our common stock. See Note 8 to our consolidated financial statements included elsewhere in this prospectus for a description of our currently outstanding preferred stock. Immediately prior to the closing of this offering, our amended and restated certificate of incorporation will be amended and restated to delete all references to such shares of preferred stock. From and after the consummation of this offering, our board of directors will have the authority, without further action by our stockholders, to issue up to shares of preferred stock in one or more series and to fix the rights, preferences, privileges and restrictions thereof. These rights, preferences and privileges could include dividend rights, conversion rights, voting rights, terms of redemption, liquidation preferences, sinking fund terms and the number of shares constituting, or the designation of, such series, any or all of which may be greater than the rights of common stock. The issuance of our preferred stock could adversely affect the voting power of holders of common stock and the likelihood that such holders will receive dividend payments and payments upon our liquidation. In addition, the issuance of preferred stock could have the effect of delaying, deferring or preventing a change in control of our company or other corporate action. Immediately after consummation of this offering, no shares of preferred stock will be outstanding, and we have no present plan to issue any shares of preferred stock.

Options

As of June 30, 2020, we had outstanding options to purchase 20,938,237 shares of our common stock, with a per share weighted-average exercise price of $0.34, under our 2018 Equity Incentive Plan.

Warrants

As of June 30, 2020, 775,000 shares of preferred stock were issuable upon exercise of our Series A Warrants, which will automatically exercise immediately prior to the closing of this offering if not earlier exercised. Immediately upon the consummation of this offering, all outstanding shares of our preferred stock will be converted into equivalent number of shares of our common stock, at an exercise price of $1.00 per share.

Registration rights

Under our amended and restated investors' rights agreement following the closing of this offering, the holders of approximately 184.3 million shares of common stock, or their transferees, will have the right to require us to register their shares under the Securities Act so that those shares may be publicly resold, and the holders of approximately 184.3 million shares of common stock, or their transferees, will have the right to include their shares in any registration statement we file, in each case as described below.

Form S-1 demand registration rights

After the closing of this offering, the holders of approximately 184.3 million shares of our common stock, or their transferees, will be entitled to certain Form S-1 demand registration rights. Beginning six months following the effectiveness of the registration statement of which this prospectus is a part, the holders of at least 30% of these shares can request that we register all or a portion of their shares, so long as such holders request that we register at least 20% of the shares entitled to these demand registration rights and the aggregate proceeds, net of underwriting discounts and commissions, would exceed $20 million if the first offering or $5 million after the first offering. These stockholders may make up to two requests for registration on Form S-1.

Form S-3 demand registration rights

After the closing of this offering, the holders of approximately 184.3 million shares of our common stock (on an as-converted basis), or their transferees, will be entitled to certain Form S-3 demand registration rights. If we are eligible to use a Form S-3 registration statement, the holders of these shares can request that we register all or a portion of their shares on a Form S-3 registration statement if the anticipated aggregate offering price is at least $2 million, net of underwriting discounts and commissions and certain other expenses related to the sale of the shares. These stockholders may make unlimited requests for registration on Form S-3, provided that we are not obligated to effect, or take any action to effect, a registration on Form S-3 if we have effected two registrations on Form S-3 pursuant to requests by these stockholders within the twelve month period immediately preceding such request.

Piggyback registration rights

After the closing of this offering, in the event that we determine to register any of our common stock under the Securities Act (subject to certain exceptions), either for our own account or for the account of other security holders, the holders of approximately 184.3 million shares of our common stock or their transferees will be entitled to certain “piggyback” registration rights allowing the holders to include their shares in such registration, subject to certain marketing and other limitations. As a result, whenever we propose to file a registration statement under the Securities Act, other than with respect to certain registrations, including related to the sale of securities to employees pursuant to employee benefit plans, the offer and sale of convertible debt securities, an SEC Rule 145 transaction, or a registration on any form that does not include substantially the same information as would be required to be included in a registration statement covering the sale of the registerable shares, the holders of these shares are entitled to notice of the registration and have the right to include their shares in the registration. In an underwritten offering, the underwriters have the right, subject to specified conditions, to limit the number of shares such holders may include.

Expenses of registration

We will pay the registration expenses, excluding underwriting discounts and commissions and certain other expenses, of the holders of the shares registered pursuant to the Form S-1 demand, Form S-3 demand and piggyback registration rights described above, including the reasonable expenses of one counsel for the selling holders not to exceed $50,000.

Expiration of registration rights

The Form S-1 demand, Form S-3 demand and piggyback registration rights described above will terminate, with respect to any particular stockholder, upon the earlier of (i) three years after the consummation of this offering,

(ii) following this offering, the date that Rule 144 or another similar exemption under the Securities Act is available to such stockholder for the sale of all of such stockholder's shares without limitation during a three-month period, or (iii) upon the consummation of a merger or consolidation.

Anti-takeover effects of provisions of our amended and restated certificate of incorporation, our amended and restated bylaws and Delaware law

Some provisions of Delaware law and our amended and restated certificate of incorporation and our amended and restated bylaws that will become effective immediately prior to the consummation of this offering contain provisions that could make the following transactions more difficult: acquisition of us by means of a tender offer; acquisition of us by means of a proxy contest or otherwise; or 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 interest or in our best interests, including transactions that might result in a premium over the market price for our shares.

These provisions, summarized below, are expected 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 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.

Delaware anti-takeover statute

We are subject to Section 203 of the Delaware General Corporation Law, which prohibits persons deemed "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, beneficially 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 the board of directors, such as discouraging takeover attempts that might result in a premium over the market price of our common stock.

Undesignated preferred stock

The ability to authorize undesignated preferred stock makes it possible for our board of directors to issue preferred stock with voting or other rights or preferences that could impede the success of any attempt to institute a change of control of our company. These and other provisions may have the effect of deterring hostile takeovers or delaying changes in control or management of our company.

Special stockholder meetings

Our amended and restated bylaws that will be in effect immediately prior to the closing of this offering will provide that a special meeting of stockholders may only be called by our board of directors, or by our President, Chief Executive Officer or the Chair of our board of directors.

Requirements for advance notification of stockholder nominations and proposals

Our amended and restated bylaws that will be in effect immediately prior to the closing of this offering will establish advance notice procedures with respect to stockholder proposals and the nomination of candidates for election as directors, other than nominations made by or at the direction of the board of directors or a committee of the board of directors.

Elimination of stockholder action by written consent

Our amended and restated certificate of incorporation and our amended and restated bylaws that will be in effect immediately prior to the closing of this offering will eliminate the right of stockholders to act by written consent without a meeting.

Classified board; election and removal of directors; filling vacancies

Our board of directors is divided into three classes. The directors in each class will serve for a three-year term, one class being elected each year by our stockholders. Only one class of directors will be elected at each annual meeting of our stockholders, with the other classes continuing for the remainder of their respective three-year terms. Because our stockholders do not have cumulative voting rights, our stockholders holding a majority of the shares of common stock outstanding will be able to elect all of our directors. Our amended and restated certificate of incorporation that will be in effect immediately prior to the closing of this offering will provide for the removal of any of our directors only for cause and will require a stockholder vote by the holders of at least a 66-2/3% of the voting power of the then outstanding voting stock. For more information on the classified board, see the section titled “Management—Board composition.” Furthermore, any vacancy on our board of directors, however occurring, including a vacancy resulting from an increase in the size of the board, may only be filled by a resolution of the board of directors unless the board of directors determines that such vacancies shall be filled by the stockholders. This system of electing and removing directors and filling vacancies 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 our directors.

Choice of forum

Our amended and restated 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 any state law derivative action or proceeding brought on our behalf; any action asserting a breach of fiduciary duty; any action asserting a claim against us arising pursuant to the Delaware General Corporation Law; or any action asserting a claim against us that is governed by the internal affairs doctrine. Our amended and restated certificate of incorporation will also provide that the federal district courts of the United States of America will be the exclusive forum for the resolution of any complaint asserting a cause of action against us or any of our directors, officers, employees or agents and arising under the Securities Act.

We believe these provisions may benefit us by providing increased consistency in the application of Delaware law and federal securities laws by chancellors and judges, as applicable, particularly experienced in resolving corporate disputes, efficient administration of cases on a more expedited schedule relative to other forums and protection against the burdens of multi-forum litigation. However, these provisions may have the effect of discouraging lawsuits against our directors and officers. The choice of forum provision requiring that the Court of Chancery of the State of Delaware be the exclusive forum for certain actions would not apply to suits brought to enforce any liability or duty created by the Exchange Act.

Our exclusive forum provision will not relieve us of our duties to comply with the federal securities laws and the rules and regulations thereunder, and our stockholders will not be deemed to have waived our compliance with these laws, rules and regulations.

Although our amended and restated certificate of incorporation will contain the choice of forum provisions described above, it is possible that a court could find that such a provision is inapplicable for a particular claim or action or that such provision is unenforceable.

Amendment of certificate of incorporation provisions

The amendment of any of the above provisions, except for the provision making it possible for our board of directors to issue undesignated preferred stock, would require approval by a stockholder vote by the holders of at least a 66-2/3% of the voting power of the then outstanding voting stock.

The provisions of the Delaware General Corporation Law, our amended and restated certificate of incorporation and our amended and restated bylaws 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 our 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.

Limitation of liability and indemnification matters

For a discussion of liability and indemnification, see the section titled “Management—Limitation of liability and indemnification matters.”

Nasdaq Global Market listing

We have applied to have our common stock approved for listing on the Nasdaq Global Market under the symbol “ALGS.”

Transfer agent and registrar

The transfer agent and registrar for our common stock is Continental Stock Transfer & Trust Co. The transfer agent and registrar’s address is 1 State Street, 30th Floor, New York, NY 10004.

Shares eligible for future sale

Prior to this offering, there has been no public market for our common stock, and we cannot assure investors that an active trading market for our common stock will develop or be sustained after this offering. Future sales of our common stock, including shares issued upon the exercise of outstanding options, in the public market after this offering, or the perception that those sales may occur, could cause the prevailing market price for our common stock to fall or impair our ability to raise equity capital in the future. As described below, only a limited number of shares of our common stock will be available for sale in the public market for a period of several months after consummation of this offering due to contractual and legal restrictions on resale described below.

Future sales of our common stock in the public market either before (to the extent permitted) or after such restrictions lapse, or the perception that those sales may occur, could adversely affect the prevailing market price of our common stock at such time and our ability to raise equity capital at a time and price we deem appropriate.

Sale of restricted shares

Based on the number of shares of our common stock outstanding as of June 30, 2020 and assuming an initial public offering price of $ per share (the midpoint of the price range set forth on the cover of this prospectus), upon the consummation of this offering and assuming (1) the conversion of all shares of our outstanding preferred stock as of June 30, 2020, (2) no exercise of the underwriters' option to purchase additional shares of common stock and (3) no exercise of any of our other outstanding options or warrants, we will have outstanding an aggregate of approximately shares of common stock.

All of the shares of common stock to be sold in this offering, and any shares sold upon exercise of the underwriters' option to purchase additional shares, will be freely tradable in the public market without restriction or further registration under the Securities Act, unless the shares are held by any of our "affiliates" as such term is defined in Rule 144 of the Securities Act. All remaining shares of common stock held by existing stockholders immediately prior to the consummation of this offering will be "restricted securities" as such term is defined in Rule 144. These restricted securities were issued and sold by us, or will be issued and sold by us, in private transactions and are eligible for public sale only if registered under the Securities Act or if they qualify for an exemption from registration under the Securities Act, including the exemptions provided by Rule 144 or Rule 701, which rules are summarized below.

As a result of the lock-up agreements referred to below and the provisions of Rule 144 and Rule 701 under the Securities Act, based on the number of shares of our common stock outstanding as of June 30, 2020 and assumptions (1)-(3) described above, the shares of our common stock (excluding the shares sold in this offering) that will be available for sale in the public market are as follows:

Approximate number of shares	First date available for sale into public market
shares	180 days after the date of this prospectus upon expiration of the lock-up agreements referred to below, subject in some cases to applicable volume limitations under Rule 144

Lock-up agreements

In connection with this offering, we, our directors, our executive officers and substantially all of our stockholders and other equityholders have agreed, subject to certain exceptions, with the underwriters not to 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), enter into any hedging, swap or other agreement or transaction that transfers, in whole or in part, any of the economic consequences of, or make any demand for, or exercise any right with respect to, the registration of, any shares of our common stock or any securities convertible into or exercisable or exchangeable for our common stock during the period from the date of the applicable lock-up agreement continuing through the date 180 days after the date of this prospectus, except with the prior written consent of J.P. Morgan Securities LLC, Jefferies LLC and Piper Sandler & Co. See the section titled "Underwriting" for additional information.

Subject to certain limitations, certain of our employees, including our executive officers, and/or directors, may enter into written trading plans that are intended to comply with Rule 10b5-1 under the Exchange Act. Sales under these trading plans would not be permitted until the expiration of the lock-up agreements described above.

Following the lock-up periods set forth in the agreements described above, and assuming that J.P. Morgan Securities LLC, Jefferies LLC and Piper Sandler & Co. on behalf of the underwriters do not release any parties from these agreements, all of the shares of our common stock that are restricted securities or are held by our affiliates as of the date of this prospectus will be eligible for sale in the public market in compliance with Rule 144 under the Securities Act.

Rule 144

In general, under Rule 144, as currently in effect, once we have been subject to the public company reporting requirements of the Exchange Act for at least 90 days, a person (or persons whose shares are required to be aggregated) who is not deemed to have been one of our "affiliates" for purposes of Rule 144 at any time during the three months preceding a sale, and who has beneficially owned restricted securities within the meaning of Rule 144 for at least six months, including the holding period of any prior owner other than one of our "affiliates," is entitled to sell those shares in the public market (subject to the lock-up agreement referred to above, if applicable) without complying with the manner of sale, volume limitations or notice provisions of Rule 144, but subject to compliance with the public information requirements of Rule 144. If such a person has beneficially owned the shares proposed to be sold for at least one year, including the holding period of any prior owner other than "affiliates," then such person is entitled to sell such shares in the public market without complying with any of the requirements of Rule 144 (subject to the lock-up agreement referred to above, if applicable). In general, under Rule 144, as currently in effect, once we have been subject to the public company reporting requirements of the Exchange Act for at least 90 days, our "affiliates," as defined in Rule 144, who have beneficially owned the shares proposed to be sold for at least six months are entitled to sell in the public market, upon expiration of any applicable lock-up agreements and within any three-month period, a number of those shares of our common stock that does not exceed the greater of:

- 1% of the number of shares of common stock then outstanding, which will equal approximately shares of common stock immediately after this offering (calculated as of June 30, 2020 on the basis of the assumptions (1)-(3) described above); or
- the average weekly trading volume of our common stock on the Nasdaq Global Market during the four calendar weeks preceding the filing of a notice on Form 144 with respect to such sale.

Such sales under Rule 144 by our "affiliates" or persons selling shares on behalf of our "affiliates" are also subject to certain manner of sale provisions, notice requirements and to the availability of current public information about us. Notwithstanding the availability of Rule 144, the holders of substantially all of our restricted securities have entered into lock-up agreements as referenced above and their restricted securities will become eligible for sale (subject to the above limitations under Rule 144) upon the expiration of the restrictions set forth in those agreements.

Rule 701

In general, under Rule 701 as currently in effect, any of our employees, directors, officers, consultants or advisors who acquired common stock from us in connection with a written compensatory stock or option plan or other written agreement in compliance with Rule 701 under the Securities Act before the effective date of the registration statement of which this prospectus is a part (to the extent such common stock is not subject to a lock-up agreement) is entitled to rely on Rule 701 to resell such shares beginning 90 days after we become subject to the public company reporting requirements of the Exchange Act in reliance on Rule 144, but without compliance with the holding period requirements contained in Rule 144.

Accordingly, subject to any applicable lock-up agreements, beginning 90 days after we become subject to the public company reporting requirements of the Exchange Act, under Rule 701 persons who are not our "affiliates," as defined in Rule 144 may resell those shares without complying with the minimum holding period or public information requirements of Rule 144, and persons who are our "affiliates" may resell those shares without complying with Rule 144's minimum holding period requirements (subject to the terms of the lock-up agreement referred to above).

Registration rights

After the consummation of this offering, the holders of approximately 184.3 million shares of our common stock, or their transferees, will, subject to the lock-up agreements referred to above, be entitled to certain rights with respect to the registration of the offer and sale of those shares under the Securities Act. For a description of these registration rights, see the section titled "Description of capital stock—Registration rights." If the offer and sale of these shares are registered, they will be freely tradable without restriction under the Securities Act.

Stock plans

We intend to file with the SEC a registration statement under the Securities Act covering the shares of common stock reserved for issuance under our 2018 Equity Incentive Plan, our 2020 Incentive Award Plan and our 2020 Employee Stock Purchase Plan. Such registration statement is expected to be filed and become effective as soon as practicable after the consummation of this offering. Accordingly, shares registered under such registration statement will be available for sale in the open market following its effective date, subject to Rule 144 volume limitations and the lock-up agreements described above, if applicable.

Material U.S. federal income tax consequences to non-U.S. holders

The following 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 non-U.S. tax laws are not discussed. This discussion is based on the U.S. Internal Revenue Code of 1986, as amended (the "Code"), Treasury Regulations promulgated thereunder, judicial decisions, and published rulings and administrative pronouncements of the U.S. Internal Revenue Service (the "IRS"), in each case in effect as of the date hereof.

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. 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 to that discussed below 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 (generally, 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 Medicare contribution tax on net investment income or the alternative minimum tax. In addition, it does not address consequences relevant to Non-U.S. Holders subject to special rules, including, without limitation:

- U.S. expatriates and former citizens or long-term residents of the United States;
- persons holding our common stock as part of a straddle or other risk reduction strategy or as part of a conversion transaction;
- banks, insurance companies and other financial institutions;
- brokers, dealers or traders in securities;
- "controlled foreign corporations," "passive foreign investment companies" and corporations that accumulate earnings to avoid U.S. federal income tax;
- 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;
- tax-qualified retirement plans; and
- "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.

If an 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 NOT 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 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 all substantial decisions of which are subject to the control of one or more "United States persons" (within the meaning of Section 7701(a)(30) of the Code), or (2) has a valid election in effect to be treated as a United States person for U.S. federal income tax purposes.

Distributions

As described in the section titled "Dividend policy," we have never declared or paid cash dividends on our capital stock, and we do not anticipate paying any cash dividends in the foreseeable future. However, if we do make distributions of cash or property on our common stock, such distributions will constitute dividends for U.S. federal income tax purposes to the extent paid from our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Amounts not treated as dividends for U.S. federal income tax purposes will constitute returns 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 taxable disposition."

Subject to the discussion below regarding effectively connected income, dividends paid to a Non-U.S. Holder 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, provided the Non-U.S. Holder furnishes a valid IRS Form W-8BEN or IRS Form W-8BEN-E (or other applicable documentation) certifying qualification for the lower treaty rate). A Non-U.S. Holder that does not timely furnish the required documentation, but that qualifies for a reduced treaty rate, may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS. Non-U.S. Holders should consult their tax advisors regarding their entitlement to benefits under any applicable tax treaties.

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), the Non-U.S. Holder will be exempt from the U.S. federal withholding tax described above. To claim the exemption, the Non-U.S. Holder must furnish to the applicable withholding agent a valid IRS Form W-8ECI, certifying that the dividends are effectively connected with the Non-U.S. Holder's conduct of a trade or business within the United States. Any such effectively connected dividends will be subject to U.S. federal income tax on a net

income basis at the regular rates. A Non-U.S. Holder that is a 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 such effectively connected dividends, as adjusted for certain items. Non-U.S. Holders should consult their tax advisors regarding any applicable tax treaties that may provide for different rules.

Sale or other taxable disposition

Subject to the discussion below regarding backup withholding, a Non-U.S. Holder will not be subject to U.S. federal income tax on any gain realized upon the sale or other taxable disposition of our common stock unless:

- the gain is effectively connected with the Non-U.S. Holder's conduct of a trade or business 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 constitutes a U.S. real property interest ("USRPI"), by reason of our status as a U.S. real property holding corporation ("USRPHC"), for U.S. federal income tax purposes.

Gain described in the first bullet point above generally will be subject to U.S. federal income tax on a net income basis at the regular rates. A Non-U.S. Holder that is a 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 such effectively connected gain, as adjusted for certain items.

Gain 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), 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 believe we currently are not, and do not anticipate becoming, a USRPHC. Because the determination of whether we are a USRPHC depends, however, on the fair market value of our USRPIs relative to the fair market value of our non-U.S. real property interests and our other business assets, there can be no assurance that we currently 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 will not be subject to U.S. federal income tax if our common stock is "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 any applicable tax treaties that may provide for different rules.

Information reporting and backup withholding

Payments of dividends on our common stock will not be subject to backup withholding, provided the Non-U.S. Holder certifies its non-U.S. status, such as by furnishing a valid IRS Form W-8BEN, W-8BEN-E or W-8ECI, or otherwise establishes an exemption. However, information returns are required to be filed with the IRS in connection with any distributions on our common stock paid to the Non-U.S. Holder, regardless of whether any tax was actually withheld. In addition, proceeds of the sale or other taxable disposition of our common stock within the United States or conducted through certain U.S.-related brokers generally will not be subject to

backup withholding or information reporting if the applicable withholding agent receives the certification described above or the Non-U.S. Holder 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 that does not have certain enumerated relationships with the United States generally will not be subject to backup withholding or information reporting.

Copies of information returns that are filed with the IRS may also be made available under the provisions of an applicable treaty or agreement to the tax authorities of the country in which the Non-U.S. Holder resides or is established.

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 ("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 on, 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), 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 undertakes to identify accounts held by certain "specified United States persons" or "United States owned foreign entities" (each as defined in the Code), annually reports certain information about such accounts, and withholds 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 on our common stock. While, beginning on January 1, 2019, withholding under FATCA would have applied also to payments of gross proceeds from the sale or other disposition of our common stock, proposed Treasury Regulations eliminate FATCA withholding on payments of gross proceeds entirely. 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 withholding under FATCA to their investment in our common stock.

Underwriting

We are offering the shares of common stock described in this prospectus through a number of underwriters. J.P. Morgan Securities LLC, Jefferies LLC and Piper Sandler & Co. are acting as joint book-running managers of the offering and as representatives of the underwriters. We have entered into an underwriting agreement with the underwriters. Subject to the terms and conditions of the underwriting agreement, we have agreed to sell to the underwriters, and each underwriter has severally agreed to purchase, at the public offering price less the underwriting discounts and commissions set forth on the cover page of this prospectus, the number of shares of common stock listed next to its name in the following table:

Name	Number of shares
J.P. Morgan Securities LLC	
Jefferies LLC	
Piper Sandler & Co.	
Cantor Fitzgerald & Co.	
Total	

The underwriters are committed to purchase all the shares of common stock offered by us if they purchase any shares. The underwriting agreement also provides that if an underwriter defaults, the purchase commitments of non-defaulting underwriters may also be increased or the offering may be terminated.

The underwriters propose to offer the shares of common stock directly to the public at the initial public offering price set forth on the cover page of this prospectus and to certain dealers at that price less a concession not in excess of $ per share. Any such dealers may resell shares to certain other brokers or dealers at a discount of up to $ per share from the initial public offering price. After the initial offering of the shares to the public, if all of the shares of common stock are not sold at the initial public offering price, the underwriters may change the offering price and the other selling terms. Sales of any shares made outside of the United States may be made by affiliates of the underwriters.

The underwriters have an option to buy up to additional shares of common stock from us to cover sales of shares by the underwriters which exceed the number of shares specified in the table above. The underwriters have 30 days from the date of this prospectus to exercise this option to purchase additional shares. If any shares are purchased with this option to purchase additional shares, the underwriters will purchase shares in approximately the same proportion as shown in the table above. If any additional shares of common stock are purchased, the underwriters will offer the additional shares on the same terms as those on which the shares are being offered.

The underwriters do not expect to sell more than 5% of the shares of common stock in the aggregate to accounts over which they exercise discretionary authority.

The underwriting fee is equal to the public offering price per share of common stock less the amount paid by the underwriters to us per share of common stock. The underwriting fee is $ per share. The following table shows the per share and total underwriting discounts and commissions to be paid to the underwriters assuming both no exercise and full exercise of the underwriters' option to purchase additional shares.

	Without option to purchase additional shares exercise	With full option to purchase additional shares exercise
Per Share	$	$
Total	$	$

We estimate that the total expenses of this offering, including registration, filing and listing fees, printing fees and legal and accounting expenses, but excluding the underwriting discounts and commissions, will be approximately $. We have agreed to reimburse the underwriters for expenses of up to $ relating to the clearance of this offering with the Financial Industry Regulatory Authority.

A prospectus in electronic format may be made available on the websites maintained by one or more underwriters, or selling group members, if any, participating in the offering. The underwriters may agree to allocate a number of shares to underwriters and selling group members for sale to their online brokerage account holders. Internet distributions will be allocated by the representatives to underwriters and selling group members that may make Internet distributions on the same basis as other allocations.

We have agreed that we will not (i) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, or submit to, or file with, the SEC a registration statement under the Securities Act relating to, any shares of our common stock or securities convertible into or exercisable or exchangeable for any shares of our common stock, or publicly disclose the intention to make any offer, sale, pledge, loan, disposition or filing, or (ii) enter into any swap or other arrangement that transfers all or a portion of the economic consequences associated with the ownership of any shares of common stock or any such other securities (regardless of whether any of the transactions described in clause (i) or (ii) are to be settled by the delivery of shares of common stock or such other securities, in cash or otherwise), in each case without the prior written consent of J.P. Morgan Securities LLC, Jefferies LLC and Piper Sandler & Co. for a period of 180 days after the date of the final prospectus, other than the shares of our common stock to be sold in this offering.

The restrictions on our actions, as described above, do not apply to certain transactions, including (i) the issuance of shares of our common stock or securities convertible into or exercisable for shares of our common stock pursuant to the conversion or exchange of convertible or exchangeable securities or the exercise of warrants or options (including net exercise) or the settlement of RSUs (including net settlement), in each case outstanding on the date of the underwriting agreement and described in this prospectus; or (ii) grants of stock options, stock awards, restricted stock, RSUs, or other equity awards and the issuance of shares of our common stock or securities convertible into or exercisable or exchangeable for shares of our common stock (whether upon the exercise of stock options or otherwise) to our employees, officers, directors, advisors, or consultants pursuant to the terms of an equity compensation plan in effect as of the closing of this offering and described in this prospectus, provided that such recipients enter into a lock-up agreement with the underwriters.

Our directors and executive officers, and substantially all of our stockholders and other equityholders (such persons, the "lock-up parties") have entered into lock-up agreements with the underwriters prior to the

commencement of this offering pursuant to which each lock-up party, with limited exceptions, for a period of 180 days after the date of the final prospectus (such period, the "restricted period"), may not (and may not cause any of their direct or indirect affiliates to), without the prior written consent of J.P. Morgan Securities LLC, Jefferies LLC and Piper Sandler & Co., (1) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any shares of our common stock or any securities convertible into or exercisable or exchangeable for our common stock (including, without limitation, common stock or such other securities which may be deemed to be beneficially owned by such lock-up parties in accordance with the rules and regulations of the SEC and securities which may be issued upon exercise of a stock option or warrant (collectively with the common stock, the "lock-up securities")), (2) enter into any hedging, swap or other agreement or transaction that transfers, in whole or in part, any of the economic consequences of ownership of the lock-up securities, whether any such transaction described in clause (1) or (2) above is to be settled by delivery of lock-up securities, in cash or otherwise, (3) make any demand for, or exercise any right with respect to, the registration of any lock-up securities, or (4) publicly disclose the intention to do any of the foregoing. Such persons or entities have further acknowledged that these undertakings preclude them from engaging in any hedging or other transactions or arrangements (including, without limitation, any short sale or the purchase or sale of, or entry into, any put or call option, or combination thereof, forward, swap or any other derivative transaction or instrument, however described or defined) designed or intended, or which could reasonably be expected to lead to or result in, a sale or disposition or transfer (by any person or entity, whether or not a signatory to such agreement) of any economic consequences of ownership, in whole or in part, directly or indirectly, of any lock-up securities, whether any such transaction or arrangement (or instrument provided for thereunder) would be settled by delivery of lock-up securities, in cash or otherwise.

The restrictions described in the immediately preceding paragraph and contained in the lock-up agreements between the underwriters and the lock-up parties do not apply, subject in certain cases to various conditions, to certain transactions, including (a) transfers of lock-up securities: (i) as bona fide gifts, or for bona fide estate planning purposes, (ii) by will, other testamentary document or intestacy, (iii) to any trust for the direct or indirect benefit of the lock-up party or any immediate family member, (iv) to a corporation, partnership, limited liability company or other entity of which the lock-up party and/or its immediate family members are, directly or indirectly, the legal and beneficial owner of all of the outstanding equity securities or similar interests, (v) to a nominee or custodian of a person or entity to whom a disposition or transfer would be permissible under clauses (i) through (iv), (vi) in the case of a corporation, partnership, limited liability company, trust or other business entity, (A) to another corporation, partnership, limited liability company, trust or other business entity that is an affiliate of the lock-up party, or to any investment fund or other entity controlling, controlled by, managing or managed by or under common control with the lock-up party or its affiliates or (B) as part of a distribution to affiliates, direct or indirect members, partners, stockholders or other equityholders of the lock-up party; (vii) by operation of law, (viii) to us from an employee or service provider upon death, disability or termination of employment of such employee or service provider, (ix) as part of a sale of lock-up securities acquired in open market transactions after the closing of this offering or from the underwriters in this offering, (x) to us in connection with the vesting, settlement or exercise of restricted stock units, options, warrants or other rights to purchase shares of our common stock (including "net" or "cashless" exercise), including for the payment of exercise price and tax and remittance payments, or (xi) pursuant to a bona fide third-party tender offer, merger, consolidation or other similar transaction approved by our board of directors and made to all stockholders involving a change in control, provided that if such transaction is not completed, all such lock-up securities would remain subject to the restrictions in the immediately preceding paragraph; (b) the exercise of options, the settlement of RSUs or other equity awards, or the exercise of warrants granted pursuant to plans described in in this prospectus, provided that any lock-up securities received upon such exercise, vesting or

settlement would be subject to restrictions similar to those in the immediately preceding paragraph; (c) the conversion of outstanding preferred stock, warrants to acquire preferred stock, or convertible securities into shares of our common stock or warrants to acquire shares of our common stock, provided that any common stock or warrant received upon such conversion would be subject to restrictions similar to those in the immediately preceding paragraph; and (d) the establishment by lock-up parties of trading plans under Rule 10b5-1 under the Exchange Act, provided that any such plan does not provide for the transfer of lock-up securities during the restricted period.

J.P. Morgan Securities LLC, Jefferies LLC and Piper Sandler & Co., in their sole discretion, may release the securities subject to any of the lock-up agreements with the underwriters described above, in whole or in part at any time.

We have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act of 1933.

We have applied to have our common stock approved for listing/quotation on Nasdaq Global Market under the symbol “ALGS”.

In connection with this offering, the underwriters may engage in stabilizing transactions, which involves making bids for, purchasing and selling shares of common stock in the open market for the purpose of preventing or retarding a decline in the market price of the common stock while this offering is in progress. These stabilizing transactions may include making short sales of common stock, which involves the sale by the underwriters of a greater number of shares of common stock than they are required to purchase in this offering, and purchasing shares of common stock on the open market to cover positions created by short sales. Short sales may be “covered” shorts, which are short positions in an amount not greater than the underwriters’ option to purchase additional shares referred to above, or may be “naked” shorts, which are short positions in excess of that amount. The underwriters may close out any covered short position either by exercising their option to purchase additional shares, in whole or in part, or by purchasing shares in the open market. In making this determination, the underwriters will consider, among other things, the price of shares available for purchase in the open market compared to the price at which the underwriters may purchase shares through the option to purchase additional shares. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the common stock in the open market that could adversely affect investors who purchase in this offering. To the extent that the underwriters create a naked short position, they will purchase shares in the open market to cover the position.

The underwriters have advised us that, pursuant to Regulation M of the Securities Act of 1933, they may also engage in other activities that stabilize, maintain or otherwise affect the price of the common stock, including the imposition of penalty bids. This means that if the representatives of the underwriters purchase common stock in the open market in stabilizing transactions or to cover short sales, the representatives can require the underwriters that sold those shares as part of this offering to repay the underwriting discount received by them.

These activities may have the effect of raising or maintaining the market price of the common stock or preventing or retarding a decline in the market price of the common stock, and, as a result, the price of the common stock may be higher than the price that otherwise might exist in the open market. If the underwriters commence these activities, they may discontinue them at any time. The underwriters may carry out these transactions on the Nasdaq Global Market, in the over-the-counter market or otherwise.

Prior to this offering, there has been no public market for our common stock. The initial public offering price will be determined by negotiations between us and the representatives of the underwriters. In determining the

initial public offering price, we and the representatives of the underwriters expect to consider a number of factors including:

- the information set forth in this prospectus and otherwise available to the representatives;
- our prospects and the history and prospects for the industry in which we compete;
- an assessment of our management;
- our prospects for future earnings;
- the general condition of the securities markets at the time of this offering;
- the recent market prices of, and demand for, publicly traded common stock of generally comparable companies; and
- other factors deemed relevant by the underwriters and us.

Neither we nor the underwriters can assure investors that an active trading market will develop for our common stock, or that the shares will trade in the public market at or above the initial public offering price.

Other relationships

Certain of the underwriters and their affiliates have provided in the past to us and our affiliates and may provide from time to time in the future certain commercial banking, financial advisory, investment banking and other services for us and such affiliates in the ordinary course of their business, for which they have received and may continue to receive customary fees and commissions. In addition, from time to time, certain of the underwriters and their affiliates may effect transactions for their own account or the account of customers, and hold on behalf of themselves or their customers, long or short positions in our debt or equity securities or loans, and may do so in the future.

Selling restrictions

Other than in the United States, no action has been taken by us or the underwriters that would permit a public offering of the securities offered by this prospectus in any jurisdiction where action for that purpose is required. The securities offered by this prospectus may not be offered or sold, directly or indirectly, nor may this prospectus or any other offering material or advertisements in connection with the offer and sale of any such securities be distributed or published in any jurisdiction, except under circumstances that will result in compliance with the applicable rules and regulations of that jurisdiction. Persons into whose possession this prospectus comes are advised to inform themselves about and to observe any restrictions relating to the offering and the distribution of this prospectus. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities offered by this prospectus in any jurisdiction in which such an offer or a solicitation is unlawful.

Notice to prospective investors in the European Economic Area and the United Kingdom

In relation to each Member State of the European Economic Area and the United Kingdom (each a “Relevant State”), no shares have been offered or will be offered pursuant to the offering to the public in that Relevant State prior to the publication of a prospectus in relation to the shares which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, all in accordance with the Prospectus Regulation,

except that offers of shares may be made to the public in that Relevant State at any time under the following exemptions under the Prospectus Regulation:

(a) to any legal entity which is a qualified investor as defined under the Prospectus Regulation;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined under the Prospectus Regulation), subject to obtaining the prior consent of the underwriters; or

(c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of shares shall require us or any underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation and each person who initially acquires any shares or to whom any offer is made will be deemed to have represented, acknowledged and agreed to and with each of the underwriters and us that it is a "qualified investor" within the meaning of Article 2(e) of the Prospectus Regulation. In the case of any shares being offered to a financial intermediary as that term is used in the Prospectus Regulation, each such financial intermediary will be deemed to have represented, acknowledged and agreed that the shares acquired by it in the offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any shares to the public other than their offer or resale in a Relevant State to qualified investors as so defined or in circumstances in which the prior consent of the underwriters have been obtained to each such proposed offer or resale.

For the purposes of this provision, the expression an "offer to the public" in relation to shares in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and any shares to be offered so as to enable an investor to decide to purchase or subscribe for any shares, and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129.

Notice to prospective investors in the United Kingdom

In addition, in the United Kingdom, this document is being distributed only to, and is directed only at, and any offer subsequently made may only be directed at persons who are "qualified investors" (as defined in the Prospectus Regulation) (i) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order") and/or (ii) who are high net worth companies (or persons to whom it may otherwise be lawfully communicated) falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons") or otherwise in circumstances which have not resulted and will not result in an offer to the public of the shares in the United Kingdom within the meaning of the Financial Services and Markets Act 2000.

Any person in the United Kingdom that is not a relevant person should not act or rely on the information included in this document or use it as basis for taking any action. In the United Kingdom, any investment or investment activity that this document relates to may be made or taken exclusively by relevant persons.

Notice to prospective investors in Switzerland

The shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange (the "SIX") or on any other stock exchange or regulated trading facility in Switzerland. This document does not constitute a prospectus within the meaning of, and has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering

or marketing material relating to the shares or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the offering, the Company, the shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of shares will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA (the "FINMA"), and the offer of shares has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes (the "CISA"). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of shares.

Notice to prospective investors in France

This prospectus (including any amendment, supplement or replacement thereto) is not being distributed in the context of a public offering in France within the meaning of Article L. 411-1 of the French Monetary and Financial Code (Code monétaire et financier). This prospectus has not been and will not be submitted to the French Autorité des marchés financiers (the "AMF") for approval in France and accordingly may not and will not be distributed to the public in France.

Pursuant to Article 211-3 of the AMF General Regulation, French residents are hereby informed that:

1. the transaction does not require a prospectus to be submitted for approval to the AMF;
2. persons or entities referred to in Point 2°, Section II of Article L. 411-2 of the Monetary and Financial Code may take part in the transaction solely for their own account, as provided in Articles D. 411-1, D. 734-1, D. 744-1, D. 754-1 and D. 764-1 of the Monetary and Financial Code; and
3. the financial instruments thus acquired cannot be distributed directly or indirectly to the public otherwise than in accordance with Articles L. 411-1, L. 411-2, L. 412-1 and L. 621-8 to L. 621-8-3 of the Monetary and Financial Code.

This prospectus is not to be further distributed or reproduced (in whole or in part) in France by the recipients of this prospectus. This prospectus has been distributed on the understanding that such recipients will only participate in the issue or sale of our common stock for their own account and undertake not to transfer, directly or indirectly, our common stock to the public in France, other than in compliance with all applicable laws and regulations and in particular with Articles L. 411-1 and L. 411-2 of the French Monetary and Financial Code.

Notice to Prospective Investors in Germany

Each person who is in possession of this prospectus is aware of the fact that no German securities prospectus (wertpapierprospekt) within the meaning of the German Securities Prospectus Act (Wertpapierprospektgesetz, or the Act) of the Federal Republic of Germany has been or will be published with respect to the shares of our common stock. In particular, each underwriter has represented that it has not engaged and has agreed that it will not engage in a public offering in the Federal Republic of Germany within the meaning of the Act with respect to any of the shares of our common stock otherwise than in accordance with the Act and all other applicable legal and regulatory requirements

Notice to Prospective Investors in Canada

The shares may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of

the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

Notice to Prospective Investors in Australia

This prospectus:

• does not constitute a disclosure document or a prospectus under Chapter 6D.2 of the Corporations Act 2001 (Cth) (the "Corporations Act");

• has not been, and will not be, lodged with the Australian Securities and Investments Commission ("ASIC"), as a disclosure document for the purposes of the Corporations Act and does not purport to include the information required of a disclosure document for the purposes of the Corporations Act; and

• may only be provided in Australia to select investors who are able to demonstrate that they fall within one or more of the categories of investors, available under section 708 of the Corporations Act ("Exempt Investors").

The shares may not be directly or indirectly offered for subscription or purchased or sold, and no invitations to subscribe for or buy the shares may be issued, and no draft or definitive offering memorandum, advertisement or other offering material relating to any shares may be distributed in Australia, except where disclosure to investors is not required under Chapter 6D of the Corporations Act or is otherwise in compliance with all applicable Australian laws and regulations. By submitting an application for the shares, you represent and warrant to us that you are an Exempt Investor.

As any offer of shares under this document will be made without disclosure in Australia under Chapter 6D.2 of the Corporations Act, the offer of those securities for resale in Australia within 12 months may, under section 707 of the Corporations Act, require disclosure to investors under Chapter 6D.2 if none of the exemptions in section 708 applies to that resale. By applying for the shares you undertake to us that you will not, for a period of 12 months from the date of issue of the shares, offer, transfer, assign or otherwise alienate those shares to investors in Australia except in circumstances where disclosure to investors is not required under Chapter 6D.2 of the Corporations Act or where a compliant disclosure document is prepared and lodged with ASIC.

Notice to Prospective Investors in New Zealand

This prospectus has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act"). The securities may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;

- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

Notice to Prospective Investors in Japan

The shares have not been and will not be registered pursuant to Article 4, Paragraph 1 of the Financial Instruments and Exchange Act. Accordingly, none of the shares nor any interest therein may be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any "resident" of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to or for the benefit of a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and any other applicable laws, regulations and ministerial guidelines of Japan in effect at the relevant time.

Notice to Prospective Investors in Hong Kong

The shares have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the "SFO") of Hong Kong and any rules made thereunder; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong) (the "CO") or which do not constitute an offer to the public within the meaning of the CO. No advertisement, invitation or document relating to the shares has been or may be issued or has been or may be in the possession of any person for the purposes of issue, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made thereunder.

Notice to Prospective Investors in Singapore

Singapore SFA Product Classification — In connection with Section 309B of the SFA and the CMP Regulations 2018, unless otherwise specified before an offer of Notes, we have determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are ''prescribed capital markets products'' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Each representative has acknowledged that this prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each representative has represented and agreed that it has not offered or sold any shares or caused the shares to be made the subject of an invitation for subscription or purchase and will not offer or sell any shares or cause the shares to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the shares, whether directly or indirectly, to any person in Singapore other than:

(a) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "SFA")) pursuant to Section 274 of the SFA;

(b) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA; or

(c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the shares pursuant to an offer made under Section 275 of the SFA except:

i. to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

ii. where no consideration is or will be given for the transfer;

iii. where the transfer is by operation of law;

iv. as specified in Section 276(7) of the SFA; or

v. as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Notice to Prospective Investors in China

This prospectus will not be circulated or distributed in the PRC and the shares will not be offered or sold, and will not be offered or sold to any person for re-offering or resale directly or indirectly to any residents of the PRC except pursuant to any applicable laws and regulations of the PRC. Neither this prospectus nor any advertisement or other offering material may be distributed or published in the PRC, except under circumstances that will result in compliance with applicable laws and regulations.

Notice to Prospective Investors in Korea

The shares have not been and will not be registered under the Financial Investments Services and Capital Markets Act of Korea and the decrees and regulations thereunder (the "FSCMA"), and the shares have been and will be offered in Korea as a private placement under the FSCMA. None of the shares may be offered, sold or delivered directly or indirectly, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea except pursuant to the applicable laws and regulations of Korea, including the FSCMA and the Foreign Exchange Transaction Law of Korea and the decrees and regulations thereunder (the "FETL"). The shares have not been listed on any of securities exchanges in the world including, without limitation, the Korea Exchange in Korea.

Furthermore, the purchaser of the shares shall comply with all applicable regulatory requirements (including but not limited to requirements under the FETL) in connection with the purchase of the shares. By the purchase

of the shares, the relevant holder thereof will be deemed to represent and warrant that if it is in Korea or is a resident of Korea, it purchased the shares pursuant to the applicable laws and regulations of Korea.

Notice to Prospective Investors in Taiwan

The shares have not been and will not be registered with the Financial Supervisory Commission of Taiwan pursuant to relevant securities laws and regulations and may not be sold, issued or offered within Taiwan through a public offering or in circumstances which constitutes an offer within the meaning of the Securities and Exchange Act of Taiwan that requires a registration or approval of the Financial Supervisory Commission of Taiwan. No person or entity in Taiwan has been authorized to offer, sell, give advice regarding or otherwise intermediate the offering and sale of the shares in Taiwan.

Notice to prospective investors in Saudi Arabia

This document may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Offers of Securities Regulations as issued by the board of the Saudi Arabian Capital Market Authority (the "CMA") pursuant to resolution number 2-11-2004 dated 4 October 2004 as amended by resolution number 1-28-2008, as amended (the "CMA Regulations"). The CMA does not make any representation as to the accuracy or completeness of this document and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this document. Prospective purchasers of the securities offered hereby should conduct their own due diligence on the accuracy of the information relating to the securities. If you do not understand the contents of this document, you should consult an authorized financial adviser.

Notice to prospective investors in the Dubai International Financial Centre ("DIFC")

This document relates to an Exempt Offer in accordance with the Markets Rules 2012 of the Dubai Financial Services Authority (the "DFSA"). This document is intended for distribution only to persons of a type specified in the Markets Rules 2012 of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this prospectus supplement nor taken steps to verify the information set forth herein and has no responsibility for this document. The securities to which this document relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the securities offered should conduct their own due diligence on the securities. If you do not understand the contents of this document you should consult an authorized financial advisor.

In relation to its use in the DIFC, this document is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. The interests in the securities may not be offered or sold directly or indirectly to the public in the DIFC.

Notice to prospective investors in the United Arab Emirates

The shares have not been, and are not being, publicly offered, sold, promoted or advertised in the United Arab Emirates (including the Dubai International Financial Centre) other than in compliance with the laws of the United Arab Emirates (and the Dubai International Financial Centre) governing the issue, offering and sale of securities. Further, this prospectus does not constitute a public offer of securities in the United Arab Emirates (including the Dubai International Financial Centre) and is not intended to be a public offer. This prospectus has not been approved by or filed with the Central Bank of the United Arab Emirates, the Securities and Commodities Authority or the Dubai Financial Services Authority.

Notice to prospective investors in Bermuda

Shares may be offered or sold in Bermuda only in compliance with the provisions of the Investment Business Act of 2003 of Bermuda which regulates the sale of securities in Bermuda. Additionally, non-Bermudian persons (including companies) may not carry on or engage in any trade or business in Bermuda unless such persons are permitted to do so under applicable Bermuda legislation.

Notice to prospective investors in the British Virgin Islands

The shares are not being, and may not be offered to the public or to any person in the British Virgin Islands for purchase or subscription by or on behalf of us. The shares may be offered to companies incorporated under the BVI Business Companies Act, 2004 (British Virgin Islands),"BVI Companies"), but only where the offer will be made to, and received by, the relevant BVI Company entirely outside of the British Virgin Islands.

Notice to prospective investors in South Africa

Due to restrictions under the securities laws of South Africa, no "*offer to the public*" (as such term is defined in the South African Companies Act, No. 71 of 2008 (as amended or re-enacted) (the "South African Companies Act")) is being made in connection with the issue of the shares in South Africa. Accordingly, this document does not, nor is it intended to, constitute a "*registered prospectus*" (as that term is defined in the South African Companies Act) prepared and registered under the South African Companies Act and has not been approved by, and/or filed with, the South African Companies and Intellectual Property Commission or any other regulatory authority in South Africa. The shares are not offered, and the offer shall not be transferred, sold, renounced or delivered, in South Africa or to a person with an address in South Africa, unless one or other of the following exemptions stipulated in section 96 (1) applies:

Section 96 (1) (a) the offer, transfer, sale, renunciation or delivery is to:

i. persons whose ordinary business, or part of whose ordinary business, is to deal in securities, as principal or agent;
ii. the South African Public Investment Corporation;
iii. persons or entities regulated by the Reserve Bank of South Africa;
iv. authorised financial service providers under South African law;
v. financial institutions recognised as such under South African law;
vi. a wholly-owned subsidiary of any person or entity contemplated in (c), (d) or (e), acting as agent in the capacity of an authorised portfolio manager for a pension fund, or as manager for a collective investment scheme (in each case duly registered as such under South African law); or
vii. any combination of the person in (i) to (vi); or

Section 96 (1) (b) the total contemplated acquisition cost of the securities, for any single addressee acting as principal is equal to or greater than ZAR1,000,000 or such higher amount as may be promulgated by notice in the Government Gazette of South Africa pursuant to section 96(2)(a) of the South African Companies Act.

Information made available in this prospectus should not be considered as "*advice*" as defined in the South African Financial Advisory and Intermediary Services Act, 2002.

Notice to prospective investors in Israel

This document does not constitute a prospectus under the Israeli Securities Law, 5728-1968, and has not been filed with or approved by the Israel Securities Authority. In Israel, this prospectus is being distributed only to, and is directed only at, qualified investors listed in the first addendum, or the Addendum, to the Israeli Securities Law. Qualified investors may be required to submit written confirmation that they fall within the scope of the Addendum.

Legal matters

The validity of the issuance of our common stock offered in this prospectus will be passed upon for us by Latham & Watkins LLP, Menlo Park, California. Davis Polk & Wardwell LLP, Menlo Park, California is acting as counsel for the underwriters in connection with this offering. Certain attorneys at Latham & Watkins LLP own shares of our preferred stock which will be converted into an aggregate of 93,316 shares of common stock immediately upon the closing of this offering.

Experts

The consolidated financial statements of Aligos Therapeutics, Inc. at December 31, 2018 and 2019, and for the period from February 5, 2018 (inception date) to December 31, 2018 and for the year ended December 31, 2019, appearing in this Prospectus and Registration Statement have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their report thereon appearing elsewhere herein, and are included in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

Where you can find more information

We have filed with the SEC a registration statement on Form S-1 under the Securities Act with respect to the shares of common stock 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 with respect to Aligos Therapeutics, Inc. and the common stock offered hereby, reference is made to the registration statement and the exhibits and schedules filed therewith. Statements contained in this prospectus regarding the contents of any contract or any other document that is filed as an exhibit to the registration statement are not necessarily complete, and 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. The SEC also maintains a website that contains reports, proxy and information statements and other information regarding registrants that file electronically with the SEC. The address is www.sec.gov.

Upon consummation of this offering, we will become subject to the information and periodic reporting requirements of the Exchange Act and, in accordance therewith, will file periodic reports, proxy statements and other information with the SEC. Such periodic reports, proxy statements and other information will be available for inspection at the website of the SEC referred to above. We maintain a website at www.aligos.com. Upon consummation of this offering, you may access our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act with the SEC free of charge at our website as soon as reasonably practicable after such material is electronically filed with, or furnished to, the SEC. The reference to our website address does not constitute incorporation by reference of the information contained on our website, and you should not consider the contents of our website in making an investment decision with respect to our common stock.

Aligos Therapeutics, Inc.
Index to consolidated financial statements

	Page
Report of independent registered public accounting firm	F-2
Consolidated financial statements	
Consolidated balance sheets	F-3
Consolidated statements of operations and comprehensive loss	F-4
Consolidated statements of changes in redeemable convertible preferred stock and stockholders' deficit	F-5
Consolidated statements of cash flows	F-6
Notes to consolidated financial statements	F-8

Index to unaudited interim condensed consolidated financial statements

Unaudited interim condensed consolidated financial statements	
Condensed consolidated balance sheets as of December 31, 2019 and June 30, 2020	F-49
Condensed consolidated statements of operations and comprehensive loss for the six months ended June 30, 2019 and 2020	F-50
Condensed consolidated statements of changes in redeemable convertible preferred stock and stockholders' deficit for the six months ended June 30, 2019 and 2020	F-51
Condensed consolidated statements of cash flows for the six months ended June 30, 2019 and 2020	F-52
Notes to unaudited interim condensed consolidated financial statements	F-54

Report of independent registered public accounting firm

To the Stockholders and the Board of Directors of Aligos Therapeutics, Inc.

Opinion on the financial statements

We have audited the accompanying consolidated balance sheets of Aligos Therapeutics, Inc. (the Company) as of December 31, 2018 and 2019, the related consolidated statements of operations and comprehensive loss, changes in redeemable convertible preferred stock and stockholders' deficit and cash flows for the period from February 5, 2018 (inception date) to December 31, 2018 and for the year ended December 31, 2019, 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 2019, and the results of its operations and its cash flows for the period from February 5, 2018 (inception date) to December 31, 2018 and for the year ended December 31, 2019 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 audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2019.

Redwood City, California
August 25, 2020

Consolidated balance sheets

(In thousands, except share and per share data)

	December 31, 2018	December 31, 2019
ASSETS		
Current assets:		
Cash and cash equivalents	$ 24,035	$ 69,565
Restricted cash	512	538
Short-term investments	66,817	48,098
Other current assets	1,005	2,025
Total current assets	92,369	120,226
Operating lease right-of-use assets	12,306	7,570
Property and equipment, net	2,878	8,517
Other assets	178	188
Long-term investments	—	10,019
Total assets	$ 107,731	$ 146,520
LIABILITIES, REDEEMABLE CONVERTIBLE PREFERRED STOCK, AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable	$ 2,977	$ 3,767
Accrued liabilities	3,258	7,599
Operating lease liabilities, current	1,244	2,378
Finance lease liabilities, current	10	74
Total current liabilities	7,489	13,818
Derivative liabilities	861	461
Redeemable convertible preferred stock liabilities	—	3,174
Operating lease liabilities, net of current portion	12,584	11,701
Finance lease liabilities, net of current portion	26	178
Total liabilities	20,960	29,332
Commitments and contingencies (Note 14)		
Series A Redeemable Convertible Preferred Stock, $0.0001 par value; 102,500,000 and 101,962,864 shares authorized as of December 31, 2018 and 2019, respectively; 100,712,864 and 100,837,864 shares issued and outstanding as of December 31, 2018 and 2019, respectively; aggregate minimum liquidation preference of $100,838 at December 31, 2019	100,519	100,695
Series B-1 Redeemable Convertible Preferred Stock, $0.0001 par value; no shares and 77,764,055 shares authorized as of December 31, 2018 and 2019, respectively; no shares and 77,764,055 issued and outstanding as of December 31, 2018 and 2019, respectively; aggregate minimum liquidation preference of $85,005 at December 31, 2019	—	81,384
Stockholders' deficit:		
Common stock, $0.0001 par value; 149,000,000 and 278,000,000 shares authorized as of December 31, 2018 and 2019, respectively; 28,300,000 and 36,606,247 shares issued and outstanding as of December 31, 2018 and 2019, respectively	3	4
Additional paid-in capital	179	1,417
Accumulated deficit	(13,933)	(66,197)
Accumulated other comprehensive income (loss)	3	(115)
Total stockholders' deficit	(13,748)	(64,891)
Total liabilities, redeemable convertible preferred stock, and stockholders' deficit	$ 107,731	$ 146,520

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statements of operations and comprehensive loss

(In thousands, except share and per share data)

	Period from February 5, 2018 (inception date) through December 31, 2018	Year ended December 31, 2019
Operating expenses:		
Research and development	$ 10,456	$ 44,038
General and administrative	3,205	10,005
Total operating expenses	13,661	54,043
Loss from operations	(13,661)	(54,043)
Interest and other (expense) income, net	(272)	1,864
Loss before income tax expense	(13,933)	(52,179)
Income tax expense	—	(85)
Net loss	(13,933)	(52,264)
Other comprehensive (loss) income:		
(Loss) gain on pension plans	3	(118)
Comprehensive loss	$ (13,930)	$ (52,382)
Net loss per share, basic and diluted	$ (1.25)	$ (2.78)
Weighted average shares of common stock, basic and diluted	11,107,095	18,833,136
Pro forma net loss per share, basic and diluted (unaudited)		$ (0.26)
Pro forma weighted average shares of common stock, basic and diluted (unaudited)		197,435,055

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statements of changes in redeemable convertible preferred stock and stockholders' deficit

(In thousands, except share and per share data)

	Series A redeemable convertible preferred stock		Series B-1 redeemable convertible preferred stock		Common stock		Additional paid-in capital	Accumulated deficit	Accumulated other comprehensive income (loss)	T stockhold de
	Shares	Amount	Shares	Amount	Shares	Amount				
Balance as of February 5, 2018 (inception date)	—	$ —	—	$ —	—	$ —	$ —	$ —	$ —	$
Issuance of common stock	—	—	—	—	14,062,500	1	1	—	—	
Issuance of common stock for services and cash subject to repurchase	—	—	—	—	14,237,500	2	(1)	—	—	
Issuance of Series A redeemable convertible preferred stock, net of $194 issuance costs	95,000,000	94,806	—	—	—	—	—	—	—	
Conversion of convertible notes to Series A redeemable convertible preferred stock	5,712,864	5,713	—	—	—	—	—	—	—	
Stock-based compensation	—	—	—	—	—	—	179	—	—	
Other comprehensive income	—	—	—	—	—	—	—	—	3	
Net loss	—	—	—	—	—	—	—	(13,933)	—	(1
Balance as of December 31, 2018	100,712,864	100,519	—	—	28,300,000	3	179	(13,933)	3	(1
Issuance of common stock upon exercise of stock options	—	—	—	—	8,306,247	1	460	—	—	
Vesting of early exercised common stock	—	—	—	—	—	—	26	—	—	
Issuance of Series B-1 redeemable convertible preferred stock, net of $442 issuance costs and $3,174 of convertible preferred stock liabilities	—	—	77,764,055	81,384	—	—	—	—	—	
Issuance of Series A redeemable convertible preferred stock upon exercise of warrants	125,000	176	—	—	—	—	—	—	—	
Stock-based compensation	—	—	—	—	—	—	752	—	—	
Other comprehensive loss	—	—	—	—	—	—	—	—	(118)	
Net loss	—	—	—	—	—	—	—	(52,264)	—	(5
Balance as of December 31, 2019	100,837,864	$ 100,695	77,764,055	$ 81,384	36,606,247	$ 4	$ 1,417	$ (66,197)	$ (115)	$ (6

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statements of cash flows

(In thousands)

	Period from February 5, 2018 (inception date) through December 31, 2018	Year ended December 31, 2019
Cash flows from operating activities:		
Net loss	$ (13,933)	$ (52,264)
Adjustments to reconcile net loss to net cash used in operating activities:		
Accretion of debt discount	493	—
Loss on conversion of debt	433	—
Accretion of discount on short term investments	(44)	(877)
Amortization of right of use assets	1,179	903
Depreciation expense	112	1,396
Stock-based compensation	179	752
Interest expense on convertible note	113	—
Change in fair value of derivative liability	(66)	(348)
In process research and development	600	—
Changes in operating assets and liabilities:		
Other assets	(1,183)	(1,030)
Right of use assets	(95)	95
Accounts payable	2,977	385
Accrued liabilities	3,186	4,222
Operating lease liabilities	—	(1)
Net cash and cash equivalents used in operating activities	(6,049)	(46,767)
Cash flows from investing activities:		
Purchases of short-term investments	(66,773)	(60,404)
Purchases of long-term investments	—	(10,019)
Maturities of short-term investments	—	80,000
Purchases of property and equipment	(2,516)	(2,786)
Net cash and cash equivalents provided by (used in) investing activities	(69,289)	6,791
Cash flows from financing activities:		
Proceeds from issuance of convertible notes and warrants	5,001	—
Proceeds from exercise of stock options	77	487
Proceeds from issuance of series A redeemable convertible preferred stock, net of $194 issuance costs	94,806	—
Proceeds from issuance of series B-1 redeemable convertible preferred stock, net of $37 issuance costs paid	—	84,963
Proceeds from exercise of warrants for series A redeemable convertible preferred stock	—	125
Payments on finance lease	(1)	(43)
Proceeds from issuance of common stock	2	—
Net cash and cash equivalents provided by financing activities	99,885	85,532
Net increase in cash, cash equivalents, and restricted cash	24,547	45,556
Cash, cash equivalents, and restricted cash, beginning of period	—	24,547
Cash, cash equivalents, and restricted cash, end of period	$ 24,547	$ 70,103

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statements of cash flows

(In thousands)

	Period from February 5, 2018 (inception date) through December 31, 2018	Year ended December 31, 2019
Reconciliation to amounts on the consolidated balance sheet:		
Cash and cash equivalents	$ 24,035	$ 69,565
Restricted cash	512	538
Total cash, cash equivalents, and restricted cash	$ 24,547	$ 70,103
Supplemental disclosures of cash flow information:		
Interest paid	$ —	$ 6
Income taxes paid	$ —	$ 1
Supplemental disclosures of noncash financing and investing activities:		
Leasehold improvement directly paid by landlord	$ 438	$ 3,990
Liability in connection to the issuance of series B-1 redeemable convertible preferred stock	$ —	$ 3,174
Unpaid issuance cost in connection to the issuance of series B-1 redeemable convertible preferred stock	$ —	$ 405
Equipment acquired through finance lease	$ 37	$ 259
Acquisition of right-of-use asset through operating lease obligation	$ 13,828	$ 252
Change in fair value of derivative liability upon exercise of warrants	$ —	$ 52
Discount on convertible note from derivative liability	$ 927	$ —
Conversion of convertible notes and accrued interest to series A redeemable convertible preferred stock	$ 5,713	$ —
Issuance of convertible note for in process research and development	$ 600	$ —

The accompanying notes are an integral part of these consolidated financial statements.

Aligos Therapeutics, Inc.
Notes to consolidated financial statements

(In thousands, except share and per share data)

Unless otherwise indicated, financial information except share and per share data, including dollar values stated in the text of the notes to financial statements, is expressed in thousands.

1. Organization

Description of business

Aligos Therapeutics, Inc. ("Aligos-US") was incorporated in the state of Delaware on February 5, 2018 ("inception"). On September 10, 2018, the Company formed Aligos Belgium BVBA (the "Subsidiary" or "Aligos-Belgium" and together with Aligos-US, the "Company" or "Aligos") a limited liability company organized under the laws of Belgium.

Aligos is a clinical-stage biopharmaceutical company developing novel therapeutics to address unmet medical needs in viral and liver diseases, including chronic hepatitis B and coronaviruses and therapeutics for nonalcoholic steatohepatitis ("NASH").

The Company is devoting substantially all of its efforts to the research and development of its drug candidates. The Company has not generated any product revenue to date. The Company is also subject to a number of risks similar to other companies in the biotechnology industry, including the uncertainty of success of its preclinical studies and clinical trials, regulatory approval of drug candidates, uncertainty of market acceptance of products, competition from substitute products and larger companies, the need to obtain additional financing, compliance with government regulations, protection of proprietary technology, dependence on third-parties, product liability, and dependence on key individuals.

Liquidity and going concern assessment

The Company has incurred losses and negative cash flows from operations since its inception. As of December 31, 2018 and 2019, the Company has an accumulated deficit of approximately $13,933 and $66,197, respectively. Since inception through December 31, 2019, the Company has funded operations primarily with the net proceeds from the issuance of redeemable convertible preferred stock and convertible notes. Management expects to continue to incur additional substantial losses in the foreseeable future as a result of expanded research and development activities.

As of December 31, 2019, the Company has unrestricted cash, cash equivalent and short-term investments of approximately $117,663, which is available to fund future operations. The Company expects to continue to spend substantial amounts to continue the nonclinical and clinical development of its current and future programs. If the Company is able to gain marketing approval for drug candidates that are being developed, it will require significant additional amounts of cash in order to launch and commercialize such drug candidates. In addition, other unanticipated costs may arise. Because the design and outcome of the Company's planned and anticipated clinical trials is highly uncertain, the Company cannot reasonably estimate the actual amounts necessary to successfully complete the development and commercialization of any drug candidate the Company may develop.

The Company is seeking to complete an initial public offering ("IPO") of its Common Stock. Upon the closing of a qualified public offering, the Company's outstanding redeemable convertible preferred stock will automatically convert into shares of Common Stock (Note 9).

Aligos Therapeutics, Inc.
Notes to consolidated financial statements
(In thousands, except share and per share data)

2. Summary of significant accounting policies

The Company expects to finance its cash needs through a combination of public or private equity offerings, debt financings, collaborations, strategic alliances, licensing arrangements and other marketing or distribution arrangements. In addition, the Company may seek additional capital to take advantage of favorable market conditions or strategic opportunities even if the Company believes it has sufficient funds for its current or future operating plans. Based on the Company's research and development plans, it is expected that the net proceeds from this offering, together with the Company's existing cash, cash equivalents and investments, will enable the Company to fund its operations for at least 12 months following the date the consolidated financial statements are issued. However, the Company's operating plan may change as a result of many factors currently unknown, and the Company may need to seek additional funds sooner than planned. Moreover, it is particularly difficult to estimate with certainty the Company's future expenses given the dynamic nature of its business, the COVID-19 pandemic and the macro-economic environment generally.

The Company's ability to raise additional funds will depend on financial, economic and other factors, many of which are beyond its control. In particular, the COVID-19 pandemic continues to rapidly evolve and has already resulted in a significant disruption of global financial markets. If the disruption persists or deepens, the Company could be unable to access additional capital, which could negatively affect its ability to consummate certain corporate development transactions or other important, beneficial or opportunistic investments. If additional funds are not available to the Company when needed, on terms that are acceptable to the Company, or at all, the Company may be required to: delay, limit, reduce or terminate nonclinical studies, clinical trials or other research and development activities or eliminate one or more of its development programs altogether; or delay, limit, reduce or terminate its efforts to establish manufacturing and sales and marketing capabilities or other activities that may be necessary to commercialize any future approved products, or reduce the Company's flexibility in developing or maintaining its sales and marketing strategy.

The accompanying consolidated financial statements have been prepared on a basis that assumes the Company will continue as a going concern and contemplates the continuity of operations, realization of assets and the satisfaction of liabilities and commitments in the normal course of business.

Basis of presentation

The accompanying consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP") and include all adjustments necessary for the fair presentation of the Company's financial position for the periods presented. Any reference in these notes to applicable accounting guidance is meant to refer to the authoritative U.S. GAAP included in the Accounting Standards Codification ("ASC"), and Accounting Standards Update ("ASU") issued by the Financial Accounting Standards Board ("FASB").

Principles of consolidation

The accompanying consolidated financial statements include Aligos-US and its wholly owned subsidiary Aligos-Belgium. All intercompany balances and transactions have been eliminated.

Aligos Therapeutics, Inc.
Notes to consolidated financial statements
(In thousands, except share and per share data)

2. Summary of significant accounting policies, continued

Use of estimates

The preparation of the consolidated financial statements in conformity with GAAP generally requires management to make certain estimates and assumptions that affect the reported amounts in the consolidated financial statements and accompanying notes. The Company regularly evaluates estimates and assumptions related to assets and liabilities, and disclosures of contingent assets and liabilities at the dates of the consolidated financial statements and the reported amounts of expenses during the reporting period. Areas where management uses subjective judgments include, but are not limited to, right-of-use assets, lease obligations, impairment of long-lived assets, stock-based compensation, accrued research and development costs, pension liabilities, derivative liabilities and redeemable convertible preferred stock liability in the accompanying consolidated financial statements. Management bases its estimates on historical experience and on various other assumptions that are believed to be 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. Actual results may differ materially from these estimates under different assumptions or conditions.

Foreign currency

The Company's foreign subsidiary uses the U.S. dollar as its functional currency, and it initially measures the foreign currency denominated assets and liabilities at the transaction date. Monetary assets and liabilities are then re-measured at exchange rates in effect at the end of each period, and non-monetary assets and liabilities are converted at historical rates. Re-measurement losses incurred during the period from inception through December 31, 2018 and the year ended December 31, 2019 were $18 and $47, respectively, and are reflected within interest and other income (expense), net on the consolidated statements of operations and comprehensive loss.

Unaudited pro forma information

The Company has presented the unaudited pro forma basic and diluted net loss per share attributable to common stockholders for the year ended December 31, 2019, which shows the assumed effect of an initial public offering, including the conversion of all redeemable convertible preferred stock into shares of Common Stock as if the conversion had occurred as of the later of the beginning of the period or the original date of issuance. The pro forma net loss per share attributable to common stockholders does not include proceeds to be received from nor does it include shares expected to be sold in the assumed IPO.

Segment information

The Company has determined that the Chief Executive Officer is its Chief Operating Decision Maker. The Company's Chief Executive Officer reviews financial information presented on a consolidated basis for the purposes of assessing the performance and making decisions on how to allocate resources. Accordingly, the Company has determined that it operates in a single reportable segment. No revenue has been generated since inception.

Aligos Therapeutics, Inc.
Notes to consolidated financial statements
(In thousands, except share and per share data)

2. Summary of significant accounting policies, continued

Cash equivalents

The Company considers all highly liquid investments purchased with original maturities of 90 days or less at acquisition to be cash equivalents.

Restricted cash

As of December 31, 2018 and 2019, the restricted cash balance was $512 and $538, respectively, and was used to secure the letters of credit in relation to the Company's operating leases and deposits on rental assets (Note 6).

Investments

The Company determines the appropriate classification of debt securities at the time of purchase and re-evaluates such designation as of each balance sheet date. Debt securities are classified as held-to-maturity when the Company has the positive intent and ability to hold the securities to maturity. Held-to-maturity securities are carried at amortized cost.

Investments are considered to be impaired when a decline in fair value is judged to be other-than-temporary. On an annual basis, the Company considers available quantitative and qualitative evidence in evaluating potential impairment of its investments. If the cost of an investment exceeds its fair value, the Company evaluates, among other factors, general market conditions, the duration and extent to which the fair value is less than cost, and its intent and ability to hold the investment to maturity. Once a decline in fair value is determined to be other-than-temporary, an impairment charge is recorded in earnings and a new cost basis in the investment is established. No impairment charges were recorded during the period from inception through December 31, 2018 or the year ended December 31, 2019.

As of December 31, 2018 and 2019, short-term investments consisted of U.S. Treasury securities with original maturities of less than one year. As of December 31, 2019, long-term investments consisted of U.S. Treasury securities with original maturities of more than one year while there were no long-term investments as of December 31, 2018.

Deferred offering costs

The Company capitalizes certain legal, professional accounting and other third-party fees that are directly associated with in-process equity financings as deferred offering costs until such financings are consummated. After consummation of the financing, these costs are recorded as a reduction of the proceeds received from the equity financing. If a planned equity financing is abandoned, the deferred offering costs are expensed immediately as a charge to operating expenses in the consolidated statement of operations and comprehensive loss. There were no deferred offering costs on the Company's consolidated balance sheets at December 31, 2018 and 2019.

Aligos Therapeutics, Inc.
Notes to consolidated financial statements
(In thousands, except share and per share data)

2. Summary of significant accounting policies, continued

Concentrations of credit risk and significant suppliers

The Company has no significant off-balance sheet risk, such as foreign exchange contracts, option contracts, or other foreign hedging arrangements. Financial instruments that potentially expose the Company to concentrations of credit risk consist primarily of cash, restricted cash and investments. Periodically, the Company maintains deposits in accredited financial institutions in excess of federally insured limits. The Company deposits its cash in financial institutions that it believes have high credit quality and has not experienced any losses on such accounts and does not believe it is exposed to any unusual credit risk beyond the normal credit risk associated with commercial banking relationships. The Company generally invests its excess capital in money market funds, U.S. treasury bonds and U.S. treasury bills that are subject to minimal credit and market risks.

The Company is dependent on various third parties to manufacture compounds for the Company to conduct research and studies for its programs. These programs would be adversely delayed by a significant interruption in the supply of active pharmaceutical ingredients.

Leases

The Company determines if an arrangement is a lease at the inception of the lease. Operating leases are included in operating lease right-of-use (“ROU”) assets and operating lease liabilities in the consolidated balance sheet. Finance leases are included in property and equipment and finance lease liabilities in the consolidated balance sheet.

ROU assets represent the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. When the Company’s leases do not provide an implicit rate, an incremental borrowing rate is used based on the information available at the commencement dates in determining the present value of lease payments. The Company uses the implicit rate when readily determinable. The operating lease ROU assets also include any lease payments made and excludes lease incentives when paid by the Company or on the Company’s behalf. The Company’s lease terms may include the period covered by options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. Lease expense for operating leases is recognized on a straight-line basis over the lease term.

The Company has lease agreements with lease and non-lease components. The Company elected to not separate lease and non-lease components for all of its building leases. For vehicle leases, lease and non-lease components are accounted for separately. The Company also made an accounting policy election to recognize lease expense for leases with a term of 12 months or less on a straight-line basis over the lease term and not recognize ROU assets or lease liabilities for such leases.

Aligos Therapeutics, Inc.
Notes to consolidated financial statements
(In thousands, except share and per share data)

2. Summary of significant accounting policies, continued

Property and equipment

Property and equipment is stated at cost less accumulated depreciation, and is depreciated using the straight-line method over the estimated useful life of the asset, which are as follows:

Lab equipment	3 years
Computer equipment	3 years
Furniture and office equipment	3-8 years
Vehicles	4 years
Leasehold improvements	Shorter of the useful life or remaining lease term

Expenditures for repairs and maintenance of assets are charged to expense as incurred. Upon retirement or sale, the cost and related accumulated depreciation of assets disposed of are removed from the accounts and any resulting gain or loss is included in loss from operations.

Impairment of long-lived assets

The Company regularly reviews the carrying amount of its property, equipment and intangible assets to determine whether indicators of impairment may exist which warrant adjustments to carrying values or estimated useful lives. If indications of impairment exist, projected future undiscounted cash flows associated with the asset are compared to the carrying amount to determine whether the asset's value is recoverable. If the carrying value of the asset exceeds such projected undiscounted cash flows, the asset will be written down to its estimated fair value. No impairment charges were recorded during the period from inception through December 31, 2018 or the year ended December 31, 2019.

Research and development expenses

Research and development costs are expensed as incurred. Research and development expenses consist of costs incurred in performing research and development activities, including salaries, stock-based compensation and benefits, facilities costs, depreciation, and third-party license fees. Non-refundable prepayments for goods or services that will be used or rendered for future research and development activities are deferred and capitalized. Such amounts are recognized as an expense as the goods are delivered or the related services are performed or until it is no longer expected that the goods will be delivered or the services will be rendered.

In-process research and development

In-process research and development ("IPR&D") expense represents the costs to acquire technologies to be used in research and development that have not reached technological feasibility or have no alternative future uses and thus are expensed as incurred. IPR&D expense also includes upfront license fees and milestones paid to collaborators for technologies with no alternative use.

Collaborative arrangements

The Company and its future collaborative partners would be active participants in a collaborative arrangement and all parties would be exposed to significant risks and rewards depending on the technical and commercial

Aligos Therapeutics, Inc.
Notes to consolidated financial statements
(In thousands, except share and per share data)

2. Summary of significant accounting policies, continued

Collaborative arrangements, continued

success of the activities. Contractual payments to the other party in collaboration agreements and costs incurred by the Company when the Company is deemed to be the principal participant for a given transaction are recognized on a gross basis in research and development expenses. Royalties and license payments are recorded as due. During the period from inception through December 31, 2018 and the year ended December 31, 2019, no milestones were met and no royalties were due; therefore, the Company did not pay or expense any milestone or royalties.

Derivative liabilities

The Company accounts for certain warrants and conversion features as liabilities at fair value and adjusts the instruments to fair value at each reporting period. The Company determined that its outstanding warrants are freestanding derivative instruments. The conversion features qualify as derivatives as they continuously reset as the underlying stock price increases or decreases so as to provide a fixed value of equity to the holders at any conversion date. Both the warrants and conversion features are subject to re-measurement at each balance sheet date until exercised, and any change in fair value is recognized as a component of interest and other income (expense), net in the consolidated statements of operations and comprehensive loss. The fair value of the warrants issued by the Company has been estimated using a probability weighted multi-scenario Black-Scholes option-pricing model. The fair value of the conversion feature has been estimated using a Monte Carlo simulation (Note 11).

Redeemable convertible preferred stock liability

The freestanding instrument related to the commitment by certain preferred stockholders to purchase and the commitment by the Company to sell its convertible preferred stock in a subsequent closing, contingent upon the achievement of certain developmental milestones or an election by preferred stockholders to waive such milestones, at a fixed price per share, is considered a derivative liability (“Redeemable Convertible Preferred Stock Liability”). The Redeemable Convertible Preferred Stock Liability is measured at fair value as the underlying shares contain liquidation preferences upon certain “deemed liquidation events” that are not solely within the Company’s control and which are considered in-substance contingent redemption features (refer to Note 9 for further discussion on the redemption rights of the convertible preferred stock). The Redeemable Convertible Preferred Stock Liability is subject to revaluation at each balance sheet date until settlement or extinguishment, with revaluations recognized as a component of interest and other income (expense), net in the consolidated statements of operations and comprehensive loss. The fair value of the Redeemable Convertible Preferred Stock Liability in subsequent closings has been estimated using a probability-weighted multi-scenario Black Scholes hybrid valuation method (Note 11).

Redeemable convertible preferred stock

The Company’s shares of preferred stock are assessed at issuance for classification and redemption features requiring bifurcation. The Company presents as temporary equity any stock which (i) the Company undertakes to redeem at a fixed or determinable price on the fixed or determinable date or dates; (ii) is redeemable at the

Aligos Therapeutics, Inc.
Notes to consolidated financial statements
(In thousands, except share and per share data)

2. Summary of significant accounting policies, continued

Redeemable convertible preferred stock, continued

option of the holders, or (iii) has conditions for redemption which are not solely within the control of the Company. The Company's preferred stock is redeemable upon a deemed liquidation event which the Company determined is not solely within its control and thus has classified shares of preferred stock as temporary equity until such time as the conditions are removed or lapse. Because the occurrence of a deemed liquidation event is not currently probable, the carrying values of the shares of convertible preferred stock are not being accreted to their redemption values. Subsequent adjustments to the carrying values of the shares of convertible preferred stock would be made only when a deemed liquidation event becomes probable.

Fair value measurements

Certain assets and liabilities of the Company are carried at fair value under GAAP. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. Financial assets and liabilities carried at fair value are to be classified and disclosed in one of the following three levels of the fair value hierarchy, of which the first two are considered observable and the last is considered unobservable:

Level 1—Quoted prices in active markets for identical assets or liabilities.

Level 2—Observable inputs (other than Level 1 quoted prices), such as quoted prices in active markets for similar assets or liabilities, quoted prices in markets that are not active for identical or similar assets or liabilities, or other inputs that are observable or can be corroborated by observable market data.

Level 3—Unobservable inputs that are supported by little or no market activity that are significant to determining the fair value of the assets or liabilities, including pricing models, discounted cash flow methodologies and similar techniques.

Stock-based compensation

The Company's stock-based awards consist of restricted stock awards and stock options. For stock-based awards issued to employees and nonemployees, the Company measures the estimated fair value of the stock-based awards on the date of grant and recognizes compensation expense for those awards over the requisite service period, which is generally the vesting period of the respective awards. The Company records expense for awards with service-based vesting using the straight-line method. The Company accounts for forfeitures as they occur.

The Company classifies stock-based compensation expense in its consolidated statements of operations and comprehensive loss in the same manner in which the award recipient's cash compensation costs are classified.

The fair value of each restricted stock award is determined based on the number of shares granted and the value of the Company's common stock on the date of grant. The fair value of each stock option award is estimated on the date of grant using the Black-Scholes option pricing model. The Black-Scholes option-pricing model requires the use of a number of complex assumptions including the fair value of the common stock,

Aligos Therapeutics, Inc.
Notes to consolidated financial statements
(In thousands, except share and per share data)

2. Summary of significant accounting policies, continued

Stock-based compensation, continued

expected volatility, risk-free interest rate, expected dividends, and expected term of the option. The Company has been a private company and lacks company-specific historical and implied fair value information. Therefore, the Board of Directors (the "Board") of the Company considers numerous objective and subjective factors to determine the fair value of the Company's common stock options at each meeting in which awards are approved. The factors considered include, but are not limited to (i) the results of contemporaneous independent third-party valuations of the Company's common stock and the prices, rights, preferences and privileges of the Company's preferred stock relative to those of its common stock; (ii) the lack of marketability of the Company's common stock; (iii) actual operating and financial results; (iv) current business conditions and projections; (v) the likelihood of achieving a liquidity event, such as an initial public offering or sale of the Company, given prevailing market conditions, and (vi) precedent transactions involving the Company's shares.

The Company determined the expected stock volatility using a weighted-average of the historical volatility of a group of guideline companies that issued options with substantially similar terms, and expects to continue to do so until such time as the Company has adequate historical data regarding the volatility of its own traded stock price. The expected term of the Company's stock options has been determined utilizing the simplified method for awards that qualify as "plain-vanilla" options. The risk-free interest rate is determined by reference to the U.S. Treasury yield curve in effect at the time of grant of the award for time periods approximately equal to the expected term of the award. The Company has not paid, and does not anticipate paying, cash dividends on its common stock; therefore, the expected dividend yield is assumed to be zero.

See Note 10 for the assumptions used by the Company in determining the grant date fair value of stock-based awards granted, as well as a summary of the stock-based award activity under the Company's stock-based compensation plan for the period from inception through December 31, 2018 and the year ended December 31, 2019.

Income taxes

Deferred tax assets and liabilities are determined on the basis of the differences between the consolidated financial statements and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. Changes in deferred tax assets and liabilities are recorded in the provision for income taxes. The Company assesses the likelihood that its deferred tax assets will be recovered from future taxable income and, to the extent it believes, based upon the weight of available evidence, that it is more likely than not that all or a portion of the deferred tax assets will not be realized, a valuation allowance is established.

The Company accounts for uncertain tax positions recognized in the consolidated financial statements by prescribing a more-likely-than-not threshold for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The provision for income taxes includes the effects of any resulting tax reserves, or unrecognized tax benefits, that are considered appropriate as well as the related interest and penalties.

Aligos Therapeutics, Inc.
Notes to consolidated financial statements
(In thousands, except share and per share data)

2. Summary of significant accounting policies, continued

Net loss per share

Basic net loss per share attributable to common stockholders is calculated by dividing the net loss attributable to common stockholders by the weighted-average number of shares of common stock outstanding during the period, without consideration for potentially dilutive securities.

Diluted net loss per share attributable to common stockholders is computed by dividing the net loss attributable to common stockholders by the weighted-average number of common stock and potentially dilutive securities outstanding for the period. For purposes of the diluted net loss per share calculation, redeemable convertible preferred stock, stock options, common stock subject to repurchase related to early exercise of stock options, unvested restricted stock subject to repurchase, warrants and convertible notes are considered to be potentially dilutive securities.

The Company applies the two-class method to calculate its basic and diluted net loss per share as the Company has issued shares that meet the definition of participating securities. The two-class method is an earnings allocation formula that treats a participating security as having rights to earnings that otherwise would have been available to common stockholders. The Company's participating securities contractually entitle the holders of such shares to participate in dividends, but do not contractually require the holders of such shares to participate in losses of the Company. Accordingly, in periods in which the Company reports a net loss, such losses are not allocated to such participating securities.

Accordingly, in periods in which the Company reports a net loss, diluted net loss per share is the same as basic net loss per share, since dilutive common shares are not assumed to have been issued if their effect is anti-dilutive.

Recently adopted accounting pronouncements

In June 2018, the FASB issued ASU No. 2018-07, *Compensation-Stock Compensation (Topic 718): Improvements to Nonemployee Share-Based Payment Accounting* ("ASU 2018-07"). ASU 2018-07 amends the FASB ASC to expand the scope of FASB ASC Topic 718, *Compensation-Stock Compensation*, to include accounting for share-based payment transactions for acquiring goods and services from non-employees. The amendments in ASU 2018-07 are effective for all entities for annual periods, and interim periods within those annual periods, beginning after December 15, 2018. Early adoption was permitted. The Company early adopted this guidance at inception.

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)* ("ASU 2014-09"), which supersedes existing revenue recognition guidance under GAAP. The standard's core principle is that a company will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The standard defines a five-step process to achieve this principle and requires companies to use more judgment and make more estimates than under the current guidance. These judgments and estimates include identifying performance obligations in the customer contract, estimating the amount of variable consideration to include in the transaction price and allocating the transaction price to each separate performance obligation. ASU 2014-09 also requires additional disclosure about the nature, amount, timing and

Aligos Therapeutics, Inc.
Notes to consolidated financial statements
(In thousands, except share and per share data)

2. Summary of significant accounting policies, continued

Recently adopted accounting pronouncements, continued

uncertainty of revenue and cash flows arising from customer contracts. The Company early adopted ASU 2014-09 at inception. The adoption of ASU 2014-09 did not have an impact on the Company's consolidated financial statements as the Company does not currently have any revenue-generating arrangements.

In November 2018, the FASB issued ASU No. 2018-18, *Collaborative Arrangements (Topic 808)—Clarifying the Interaction between Topic 808 and Topic 606* ("ASU 2018-18"). The amendments in ASU 2018-18 clarify that certain transactions between collaborative arrangement participants should be accounted for as revenue under ASC 606 when the collaborative arrangement participant is a customer in the context of a unit of account. The amendments under ASU 2018-18 are effective for interim and annual fiscal periods beginning after December 15, 2019, with early adoption permitted. The amendments in ASU 2018-18 should be applied retrospectively to the date of initial application of ASC 606. The Company early adopted ASU 2018-18 at inception.

In January 2017, the FASB issued ASU No. 2017-01, *Business Combinations (Topic 805): Clarifying the Definition of a Business* ("ASU 2017-01"). ASU 2017-01 provides guidance to evaluate whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. If substantially all of the fair value of the gross assets acquired (or disposed of) is concentrated in a single asset or a group of similar assets, the assets acquired (or disposed of) are not considered a business. The Company adopted this standard at inception.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)* ("ASU 2016-02"), which sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract (i.e., lessees and lessors). The new standard requires lessees to apply a dual approach, classifying leases as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase by the lessee. This classification determines whether lease expense is recognized based on an effective interest method or on a straight-line basis over the term of the lease. A lessee is also required to record a right-of-use asset and a lease liability for all leases with a term of greater than 12 months regardless of their classification. Leases with a term of 12 months or less may be accounted for similar to existing guidance for operating leases. The standard is effective for all entities for fiscal years beginning after December 15, 2019. Early adoption is permitted. The Company adopted this standard at inception.

In November 2016, the FASB issued ASU No. 2016-18, *Statement of Cash Flows (Topic 230) Restricted Cash* ("ASU 2016-18"), which requires that a statement of cash flows explain the change during the period in the total of cash, cash equivalents and restricted cash. Therefore, amounts described as restricted cash should be included with cash and cash equivalents when reconciling the beginning of period and end of period amounts shown on the statement of cash flows. The standard is effective for all entities for fiscal years beginning after December 15, 2018. The Company early adopted this guidance at inception. The cash, cash equivalent and restricted cash balances as of December 31, 2018 and 2019 are presented in the Company's consolidated statements of cash flows.

In March 2017, the FASB issued ASU No. 2017-07, *Compensation-Retirement Benefits (ASC Topic 715)* ("ASU 2017-07"), which requires employers to disaggregate the service cost component from other components of net periodic benefit costs and to disclose the amounts of net periodic benefit costs that are included in each

Aligos Therapeutics, Inc.
Notes to consolidated financial statements
(In thousands, except share and per share data)

2. Summary of significant accounting policies, continued

Recently adopted accounting pronouncements, continued

income statement line item. The standard requires employers to report the service cost component in the same line item as other compensation costs and to report the other components of net periodic benefit costs separately and outside a subtotal of operating income. The Company adopted this standard at inception and has recognized its net periodic benefit costs, excluding service costs, in interest and other income (expense), net on its consolidated statements of operations and comprehensive loss.

In August 2018, the FASB issued ASU No. 2018-14, *Compensation—Retirement Benefits—Defined Benefit Plans—General (Subtopic 715-20)* ("ASU 2018-14"). The guidance eliminates requirements for certain disclosures that are no longer considered cost beneficial and requires new ones that the FASB considers pertinent. The standard is effective for fiscal years ending after December 15, 2021 for all entities. Early adoption is permitted. The Company adopted this standard at inception.

Recently issued accounting standards

In August 2018, the FASB issued ASU No. 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework— Changes to the Disclosure Requirements for Fair Value Measurement* ("ASU 2018-13"). The amendments eliminate, add, and modify certain disclosure requirements for fair value measurements. The amendments are effective for interim and annual reporting periods beginning after December 15, 2019, with early adoption permitted for either the entire ASU or only the provisions that eliminate or modify requirements. The amendments with respect to changes in unrealized gains and losses, the range and weighted-average of significant unobservable inputs used to develop Level 3 fair value measurements, and the narrative description of measurement uncertainty are to be applied prospectively. All other amendments are to be applied retrospectively to all periods presented. The Company does not expect the adoption of ASU 2018-13 to have a material impact on its disclosures.

In June 2016, the FASB issued ASU No. 2016-13. *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* ("ASU 2016-13"), which requires that financial assets measured at amortized cost be presented at the net amount expected to be collected. Currently, U.S. GAAP delays recognition of the full amount of credit losses until the loss is probable of occurring. Under this ASU, the income statement will reflect an entity's current estimate of all expected credit losses. The measurement of expected credit losses will be based upon historical experience, current conditions, and reasonable and supportable forecasts that affect the collectability of the reported amount. In November 2018, the FASB issued ASU No. 2018-19, *Codification Improvements to Topic 326, Financial Instruments—Credit Losses* ("ASU 2018-19"), which clarifies that receivables from operating leases are accounted for using the lease guidance and not as financial instruments. In April 2019, the FASB issued ASU No. 2019-04, *Codification Improvements to Topic 326, Financial Instruments—Credit Losses* ("ASU 2019-04"), which clarifies the new expected credit loss methodology for loans, receivables and other financial assets, including recoveries and accrued interest on receivables. In November 2019, the FASB issued ASU No. 2019-11, *Codification Improvements to Topic 326*, *Financial Instruments—Credit Losses* ("ASU 2019-11"), which clarifies guidance around how to report expected recoveries. The standard is effective for fiscal years beginning after December 15, 2022, including interim periods within

Aligos Therapeutics, Inc.
Notes to consolidated financial statements
(In thousands, except share and per share data)

2. Summary of significant accounting policies, continued

Recently issued accounting standards, continued

those fiscal years. Early adoption is permitted. The Company is evaluating the potential impact of this standard on its consolidated financial statements.

In December 2019, the FASB issued ASU No. 2019-12, *Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes* ("ASU 2019-12"). The guidance removes specific exceptions to the general principles in ASC 740, improves application of income tax-related guidance and reduces complexity related to the accounting for income taxes. The standard is effective for fiscal years beginning after December 15, 2021, and interim periods with fiscal years beginning after December 15, 2022. Early adoption is permitted. The Company is evaluating the potential impact of this standard on its consolidated financial statements.

From time to time, new accounting pronouncements are issued by FASB that the Company adopts as of the specified effective date. The Company qualifies as an "emerging growth company" as defined in the Jumpstart Our Business Startups Act of 2012 and has the option to not "opt out" of the extended transition related to complying with new or revised accounting standards. This means that when a standard is issued or revised and it has different application dates for public and nonpublic companies, the Company has the option to adopt the new or revised standard at the time nonpublic companies adopt the new or revised standard and can do so until such time that the Company either (i) irrevocably elects to "opt out" of such extended transition period or (ii) no longer qualifies as an emerging growth company.

3. Property and equipment

The components of property and equipment were as follows as of December 31, 2018 and 2019:

	2018	2019
Leasehold improvements	$ 270	$ 5,100
Lab equipment	1,936	3,204
Computer equipment	238	890
Furniture and office equipment	124	425
Vehicles	37	296
Asset under construction	385	110
Total, at cost	2,990	10,025
Accumulated depreciation	(112)	(1,508)
Total, net	$2,878	$ 8,517

During the period from inception through December 31, 2018 and the year ended December 31, 2019, depreciation expense was $112 and $1,396, respectively. Finance leases are also included in property and equipment as vehicles on the consolidated balance sheets (Note 6).

Aligos Therapeutics, Inc.
Notes to consolidated financial statements
(In thousands, except share and per share data)

4. Investments

As of December 31, 2018 and 2019, amortized cost, gross unrealized gains and losses, and estimated fair values of total fixed-maturity securities were as follows:

	2018			
	Amortized cost	Gross unrealized gain	Gross unrealized loss	Estimated fair value
Held-to-maturity securities:				
U.S. Treasury bonds	$ 66,817	$ 1	$ (9)	$ 66,809

	2019			
	Amortized cost	Gross unrealized gain	Gross unrealized loss	Estimated fair value
Held-to-maturity securities:				
U.S. Treasury bonds	$ 58,117	$ 31	$ (1)	$ 58,147

Changes in fair value are related to changes in market interest rates. The Company expects to collect all contractual principal and interest payments.

Amortized cost and estimated fair value of fixed-maturity securities at December 31, 2019 by contractual maturity were as follows:

	2019	
	Amortized cost	Estimated fair value
Amounts maturing in:		
One year or less	$ 48,098	$ 48,127
More than one year	10,019	10,020
Total investments	$ 58,117	$ 58,147

The Company recorded interest income of $769 and $1,568, respectively, during the period from inception through December 31, 2018 and the year ended December 31, 2019, as a component of interest and other income (expense), net on the Company's consolidated statement of operations and comprehensive loss.

Aligos Therapeutics, Inc.
Notes to consolidated financial statements
(In thousands, except share and per share data)

5. Accrued liabilities

Accrued liabilities consisted of the following as of December 31:

	2018	2019
Accrued compensation	$2,986	$3,211
Accrued payables	159	3,113
Liability with early exercised stock options	77	753
Other	36	522
Total	$3,258	$7,599

6. Leases

The Company has operating and finance leases for corporate offices, research and development facilities, and certain vehicles. These leases have remaining lease terms of four to eight and a half years, some of which include options to extend the leases for five to eight years. The Company has determined that it is not reasonably certain to exercise the options under any leases. The lease of research and development facilities includes costs for utilities and common area maintenance which have been included in the calculation of lease payments. Differences between lease payments as measured at lease inception and variations in monthly payments will be recognized as operating expenses in the period in which the obligation is incurred.

Leases with an initial term of 12 months or less are not recorded on the balance sheet, and the Company recognizes lease expense for these leases on a straight-line basis over the lease terms. Leases with terms greater than 12 months are included in operating lease ROU assets and operating lease liabilities in the Company's consolidated balance sheets as of December 31, 2018 and 2019. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

Maturities of lease liabilities as of December 31, 2019, were as follows:

	Operating lease	Finance lease
Year ending December 31:		
2020	$ 2,507	$ 75
2021	2,604	75
2022	2,688	74
2023	2,697	39
2024	2,678	1
Thereafter	6,414	—
	19,588	264
Less: imputed interest	(5,509)	(12)
Present value of lease liabilities	14,079	252
Less: current portion	(2,378)	(74)
Lease liabilities net of current portion	$ 11,701	$ 178

Aligos Therapeutics, Inc.
Notes to consolidated financial statements
(In thousands, except share and per share data)

6. Leases, continued

The components of lease expense were as follows for the period from inception through December 31, 2018 and the year ended December 31, 2019:

	2018	2019
Operating lease cost	$1,187	$2,228
Finance lease cost:		
Amortization of right-of-use assets	$ 1	$ 46
Interest on lease liabilities	—	6
Total finance lease cost	$ 1	$ 52
Short-term lease cost	$ 13	$ 11

The Company made payments of $95 and $1,231 during the period from inception through December 31, 2018 and the year ended December 31, 2019, respectively, which are included as cash flow from operations on the consolidated statements of cash flows.

As of December 31, 2018 and 2019, $37 and $296 of finance lease ROU assets, respectively, were presented as part of property and equipment on the consolidated balance sheet with accumulated amortization of $1 and $47, respectively.

Additional information related to the Company's leases was as follows as of December 31:

	2019	2018
Operating Lease:		
Weighted-average remaining lease term (years)	7.10	8.15
Weighted-average discount rate	9.34%	9.30%
Finance Lease:		
Weighted-average remaining lease term (years)	3.66	3.92
Weighted-average discount rate	3.18%	6.00%

7. Convertible notes

The Company entered into a Note and Warrant Purchase Agreement (the "Note Agreement") on March 26, 2018 with several lenders (the "Lenders"). The Lenders provided in the aggregate approximately $5,000 in cash consideration to the Company. The Company provided for the sale and issuance of $5,000 in convertible notes (the "Notes"), along with detachable warrants (the "Warrants") (Note 8). The Notes accrued interest at 8% per annum, which was payable in cash or was capitalized with the note balance. The Notes provided for maturity upon the six-month anniversary of the initial closing, which was October 20, 2018.

The Notes were issued in two separate closings. The first closing occurred on April 20, 2018 and provided for the sale and purchase of Notes for approximately $3,675 in cash consideration. The second closing occurred on June 6, 2018 for sale and purchase of Notes for approximately $1,325 in cash consideration.

Aligos Therapeutics, Inc.
Notes to consolidated financial statements
(In thousands, except share and per share data)

7. Convertible notes, continued

Pursuant to the Note Agreement, the outstanding principal balance and unpaid accrued interest was to be converted as follows ("Conversion Feature"): automatic conversion into equity shares issued in the next equity financing round of at least $10,000 ("Next Equity Financing") calculated as the unpaid principal and unpaid interest divided by the price per share for equity securities in the Next Equity Financing; upon maturity date if the Next Equity Financing has not occurred, the holder had the option to receive cash consideration or shares of Common Stock, calculated as the outstanding unpaid principal and unpaid interest divided by the fair value of the Common Stock on the conversion date; or into Common Stock in the event of a change of control or IPO, as defined in the Note Agreement, calculated as the outstanding unpaid principal and unpaid interest divided by the fair value of the Common Stock immediately prior to the closing of the change of control or IPO.

The Warrants and Conversion Feature are accounted for as liabilities. The fair value of the Warrants (Note 8) and Conversion Feature as of the issuance date of the Notes was $905 and $22, respectively, and the debt was assigned the remaining value of the total proceeds.

On June 26, 2018, the Company executed an agreement with Emory University to purchase an exclusive license to proprietary know-how and patents related to hepatitis B virus ("HBV") for $290 in cash and a $600 convertible note (the "Emory Convertible Note"). These notes were not issued with warrants. The outstanding principal balance and unpaid accrued interest of the Emory Convertible Note provided for conversion under the Conversion Feature described above.

The Company issued Series A Redeemable Convertible Preferred Stock ("Series A") for $1.00 per share on August 16, 2018 for proceeds of $75,000 and an additional $20,000 on September 19, 2018, which qualified as the Next Equity Financing (Note 9). The Notes and Emory Convertible Note and unpaid accrued interest of $113 were cancelled and converted into shares of Series A at a conversion price of $1.00 per share. For the period from the issuance of the Notes and Emory Convertible Note through conversion on August 16, 2018, the Company recorded $493 of amortization of the debt discount and $113 of interest, resulting in $5,279 of unamortized value of the Notes and Emory Convertible Note prior to conversion and $606 of interest expense recorded as a component of interest and other income (expense), net on the consolidated statement of operations and comprehensive loss. The Company issued 5,712,864 shares of Series A valued at $5,713, resulting in a loss on debt conversion of $433, which is recorded as a component of interest and other income (expense), net on the consolidated statement of operations and comprehensive loss.

8. Derivative liabilities and redeemable convertible preferred stock liability

Warrants

In connection with the issuance of the Notes, Lenders were issued Warrants to purchase 1,250,000 shares of the Company's capital stock. The Warrants have a coverage percentage of 25% of the principal amount of the Notes and have a ten-year expiration date from the applicable closing date of April 20, 2018 or June 6, 2018.

The underlying shares issuable upon the exercise of the Warrants were eligible to be converted into the next round of equity financing. The Warrants became exercisable into shares of Series A for an exercise price of $1.00 per share. There were warrants to purchase 1,250,000 shares of Series A outstanding as of December 31, 2018.

Aligos Therapeutics, Inc.
Notes to consolidated financial statements
(In thousands, except share and per share data)

8. Derivative liabilities and redeemable convertible preferred stock liability, continued

Warrants, continued

The Company recorded the Warrants initially at fair value (Note 7 and Note 11) as derivative liabilities on the consolidated balance sheet with the remaining value being allocated to the Notes as a debt discount. The fair value of the Warrants upon issuance on April 20, 2018 and June 6, 2018, was $667 and $238, respectively. The fair value of the Warrants was $861 and $461 as of December 31, 2018 and 2019, respectively.

In December 2019, Warrants were exercised into 125,000 shares of Series A. As a result, there were Warrants to purchase 1,125,000 shares of Series A outstanding as of December 31, 2019. Following completion of an IPO or change of control, any then outstanding warrants will automatically be exercised, on net share basis, for the issuance of shares of Common Stock and, upon that exercise, such warrants will no longer be outstanding. As Series A contains a conditional obligation for the Company to repurchase the shares for cash consideration, the Warrants remain outstanding as derivative liabilities with changes in fair value being recorded on the consolidated statements of operations and comprehensive loss. For the period from inception through December 31, 2018 and the year ended December 31, 2019, the Company recorded a change in fair value of derivative liabilities of $44 and $348, respectively.

Conversion feature

The Company evaluated whether the Notes and the Emory Convertible Note contain embedded conversion features, which meet the definition of derivatives under ASC Topic 815, *Derivatives and Hedging* (“ASC 815”) and related interpretations. The Company determined that the terms of the Notes and the Emory Convertible Note (Note 7) include a variable conversion price based on the price of the underlying equity, which cause the embedded conversion options to be bifurcated and accounted for as derivative liabilities. Thus, the Company recorded the bifurcated conversion feature initially at fair value determined using the Monte Carlo simulation as derivative liabilities on the consolidated balance sheet with the residual value being allocated to the Notes and the Emory Convertible Note as a debt discount. The fair value of the conversion feature upon issuance on April 20, 2018 and June 6, 2018 were $16 and $6, respectively. The fair value of the conversion feature on the conversion date of August 16, 2018 was $0 and the Company recorded a change in fair value of derivative liabilities of $22 in interest and other income (expense), net on the consolidated statements of operations and comprehensive loss.

Redeemable convertible preferred stock liability

In connection with the issuance of Series B-1 Redeemable Convertible Preferred Stock (the “Series B-1”) (Note 9), the Series B-1 preferred stockholders committed to purchase and the Company committed to sell 33,268,045 shares of Series B-2 Redeemable Convertible Preferred Stock (the “Series B-2”) at a price of $1.20236 per share in a subsequent closing, contingent upon the achievement of certain developmental milestones or a receipt of a waiver of achievement of the milestones. The Redeemable Convertible Preferred Stock Liability is considered a freestanding instrument that qualifies as a liability under ASC Topic 480, *Distinguishing Liabilities from Equity* (“ASC 480”) as the Company is committed to issue an instrument that ultimately may require a transfer of assets. The liability is accounted for at fair value and re-measured at each reporting date (Note 11). On the date of the initial closing, the Company recorded the Redeemable Convertible

Aligos Therapeutics, Inc.
Notes to consolidated financial statements
(In thousands, except share and per share data)

8. Derivative liabilities and redeemable convertible preferred stock liability, continued

Redeemable convertible preferred stock liability, continued

Preferred Stock Liability at a fair value of $3,174. As of December 31, 2019, none of the Series B-2 shares were issued and the fair value of the liability related to this freestanding instrument remained unchanged.

9. Capital stock

Common stock

On February 5, 2018, the date of incorporation, the Company was authorized to issue 20,000,000 shares of common stock with a par value of $0.0001 per share (the “Common Stock”).

On March 19, 2018, the Company granted two founders the right to purchase 14,062,500 shares of the Company’s Common Stock at a purchase price of $0.0001 per share upon the terms and subject to the conditions set forth in a restricted stock purchase agreement. The shares were purchased for $2 on the grant date and the shares vested immediately upon grant.

On March 19, 2018, the Company granted two founders and one employee the right to purchase 3,966,344 shares of the Company’s Common Stock at a purchase price of $0.0001 per share upon the terms and subject to the conditions set forth in a restricted stock purchase agreement. The shares were purchased for a de-minimis amount on the grant date and the shares vest monthly over a three-year period after a one-year cliff. If the purchasers no longer provide services to the Company, any portion of the shares that have not vested pursuant to the vesting schedule shall, on the date that is 61 days following such termination of service, automatically be forfeited by purchaser without any additional consideration therefore and without any further action by the Company and such shares shall immediately be canceled by the Company and shall no longer be outstanding.

On July 23, 2018, the certificate of incorporation was amended to increase the number of shares authorized for issuance to 25,000,000 shares of Common Stock. On that same date, the Company issued for purchase by employees and founders an additional 721,156 shares for a de-minimis amount subject to the same terms and conditions as the shares issued on March 19, 2018.

The Common Stock issuances with vesting conditions were issued outside of the equity incentive plan and are described in more detail in Note 10—Stock-Based Compensation.

On August 15, 2018, the certificate of incorporation was amended to increase the total shares of Common Stock authorized for issuance to 149,000,000 and additionally 102,500,000 shares of preferred stock with a par value of $0.0001 per share. Effective immediately on filing date, the Company converted all shares of Common Stock into 0.90144231 shares of Common Stock (the “Reverse Stock Split”). All share and data shown in the accompanying consolidated financial statements and related notes have been retroactively revised to reflect the Reverse Stock Split. Shares of Common Stock underlying outstanding stock options and other equity instruments were proportionately reduced and the respective exercise prices, if applicable, were proportionately increased in accordance with the terms of the agreements governing such securities.

On December 23, 2019, the certificate of incorporation was amended to increase the total shares of Common Stock authorized for issuance to 278,000,000 and the total shares of preferred stock authorized for issuance to

Aligos Therapeutics, Inc.
Notes to consolidated financial statements
(In thousands, except share and per share data)

9. Capital stock, continued

Common stock, continued

212,994,964 with a par value of $0.0001 per share. The total shares of preferred stock authorized comprised 101,962,864 shares of Series A, 77,764,055 shares of Series B-1, and 33,268,045 shares of Series B-2.

The holders of shares of Common Stock are entitled to one vote for each share of Common Stock at all meetings of stockholders.

Redeemable convertible preferred stock

On August 16, 2018, the Company entered into the Series A Preferred Stock Purchase Agreement for the purchase and sale of Series A preferred stock for $1.00 per share. The Company received $75,000 in cash proceeds from the initial purchasers. On September 19, 2018, the Company received an additional $20,000 in cash proceeds from subsequent purchasers. Additionally, on the initial closing date, $5,600 in convertible notes plus accrued interest converted into shares of Series A and the notes were subsequently cancelled. The Warrants associated with the convertible notes became exercisable into Series A. Each share of Series A is convertible into Common Stock on a one-for-one basis. In connection with the issuance of Series A, the Company incurred $194 in issuance costs which have offset amounts reported as temporary equity as of December 31, 2018 and 2019.

On December 23, 2019, the Company entered into the Series B-1 and Series B-2 Preferred Stock Purchase Agreement, pursuant to which the investors committed to invest an aggregate amount of up to $125,000 for the issuance and sale of shares of Series B-1 and Series B-2 (collectively, the “Series B”), at a price of $1.09305 and $1.20236 per share, respectively. The Company issued 77,764,055 shares of Series B-1 for cash proceeds of $85,000 at the initial closing on December 23, 2019. The investors also committed to purchase and the Company committed to sell 33,268,045 shares of Series B-2 in a subsequent closing (the “Second Closing”), contingent upon achievement by the Company of certain development milestones or a receipt of a waiver of achievement of the milestones. No shares of Series B-2 were issued as of December 31, 2019. In connection with the issuance of Series B-1, the Company incurred $442 in issuance costs which have offset amounts reported as temporary equity as of December 31, 2019.

The holders of the Company’s Series A and Series B (collectively, the “Preferred Stock”) have the following rights, preferences, and privileges:

(a) Dividends

The holders of shares of Preferred Stock, in preference to the holders of Common Stock, shall be entitled to receive, on a *pari passu* basis, when, as and if declared by the board of directors (“Board”) out of funds legally available, noncumulative cash dividends at the rate of eight percent (8%) of the original issue price per annum on each outstanding share of Preferred Stock. So long as any shares of Preferred Stock are outstanding, the Company shall not pay or declare any dividend, or make any other distribution on the Common Stock, or purchase, redeem or otherwise acquire for value any shares of Common Stock until all dividends on the Preferred Stock shall have been paid or declared and set apart, except for: acquisitions of Common Stock by the Company pursuant to agreements which permit the Company to repurchase such

Aligos Therapeutics, Inc.
Notes to consolidated financial statements
(In thousands, except share and per share data)

9. Capital stock, continued

Redeemable convertible preferred stock, continued

shares upon termination of services to the Company or acquisitions of Common Stock in exercise of the Company's right of first refusal to repurchase such shares as approved by the Board. After the dividends on the Preferred Stock have been paid, then the Company may declare and distribute in such year dividends among the holders of Preferred Stock and the holders of Common Stock pro rata based on the number of shares of Common Stock held by each, determined on an as-if-converted to Common Stock basis (assuming full conversion of all such Preferred Stock) as of the record date with respect to the declaration of such dividends.

(b) Liquidation preference and redemption

In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Company, the holders of shares of Preferred Stock then outstanding shall be entitled to be paid out of the assets of the Company available for distribution to its stockholders or, in the case of a Deemed Liquidation Event (as defined below), out of the consideration payable to stockholders in such Deemed Liquidation Event or the Available Proceeds (as defined below), before any payment shall be made to the holders of Common Stock by reason of their ownership thereof, an amount per share equal to one (1) times the applicable Original Issue Price of such series of Preferred Stock, plus any dividends declared but unpaid thereon. If upon any such liquidation, dissolution or winding up of the Company or Deemed Liquidation Event, the assets of the Company available for distribution to its stockholders shall be insufficient to pay the holders of shares of Preferred Stock the full amount to which they shall be entitled, the assets or consideration will be distributed ratably among such holders.

After the payment in full of all liquidation amounts required to be paid to the holders of shares of Preferred Stock, the remaining assets of the Company available for distribution to its stockholders or, in the case of a Deemed Liquidation Event, the consideration not payable to the holders of shares of Preferred Stock or the remaining Available Proceeds, as the case may be, shall be distributed among the holders of the shares of Preferred Stock and Common Stock, pro rata based on the number of shares held by each such holder, treating for this purpose all such securities as if they had been converted to Common Stock immediately prior to such liquidation, dissolution or winding up of the Company; provided, however, that if the aggregate amount which the holders of shares of Preferred Stock are entitled to receive shall exceed one and one-half (1.5) times the applicable Original Issue Price of such series of Preferred Stock per share, plus any dividends declared, but unpaid thereon (such amount, with respect to a series of Preferred Stock, the "Maximum Participation Amount"), each holder of shares of a series of Preferred Stock shall be entitled to receive upon such liquidation, dissolution or winding up of the Company the greater of (i) the Maximum Participation Amount applicable to such series or (ii) the amount such holder would have received if all shares of such series of Preferred Stock had been converted into Common Stock immediately prior to such liquidation, dissolution or winding up of the Company.

Each of the following events shall be considered a "Deemed Liquidation Event" unless the holders of at least 67% of the outstanding shares of Preferred Stock (voting as a single class on an as-converted to Common Stock basis) which must include certain non-strategic holders of Series B-1 or Series B-2 holding

Aligos Therapeutics, Inc.
Notes to consolidated financial statements
(In thousands, except share and per share data)

9. Capital stock, continued

Redeemable convertible preferred stock, continued

at least 33% of outstanding shares of Series B-1 and Series B-2 elect otherwise by written notice sent to the Company prior to the effective date of any such event:

(a) a merger or consolidation in which the Company is a constituent party or a subsidiary of the Company is a constituent party and the Company issues shares of its capital stock pursuant to such merger or consolidation, except (1) any such merger or consolidation involving the Company or a subsidiary in which the shares of capital stock 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 that represent, immediately following such merger or consolidation, a majority, by voting power, of the capital stock of (a) the surviving or resulting corporation; or (b) if the surviving or resulting corporation is a wholly owned subsidiary of another corporation immediately following such merger or consolidation, the parent corporation of such surviving or resulting corporation; or (2) a merger effected exclusively to change the domicile of the Company;

(b) the closing of the sale, in a single transaction or series of related transactions, of equity securities of the Company other than (a) bona fide equity financing, and (b) any transaction in which, the stockholders of the Company prior to such transaction continue to hold at least fifty percent (50%) of the outstanding shares of the surviving corporation; or

(c) (1) the sale, lease, transfer, exclusive license or other disposition, in a single transaction or series of related transactions, 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 (2) the sale or disposition (whether by merger, consolidation or otherwise, and whether in a single transaction or a series of related transactions) of one or more subsidiaries of the 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.

(c) Conversion

Each share of Preferred Stock is convertible into fully paid and non-assessable shares of Common Stock at any time at the option of the holder, and is subject to mandatory conversion upon the written consent of certain holders or upon the closing of a firm commitment underwritten public offering (i) approved by a majority of the then-outstanding shares of Series B-1 or Series B-2 held by certain non-strategic Series B-1 and Series B-2 holders or (ii) after the earlier of (A) September 30, 2021 and (B) the occurrence of a developmental milestone, in the case of clause (ii) which firm commitment underwritten public offering involves a price per share dependent upon whether it is prior to the Second Closing or on or after the Second Closing and gross proceeds to the Company of at least $75,000. The conversion ratio at December 31, 2018 and 2019 was one for one, and is subject to certain anti-dilutive adjustments.

(d) Voting

The holders of Preferred Stock have voting rights equivalent to the number of shares of Common Stock into which their shares of Preferred Stock convert. Except as provided by law or by the other provisions of

Aligos Therapeutics, Inc.
Notes to consolidated financial statements
(In thousands, except share and per share data)

9. Capital stock, continued

Redeemable convertible preferred stock, continued

the amended and restated certificate of incorporation, holders of shares of Preferred Stock shall vote together with the holders of shares of Common Stock as a single class and on an as-converted to Common Stock basis.

The holders of record of shares of Series A, exclusively and as a separate class, shall be entitled to elect four (4) directors of the Company, the holders of record of shares of Series B-1 and Series B-2, exclusively and as a separate class on an as-converted basis, shall be entitled to elect one (1) director of the Company and the holders of record of shares of Common Stock, exclusively and as a separate class, shall be entitled to elect two (2) directors of the Company.

10. Stock-based compensation

2018 Equity incentive plan

The Company's 2018 Equity Incentive Plan (the "Plan") allows the Company to issue restricted stock awards and restricted stock units, and to grant incentive stock options or non-qualified stock options. Incentive stock options may be granted only to the Company's employees including officers and members of the Board who are also employees. Restricted stock awards, restricted stock units and non-qualified stock options may be granted to employees, members of the Board, outside advisors, and consultants of the Company (the "Participants"). The Company is authorized to issue awards for 45,793,887 shares of Common Stock under the Plan. The Company has granted 21,089,000 shares subject to awards as of December 31, 2019 with 24,704,887 remaining available for future grant.

Stock options

The exercise price for incentive stock options is at least 100% of the fair market value on the date of grant for stockholders owning less than 10% of the voting power of all classes of stock, or at least 110% of the fair market value for stockholders owning more than 10% of the voting power of all classes of stock. Options generally expire in 10 years and vest over periods determined by the Board, generally 48 months. Certain stock options referred to as "early exercise stock options" permit the holders to exercise the option in whole or in part prior to the full vesting of the option in exchange for unvested shares of Restricted Stock with respect to any unvested portion of the option so exercised.

During the period from inception through December 31, 2018 and the year ended December 31, 2019, the Company's stock option compensation expense was approximately $45 and $261, respectively, and there was no recognized tax benefit in either year. As of December 31, 2019, unamortized expense balance was $612, to be amortized over a weighted-average period of 2.74 years.

Aligos Therapeutics, Inc.
Notes to consolidated financial statements
(In thousands, except share and per share data)

10. Stock-based compensation, continued

Stock options, continued

The assumptions that the Company used to determine the grant-date fair value of stock options granted to Participants were as follows, presented on a weighted-average basis:

	2018	2019
Expected term (in years)	5.90	6.06
Risk-free interest rate	2.98%	1.94%
Dividend yield	—	—
Volatility	58.98%	60.24%

Stock option activity during the period from inception through December 31, 2018 and the year ended December 31, 2019 was as follows:

	Shares subject to options	Weighted-average exercise price	Weighted-average remaining contractual term (years)	Aggregate intrinsic value
Outstanding as of February 5, 2018	—	$ —		
Granted	9,902,000	0.14		
Outstanding as of December 31, 2018	9,902,000	0.14	9.88	$ —
Granted	1,667,000	0.14		
Exercised	(8,306,247)	0.14		37
Forfeited	(30,000)	0.14		
Outstanding as of December 31, 2019	3,232,753	0.14	9.01	744
Options vested and expected to vest as of December 31, 2019	8,244,735	0.14	9.01	1,896
Options vested and exercisable as of December 31, 2019	292,081	0.14	8.88	67

The weighted-average grant date fair value of stock options granted was $0.08 per share both during the period from inception through December 31, 2018 and the year ended December 31, 2019.

During the period from inception through December 31, 2018 and the year ended December 31, 2019, the Company issued 550,000 and 5,011,982 shares of Common Stock, respectively, upon exercise of unvested stock options or purchases for unvested restricted stock awards. As of December 31, 2018 and 2019, there were 550,000 and 5,378,649 shares of Common Stock, respectively, held by employees subject to repurchase at an aggregate price of $77 and $753, respectively. A corresponding liability was recorded and included in accrued expenses on the consolidated balance sheet as of December 31, 2018 and 2019.

Restricted stock awards

The Company may grant restricted stock purchase awards to the Participants to purchase restricted stock under the Company's Plan, which are subject to vesting conditions. The purchase prices of the restricted stock

Aligos Therapeutics, Inc.
Notes to consolidated financial statements
(In thousands, except share and per share data)

10. Stock-based compensation, continued

Restricted stock awards, continued

are determined by the Board. The Company has a right to repurchase the shares if the Participant's service period is not fulfilled or upon termination of service at the original per share issuance price. The right of repurchase lapses over a service period which is typically four years with 25% vesting on the first anniversary of the vesting commencement date and 1/48 each month thereafter.

Before the adoption of the Company's Plan, the Company granted 4,687,500 restricted stock awards to employees and founders. These restricted stock awards have similar characteristics to the restricted stock awards granted under the Company's Plan, other than the right of repurchase, which typically lapses over three years with 33% vesting on the first anniversary of the vesting commencement date and 1/36 each month thereafter.

During the period from inception through December 31, 2018 and the year ended December 31, 2019, the Company recorded a total stock-based compensation expense of $134 and $492, respectively, related to the restricted stock awards. As of December 31, 2019, unrecognized stock-based compensation costs related to outstanding unvested restricted stock awards that are expected to vest were approximately $813, expected to be recognized over a weighted-average period of 2.04 years.

The following table summarizes the Company's restricted common stock activity for the period from inception through December 31, 2018 and the year ended December 31, 2019:

	Shares subject to awards	Weighted-average grant date fair value	Aggregate fair value
Issued and unvested as of February 5, 2018	—	$ —	$ —
Restricted stock awards granted	14,237,500	0.10	1,438
Restricted stock awards vested	(58,593)	0.14	(8)
Issued and unvested as of December 31, 2018	14,178,907	0.10	1,430
Restricted stock awards granted	—	—	—
Restricted stock awards vested	(6,469,788)	0.09	(596)
Issued and unvested as of December 31, 2019	7,709,119	0.11	$ 834

Stock-based compensation expense was allocated as follows for the period from inception through December 31, 2018 and the year ended December 31, 2019:

	2018	2019
Research and development	$130	$462
General and administrative	49	290
Total	$179	$752

Aligos Therapeutics, Inc.
Notes to consolidated financial statements
(In thousands, except share and per share data)

11. Fair value

The following tables present the fair value of the Company's financial instruments that are measured or disclosed at fair value on a recurring basis:

	Fair value measurements as of December 31, 2018		
	Level 1	Level 2	Level 3
Assets:			
Cash and cash equivalents	$24,035	$ —	$ —
U.S. Treasury bonds	66,810	—	—
Liabilities:			
Derivative liabilities	—	—	(861)
	$90,845	$ —	$ (861)

	Fair value measurements as of December 31, 2019		
	Level 1	Level 2	Level 3
Assets:			
Cash and cash equivalents	$ 69,565	$ —	$ —
U.S. Treasury bonds	58,146	—	—
Liabilities:			
Derivative liabilities	—	—	(461)
Redeemable Convertible Preferred Stock Liability	—	—	(3,174)
	$ 127,711	$ —	$ (3,635)

The derivative liability in the table above is composed of the fair value of Warrants and Conversion Features issued in connection with the Notes, which were subsequently converted into shares of Series A. The fair values of the Warrants and Conversion Features were determined based on significant inputs not observable in the market, which represents a Level 3 measurement within the fair value hierarchy.

In order to determine the fair value of the Warrants, the Company utilized a probability-weighted multi-scenario Black-Scholes option-pricing model to determine the fair value of the Warrants by accounting for the probability of multiple possible outcomes, including deemed liquidation events, as best estimated by management. Estimates and assumptions impacting the fair value measurement including the fair value of the underlying shares of Series A, the remaining contractual or expected term of the Warrants, risk-free interest rate, expected dividend yield and expected volatility of the price of the underlying preferred stock on an as converted basis. The Company considered the probability of a deemed liquidation event in determining the remaining expected term of the Warrants, which was used as an input to the probability-weighted multi-scenario Black-Scholes option-pricing model adopted in 2019. The Company lacks company-specific historical and implied volatility information of its stock since there is currently no market. Therefore, it estimated its expected stock volatility based on the historical volatility of publicly traded guideline companies for a term equal to the remaining contractual or expected term of the Warrants. The risk-free interest rate was determined by reference to the U.S. Treasury yield curve for time periods approximately equal to the remaining

Aligos Therapeutics, Inc.
Notes to consolidated financial statements
(In thousands, except share and per share data)

11. Fair value, continued

contractual or expected term of the Warrants. The Company estimated no expected dividend yield based on the fact that the Company has never paid or declared dividends and does not intend to do so in the foreseeable future.

The Warrants were measured at fair value under the following assumptions as of December 31:

	2018	2019
Exercise price	$ 1.00	$ 1.00
Term (in years)	9.30 - 9.43	2.00 - 3.00
Risk-free interest rate	2.69%	1.63%
Dividend yield	—	—
Volatility	60.56%	75.00%

The significant unobservable inputs used in the fair value measurement of the Warrants are the remaining expected term, which considers the timing of a liquidation event that would net settle the awards before their contractual term expires, and the equity volatility, which is a statistical measure of the dispersion of returns for a given security. Significant increases (decreases) in the term would result in significantly higher (lower) fair value measurements. Significant increases (decreases) in the volatility would result in significantly higher (lower) fair value measurements.

The fair value of the bifurcated conversion feature was immaterial at inception and is included in the initial fair value of the derivative liabilities. As of December 31, 2018 and 2019, the fair value of the bifurcated conversion feature was $0 as the Notes are converted into shares of Series A preferred stock in August 2018 (Note 7).

The following table sets forth a summary of changes in fair value of the Company's derivative liability for which fair value was determined by Level 3 inputs:

	Derivative liabilities
Balance as of February 5, 2018	$ —
Initial fair value of derivative	927
Change in fair value	(66)
Balance as of December 31, 2018	861
Exercise of warrants	(52)
Change in fair value	(348)
Balance as of December 31, 2019	$ 461

In order to determine the fair value of the Redeemable Convertible Preferred Stock Liability, the Company used a probability weighted multi-scenario Black Scholes hybrid valuation method that accounts for the probability of achieving milestones as estimated by the management. The Redeemable Convertible Preferred Stock Liability has a fair value of $3,174 at inception, which remained unchanged as of December 31, 2019. The Redeemable

Aligos Therapeutics, Inc.
Notes to consolidated financial statements
(In thousands, except share and per share data)

11. Fair value, continued

Convertible Preferred Stock Liability was measured at fair value under the following assumption as of December 31, 2019:

	2019
Exercise price	$ 1.20
Term (in years)	1.27
Risk-free interest rate	1.55%
Dividend yield	—
Volatility	60.00%

The significant unobservable inputs used in the fair value measurement of the Redeemable Convertible Preferred Stock Liability include the probability of milestone achievement and/or milestone achievement waiver, the Series B-2 current or future value estimate under each scenario, the term, and the equity volatility, which is a statistical measure of the dispersion of returns for a given security. Significant increases (decreases) in the milestone achievement and/or milestone waiver would result in a significantly higher (lower) fair value measurement. Significant decreases (increases) in assumed current or future Series B-2 value would result in a significantly lower (higher) fair value measurement. Significant increases (decreases) in the term would result in a significantly higher (lower) fair value measurement. Significant increases (decreases) in the volatility would result in significantly higher (lower) fair value measurements.

12. License and collaboration agreements

Agreement with Emory University ("Emory")

In June 2018, the Company entered into a license agreement with Emory (the "Emory License Agreement"), pursuant to which Emory granted the Company a worldwide, sublicenseable license under certain of its intellectual property rights to make, have made, develop, use, offer to sell, sell, import and export products containing certain compounds relating to Emory's hepatitis B virus capsid assembly modulator technology, for all therapeutic and prophylactic uses. Such license is initially exclusive with respect to specified licensed patents owned by Emory and non-exclusive with respect to certain of Emory's specified know-how. Beginning in June 2022, the license to such patents will become non-exclusive with respect to all fields except for the treatment and prevention of HBV; however, the Company may select up to six compounds which will maintain exclusivity with respect to all therapeutic and prophylactic uses. With respect to all other compounds that are enabled by the licensed patents, those which are jointly invented by the Company and Emory or inventors in the Schinazi laboratory, or which are disclosed in a specified licensed patent, are licensed to the Company exclusively including as to Emory; whereas all other such compounds are licensed to the Company non-exclusively. Under the terms of the Emory License Agreement, the Company is obligated to use commercially reasonable efforts to bring licensed products to market in accordance with a mutually agreed upon development plan. Unless terminated earlier by either party in accordance with the provisions thereof, the Emory License Agreement shall continue until the expiration of the last–to-expire of the patents licensed to the Company thereunder.

Aligos Therapeutics, Inc.
Notes to consolidated financial statements
(In thousands, except share and per share data)

12. License and collaboration agreements, continued

Agreement with Emory University ("Emory"), continued

As consideration for the Emory License Agreement, the Company paid an upfront license fee of $290 and issued the Emory Convertible Note of $600 (Note 7). Both the upfront cash payment of $290 and the value of the Emory Convertible Note of $600 were recorded as research and development expense during the period from inception through December 31, 2018. As discussed in Note 7, upon issuance of the Series A in August 2018, the Emory Convertible Note and unpaid accrued interest was cancelled and converted into shares of Series A at a conversion price of $1.00 per share.

The Company has agreed to pay Emory up to an aggregate of $125,000 upon the achievement of specified development, regulatory, and commercial milestones, and all ongoing patent costs. During the period from inception through December 31, 2018 and the year ended December 31, 2019, the Company had no expenses related to milestone payments. The Company also agreed to pay Emory tiered single-digit royalties on worldwide annual net sales of licensed products, on a quarterly basis and calculated on a product-by-product basis. With respect to licensed products containing any of a specified subset of the licensed compounds, such royalties range from a mid-single digit to a high-single digit percentage rate. With respect to licensed products which do not contain such compounds, the royalties span a range of percentage rates within the mid-single digits if a Phase 1 clinical trial is initiated for the product within three years of the effective date of the Emory License Agreement, and range from a low-single digit to a mid-single digit rate if a Phase 1 clinical trial is initiated more than three years after the effective date. During the period from inception through December 31, 2018 and the year ended December 31, 2019, the Company made no payments associated with royalties. See Note 18 for further discussion of the Emory License Agreement.

Agreement with Luxna Biotech Co., Ltd. ("Luxna")

On December 19, 2018, the Company entered into a license agreement with Luxna, pursuant to which Luxna granted the Company an exclusive, worldwide, sublicenseable license under certain of Luxna's intellectual property rights to research, develop, make, have made, and commercialize for all therapeutic and prophylactic uses, (i) products containing oligonucleotides targeting the hepatitis B virus genome, (ii) products containing certain oligonucleotides targeting up to three genes which contribute to NASH, which the Company may select at any time during the first eight years of the term, to the extent not licensed to a third party, and (iii) products containing oligonucleotides targeting up to three genes which contribute to hepatocellular carcinoma, which the Company may select at any time during the first three years of the term. Unless terminated earlier by either party in accordance with provisions in the agreement, the agreement shall continue until the expiration of the last-to-expire of the patents licensed thereunder.

As consideration for this agreement, the Company paid an upfront license fee of $600, which was recorded as research and development expense during the period from inception through December 31, 2018 and the year ended December 31, 2019.

The Company is obligated to make payments to Luxna, in aggregate, totaling up to but no more than $55,500 upon the achievement of specified development, regulatory, and commercial milestones. During the period from inception through December 31, 2018 and the year ended December 31, 2019, the Company recognized no

Aligos Therapeutics, Inc.
Notes to consolidated financial statements
(In thousands, except share and per share data)

12. License and collaboration agreements, continued

Agreement with Luxna Biotech Co., Ltd. ("Luxna"), continued

expenses related to milestone payments. The Company is also required to pay Luxna a low-single digit royalty percentage on net sale of applicable products, if any. During the period from inception through December 31, 2018 and the year ended December 31, 2019, the Company made no payments associated with royalties. See Note 18 for further discussion of the agreement with Luxna.

13. Income taxes

The components of the current provision for income taxes were as follows for the period from inception through December 31, 2018 and the year ended December 31, 2019:

	2018	2019
Current:		
State	$ —	$ 1
Foreign	—	84
Total provision for income taxes	$ —	$ 85

The Company did not have any deferred provision for income taxes for the period from inception through December 31, 2018 and the year ended December 31, 2019.

A reconciliation of the expected income tax (benefit) computed using the federal statutory income tax rate to the Company's effective income tax rate is as follows for the period from inception through December 31, 2018 and the year ended December 31, 2019:

	2018	2019
Income tax computed at federal statutory rate	21.00%	21.00%
State taxes, net of federal benefit	7.52%	8.18%
R&D credit carryovers	0.35%	1.87%
Change in valuation allowance	-26.71%	-29.71%
Permanent differences	-2.16%	-1.32%
Other	—	-0.18%
	0.00%	-0.16%

Aligos Therapeutics, Inc.
Notes to consolidated financial statements
(In thousands, except share and per share data)

13. Income taxes, continued

The components of the deferred tax assets and liabilities were as follows at December 31:

	2018	2019
Deferred tax assets:		
Federal net operating loss carryforward	$ 2,153	$ 12,106
State net operating loss carryforward	747	4,227
Operating lease liabilities	3,761	3,776
Tax credits	194	1,865
Other accruals and reserves	573	675
Other	31	7
	7,459	22,656
Valuation allowance	(3,755)	(19,362)
Net deferred tax assets	3,704	3,294
Deferred tax liabilities:		
Right of use assets	(3,390)	(2,067)
Stock-based compensation	(292)	(115)
Property and equipment	(22)	(1,112)
Total deferred tax liabilities	(3,704)	(3,294)
Total deferred income taxes	$ —	$ —

Management believes that, based on a number of factors, including the Company's historical operating performance and accumulated deficit, it is more likely than not that the deferred tax assets will not be utilized, such that full valuation allowance has been recorded against the Company's deferred tax assets. In assessing the reliability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized on a jurisdiction by jurisdiction basis. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. The valuation allowance increased by $15,607 during the year ended December 31, 2019.

As of December 31, 2019, the Company had $57,648 of federal and $60,527 of state net operating loss ("NOL") carryforwards available to offset future taxable income. The Company's federal NOL carryforwards can be carried forward indefinitely while state NOL carryforwards, if not utilized, will begin expiring in 2038. As of December 31, 2019, the Company had research and development credit carryforwards of $1,377 and $1,125 available to reduce future taxable income, if any, for federal and state income tax purposes, respectively. If not utilized, the federal credit carryforwards will begin expiring in 2029. Internal Revenue Code Section 382 ("Section 382") limits the use of NOL and tax credit carryforwards in certain situations where changes occur in the stock ownership of a company. In the event that the Company had a change of ownership, utilization of the NOL and tax credit carryforwards may be limited under Section 382.

The Company adopted the provisions of FASB Accounting Standards Codification ("ASC 740-10"), *Accounting for Uncertainty in Income Taxes*, upon the date of incorporation. ASC 740-10 prescribes a comprehensive model for

Aligos Therapeutics, Inc.
Notes to consolidated financial statements
(In thousands, except share and per share data)

13. Income taxes, continued

the recognition, measurement, presentation and disclosure in financial statements of any uncertain tax positions that have been taken or expected to be taken on a tax return. It is the Company's policy to include penalties and interest expense related to income taxes as a component of other expense and interest expense, respectively, as necessary. During the period from inception though December 31, 2018 and the year ended December 31, 2019, the Company had not recognized any tax-related penalties or interest. At December 31, 2019, the gross unrecognized tax benefit relating to research and development credit was $637, none of which if recognized would reduce the effective tax rate in a future period, due to the Company's full valuation allowance on U.S. net deferred tax assets. The Company does not expect that its uncertain tax positions will materially change in the next twelve months. The following table summarizes the changes to the Company's unrecognized tax benefits:

	2018	2019
Balance, beginning of the period	$ —	$ 79
Increase related to prior year positions	—	—
Increase related to current year positions	79	558
Balance, ending of the period	$ 79	$637

The Company files income tax returns in the United States and California. The Company is not currently under examination by income tax authorities in federal, state or other jurisdictions. All tax returns will remain open for examination by the federal and state authorities for three and four years, respectively, from the date of utilization of any NOLs or credits.

In January 2018, the FASB released guidance on the accounting for tax on the global intangible low-taxed income ("GILTI") provisions of the Tax Reform Act. The GILTI provisions impose a tax on foreign income in excess of a deemed return on tangible assets of foreign corporations. The guidance allows companies to make an accounting policy election to either (i) account for GILTI as a component of tax expense in the period in which they are subject to the rules (the period cost method), or (ii) account for GILTI in the Company's measurement of deferred taxes (the deferred method). After completing the analysis of the GILTI provisions, the Company elected to account for GILTI using the period cost method.

14. Commitments and contingencies

From time to time, the Company may have certain contingent liabilities, including legal matters that arise in the ordinary course of its business activities. The Company accrues a liability for such matters when it is probable that future expenditures will be made and such expenditures can be reasonably estimated. The Company had no contingent liabilities requiring accrual as of December 31, 2018 and 2019.

15. Benefit plans

Defined contribution plans

The Company established a defined contribution savings plan under Section 401(k) of the Internal Revenue Code. This plan covers substantially all employees who meet minimum age and service requirements and allows

Aligos Therapeutics, Inc.
Notes to consolidated financial statements
(In thousands, except share and per share data)

15. Benefit plans, continued

Defined contribution plans, continued

participants to defer a portion of their annual compensation on a pre-tax basis. The Company made matching contributions of $48 and $274 to the plan during the period from inception through December 31, 2018 and the year ended December 31, 2019, respectively.

Defined benefit plans—regular pension plan

ASC Topic 715, *Compensation—Retirement Benefits*, requires an employer to: (a) recognize in its statement of financial position an asset for a plan's overfunded status or a liability for a plan's under-funded status; (b) measure a plan's assets and its obligations that determine its funded status as of the end of the employer's fiscal year; and (c) recognize changes in the funded status of a defined benefit post retirement plan in the year in which the changes occur. Accordingly, the Company is required to report changes in its funded status on its consolidated statement of stockholders' deficit and consolidated statement of operations and comprehensive loss.

Aligos-Belgium offers its employees a regular pension plan in the form of a defined contribution plan (the "Regular Pension Plan"), which contains a 1.75% legally required minimum rate of return for the participants. The Regular Pension Plan does not meet all the requirements that are needed for recognition of the plans as a defined contribution plan. The Company therefore recognizes the Regular Pension Plan as a defined benefit plan.

Net periodic benefit costs and other amounts recognized in other comprehensive loss for the Regular Pension Plan include the following components for the period from inception through December 31, 2018 and the year ended December 31, 2019:

	2018	2019
Service cost	$ 36	$ 94
Expected return on plan assets	—	(2)
Interest costs	—	6
Other costs	29	29
Prior service costs	284	58
	349	185
Net actuarial loss (gain) in plan asset and projected benefit obligation recognized in other comprehensive loss	(3)	86
Total recognized	$346	$271

The net periodic benefit costs, excluding service costs, are included in interest and other income (expense), net on the Company's consolidated statements of operations and comprehensive loss.

Aligos Therapeutics, Inc.
Notes to consolidated financial statements
(In thousands, except share and per share data)

15. Benefit plans, continued

Defined benefit plans—regular pension plan, continued

The activities under the Regular Pension Plan are as follow:

	2018	2019
Change in benefit obligation:		
Benefit obligation, beginning of year	$ —	$317
Service cost	36	94
Interest cost	—	6
Prior service cost	284	58
Actuarial loss (gain)	(3)	85
Benefit obligation, end of year	317	560
Change in plan assets:		
Fair value of plan assets, beginning of year	—	317
Company contributions	346	182
Expected net return on plan assets	—	2
Other costs	(29)	(30)
Actuarial loss	—	(1)
Fair value of plan assets, end of year	317	470
Funded status	$ —	$ (90)

The underfunded amount of $0 and $90 is recognized in accrued liabilities on the consolidated balance sheet as of December 31, 2018 and 2019, respectively. In addition, $3 of actuarial gain and $86 of actuarial loss is recognized in accumulated other comprehensive (loss) income for the period from inception through December 31, 2018 and the year ended December 31, 2019, respectively.

The accumulated benefit obligation for the defined benefit plan was $317 and $561 as of December 31, 2018 and 2019, respectively.

The weighted-average rates used to determine the net periodic benefit costs and projected benefit obligations were as follows:

	2018	2019
Discount rate	1.90%	0.90%
Rate of increased salary levels	1.80%	1.80%
Expected long-term rate of return on assets	0.65%	0.65%

The discount rate used in 2018 and 2019 is based on a yield curve constructed from a portfolio of high-quality, Euro-denominated fixed income investments with various maturities up to 12 years. Each year's expected future benefit payments are discounted to their present value at the appropriate yield curve rate, thereby generating the overall discount rate for the projected benefit obligation.

Aligos Therapeutics, Inc.
Notes to consolidated financial statements
(In thousands, except share and per share data)

15. Benefit plans, continued

Defined benefit plans—regular pension plan, continued

The expected long-term rate of return on plan assets is deemed to equal 0.75%, as guaranteed by the insurance company that holds the fund investments, less 0.1% of asset management fee, resulting in 0.65%.

The fair values of the Regular Pension Plan assets as of December 31, 2018 and 2019 are as follows:

	Significant unobservable inputs (Level 3)
2018:	
Sundry liabilities	$ (20)
Insurance policies	337
	$ 317
2019:	
Current account with insurer	$ (15)
Insurance policies	485
	$ 470

The following table sets forth a summary of changes in fair value of the Regular Pension Plan assets for which fair value was determined by Level 3 inputs:

	2018	2019
Unobservable inputs—beginning	$ —	$317
Actual return on plan assets	—	1
Net purchases, sales and settlements	346	182
Transfers out of Level 3 assets	(29)	(30)
Unobservable inputs—ending	$317	$470

The Company anticipates making $200 funding contributions to the Regular Pension Plan in 2020.

Estimated future benefit payments are as follows:

Fiscal year:	
2020	$ 4
2021	3
2022	2
2023	2
2024	2
2025—2028	9
	$22

Aligos Therapeutics, Inc.
Notes to consolidated financial statements
(In thousands, except share and per share data)

15. Benefit plans, continued

Defined benefit plans—Top Hat Plan

In Aligos-Belgium, the Company established a pension bonus complementary plan (the "Top Hat Plan"), where the bonus payments to each participant are added to the Top Hat Plan. The annual contributions to this plan are based on performance and determined on a discretionary basis by the Company. The Top Hat Plan contains a legal yield guarantee of 1.75%. The Top Hat Plan became effective as of January 1, 2019.

In 2018, the Company accounted for the Top Hat Plan in accordance with ASC 710—*Compensation*, and recognized approximately $286 as research and development expenses in the consolidated statements of operations and comprehensive loss. The Top Hat Plan was underfunded and the Company recorded a corresponding liability of approximately $286 in accrued liabilities on the consolidated balance sheets as of December 31, 2018.

In 2019, the Company accounted for the Top Hat Plan in accordance with ASC 715—*Compensation—Retirement Benefits*, once it became effective. The Top Hat Plan does not meet all the requirements that are needed for recognition as a defined contribution plan. The Company therefore recognizes the Top Hat Plan as a defined benefit plan.

Net periodic benefit costs and other amounts recognized in other comprehensive loss for the Top Hat Plan included the following components for the year ended December 31, 2019:

Prior service costs	$348
Interest costs	5
Other costs	27
	380
Net actuarial loss in plan asset and projected benefit obligation recognized in other comprehensive loss	32
Total recognized	$412

The net periodic benefit costs, excluding prior service costs, are included in other expenses on the Company's consolidated statements of operations and comprehensive loss.

Aligos Therapeutics, Inc.
Notes to consolidated financial statements
(In thousands, except share and per share data)

15. Benefit plans, continued

Defined benefit plans—Top Hat Plan, continued

The activities under the Top Hat Plan were as follow for the year ended December 31, 2019:

Change in benefit obligation:	
Benefit obligation, beginning of year	$ 261
Prior service cost	348
Interest expense	5
Actuarial loss	35
Benefit obligation, end of year	649
Change in plan assets:	
Fair value of plan assets, beginning of year	(20)
Company contributions	281
Other costs	(27)
Actuarial gain	3
Fair value of plan assets, end of year	237
Funded status	$ (412)

The underfunded amount of $412 is recognized in accrued liabilities on the consolidated balance sheet as of December 31, 2019. In addition, $32 of actuarial loss is recognized in accumulated other comprehensive (loss) income for the year ended December 31, 2019.

The accumulated benefit obligation for the Top Hat Plan was $649 as of December 31, 2019.

The weighted-average rates used to determine the net periodic benefit costs and projected benefit obligations were as follows:

Discount rate	1.90%
Rate of increased salary levels	1.80%
Expected long-term rate of return on assets	0.00%

The discount rate used in 2019 is based on a yield curve constructed from a portfolio of high-quality, Euro-denominated fixed income investments with various maturities up to 12 years. Each year's expected future benefit payments are discounted to their present value at the appropriate yield curve rate, thereby generating the overall discount rate for the projected benefit obligation.

The expected long-term rate of return on plan assets is deemed to equal 0.00%, as there is no guarantee of return from the insurance company holding the investments.

Aligos Therapeutics, Inc.
Notes to consolidated financial statements
(In thousands, except share and per share data)

15. Benefit plans, continued

Defined benefit plans—Top Hat Plan, continued

The fair values of the Top Hat Plan assets as of December 31, 2019 were as follows:

	Significant unobservable inputs (Level 3)
Sundry liabilities	$ (27)
Insurance policies	264
	$ 237

The following table sets forth a summary of changes in fair value of the Top Hat Plan assets in 2019 for which fair value was determined by Level 3 inputs:

Unobservable inputs—beginning	$ (20)
Actual return on plan assets	3
Net purchases, sales and settlements	281
Transfers out of Level 3 assets	(27)
Unobservable inputs—ending	$237

The Company anticipates making $337 in funding contributions to the Top Hat Plan in 2020.

Estimated future benefit payments are as follows:

Fiscal year:	
2020	$ 2
2021	2
2022	2
2023	2
2024	2
2025—2029	10
	$20

16. Net loss per share

The following table summarizes the computation of basic and diluted net loss per share of the Company:

	Year ended December 31,	
	2018	2019
Net loss	$ (13,933)	$ (52,264)
Weighted average common stock outstanding, basic and diluted	11,107,095	18,833,136
Net loss per share—basic and diluted	$ (1.25)	$ (2.78)

Aligos Therapeutics, Inc.
Notes to consolidated financial statements
(In thousands, except share and per share data)

16. Net loss per share, continued

The Company's potentially dilutive securities, which include redeemable convertible preferred stock, forward contracts to issue Preferred Stock, options to purchase common stock and unvested restricted stock, have been excluded from the computation of diluted net loss per share as the effect would be to reduce the net loss per share. Therefore, the weighted-average number of shares of Common Stock outstanding used to calculate both basic and diluted net loss per share is the same. The Company excluded the following potential shares of Common Stock, presented based on amounts outstanding at each period end, from the computation of diluted net loss per share for the periods indicated because including them would have had an anti-dilutive effect:

	Year ended December 31,	
	2018	2019
Redeemable convertible preferred stock	100,712,864	178,601,919
Forward contract to issue redeemable convertible preferred stock	—	33,268,045
Options to purchase common stock	9,902,000	8,244,735
Unvested restricted stock	14,178,907	7,709,119
Warrants to purchase redeemable convertible preferred stock	1,250,000	1,125,000
	126,043,771	228,948,818

17. Pro forma net loss per share (unaudited)

The unaudited pro forma basic and diluted loss per share for the year ended December 31, 2019, as set forth in the table below gives effect to the conversion of all shares of redeemable convertible preferred stock upon the closing of the planned IPO by treating all shares of redeemable convertible preferred stock as if they had been converted to Common Stock at the beginning of the earliest period presented or the date of the original issuance, if later. Shares to be sold in the planned IPO are excluded from the unaudited pro forma basic and diluted net loss per share calculation. Pro forma net loss per common share, basic and diluted, for the year ended December 31, 2019 is calculated as follows:

	Year ended December 31, 2019
Numerator:	
Net loss	$ (52,264)
Denominator:	
Weighted average common shares outstanding—basic and diluted	18,833,136
Add: Pro forma adjustment to reflect conversion of redeemable convertible preferred stock	178,601,919
Pro forma weighted average common shares outstanding	197,435,055
Pro forma net loss per common share—basic and diluted	$ (0.26)

Aligos Therapeutics, Inc.
Notes to consolidated financial statements
(In thousands, except share and per share data)

18. Subsequent events

The Company has evaluated all events occurring through August 25, 2020, the date on which the consolidated financial statements were issued, during which time, nothing has occurred outside the normal course of business operations that would require disclosure other than the events disclosed below.

License and collaboration agreements

In April 2020, the Company amended the license agreement with Luxna. Pursuant to the amended license agreement, Luxna granted the Company an exclusive, worldwide license under the licensed patents to research, develop, make, have made, and commercialize products containing oligonucleotides targeting three families of viruses: orthomyxoviridae, paramyxoviridae, and coronaviridae (a family which includes SARS-CoV-2). As consideration for the amended license agreement, the Company paid Luxna a one-time non-refundable fee of $200.

In June 2020, the Company amended the license agreement with Emory. Pursuant to the amended license agreement, Emory granted the Company additional patent rights to certain compounds targeting the treatment or prevention of HBV. As consideration for the additional rights, the Company made a one-time, non-refundable payment to Emory in the amount of $150, with an additional obligation to pay up to a maximum of $35. On the same date, the Company entered into a collaboration agreement with Emory, with the initial research plan pertaining to the synthesis and evaluation of the compounds licensed through the additional patent rights granted in the amended license agreement. The research plan terminates one year from the effective date, with the Company having an option to extend for a second year. In connection with the research plan, the Company will provide Emory funding up to $270 per year.

On June 25, 2020, the Company entered into a Research, Licensing and Commercialization Agreement (“KU Leuven Agreement”) with Katholieke Universiteit Leuven (“KU Leuven”), under which the Company is collaborating with KU Leuven’s Rega Institute for Medical Research, as well as its Centre for Drug Design and Discovery, to research and develop potential protease inhibitors for the treatment, diagnosis or prevention of coronaviruses, including of SARS-CoV-2. Unless terminated earlier by either party in accordance with provisions in the agreement, the collaboration period will terminate at the earlier of completion of all collaboration activities or 2.5 years. In connection with this agreement, KU Leuven and the Company granted each other exclusive cross-licenses to use certain know-how and existing patents of the other party as well as certain joint know-how and joint patents to carry out research and development collaboration activities during the collaboration period. KU Leuven granted to the Company an exclusive (including as to KU Leuven), worldwide license under certain of KU Leuven’s know-how and existing patents, and certain joint patents and joint know-how, to manufacture and commercialize the licensed products for the treatment, diagnosis or detection of viral infections in humans. KU Leuven reserved the right to use all KU Leuven knowhow, existing KU Leuven patents, joint patents and joint know-how for academic and non-commercial research and teaching purposes. As consideration for this license, the Company is obligated to make payments to KU Leuven, in aggregate, totaling up to but no more than $30,000 upon the achievement of certain commercial sales milestones. For each licensed product developed through KU Leuven and the Company’s collaborative effort, the Company is obligated to make payments to KU Leuven, in aggregate, totaling up to $32,000 upon the achievement of certain development and regulatory milestones. The Company is also required to pay KU Leuven a low-to-mid-single digit royalty percentage, subject to certain adjustments, on net sales of applicable products, if

Aligos Therapeutics, Inc.
Notes to consolidated financial statements
(In thousands, except share and per share data)

18. Subsequent events, continued

License and collaboration agreements, continued

any. Unless terminated earlier by either party, the agreement shall continue until the expiration of the last to expire royalty term, which is the later of the expiration or termination of the last valid patent claim covering the manufacture, use, sale or importation of the licensed product in a particular country or 10 years after the first commercial sale of a licensed product.

Stock options

During the period from February through June 2020, the Board of Directors granted options to purchase a total of 18,713,950 shares of Common Stock to management and certain employees at an exercise price of $0.37 per share. Of the options granted, options to purchase 4,240,610 shares of Common Stock were granted with performance-based vesting conditions. These performance-based conditions are met upon the completion of a subsequent closing pursuant to the Series B preferred stock purchase agreement or waiver from the Board of the requirement.

Coronavirus aid, relief and economic security act ("CARES Act")

In response to the COVID-19 pandemic, the CARES Act was signed into law in March 2020. The CARES Act lifts certain deduction limitations originally imposed by the Tax Cuts and Jobs Act of 2017 (the "2017 Tax Act"). Corporate taxpayers may carryback NOLs originating during 2018 through 2020 for up to five years, which was not previously allowed under the 2017 Tax Act. The CARES Act also eliminates the 80% of taxable income limitations by allowing corporate entities to fully utilize NOL carryforwards to offset taxable income in 2018, 2019 or 2020. Taxpayers may generally deduct interest up to the sum of 50% of adjusted taxable income plus business interest income (30% limit under the 2017 Tax Act) for tax years beginning January 1, 2019 and 2020. The CARES Act allows taxpayers with alternative minimum tax credits to claim a refund in 2020 for the entire amount of the credits instead of recovering the credits through refunds over a period of years, as originally enacted by the 2017 Tax Act. The Company does not anticipate any adverse impacts as a result of the COVID-19 pandemic.

Incorporation of wholly owned subsidiary

On March 30, 2020, Aligos Australia Pty LTD ("Aligos Australia") was incorporated as a wholly owned subsidiary of the Company. Aligos Australia is primarily focused on conducting clinical trials.

Aligos Therapeutics, Inc.
Condensed consolidated balance sheets
(Unaudited)
(In thousands, except share and per share data)

	December 31, 2019	June 30, 2020	Pro forma June 30, 2020
ASSETS			
Current assets:			
Cash and cash equivalents	$ 69,565	$ 22,678	$ 22,678
Restricted cash	538	553	553
Investments in available-for-sale securities, at fair value	—	40,415	40,415
Investments in held-to-maturity securities	48,098	25,029	25,029
Other current assets	2,025	2,779	2,779
Total current assets	120,226	91,454	91,454
Operating lease right-of-use assets	7,570	7,225	7,225
Property and equipment, net	8,517	8,987	8,987
Other assets	188	235	235
Long-term investments in held-to-maturity securities	10,019	—	—
Total assets	$ 146,520	$ 107,901	$ 107,901
LIABILITIES, REDEEMABLE CONVERTIBLE PREFERRED STOCK, AND STOCKHOLDERS' DEFICIT			
Current liabilities:			
Accounts payable	$ 3,767	3,296	3,296
Accrued liabilities	7,599	9,612	9,612
Operating lease liabilities, current	2,378	2,381	2,381
Finance lease liabilities, current	74	75	75
Total current liabilities	13,818	15,364	15,364
Derivative liabilities	461	380	—
Redeemable convertible preferred stock liabilities	3,174	2,810	2,810
Operating lease liabilities, net of current portion	11,701	11,106	11,106
Finance lease liabilities, net of current portion	178	149	149
Other liabilities	—	99	99
Total liabilities	29,332	29,908	29,528
Commitments and contingencies (Note 12)			
Series A Redeemable Convertible Preferred Stock, $0.0001 par value; 101,962,864 shares authorized as of December 31, 2019 and June 30, 2020 (unaudited); 100,837,864, 101,187,864 and no shares issued and outstanding as of December 31, 2019, June 30, 2020 actual and pro forma (unaudited), respectively; aggregate minimum liquidation preference of $101,188 at June 30, 2020	100,695	101,182	—
Series B-1 Redeemable Convertible Preferred Stock, $0.0001 par value; 77,764,055 shares authorized as of December 31, 2019 and June 30, 2020 (unaudited); 77,764,055, 77,764,055 and no shares issued and outstanding as of December 31, 2019, June 30, 2020 actual and pro forma (unaudited); aggregate minimum liquidation preference of $85,005 at June 30, 2020	81,384	81,384	—
Stockholders' deficit:			
Common stock, $0.0001 par value; 278,000,000 shares authorized as of December 31, 2019 and June 30, 2020 (unaudited), respectively; 36,606,247, 37,614,713 and 216,599,010 shares issued and outstanding as of December 31, 2019, June 30, 2020 actual and pro forma (unaudited), respectively	4	4	22
Additional paid-in capital	1,417	2,296	185,224
Accumulated deficit	(66,197)	(107,023)	(107,023)
Accumulated other comprehensive (loss) income	(115)	150	150
Total stockholders' deficit	(64,891)	(104,573)	78,373
Total liabilities, redeemable convertible preferred stock, and stockholders' deficit	$ 146,520	$ 107,901	$ 107,901

The accompanying notes are an integral part of these consolidated financial statements.

Aligos Therapeutics, Inc.
Condensed consolidated statements of operations and comprehensive loss

(Unaudited)
(In thousands, except share and per share data)

	Six months ended June 30,	
	2019	**2020**
Operating expenses:		
Research and development	$ 17,336	$ 34,478
General and administrative	3,767	7,514
Total operating expenses	21,103	41,992
Loss from operations	(21,103)	(41,992)
Interest and other income, net	1,073	1,108
Loss before income tax expense	(20,030)	(40,884)
Income tax benefits	—	58
Net loss	(20,030)	(40,826)
Other comprehensive gain (loss):		
Unrealized gain on available-for-sale securities	—	238
Unrealized (loss) gain on pension plans	(47)	27
Other comprehensive (loss) income	(47)	265
Comprehensive loss	$ (20,077)	$ (40,561)
Net loss per share, basic and diluted	$ (1.24)	$ (1.60)
Weighted average shares of common stock, basic and diluted	16,173,043	25,441,974
Pro forma net loss per share, basic and diluted		$ (0.20)
Pro forma weighted average shares of common stock, basic and diluted		204,393,893

The accompanying notes are an integral part of these consolidated financial statements.

Aligos Therapeutics, Inc.
Condensed consolidated statements of changes in redeemable convertible preferred stock and stockholders' deficit

(Unaudited)
(In thousands, except share and per share data)

	Series A redeemable convertible preferred stock		Series B-1 redeemable convertible preferred stock		Common stock		Additional paid-in capital	Accumulated deficit	Accumulated other comprehensive income (loss)	Total stockholders' deficit
	Shares	Amount	Shares	Amount	Shares	Amount				
Balance as of December 31, 2018	100,712,864	100,519	—	—	28,300,000	3	179	(13,933)	3	(13,748)
Stock-based compensation	—	—	—	—	—	—	453	—	—	453
Other comprehensive loss	—	—	—	—	—	—	—	—	(47)	(47)
Net loss	—	—	—	—	—	—	—	(20,030)	—	(20,030)
Balance as of June 30, 2019	100,712,864	$ 100,519	—	$ —	28,300,000	$ 3	$ 632	$ (33,963)	$ (44)	$ (33,372)

	Series A redeemable convertible preferred stock		Series B-1 redeemable convertible preferred stock		Common stock		Additional paid-in capital	Accumulated deficit	Accumulated other comprehensive income (loss)	Total stockholders' deficit
	Shares	Amount	Shares	Amount	Shares	Amount				
Balance as of December 31, 2019	100,837,864	100,695	77,764,055	81,384	36,606,247	4	1,417	(66,197)	(115)	(64,891)
Issuance of Series A redeemable convertible preferred stock upon exercise of warrants	350,000	487	—	—	—	—	—	—	—	—
Issuance of common stock upon exercise of stock options	—	—	—	—	1,008,466	—	94	—	—	94
Stock-based compensation	—	—	—	—	—	—	658	—	—	658
Vesting of early exercised common stock options	—	—	—	—	—	—	127	—	—	127
Other comprehensive income	—	—	—	—	—	—	—	—	265	265
Net loss	—	—	—	—	—	—	—	(40,826)	—	(40,826)
Balance as of June 30, 2020	101,187,864	$ 101,182	77,764,055	$ 81,384	37,614,713	$ 4	$ 2,296	$ (107,023)	$ 150	$ (104,573)

The accompanying notes are an integral part of these consolidated financial statements.

Aligos Therapeutics, Inc.
Condensed consolidated statements of cash flows
(Unaudited)
(In thousands)

	Six months ended June 30,	
	2019	**2020**
Cash flows from operating activities:		
Net loss	$ (20,030)	$ (40,826)
Adjustments to reconcile net loss to net cash used in operating activities:		
Accretion of discount on investments	(666)	90
Amortization of right of use assets	548	267
Depreciation expense	481	1,290
Stock-based compensation	453	658
Change in fair value of derivative liability	(140)	56
Change in fair value of redeemable convertible preferrable stock liabilities	—	(364)
Changes in operating assets and liabilities:		
Other current assets	284	(564)
Right of use assets	95	—
Accounts payable	732	(89)
Accrued liabilities	(412)	2,061
Operating lease liabilities	320	(592)
Net cash and cash equivalents used in operating activities	(18,335)	(38,013)
Cash flows from investing activities:		
Activities in available-for-sale investments:		
Maturities of investments	—	5,000
Purchase of investments	—	(45,279)
Activities in held-to-maturity investments:		
Maturities of investments	49,500	33,100
Purchase of investments	(26,378)	—
Purchases of property and equipment	(1,428)	(1,659)
Net cash and cash equivalents provided by (used in) investing activities	21,694	(8,838)
Cash flows from financing activities:		
Proceeds from exercise of warrants for series A convertible preferred stock	—	350
Payment of Series B-1 redeemable convertible preferred stock issuance cost	—	(405)
Payments on finance lease	(17)	(28)
Proceeds from the exercise of common stock option	—	62
Net cash and cash equivalents used in financing activities	(17)	(21)
Net increase (decrease) in cash, cash equivalents, and restricted cash	3,342	(46,872)
Cash, cash equivalents, and restricted cash, beginning of period	24,547	70,103
Cash, cash equivalents, and restricted cash, end of period	$ 27,889	$ 23,231

The accompanying notes are an integral part of these consolidated financial statements.

Aligos Therapeutics, Inc.
Condensed consolidated statements of cash flows
(Unaudited)
(In thousands)

	Six months ended June 30,	
	2019	**2020**
Reconciliation to amounts on the consolidated balance sheet:		
Cash and cash equivalents	$27,350	$22,678
Restricted cash	539	553
Total cash, cash equivalents, and restricted cash	$27,889	$23,231
Supplemental disclosures of cash flow information:		
Interest paid	$ 3	$ 4
Income taxes paid	$ —	$ —
Supplemental disclosures of noncash financing and investing activities:		
Leasehold improvement directly paid by landlord	$ 3,208	$ 79
Equipment acquired through finance lease	$ 133	$ —
Mark to market adjustment for available-for-sale investments	$ —	$ 237
Acquisition of right of use asset through operating lease obligation	$ 252	$ —
Change in fair value of derivative liability upon exercise of warrants	$ —	$ 137
Vesting of early exercised options	$ —	$ 127
Receivable from exercise of common stock options	$ —	$ 237
Property and equipment purchases in accounts payable	$ 213	$ 22

The accompanying notes are an integral part of these consolidated financial statements.

Aligos Therapeutics, Inc.
Notes to unaudited condensed consolidated financial statements
(In thousands, except share and per share data)

1. Organization

Description of business

Aligos Therapeutics, Inc. (“Aligos-US”) was incorporated in the state of Delaware on February 5, 2018 (“inception”). On September 10, 2018, the Company formed Aligos Belgium BVBA (“Aligos-Belgium”), a limited liability company organized under the laws of Belgium. On March 30, 2020, the Company formed as a wholly owned subsidiary, Aligos Australia Pty LTD, a proprietary limited company, (“Aligos-Australia,” and together with Aligos-US and Aligos-Belgium, the “Company” or “Aligos”).

Aligos is a clinical-stage biopharmaceutical company developing novel therapeutics to address unmet medical needs in viral and liver diseases, including chronic hepatitis B and coronaviruses therapeutics for non-alcoholic steatohepatitis (“NASH”).

The Company is devoting substantially all of its efforts to the research and development of its drug candidates. The Company has not generated any product revenue to date. The Company is also subject to a number of risks similar to other companies in the biotechnology industry, including the uncertainty of success of its nonclinical studies and clinical trials, regulatory approval of drug candidates, uncertainty of market acceptance of products, competition from substitute products and larger companies, the need to obtain additional financing, compliance with government regulations, protection of proprietary technology, dependence on third-parties, product liability, and dependence on key individuals.

2. Summary of significant accounting policies

Liquidity

The Company has incurred losses and negative cash flows from operations since its inception. As of December 31, 2019 and June 30, 2020, the Company has an accumulated deficit of approximately $66,197 and $107,023, respectively. Since inception through June 30, 2020, the Company has funded operations primarily with the net proceeds from the issuance of redeemable convertible preferred stock and convertible notes. Management expects to continue to incur additional substantial losses in the foreseeable future as a result of expanded research and development activities.

As of June 30, 2020, the Company has unrestricted cash, cash equivalent and investments of approximately $88,122, which is available to fund future operations. The Company expects to continue to spend substantial amounts to continue the nonclinical and clinical development of its current and future programs. If the Company is able to gain marketing approval for drug candidates that are being developed, it will require significant additional amounts of cash in order to launch and commercialize such drug candidates. In addition, other unanticipated costs may arise. Because the design and outcome of the Company’s planned and anticipated clinical trials is highly uncertain, the Company cannot reasonably estimate the actual amounts necessary to successfully complete the development and commercialization of any drug candidate the Company may develop.

The Company is seeking to complete an initial public offering (“IPO”) of its Common Stock. Upon the closing of a qualified public offering, the Company’s outstanding redeemable convertible preferred stock will automatically convert into shares of Common Stock (Note 8).

Aligos Therapeutics, Inc.
Notes to unaudited condensed consolidated financial statements
(In thousands, except share and per share data)

2. Summary of significant accounting policies, continued

Liquidity, continued

The Company expects to finance its cash needs through a combination of public or private equity offerings, debt financings, collaborations, strategic alliances, licensing arrangements and other marketing or distribution arrangements. In addition, the Company may seek additional capital to take advantage of favorable market conditions or strategic opportunities even if the Company believes it has sufficient funds for its current or future operating plans. Based on the Company's research and development plans, it is expected that the Company's existing cash, cash equivalents and investments, will enable the Company to fund its operations for at least 12 months following the date the condensed consolidated financial statements are issued. However, the Company's operating plan may change as a result of many factors currently unknown.

The accompanying condensed consolidated financial statements have been prepared on a basis that assumes the Company will continue as a going concern and contemplates the continuity of operations, realization of assets and the satisfaction of liabilities and commitments in the normal course of business.

Risks and uncertainties

The Company is subject to risks common to companies in the biotechnology industry including, but not limited to, new technological innovations, protection of proprietary technology, dependence on key personnel, compliance with government regulations and the need to obtain additional financing. As a result, the Company is unable to predict the timing or amount of increased expenses or when or if the Company will be able to achieve or maintain profitability. Drug candidates currently under development will require significant additional research and development efforts, including extensive nonclinical and clinical testing.

Moreover, it is particularly difficult to estimate with certainty the Company's future expenses given the dynamic nature of its business, the COVID-19 pandemic and the macro-economic environment generally.

The Company's ability to raise additional funds will depend on financial, economic and other factors, many of which are beyond its control. In particular, the COVID-19 pandemic continues to rapidly evolve and has already resulted in a significant disruption of global financial markets. If the disruption persists or deepens, the Company could be unable to access additional capital, which could negatively affect its ability to consummate certain corporate development transactions or other important, beneficial or opportunistic investments. If additional funds are not available to the Company when needed, on terms that are acceptable to the Company, or at all, the Company may choose to reduce spending by delaying, limiting, reducing or terminating nonclinical studies, clinical trials or other research and development activities or eliminate one or more of its development programs altogether; or delaying, limiting, reducing or terminating its efforts to establish manufacturing and sales and marketing capabilities or other activities that may be necessary to commercialize any future approved products, or reduce the Company's flexibility in developing or maintaining its sales and marketing strategy.

Basis of presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP") and applicable rules and regulations of the

Aligos Therapeutics, Inc.
Notes to unaudited condensed consolidated financial statements
(In thousands, except share and per share data)

2. Summary of significant accounting policies, continued

Basis of presentation, continued

Securities and Exchange Commission ("SEC") regarding interim financial reporting. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements. Any reference in these notes to applicable accounting guidance is meant to refer to the authoritative U.S. GAAP included in the Accounting Standards Codification ("ASC"), and Accounting Standards Update ("ASU") issued by the Financial Accounting Standards Board ("FASB"). The unaudited interim condensed consolidated financial statements have been prepared on a basis consistent with the audited financial statements and in the opinion of management, all adjustments, consisting of normal recurring adjustments, considered necessary for a fair presentation of the financial statements have been included.

The accompanying unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto for the year ended December 31, 2019. The unaudited condensed balance sheet as of December 31, 2019 included herein was derived from the audited financial statements as of that date. The results of operations for the six months ended June 30, 2020 are not necessarily indicative of the results for the fiscal year ending December, 31, 2020 or any future interim period.

Principles of consolidation

The accompanying condensed consolidated financial statements include Aligos-US and its wholly owned subsidiaries Aligos-Belgium and Aligos-Australia. All intercompany balances and transactions have been eliminated.

Use of estimates

The preparation of the condensed consolidated financial statements in conformity with GAAP requires management to make certain estimates and assumptions that affect the reported amounts in the condensed consolidated financial statements and accompanying notes. The Company regularly evaluates estimates and assumptions related to assets and liabilities, and disclosures of contingent assets and liabilities at the dates of the condensed consolidated financial statements and the reported amounts of expenses during the reporting period. Areas where management uses subjective judgments include, but are not limited to right-of-use assets, lease obligations, impairment of long-lived assets, stock-based compensation, accrued research and development costs, pension liabilities, derivative liabilities and redeemable convertible preferred stock liability in the accompanying condensed consolidated financial statements. Management bases its estimates on historical experience and on various other assumptions that are believed to be 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. Actual results may differ materially from these estimates under different assumptions or conditions.

Unaudited pro forma information

Immediately prior to the completion of this offering, all outstanding shares of redeemable convertible preferred stock will automatically convert into common stock. In addition, the convertible preferred stock warrants will

Aligos Therapeutics, Inc.
Notes to unaudited condensed consolidated financial statements
(In thousands, except share and per share data)

2. Summary of significant accounting policies, continued

Unaudited pro forma information, continued

be exercised into shares of convertible preferred stock which will automatically convert into shares of common stock and the related warrant liability will be reclassified to additional paid-in capital in stockholders' equity. Unaudited pro forma balance sheet information as of June 30, 2020 assumes the net exercise of the preferred stock warrants and the conversion of all outstanding convertible preferred stock into shares of common stock. The shares of common stock issuable and the proceeds expected to be received in the initial public offering are excluded from such pro forma financial information. The Company has presented the unaudited pro forma basic and diluted net loss per share attributable to common stockholders for the six months ended June 30, 2020, which shows the assumed effect of an initial public offering, including the conversion of all redeemable convertible preferred stock into shares of Common Stock as if the conversion had occurred as of the later of the beginning of the period or the original date of issuance. The pro forma net loss per share attributable to common stockholders does not include proceeds to be received from nor does it include shares expected to be sold in the assumed IPO.

Investments

The Company determines the appropriate classification of debt securities at the time of purchase and re-evaluates such designation as of each balance sheet date. Debt securities are classified as held-to-maturity when the Company has the positive intent and ability to hold the securities to maturity, otherwise debt securities are classified as available-for sale. Held-to-maturity securities are carried at amortized cost. Available-for-sale debt securities are measured and reported at fair value using quoted prices in active markets for similar securities. Unrealized gains and losses on available-for-sale debt securities are reported as a separate component of stockholders' deficit. Premiums or discounts from par value are amortized to investment income over the life of the underlying investment. The cost of securities sold is determined on a specific identification basis, and realized gains and losses are included in other income (expense), net within the condensed consolidated statement of operations and comprehensive loss.

For both held-to-maturity and available-for-sale investments, the Company periodically reviews each individual security position that has an unrealized loss, or impairment, to determine if that impairment is other-than-temporary. If the Company believes an impairment of a security position is other-than-temporary, based on available quantitative and qualitative information as of the report date, the loss will be recognized as other income (expense), net in the Company's condensed consolidated statements of operations and a new cost basis in the investment is established. No impairment charges were recorded during the six months ended June 30, 2019 and 2020.

As of December 31, 2019 and June 30, 2020, short-term investments consisted of U.S. Treasury securities with original maturities of less than one year. As of December 31, 2019 and June 30, 2020, long-term investments consisted of U.S. Treasury securities with original maturities of more than one year.

Deferred offering costs

The Company capitalizes certain legal, professional accounting and other third-party fees that are directly associated with in-process equity financings, including the planned IPO, as deferred offering costs until such

Aligos Therapeutics, Inc.
Notes to unaudited condensed consolidated financial statements
(In thousands, except share and per share data)

2. Summary of significant accounting policies, continued

Deferred offering costs, continued

financings are consummated. After consummation of the financing, these costs are recorded as a reduction of the proceeds received from the equity financing. If a planned equity financing is abandoned, the deferred offering costs are expensed immediately as a charge to operating expenses in the condensed consolidated statement of operations and comprehensive loss. There were $0 and $47 deferred offering costs on the Company's condensed consolidated balance sheets at December 31, 2019 and June 30, 2020.

Leases

The Company determines if an arrangement is a lease at the inception of the lease. Operating leases are included in operating lease right-of-use ("ROU") assets and operating lease liabilities in the condensed consolidated balance sheet. Finance leases are included in property and equipment and finance lease liabilities in the condensed consolidated balance sheet.

ROU assets represent the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. When the Company's leases do not provide an implicit rate, an incremental borrowing rate is used based on the information available at the commencement dates in determining the present value of lease payments. The operating lease ROU assets also include any lease payments made and excludes lease incentives when paid by the Company or on the Company's behalf. The Company's lease terms may include the period covered by options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. Lease expense for operating leases is recognized on a straight-line basis over the lease term.

The Company has lease agreements with lease and non-lease components. The Company elected to not separate lease and non-lease components for all of its building leases. For vehicle leases, lease and non-lease components are accounted for separately. The Company also made an accounting policy election to recognize lease expense for leases with a term of 12 months or less on a straight-line basis over the lease term and not recognize ROU assets or lease liabilities for such leases.

Property and equipment

Property and equipment is stated at cost less accumulated depreciation, and is depreciated using the straight-line method over the estimated useful life of the asset, which are as follows:

Lab equipment	3 years
Computer equipment	3 years
Furniture and office equipment	3-8 years
Vehicles	4 years
Leasehold improvements	Shorter of the useful life or remaining lease term

Expenditures for repairs and maintenance of assets are charged to expense as incurred. Upon retirement or sale, the cost and related accumulated depreciation of assets disposed of are removed from the accounts and any resulting gain or loss is included in loss from operations.

Aligos Therapeutics, Inc.
Notes to unaudited condensed consolidated financial statements
(In thousands, except share and per share data)

2. Summary of significant accounting policies, continued

Impairment of long-lived assets

The Company regularly reviews the carrying amount of its property, equipment and intangible assets to determine whether indicators of impairment may exist which warrant adjustments to carrying values or estimated useful lives. If indications of impairment exist, projected future undiscounted cash flows associated with the asset are compared to the carrying amount to determine whether the asset's value is recoverable. If the carrying value of the asset exceeds such projected undiscounted cash flows, the asset will be written down to its estimated fair value. No impairment charges were recorded during the six months ended June 30, 2019 and 2020.

Research and development expenses

Research and development costs are expensed as incurred. Research and development expenses consist of costs incurred in performing research and development activities, including salaries, stock-based compensation and benefits, facilities costs, depreciation, and third-party license fees. Non-refundable prepayments for goods or services that will be used or rendered for future research and development activities are deferred and capitalized. Such amounts are recognized as an expense as the goods are delivered or the related services are performed or until it is no longer expected that the goods will be delivered or the services will be rendered.

Derivative liabilities

The Company accounts for certain warrants as liabilities at fair value and adjusts the instruments to fair value at each reporting period. The Company determined that its outstanding warrants are freestanding derivative instruments. The warrants are subject to re-measurement at each balance sheet date until exercised, and any change in fair value is recognized as a component of interest and other income (expense), net in the condensed consolidated statements of operations and comprehensive loss. The fair value of the warrants issued by the Company has been estimated using a probability-weighted multi-scenario Black-Scholes option-pricing model. (Note 10).

Redeemable convertible preferred stock liability

The freestanding instrument related to the commitment by certain preferred stockholders to purchase and the commitment by the Company to sell its convertible preferred stock in a subsequent closing, contingent upon the achievement of certain developmental milestones or an election by preferred stockholders to waive such milestones, at a fixed price per share, is considered a derivative liability ("Redeemable Convertible Preferred Stock Liability"). The Redeemable Convertible Preferred Stock Liability is measured at fair value as the underlying shares contain liquidation preferences upon certain "deemed liquidation events" that are not solely within the Company's control and which are considered in-substance contingent redemption features (refer to Note 8 for further discussion on the redemption rights of the convertible preferred stock). The Redeemable Convertible Preferred Stock Liability is subject to revaluation at each balance sheet date until settlement or extinguishment, with revaluations recognized as a component of interest and other income (expense), net in the condensed consolidated statements of operations and comprehensive loss. The fair value of the Redeemable Convertible Preferred Stock Liability in subsequent closings has been estimated using a probability-weighted multi-scenario Black Scholes hybrid valuation method (Note 10).

Aligos Therapeutics, Inc.
Notes to unaudited condensed consolidated financial statements
(In thousands, except share and per share data)

2. Summary of significant accounting policies, continued

Redeemable convertible preferred stock

The Company's shares of preferred stock are assessed at issuance for classification and redemption features requiring bifurcation. The Company presents as temporary equity any stock which (i) the Company undertakes to redeem at a fixed or determinable price on the fixed or determinable date or dates; (ii) is redeemable at the option of the holders, or (iii) has conditions for redemption which are not solely within the control of the Company. The Company's preferred stock is redeemable upon a deemed liquidation event which the Company determined is not solely within its control and thus has classified shares of preferred stock as temporary equity until such time as the conditions are removed or lapse. Because the occurrence of a deemed liquidation event is not currently probable, the carrying values of the shares of convertible preferred stock are not being accreted to their redemption values. Subsequent adjustments to the carrying values of the shares of convertible preferred stock would be made only when a deemed liquidation event becomes probable.

Fair value measurements

Certain assets and liabilities of the Company are carried at fair value under GAAP. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. Financial assets and liabilities carried at fair value are to be classified and disclosed in one of the following three levels of the fair value hierarchy, of which the first two are considered observable and the last is considered unobservable:

Level 1—Quoted prices in active markets for identical assets or liabilities.

Level 2—Observable inputs (other than Level 1 quoted prices), such as quoted prices in active markets for similar assets or liabilities, quoted prices in markets that are not active for identical or similar assets or liabilities, or other inputs that are observable or can be corroborated by observable market data.

Level 3—Unobservable inputs that are supported by little or no market activity that are significant to determining the fair value of the assets or liabilities, including pricing models, discounted cash flow methodologies and similar techniques.

Stock-based compensation

The Company's stock-based awards consist of restricted stock awards and stock options. For stock-based awards issued to employees and nonemployees with service-based vesting, the Company measures the estimated fair value of the stock-based awards on the date of grant and recognizes compensation expense for those awards over the requisite service period, which is generally the vesting period of the respective award. The Company has granted certain options with performance-based vesting for which expense is recognized over the explicit service period when achievement of the performance-based milestones is deemed probable. The Company uses judgement to determine whether and, if so, how many awards are deemed probable of vesting at each reporting period. The fair value of stock-based awards with non-market performance conditions is estimated on the grant date. The Company records expense for awards with service-based vesting using the

Aligos Therapeutics, Inc.
Notes to unaudited condensed consolidated financial statements
(In thousands, except share and per share data)

2. Summary of significant accounting policies, continued

Stock-based compensation, continued

straight-line method and for awards with performance conditions utilizing an accelerated attribution method. The Company accounts for forfeitures as they occur.

The Company classifies stock-based compensation expense in its condensed consolidated statements of operations and comprehensive loss in the same manner in which the award recipient's cash compensation costs are classified.

The fair value of each restricted stock award is determined based on the number of shares granted and the value of the Company's common stock on the date of grant. The fair value of each stock option award is estimated on the date of grant using the Black-Scholes option pricing model. The Black-Scholes option-pricing model requires the use of a number of complex assumptions including the fair value of the common stock, expected volatility, risk-free interest rate, expected dividends, and expected term of the option. The Company has been a private company and lacks company-specific historical and implied fair value information. Therefore, the Board of Directors (the "Board") of the Company considers numerous objective and subjective factors to determine the fair value of the Company's common stock options at each meeting in which awards are approved. The factors considered include, but are not limited to (i) the results of contemporaneous independent third-party valuations of the Company's common stock and the prices, rights, preferences and privileges of the Company's preferred stock relative to those of its common stock; (ii) the lack of marketability of the Company's common stock; (iii) actual operating and financial results; (iv) current business conditions and projections; (v) the likelihood of achieving a liquidity event, such as an initial public offering or sale of the Company, given prevailing market conditions, and (vi) precedent transactions involving the Company's shares.

The Company determined the expected stock volatility using a weighted-average of the historical volatility of a group of guideline companies that issued options with substantially similar terms, and expects to continue to do so until such time as the Company has adequate historical data regarding the volatility of its own traded stock price. The expected term of the Company's stock options has been determined utilizing the simplified method for awards that qualify as plain-vanilla options. The risk-free interest rate is determined by reference to the U.S. Treasury yield curve in effect at the time of grant of the award for time periods approximately equal to the expected term of the award. The Company has not paid, and does not anticipate paying, cash dividends on its common stock; therefore, the expected dividend yield is assumed to be zero.

See Note 9 for the assumptions used by the Company in determining the grant date fair value of stock-based awards granted, as well as a summary of the stock-based award activity under the Company's stock-based compensation plan for the six months ended June 30, 2019 and 2020.

Income taxes

Deferred tax assets and liabilities are determined on the basis of the differences between the condensed consolidated financial statements and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. Changes in deferred tax assets and liabilities are recorded in the provision for income taxes. The Company assesses the likelihood that its deferred tax assets will be recovered from future taxable income and, to the extent it believes, based upon the weight of available

Aligos Therapeutics, Inc.
Notes to unaudited condensed consolidated financial statements
(In thousands, except share and per share data)

2. Summary of significant accounting policies, continued

Income taxes, continued

evidence, that it is more likely than not that all or a portion of the deferred tax assets will not be realized, a valuation allowance is established.

The Company accounts for uncertain tax positions recognized in the condensed consolidated financial statements by prescribing a more-likely-than-not threshold for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The provision for income taxes includes the effects of any resulting tax reserves, or unrecognized tax benefits, that are considered appropriate as well as the related net interest and penalties.

Net loss per share

Basic net loss per share attributable to common stockholders is calculated by dividing the net loss attributable to common stockholders by the weighted-average number of shares of common stock outstanding during the period, without consideration for potentially dilutive securities.

Diluted net loss per share attributable to common stockholders is computed by dividing the net loss attributable to common stockholders by the weighted-average number of common stock and potentially dilutive securities outstanding for the period. For purposes of the diluted net loss per share calculation, redeemable convertible preferred stock, stock options, common stock subject to repurchase related to early exercise of stock options, unvested restricted stock subject to repurchase, warrants and convertible notes are considered to be potentially dilutive securities.

The Company applies the two-class method to calculate its basic and diluted net loss per share as the Company has issued shares that meet the definition of participating securities. The two-class method is an earnings allocation formula that treats a participating security as having rights to earnings that otherwise would have been available to common stockholders. The Company's participating securities contractually entitle the holders of such shares to participate in dividends; but do not contractually require the holders of such shares to participate in losses of the Company. Accordingly, in periods in which the Company reports a net loss, such losses are not allocated to such participating securities.

Accordingly, in periods in which the Company reports a net loss, diluted net loss per share is the same as basic net loss per share, since dilutive common shares are not assumed to have been issued if their effect is anti-dilutive.

Recently adopted accounting pronouncements

In August 2018, the FASB issued ASU No. 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework— Changes to the Disclosure Requirements for Fair Value Measurement* ("ASU 2018-13"). The amendments eliminate, add, and modify certain disclosure requirements for fair value measurements. The amendments are effective for interim and annual reporting periods beginning after December 15, 2019, with early adoption permitted for either the entire ASU or only the provisions that eliminate or modify requirements. The amendments with respect to changes in unrealized gains and losses, the range and weighted-average of

Aligos Therapeutics, Inc.
Notes to unaudited condensed consolidated financial statements
(In thousands, except share and per share data)

2. Summary of significant accounting policies, continued

Recently adopted accounting pronouncements, continued

significant unobservable inputs used to develop Level 3 fair value measurements, and the narrative description of measurement uncertainty are to be applied prospectively. All other amendments are to be applied retrospectively to all periods presented. The Company adopted ASU 2018-13 on January 1, 2020. This guidance did not have a significant impact on the Company's condensed consolidated financial statements and related disclosures.

In June 2016, the FASB issued ASU No. 2016-13. *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* ("ASU 2016-13"), which requires that financial assets measured at amortized cost be presented at the net amount expected to be collected. Currently, U.S. GAAP delays recognition of the full amount of credit losses until the loss is probable of occurring. Under this ASU, the income statement will reflect an entity's current estimate of all expected credit losses. The measurement of expected credit losses will be based upon historical experience, current conditions, and reasonable and supportable forecasts that affect the collectability of the reported amount. In November 2018, the FASB issued ASU No. 2018-19, *Codification Improvements to Topic 326, Financial Instruments—Credit Losses* ("ASU 2018-19"), which clarifies that receivables from operating leases are accounted for using the lease guidance and not as financial instruments. In April 2019, the FASB issued ASU No. 2019-04, *Codification Improvements to Topic 326, Financial Instruments—Credit Losses* ("ASU 2019-04"), which clarifies the new expected credit loss methodology for loans, receivables and other financial assets, including recoveries and accrued interest on receivables. In November 2019, the FASB issued ASU No. 2019-11, *Codification Improvements to Topic 326*, *Financial Instruments—Credit Losses* ("ASU 2019-11"), which clarifies guidance around how to report expected recoveries. In March 2020, the FASB issued ASU No. 2020-03, *Codification Improvements to Financial Instruments ("ASU 2020-03")*, which makes narrow-scope improvements to various aspects of the financial instruments guidance, including the current expected credit losses standard issued in 2016. In March 2020, the FASB issued ASU No. 2020-02, *Financial Instruments—Credit Losses (Topic 326) and Leases (Topic 842): Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 119 and Update to SEC Section on Effective Date Related to Accounting Standards Update No. 2016-02, Leases (Topic 842)* ("ASU 2020-02"), which adds an SEC paragraph pursuant to the issuance of SEC Staff Accounting Bulletin No. 119 on loan losses to the FASB Codification Topic 326 and also updates the SEC section of the Codification for the change in the effective date of Topic 842. The standard is effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. Early adoption is permitted. The Company adopted the standard on January 1, 2020, on a prospective basis. This guidance did not have a significant impact on the Company's condensed consolidated financial statements and related disclosures.

Recently issued accounting standards

In December 2019, the FASB issued ASU No. 2019-12, *Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes* ("ASU 2019-12"). The guidance removes specific exceptions to the general principles in ASC 740, improves application of income tax-related guidance and reduces complexity related to the accounting for income taxes. The standard is effective for fiscal years beginning after December 15, 2021, and interim periods with fiscal years beginning after December 15, 2022. Early adoption is permitted. The Company is evaluating the potential impact of this standard on its condensed consolidated financial statements.

Aligos Therapeutics, Inc.
Notes to unaudited condensed consolidated financial statements
(In thousands, except share and per share data)

2. Summary of significant accounting policies, continued

Recently issued accounting standards, continued

In January 2020, the FASB issued ASU No. 2020-01, *Investments—Equity Securities (Topic 321), Investments—Equity Method and Joint Ventures (Topic 323), and Derivatives and Hedging (Topic 815)—clarifying the interactions between Topic 321, Topic 323 and Topic 815 (a consensus of the emerging issues task force)* ("ASU 2020-01"). The amendments in this ASU clarify the interaction between the accounting for investments in equity securities, investment in equity method and certain derivatives instruments. ASU 2020-01 states any equity security transitioning from the alternative method of accounting under Topic 321 to the equity method, or vice versa, due to an observable transaction will be remeasured immediately before the transition. In addition, the ASU clarifies the accounting for certain non-derivative forward contracts or purchased call options to acquire equity securities, stating such instruments will be measured using the fair value principles of Topic 321 before settlement or exercise. The pronouncement is effective for fiscal years, and for interim periods within those fiscal years, beginning after December 15, 2021. Early adoption is permitted. The Company is currently in evaluating the effects of this pronouncement on its condensed consolidated financial statements.

In March 2020, the FASB issued ASU No. 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting* ("ASU 2020-04"), which provide optional expedients and exceptions for applying generally accepted accounting principles to contracts, hedging relationships, and other transactions that reference the London Interbank Offered Rate ("LIBOR") or another reference rate expected to be discontinued because of reference rate reform if contract modifications are made on or before December 31, 2022. The amendments in this update are effective for all entities as of March 12, 2020 and does not apply to contract modifications made, and hedging relationships entered into or evaluated, after December 31, 2022. The Company is currently evaluating the adoption of ASU 2020-04 and does not expect it to have a material impact to the condensed consolidated financial statements.

In August 2020, the FASB issued ASU No. 2020-06, *Debt—Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity (ASU "2020-06").* This ASU amends the guidance on convertible instruments and the derivatives scope exception for contracts in an entity's own equity and improves and amends the related earnings per share ("EPS") guidance for both Subtopics. The ASU will be effective for annual reporting periods after December 15, 2023 and interim periods within those annual periods and early adoption is permitted in annual reporting periods ending after December 15, 2020. The Company is assessing the impact of ASU 2020-06 on the condensed consolidated financial statements and does not expect it to have a material impact on its condensed consolidated financial statements.

From time to time, new accounting pronouncements are issued by FASB that the Company adopts as of the specified effective date. The Company qualifies as an "emerging growth company" as defined in the Jumpstart Our Business Startups Act of 2012 and has the option to not "opt out" of the extended transition related to complying with new or revised accounting standards. This means that when a standard is issued or revised and it has different application dates for public and nonpublic companies, the Company has the option to adopt the new or revised standard at the time nonpublic companies adopt the new or revised standard and can do so until such time that the Company either (i) irrevocably elects to "opt out" of such extended transition period or (ii) no longer qualifies as an emerging growth company.

Aligos Therapeutics, Inc.
Notes to unaudited condensed consolidated financial statements
(In thousands, except share and per share data)

3. Property and equipment

The components of property and equipment were as follows as of December 31, 2019 and June 30, 2020:

	December 31, 2019	June 30, 2020
Leasehold improvements	$ 5,100	$ 5,540
Lab equipment	3,204	4,558
Computer equipment	890	913
Furniture and office equipment	425	460
Vehicles	296	296
Asset under construction	110	18
Total, at cost	10,025	11,785
Accumulated depreciation	(1,508)	(2,798)
Total, net	$ 8,517	$ 8,987

During the six months ended June 30, 2019 and 2020, depreciation expense was $481 and $1,290, respectively. Finance leases are also included in property and equipment as vehicles on the condensed consolidated balance sheets (Note 6).

4. Investments

As of December 31, 2019 and June 30, 2020, amortized cost, gross unrealized gains and losses, and estimated fair values of total fixed-maturity securities were as follows:

	December 31, 2019			
	Amortized cost	Gross unrealized gain	Gross unrealized loss	Estimated fair value
Held-to-maturity securities:				
U.S. Treasury bonds	$ 58,117	$ 31	$ (1)	$ 58,147

	June 30, 2020			
	Amortized cost	Gross unrealized gain	Gross unrealized loss	Estimated fair value
Held-to-maturity securities:				
U.S. Treasury bonds	25,029	133	—	25,162
Available-for-sale securities				
U.S. Treasury bonds	40,177	238	—	40,415
	$ 65,206	$ 371	$ —	$ 65,577

Changes in fair value are related to changes in market interest rates. The Company expects to collect all contractual principal and interest payments.

Aligos Therapeutics, Inc.
Notes to unaudited condensed consolidated financial statements
(In thousands, except share and per share data)

4. Investments, continued

The following is a summary of maturities of securities held-to-maturity and available-for-sale as of June 30, 2020:

	Held-to-maturity		Available-for-sale	
	Amortized cost	Estimated fair value	Amortized cost	Estimated fair value
Amounts maturing in:				
One year or less	$ 25,029	$ 25,162	$ 40,177	$ 40,415
Total investments	$ 25,029	$ 25,162	$ 40,177	$ 40,415

The Company recorded interest income of $963 and $752, respectively, during the six months ended June 30, 2019 and 2020, respectively, as a component of interest and other income (expense), net on the Company's condensed consolidated statement of operations and comprehensive loss.

5. Accrued liabilities

Accrued liabilities consisted of the following as of:

	December 31, 2019	June 30, 2020
Accrued payables	$ 3,113	$ 5,307
Accrued compensation	3,211	3,473
Liability with early exercised stock options	753	806
Other	522	26
Total	$ 7,599	$ 9,612

6. Leases

The Company has operating and finance leases for corporate offices, research and development facilities, and certain vehicles. These leases have remaining lease terms of four to eight and a half years, some of which include options to extend the leases for five to eight years. The Company has determined that it is not reasonably certain to exercise the options under any leases. The lease of research and development facilities includes costs for utilities and common area maintenance, which have been included in the calculation of lease payments. Differences between lease payments as measured at lease inception and variations in monthly payments will be recognized as operating expenses in the period in which the obligation is incurred.

Leases with an initial term of 12 months or less are not recorded on the balance sheet, and the Company recognizes lease expense for these leases on a straight-line basis over the lease terms. Leases with terms greater than 12 months are included in operating lease ROU assets and operating lease liabilities in the Company's condensed consolidated balance sheets as of December 31, 2019 and June 30, 2020. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

Aligos Therapeutics, Inc.
Notes to unaudited condensed consolidated financial statements
(In thousands, except share and per share data)

6. Leases, continued

Maturities of lease liabilities as of June 30, 2020 and are as follows:

	Operating lease	Finance lease
Year ending December 31:		
2020 (excluding the six months ended June 30, 2020)	$ 1,271	$ 38
2021	2,604	75
2022	2,688	74
2023	2,690	46
2024	2,678	1
Thereafter	6,431	—
	18,362	234
Less: imputed interest	(4,875)	(10)
Present value of lease liabilities	13,487	224
Less: current portion	(2,381)	(75)
Lease liabilities net of current portion	$ 11,106	149

The components of lease expense were as follows for the six months ended June 30, 2019 and 2020:

	Six months ended June 30,	
	2019	2020
Operating lease cost	$1,205	$934
Finance lease cost:		
Amortization of right-of-use assets	$ 18	$ 29
Interest on lease liabilities	3	4
Total finance lease cost	$ 21	$ 33

The Company made payments of $237 and $1,243 during the six months ended June 30, 2019 and 2020, respectively, which are included as cash flow from operations on the condensed consolidated statements of cash flows.

As of December 31, 2019 and June 30, 2020, $296 of finance lease ROU assets were presented as part of property and equipment on the condensed consolidated balance sheet with accumulated amortization of $47 and $76, respectively.

Aligos Therapeutics, Inc.
Notes to unaudited condensed consolidated financial statements
(In thousands, except share and per share data)

6. Leases, continued

Additional information related to the Company's leases was as follows as of December 31, 2019 and June 30, 2020:

	December 31, 2019	June 30, 2020
Operating Lease:		
Weighted-average remaining lease term (years)	7.10	6.60
Weighted-average discount rate	9.34%	9.35%
Finance Lease:		
Weighted-average remaining lease term (years)	3.66	3.16
Weighted-average discount rate	3.18%	3.17%

7. Derivative liabilities and convertible preferred stock liability

Warrants

In connection with the issuance of certain notes, lenders were issued warrants to purchase 1,250,000 shares of the Company's capital stock. The warrants have a coverage percentage of 25% of the principal amount of the notes and have a ten-year expiration date from the applicable closing date of April 20, 2018 or June 6, 2018.

The underlying shares issuable upon the exercise of the warrants were eligible to be exercised into the next round of equity financing. The warrants became exercisable into shares of Series A for an exercise price of $1.00 per share. There were warrants to purchase 1,125,000 and 775,000 shares of Series A preferred stock outstanding as of December 31, 2019 and June 30, 2020, respectively.

The Company recorded the warrants initially at fair value (Note 10) as derivative liabilities on the condensed consolidated balance sheet with the value being allocated to the notes as a debt discount. The fair value of the warrants upon issuance on April 20, 2018 and June 6, 2018, was $667 and $238, respectively. The fair value of the warrants was $461 and $380 as of December 31, 2019 and June 30, 2020, respectively.

During the six months ended June 30, 2019, no warrants were exercised and 350,000 warrants were exercised during the six months ended June 30, 2020. As Series A contains a conditional obligation for the Company to repurchase the shares for cash consideration, the warrants remain outstanding as derivative liabilities with changes in fair value being recorded on the condensed consolidated statements of operations and comprehensive loss. For the six months ended June 30, 2019 and 2020, the Company recorded a change in fair value of derivative liabilities of $140 and $56, respectively.

Convertible preferred stock liability

In connection with the issuance of Series B-1 Redeemable Convertible Preferred Stock (the "Series B-1") (Note 8), the Series B-1 preferred stockholders committed to purchase and the Company committed to sell 33,268,045 shares of Series B-2 Redeemable Convertible Preferred Stock (the "Series B-2") at a price of $1.20236 per share in a subsequent closing, contingent upon the achievement of certain developmental milestones or a receipt of a

Aligos Therapeutics, Inc.
Notes to unaudited condensed consolidated financial statements
(In thousands, except share and per share data)

7. Derivative liabilities and convertible preferred stock liability, continued

Convertible preferred stock liability, continued

waiver of achievement of the milestones. The Redeemable Convertible Preferred Stock Liability is considered a freestanding instrument that qualifies as a liability under ASC Topic 480, *Distinguishing Liabilities from Equity* ("ASC 480") as the Company is committed to issue an instrument that ultimately may require a transfer of assets. The liability is accounted for at fair value and re-measured at each reporting date (Note 10). On the date of the initial closing, the Company recorded the Redeemable Convertible Preferred Stock Liability at a fair value of $3,174. As of June 30, 2020, none of the Series B-2 shares were issued and the fair value of the liability related to this freestanding instrument decreased by $364 during the six months ended June 30, 2020 compared to the six months ended June 30, 2019.

8. Capital stock

Common stock

On December 23, 2019, pursuant to the Second Amended and Restated Certificate of Incorporation, the total shares of common stock authorized was set to 278,000,000 and the total shares of preferred stock was set to 212,994,964 with a par value of $0.0001 per share. The total shares of preferred stock authorized comprised 101,962,864 shares of Series A preferred stock, 77,764,055 shares of Series B-1 preferred stock, and 33,268,045 shares of Series B-2 preferred stock.

The holders of shares of Common Stock are entitled to one vote for each share of Common Stock at all meetings of stockholders.

Redeemable convertible preferred stock

On August 16, 2018, the Company entered into the Series A Preferred Stock Purchase Agreement for the purchase and sale of Series A preferred stock for $1.00 per share. The Company received $75,000 in cash proceeds from the initial purchasers. On September 19, 2018, the Company received an additional $20,000 in cash proceeds from subsequent purchasers. Additionally, on the initial closing date, $5,600 in convertible notes plus accrued interest converted into shares of Series A and the notes were subsequently cancelled. The Warrants associated with the convertible notes became exercisable into Series A. Each share of Series A is convertible into Common Stock on a one-for-one basis. In connection with the issuance of Series A, the Company incurred $194 in issuance costs which have offset amounts reported as temporary equity as of June 30, 2020.

On December 23, 2019, the Company entered into the Series B-1 and Series B-2 Preferred Stock Purchase Agreement, pursuant to which the investors committed to invest an aggregate amount of up to $125,000 for the issuance and sale of shares of Series B-1 and Series B-2 (collectively, the "Series B"), at a price of $1.09305 and $1.20236 per share, respectively. The Company issued 77,764,055 shares of Series B-1 for cash proceeds of $85,000 at the initial closing. The investors also committed to purchase and the Company committed to sell 33,268,045 shares of Series B-2 in a subsequent closing (the "Second Closing"), contingent upon achievement by the Company of certain development milestones or a receipt of a waiver of achievement of the milestones. No shares of Series B-2 were issued as of June 30, 2020. In connection with the issuance of Series B-1, the

Aligos Therapeutics, Inc.
Notes to unaudited condensed consolidated financial statements
(In thousands, except share and per share data)

8. Capital stock, continued

Redeemable convertible preferred stock, continued

Company incurred $442 in issuance costs which have offset amounts reported as temporary equity as of June 30, 2020.

The holders of the Company's Series A and Series B (collectively, the "Preferred Stock") have the following rights, preferences, and privileges:

(a) Dividends

The holders of shares of Preferred Stock, in preference to the holders of Common Stock, shall be entitled to receive, on a *pari passu* basis, when, as and if declared by the board of directors ("Board") out of funds legally available, noncumulative cash dividends at the rate of eight percent (8%) of the original issue price per annum on each outstanding share of Preferred Stock. So long as any shares of Preferred Stock are outstanding, the Company shall not pay or declare any dividend, or make any other distribution on the Common Stock, or purchase, redeem or otherwise acquire for value any shares of Common Stock until all dividends on the Preferred Stock shall have been paid or declared and set apart, except for: acquisitions of Common Stock by the Company pursuant to agreements which permit the Company to repurchase such shares upon termination of services to the Company; or acquisitions of Common Stock in exercise of the Company's right of first refusal to repurchase such shares as approved by the Board. After the dividends on the Preferred Stock have been paid, then the Company may declare and distribute in such year dividends among the holders of Preferred Stock and the holders of Common Stock pro rata based on the number of shares of Common Stock held by each, determined on an as-if-converted to Common Stock basis (assuming full conversion of all such Preferred Stock) as of the record date with respect to the declaration of such dividends.

(b) Liquidation preference and redemption

In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Company, the holders of shares of Preferred Stock then outstanding shall be entitled to be paid out of the assets of the Company available for distribution to its stockholders or, in the case of a Deemed Liquidation Event (as defined below), out of the consideration payable to stockholders in such Deemed Liquidation Event or the Available Proceeds (as defined below), before any payment shall be made to the holders of Common Stock by reason of their ownership thereof, an amount per share equal to one (1) times the applicable Original Issue Price of such series of Preferred Stock, plus any dividends declared but unpaid thereon. If upon any such liquidation, dissolution or winding up of the Company or Deemed Liquidation Event, the assets of the Company available for distribution to its stockholders shall be insufficient to pay the holders of shares of Preferred Stock the full amount to which they shall be entitled, the assets or consideration will be distributed ratably among such holders.

After the payment in full of all liquidation amounts required to be paid to the holders of shares of Preferred Stock the remaining assets of the Company available for distribution to its stockholders or, in the case of a Deemed Liquidation Event, the consideration not payable to the holders of shares of

Aligos Therapeutics, Inc.
Notes to unaudited condensed consolidated financial statements
(In thousands, except share and per share data)

8. Capital stock, continued

Redeemable convertible preferred stock, continued

Preferred Stock or the remaining Available Proceeds, as the case may be, shall be distributed among the holders of the shares of Preferred Stock and Common Stock, pro rata based on the number of shares held by each such holder, treating for this purpose all such securities as if they had been converted to Common Stock immediately prior to such liquidation, dissolution or winding up of the Company; provided, however, that if the aggregate amount which the holders of shares of Preferred Stock are entitled to receive shall exceed one and one-half (1.5) times the applicable Original Issue Price of such series of Preferred Stock per share, plus any dividends declared, but unpaid thereon (such amount, with respect to a series of Preferred Stock, the “Maximum Participation Amount”), each holder of shares of a series of Preferred Stock shall be entitled to receive upon such liquidation, dissolution or winding up of the Company the greater of (i) the Maximum Participation Amount applicable to such series or (ii) the amount such holder would have received if all shares of such series of Preferred Stock had been converted into Common Stock immediately prior to such liquidation, dissolution or winding up of the Company.

Each of the following events shall be considered a “Deemed Liquidation Event” unless the holders of at least 67% of the outstanding shares of Preferred Stock (voting as a single class on an as-converted to Common Stock basis) which must include certain non-strategic holders of Series B-1 or Series B-2 holding at least 33% of outstanding shares of Series B-1 and Series B-2 elect otherwise by written notice sent to the Company prior to the effective date of any such event:

(a) a merger or consolidation in which the Company is a constituent party or a subsidiary of the Company is a constituent party and the Company issues shares of its capital stock pursuant to such merger or consolidation, except (1) any such merger or consolidation involving the Company or a subsidiary in which the shares of capital stock 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 that represent, immediately following such merger or consolidation, a majority, by voting power, of the capital stock of (a) the surviving or resulting corporation; or (b) if the surviving or resulting corporation is a wholly owned subsidiary of another corporation immediately following such merger or consolidation, the parent corporation of such surviving or resulting corporation; or (2) a merger effected exclusively to change the domicile of the Company;

(b) the closing of the sale, in a single transaction or series of related transactions, of equity securities of the Company other than (a) bona fide equity financing, and (b) any transaction in which, the stockholders of the Company prior to such transaction continue to hold at least fifty percent (50%) of the outstanding shares of the surviving corporation; or

(c) (1) the sale, lease, transfer, exclusive license or other disposition, in a single transaction or series of related transactions, 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 (2) the sale or disposition (whether by merger, consolidation or otherwise, and whether in a single transaction or a series of related transactions) of one or more subsidiaries of the 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

Aligos Therapeutics, Inc.
Notes to unaudited condensed consolidated financial statements
(In thousands, except share and per share data)

8. Capital stock, continued

Redeemable convertible preferred stock, continued

where such sale, lease, transfer, exclusive license or other disposition is to a wholly owned subsidiary of the Company.

(c) Conversion

Each share of Preferred Stock is convertible into fully paid and non-assessable shares of Common Stock at any time at the option of the holder, and is subject to mandatory conversion upon the written consent of certain holders or upon the closing of a firm commitment underwritten public offering (i) approved by a majority of the then-outstanding shares of Series B-1 or Series B-2 held by certain non-strategic Series B-1 and Series B-2 holders or (ii) after the earlier of (A) September 30, 2021 and (B) the occurrence of a developmental milestone, in the case of clause (ii) which firm commitment underwritten public offering involves a price per share dependent upon whether it is prior to the Second Closing or on or after the Second Closing, and gross proceeds to the Company of at least $75,000. The conversion ratio at December 31, 2019 and June 30, 2020, was one for one, and is subject to certain anti-dilutive adjustments.

(d) Voting

The holders of Preferred Stock have voting rights equivalent to the number of shares of Common Stock into which their shares of Preferred Stock convert. Except as provided by law or by the other provisions of the amended and restated certificate of incorporation, holders of shares of Preferred Stock shall vote together with the holders of shares of Common Stock as a single class and on an as-converted to Common Stock basis.

The holders of record of shares of Series A, exclusively and as a separate class, shall be entitled to elect four (4) directors of the Company, the holders of record of shares of Series B-1 and Series B-2, exclusively and as a separate class on an as-converted basis, shall be entitled to elect one (1) director of the Company and the holders of record of shares of Common Stock, exclusively and as a separate class, shall be entitled to elect two (2) directors of the Company.

9. Stock-based compensation

2018 Equity incentive plan

The Company's 2018 Equity Incentive Plan (the "Plan") allows the Company to issue restricted stock awards and restricted stock units, and to grant incentive stock options or non-qualified stock options. Incentive stock options may be granted only to the Company's employees including officers and members of the Board who are also employees. Restricted stock awards, restricted stock units and non-qualified stock options may be granted to employees, members of the Board, outside advisors, and consultants of the Company (the "Participants"). The Company is authorized to issue awards for 45,793,887 shares of Common Stock under the Plan. The Company had 39,802,950 awards granted as of June 30, 2020 with 5,990,937 available for future issuances.

Aligos Therapeutics, Inc.
Notes to unaudited condensed consolidated financial statements
(In thousands, except share and per share data)

9. Stock-based compensation, continued

Stock options

The exercise price for incentive stock options is at least 100% of the fair market value on the date of grant for stockholders owning less than 10% of the voting power of all classes of stock, or at least 110% of the fair market value for stockholders owning more than 10% of the voting power of all classes of stock. Options generally expire in 10 years. Options may vest over periods determined by the Board, generally 48 months ("Time-Vesting Options"), or vest upon the achievement of a certain performance condition ("Performance-Vesting Options"). Certain stock options referred to as "early exercise stock options" permit the holders to exercise the option in whole or in part prior to the full vesting of the option in exchange for unvested shares of Restricted Stock with respect to any unvested portion of the option so exercised.

Of the option awards outstanding as of June 30, 2020, 16,833,867 were Time-Vesting Options, with an unamortized expense balance of $3,587, to be amortized over a weighted average period of 3.10 years.

Of the option awards outstanding as of June 30, 2020, 4,104,370 were Performance-Vesting Options. As of June 30, 2020, the Company determined that the vesting condition associated with the Performance-Vesting Options was not probable of being achieved, and therefore did not recognized any expense. The Company will continue to evaluate the probability of such vesting condition being achieved at each subsequent reporting period. Once the Performance-Vesting Awards are deemed probable of vesting, the Company will record compensation expense for the vested portion equal to the grant date fair value. The total unrecognized expense for Performance-Vesting options was $1,021 as of June 30, 2020, with remaining contractual term of 9.68 years.

During the six months ended June 30, 2019 and 2020, the Company's stock option compensation expense was approximately $143 and $478, respectively, and there was no recognized tax benefit in either of the periods.

The assumptions that the Company used to determine the grant-date fair value of both Time-Vesting Options and Performance-Vesting Options granted to Participants were as follows, presented on a weighted-average basis:

	December 31, 2019	June 30, 2020
Expected term (in years)	6.06	5.92
Risk-free interest rate	1.94%	1.24%
Dividend yield	—	—
Volatility	60.24%	63.62%

Aligos Therapeutics, Inc.
Notes to unaudited condensed consolidated financial statements
(In thousands, except share and per share data)

9. Stock-based compensation, continued

Stock options, continued

Stock option activity during the six months ended June 30, 2020 was as follows:

	Time-vesting options		Performance-vesting options			
	Shares subject to options	Weighted-average exercise price	Shares subject to options	Weighted-average exercise price	Weighted-average remaining contractual term (years)	Aggregate intrinsic value
Outstanding as of January 1, 2020	3,232,753	$ 0.14	—	$ —	9.01	$ 744
Granted	14,473,340	0.37	4,240,610	0.37		
Exercised	(872,226)	0.26	(136,240)	0.37		382
Outstanding as of June 30, 2020	16,833,867	$ 0.33	4,104,370	$ 0.37	9.52	$ 6,506
Options vested and expected to vest as of June 30, 2020	21,357,316	$ 0.29	4,240,610	$ 0.37	9.37	$ 8,771
Options vested and exercisable as of June 30, 2020	12,816,338	$ 0.36	50,323	$ 0.37	9.61	$ 3,795

The weighted-average grant date fair value of both Time-Vesting Options and Performance-Vesting Options granted was $0.24 per share during the six months ended June 30, 2020.

Restricted stock awards

The Company may grant restricted stock purchase awards to the Participants to purchase restricted stock under the Company's Plan, which are subject to vesting conditions. The purchase prices of the restricted stock are determined by the Board. The Company has a right to repurchase the shares if the Participant's service period is not fulfilled or upon termination of service at the original per share issuance price. The right of repurchase lapses over a service period which is typically four years with 25% vesting on the first anniversary of the vesting commencement date and 1/48 each month thereafter.

Before the adoption of the Company's Plan, the Company granted 4,687,500 restricted stock awards to employees and founders. These restricted stock awards have similar characteristics to the restricted stock awards granted under the Company's Plan, other than the right of repurchase, which typically lapses over three years with 33% vesting on the first anniversary of the vesting commencement date and 1/36 each month thereafter.

During the six months ended June 30, 2019 and 2020, the Company recorded a total stock-based compensation expense of $310 and $180, respectively, related to the restricted stock awards. As of June 30, 2020 unrecognized stock-based compensation costs related to outstanding unvested restricted stock awards that are
expected to vest were approximately $633, expected to be recognized over a weighted-average period of 1.58 years.

Aligos Therapeutics, Inc.
Notes to unaudited condensed consolidated financial statements
(In thousands, except share and per share data)

9. Stock-based compensation, continued

Restricted stock awards, continued

The following table summarizes the Company's restricted common stock activity for the six months ended June 30, 2020:

	Number of awards	Weighted-average grant date fair value	Aggregate fair value
Issued and unvested as of January 1, 2020	7,709,119	$ 0.11	$ 834
Restricted stock awards granted	—		—
Restricted stock awards vested	(1,951,561)	0.09	(181)
Issued and unvested as of June 30, 2020	5,757,558	$ 0.11	$ 653

Stock-based compensation expense was allocated as follows for the six months ended June 30, 2019 and 2020:

	June 30, 2019	June 30, 2020
Research and development	$ 272	$ 350
General and administrative	181	308
Total	$ 453	$ 658

During the six months ended June 30, 2020, the Company issued 485,207 shares of Common Stock upon the exercise of unvested stock options or purchases for unvested restricted stock awards. As of December 31, 2019 and June 30, 2020, there were 5,378,649 and 4,957,609 shares of Common Stock held by employees subject to repurchase at an aggregate price of $753 and $806, respectively. A corresponding liability was recorded and included in accrued expenses on the condensed consolidated balance sheet as of December 31, 2019 and June 30, 2020, respectively.

Aligos Therapeutics, Inc.
Notes to unaudited condensed consolidated financial statements
(In thousands, except share and per share data)

10. Fair value

The following tables present the fair value of the Company's financial instruments that are measured or disclosed at fair value on a recurring basis:

	Fair value measurements as of December 31, 2019		
	Level 1	Level 2	Level 3
Assets:			
Cash equivalents:			
Money market funds	$ 68,608	$ —	$ —
Held-to-maturity securities:			
U.S. Treasury bonds	58,147	—	—
Liabilities:			
Derivative liabilities	—	—	(461)
Redeemable convertible preferred stock liability	—	—	(3,174)
	$126,755	$ —	$(3,635)

	Fair value measurements as of June 30, 2020		
	Level 1	Level 2	Level 3
Assets:			
Cash equivalents:			
Money market funds	$21,285	$ —	$ —
Held-to-maturity securities:			
U.S. Treasury bonds	25,162	—	—
Available-for-sale securities:			
U.S. Treasury bonds	40,415	—	—
Liabilities:			
Derivative liabilities	—	—	(380)
Redeemable convertible preferred stock liability	—	—	(2,810)
	$86,862	$ —	$(3,190)

The derivative liability in the table above refers to the fair value of warrants. The fair values of the warrants were determined based on significant inputs not observable in the market, which represents a Level 3 measurement within the fair value hierarchy.

In order to determine the fair value of the warrants, the Company utilized a probability-weighted multi-scenario Black-Scholes option-pricing model to determine the fair value of the warrants by accounting for the probability of multiple possible outcomes, including deemed liquidation events, as best estimated by management. Estimates and assumptions impacting the fair value measurement including the fair value of the underlying shares of Series A, the remaining contractual or expected term of the warrants, risk-free interest rate, expected dividend yield and expected volatility of the price of the underlying preferred stock on an as converted basis.

Aligos Therapeutics, Inc.
Notes to unaudited condensed consolidated financial statements
(In thousands, except share and per share data)

10. Fair value, continued

The Company considered the probability of a deemed liquidation event in determining the remaining expected term of the warrants, which was used as an input to the probability-weighted multi-scenario Black-Scholes option-pricing model adopted in 2019. The Company lacks company-specific historical and implied volatility information of its stock since there is currently no market. Therefore, it estimated its expected stock volatility based on the historical volatility of publicly traded guideline companies for a term equal to the remaining contractual or expected term of the warrants. The risk-free interest rate was determined by reference to the U.S. Treasury yield curve for time periods approximately equal to the remaining contractual or expected term of the warrants. The Company estimated no expected dividend yield based on the fact that the Company has never paid or declared dividends and does not intend to do so in the foreseeable future.

The warrants were measured at fair value under the following assumptions:

	December 31, 2019	June 30, 2020
Exercise price	$ 1.00	$ 1.00
Term (in years)	2.00 - 3.00	0.74
Risk-free interest rate	1.63%	0.17%
Dividend yield	—	—
Volatility	75.00%	120.00%

The significant unobservable inputs used in the fair value measurement of the warrants are the remaining expected term, which considers the timing of a liquidation event that would net settle the awards before their contractual term expires, and the equity volatility, which is a statistical measure of the dispersion of returns for a given security. Significant increases (decreases) in the term would result in significantly higher (lower) fair value measurements. Significant increases (decreases) in the volatility would result in significantly higher (lower) fair value measurements.

The following table sets forth a summary of changes in fair value of the Company's derivative liability and Redeemable Convertible Preferred Stock Liability for which fair value was determined by Level 3 inputs:

	Derivative liabilities	Redeemable convertible preferred stock liability
Balance as of December 31, 2019	$ 461	$ 3,174
Exercise of warrants	(137)	—
Change in fair value	56	(364)
Balance as of June 30, 2020	$ 380	$ 2,810

Aligos Therapeutics, Inc.
Notes to unaudited condensed consolidated financial statements
(In thousands, except share and per share data)

10. Fair value, continued

In order to determine the fair value of the Redeemable Convertible Preferred Stock Liability, the Company used a probability-weighted multi-scenario Black Scholes hybrid valuation method that accounts for the probability of achieving milestones as estimated by the management. The Redeemable Convertible Preferred Stock Liability has a fair value of $2,810 as of June 30, 2020. The Redeemable Convertible Preferred Stock Liability was measured at fair value under the following assumption as of June 30, 2020:

	December 31, 2019	June 30, 2020
Exercise price	$ 1.20	$ 1.20
Term (in years)	1.27	0.42 - 1.00
Risk-free interest rate	1.55%	0.17%
Dividend yield	—	—
Volatility	60.00%	82.10%

The significant unobservable inputs used in the fair value measurement of the Redeemable Convertible Preferred Stock Liability include the probability of milestone achievement and/or milestone achievement waiver, the Series B-2 current or future value estimate under each scenario, the term, and the equity volatility, which is a statistical measure of the dispersion of returns for a given security. Significant increases (decreases) in the probability of milestone achievement and/or milestone waiver would result in a significantly higher (lower) fair value measurement. Significant decreases (increases) in assumed current or future Series B-2 value would result in a significantly lower (higher) fair value measurement. Significant increases (decreases) in the term would result in a significantly higher (lower) fair value measurement. Significant increases (decreases) in the volatility would result in significantly higher (lower) fair value measurements.

11. License and collaboration agreements

Agreement with Emory University ("Emory")

In June 2018, the Company entered into a license agreement with Emory (the "Emory License Agreement"), pursuant to which Emory granted the Company a worldwide, sublicensable license under certain of its intellectual property rights to make, have made, develop, use, offer to sell, sell, import and export products containing certain compounds relating to Emory's hepatitis B virus capsid assembly modulator technology, for all therapeutic and prophylactic uses.

In June 2020, the Company amended the license agreement with Emory. Pursuant to the amended license agreement, Emory granted the Company additional patent rights to certain compounds targeting the treatment or prevention of HBV. As consideration for the additional rights, the Company made a one-time, non-refundable payment to Emory in the amount of $150, with an additional obligation to pay up to a maximum of $35. On the same date, the Company entered into a collaboration agreement with Emory, with the initial research plan pertaining to the synthesis and evaluation of the compounds licensed through the additional patent rights granted in the amended license agreement. The research plan terminates one year from the effective date, with the Company having an option to extend for a second year. In connection with the research plan, the Company will provide Emory funding up to $270 per year.

Aligos Therapeutics, Inc.
Notes to unaudited condensed consolidated financial statements
(In thousands, except share and per share data)

11. License and collaboration agreements, continued

Agreement with Luxna Biotech Co., Ltd. ("Luxna")

On December 19, 2018, the Company entered into a license agreement with Luxna, pursuant to which Luxna granted the Company an exclusive, worldwide, sublicensable license under certain of Luxna's intellectual property rights to research, develop make, have made and commercialize for all therapeutic and prophylactic uses, (i) products containing oligonucleotides targeting the hepatitis B virus genome, (ii) products containing certain oligonucleotides targeting up to three genes which contribute to NASH, which the Company may select at any time during the first eight years of the term, to the extent not licensed to a third party, and (iii) products containing oligonucleotides targeting up to three genes which contribute to hepatocellular carcinoma, which the Company may select at any time during the first three years of the term.

In April 2020, the Company amended the license agreement with Luxna. Pursuant to the amended license agreement, Luxna granted the Company an exclusive, worldwide license under the licensed patents to research, develop, make, have made and commercialize products containing oligonucleotides targeting three families of viruses: orthomyxoviridae, paramyxoviridae, and coronaviridae (a family which includes SARS-CoV-2). As consideration for the amended license agreement, the Company paid Luxna a one-time non-refundable fee of $200.

Agreement with Katholieke Universiteit Leuven ("KU Leuven")

On June 25, 2020, the Company entered into a Research, Licensing and Commercialization Agreement ("KU Leuven Agreement") with KU Leuven, under which the Company is collaborating with KU Leuven's Rega Institute for Medical Research, as well as its Centre for Drug Design and Discovery, to research and develop potential protease inhibitors for the treatment, diagnosis, prediction, detection or prevention of coronaviruses, including SARS-CoV-2. Unless terminated earlier by either party in accordance with provisions in the agreement, the collaboration period will terminate at the earlier of completion of all collaboration activities or 2.5 years. In connection with the KU Leuven Agreement, KU Leuven and the Company granted each other exclusive cross-licenses to use certain know-how and existing patents of the other party as well as certain joint know-how and joint patents to carry out research and development collaboration activities during the collaboration period. KU Leuven granted to the Company an exclusive (including as to KU Leuven), worldwide license under certain of KU Leuven's know-how and existing patents, and certain joint patents and joint know-how, to manufacture and commercialize the licensed products for the treatment, diagnosis, prediction, detection or prevention of viral infections in humans or animals. KU Leuven reserved the right to use all KU Leuven know-how, existing KU Leuven patents, joint patents and joint know-how for academic and non-commercial research and teaching purposes. As consideration for this license, the Company is obligated to make payments to KU Leuven, in aggregate, totaling up to but no more than $30,000 upon the achievement of certain commercial sales milestones. For each licensed product developed through KU Leuven and the Company's collaborative effort, the Company is obligated to make payments to KU Leuven, in aggregate, totaling up to $32,000 upon the achievement of certain development and regulatory milestones. The Company is also required to pay KU Leuven a low-to-mid-single digit royalty percentage, subject to certain adjustments, on net sales of applicable products, if any. The royalty term for each licensed product will extend until the later of 10 years after the first commercial sale of the licensed product and the expiration or termination of the last valid patent claim covering the manufacture, use, sale or importation of the licensed product in a particular

Aligos Therapeutics, Inc.
Notes to unaudited condensed consolidated financial statements
(In thousands, except share and per share data)

11. License and collaboration agreements, continued

Agreement with Katholieke Universiteit Leuven ("KU Leuven"), continued

country. Unless terminated earlier by either party, the agreement shall continue until the expiration of the last to expire royalty term.

12. Commitments and contingencies

From time to time, the Company may have certain contingent liabilities, including legal matters that arise in the ordinary course of its business activities. The Company accrues a liability for such matters when it is probable that future expenditures will be made and such expenditures can be reasonably estimated. The Company had no contingent liabilities requiring accrual as of December 31, 2019 and June 30, 2020.

13. Net loss per share

The following table summarizes the computation of basic and diluted net loss per share of the Company:

	Six months ended June 30,	
	2019	**2020**
Net loss	$ (20,030)	$ (40,826)
Weighted average common stock outstanding, basic and diluted	16,173,043	25,441,974
Net loss per share—basic and diluted	$ (1.24)	$ (1.60)

The Company's potentially dilutive securities, which include convertible preferred stock, a forward contract to issue preferred stock, options to purchase common stock and unvested restricted stock, have been excluded from the computation of diluted net loss per share as the effect would be to reduce the net loss per share. Therefore, the weighted-average number of shares of Common Stock outstanding used to calculate both basic and diluted net loss per share is the same. The Company excluded the following potential shares of Common Stock, presented based on amounts outstanding at each period end, from the computation of diluted net loss per share for the periods indicated because including them would have had an anti-dilutive effect:

	Six months ended June 30,	
	2019	**2020**
Convertible preferred stock	100,712,864	178,951,919
Forward contract to issue redeemable convertible preferred stock	—	33,268,045
Options to purchase common stock	10,524,000	21,423,444
Unvested restricted stock	9,775,265	5,757,558
Warrants to purchase preferred stock	1,250,000	775,000
	122,262,129	240,175,966

Aligos Therapeutics, Inc.
Notes to unaudited condensed consolidated financial statements
(In thousands, except share and per share data)

14. Pro forma net loss per share (unaudited)

The unaudited pro forma basic and diluted net loss per share set forth in the table below gives effect to the conversion of all shares of convertible preferred stock upon the closing of the planned IPO by treating all shares of convertible preferred stock as if they had been converted to Common Stock at the beginning of the earliest period presented or the date of the original issuance, if later. Shares to be sold in the planned IPO are excluded from the unaudited pro forma basic and diluted net loss per share calculation. Unaudited pro forma net loss per common share, basic and diluted, for the six months ended June 30, 2020 is calculated as follows:

	Six months ended June 30, 2020
Numerator:	
Net loss	$ (40,826)
Denominator:	
Weighted average common shares outstanding—basic and diluted	25,441,974
Add: Conversion of convertible preferred stock	178,951,919
Pro forma weighted average common shares outstanding	204,393,893
Pro forma net loss per common share—basic and diluted	$ (0.20)

15. Subsequent events

The Company has evaluated all events occurring through September 25, 2020, the date on which the condensed consolidated financial statements were issued, during which time nothing has occurred outside the normal course of business operations that would require disclosure other than the event disclosed below.

In connection with the issuance of shares of Series B-1 (Note 8), the investors party to the Series B-1 and Series B-2 Preferred Stock Purchase Agreement, dated December 23, 2019, committed to purchase and the Company committed to sell 33,268,045 shares of Series B-2 at a price of $1.20236 per share in a subsequent closing, contingent upon the achievement of the certain milestones (the “Series B Milestones”). The Series B Milestones in the agreement are described as follows:

- receipt of permission to proceed under an Investigational New Drug application submitted to the U.S. Food and Drug Administration or approval of the clinical trial application by a comparable foreign regulatory agency having jurisdiction (the “CTA Approval”) with respect to the Company’s HBV STOPs program; and
- the CTA Approval with respect to the Company’s HBV CAM program.

On September 25, 2020, the Company achieved the Series B Milestones. As of the date on which the Company’s condensed consolidated financial statements were issued, the shares of Series B-2 have not been issued.

Table of Contents

shares

Common stock

J.P. Morgan **Jefferies** **Piper Sandler**

Cantor

Prospectus dated , 2020

Part II

Information not required in prospectus

Item 13. Other expenses of issuance and distribution.

The following table sets forth the costs and expenses, other than the underwriting discounts and commissions, payable by the registrant in connection with the sale of common stock being registered. All amounts are estimates except for the SEC registration fee, the FINRA filing fee and the Nasdaq Global Market listing fee.

Item	Amount paid or to be paid
SEC registration fee	$ 12,980
FINRA filing fee	15,500
Nasdaq Global Market Listing fee	*
Printing and engraving expenses	*
Legal fees and expenses	*
Accounting fees and expenses	*
Blue Sky, qualification fees and expenses	*
Transfer Agent fees and expenses	*
Miscellaneous expenses	*
Total	$ *

* To be completed by amendment.

Item 14. Indemnification of directors and officers.

As permitted by Section 102 of the Delaware General Corporation Law, provisions in our amended and restated certificate of incorporation and bylaws that will be in effect immediately prior to the closing of the offering will limit or eliminate the personal liability of our directors for a breach of their fiduciary duty of care as a director. The duty of care generally requires that, when acting on behalf of the corporation, directors exercise an informed business judgment based on all material information reasonably available to them. Consequently, a director will not be personally liable to us or our stockholders for monetary damages for breach of fiduciary duty as a director, except for liability for:

- any breach of the director's duty of loyalty to us or our stockholders;
- any act or omission not in good faith or that involves intentional misconduct or a knowing violation of law;
- any act related to unlawful stock repurchases, redemptions or other distributions or payment of dividends; or
- any transaction from which the director derived an improper personal benefit.

These limitations of liability do not affect the availability of equitable remedies such as injunctive relief or rescission. Our amended and restated certificate of incorporation will also authorize us to indemnify our officers, directors and other agents to the fullest extent permitted under Delaware law.

As permitted by Section 145 of the Delaware General Corporation Law, our amended and restated bylaws will provide that:

- we shall indemnify our directors and officers, and may indemnify our employees and agents, to the fullest extent permitted by the Delaware General Corporation Law, subject to limited exceptions;
- we shall advance expenses to our directors and officers and may advance expenses to our employees and agents in connection with a legal proceeding to the fullest extent permitted by the Delaware General Corporation Law, subject to limited exceptions; and

- the rights provided in our amended and restated bylaws are not exclusive.

Our amended and restated certificate of incorporation, to be attached as Exhibit 3.3 hereto, and our amended and restated bylaws, to be attached as Exhibit 3.5 hereto, will provide for the indemnification provisions described above and elsewhere herein. We intend to enter into separate indemnification agreements with our directors and officers which may be broader than the specific indemnification provisions contained in the Delaware General Corporation Law. These indemnification agreements will generally require us, among other things, to indemnify our officers and directors against liabilities that may arise by reason of their status or service as directors or officers, other than liabilities arising from willful misconduct. These indemnification agreements also generally require us to advance any expenses incurred by the directors or officers as a result of any proceeding against them as to which they could be indemnified. In addition, we will purchase prior to the closing of this offering a policy of directors' and officers' liability insurance that insures our directors and officers against the cost of defense, settlement or payment of a judgment in some circumstances. These indemnification provisions and the indemnification agreements may be sufficiently broad to permit indemnification of our officers and directors for liabilities, including reimbursement of expenses incurred, arising under the Securities Act of 1933, as amended (the "Securities Act").

The form of Underwriting Agreement, to be attached as Exhibit 1.1 hereto, provides for indemnification by the underwriters of us and our officers who sign this Registration Statement and directors for specified liabilities, including matters arising under the Securities Act.

Item 15. Recent sales of unregistered securities.

The following list sets forth information as to all securities we have sold since February 5, 2018, which were not registered under the Securities Act.

1. In March and July 2018, we issued an aggregate of 18,750,000 shares of restricted common stock pursuant to restricted stock purchase agreements to our founders, early employees and academic collaborators at a price of $0.000110933333 per share.

2. In April and June 2018, we issued convertible promissory notes in an aggregate principal amount of $5 million and warrants to purchase shares of capital stock to 19 accredited investors.

3. In June 2018, we issued a convertible promissory note in a principal amount of $600,000 to one accredited investor.

4. In August and September 2018, we issued an aggregate of 100,712,864 shares of Series A convertible preferred stock to 27 accredited investors at a price per share of either (i) $1.00 in cash or (ii) with respect 5,712,864 shares of Series A preferred stock issued upon conversion of convertible promissory notes issued by us, $5.7 million in cancellation of indebtedness, for a total amount raised (including the cancellation of indebtedness and accrued interest thereon) of $100.7 million.

5. In December 2019, we issued an aggregate of 77,764,055 shares of Series B-1 convertible preferred stock to 38 accredited investors at a price per share of $1.09305 for aggregate proceeds to us of $85 million.

6. We have granted stock options and stock awards to employees, directors and consultants covering an aggregate of 30,327,950 shares of common stock, at a weighted-average exercise price of $0.28 per share. Of these, options covering an aggregate of 372,917 shares were cancelled or forfeited without being exercised.

7. We have sold an aggregate of 9,788,159 shares of common stock to employees, directors and consultants for cash consideration in the aggregate amount of $1.5 million pursuant to stock options and restricted stock awards.

We claimed exemption from registration under the Securities Act for the sale and issuance of securities in the transactions described in paragraphs (1) through (4) by virtue of Section 4(a)(2) of the Securities Act and/or Regulation D promulgated thereunder as transactions not involving any public offering. All of the purchasers of unregistered securities for which we relied on Section 4(a)(2) and/or Regulation D represented that they were accredited investors as defined under the Securities Act. We claimed such exemption on the basis that (a) the purchasers in each case represented that they intended to acquire the securities for investment only and not with a view to the distribution thereof and that they either received adequate information about the registrant or had access, through employment or other relationships, to such information and (b) appropriate legends were affixed to the stock certificates issued in such transactions.

We claimed exemption from registration under the Securities Act for the sales and issuances of securities in the transactions described in paragraphs (5) and (6) above under Section 4(a)(2) of the Securities Act in that such sales and issuances did not involve a public offering or under Rule 701 promulgated under the Securities Act, in that they were offered and sold either pursuant to written compensatory plans or pursuant to a written contract relating to compensation, as provided by Rule 701.

Item 16. Exhibits and financial statement schedules.

(a) Exhibits.

Exhibit number	Exhibit description	Incorporated by reference			Filed herewith
		Form	Date	Number	
1.1*	Form of Underwriting Agreement.				
3.1	Amended and Restated Certificate of Incorporation, as amended, currently in effect.				X
3.2*	Amended and Restated Certificate of Incorporation, effecting a stock split.				
3.3*	Form of Amended and Restated Certificate of Incorporation, to be in effect immediately prior to the consummation of this offering.				
3.4	Bylaws, currently in effect.				X
3.5*	Form of Amended and Restated Bylaws, to be in effect immediately prior to the consummation of this offering.				
4.1*	Reference is made to Exhibits 3.1 through 3.5.				
4.2*	Form of Common Stock Certificate.				
5.1*	Opinion of Latham & Watkins LLP.				
10.1(a)†	Aligos Therapeutics/Emory University License Agreement by and between Aligos Therapeutics, Inc. and Emory University, dated June 26, 2018.				X
10.1(b)†	First Amendment to License Agreement by and between Aligos Therapeutics, Inc. and Emory University, dated June 18, 2020.				X
10.2(a)†	License Agreement by and between Aligos Therapeutics, Inc. and Luxna Biotech Co., Ltd., dated December 19, 2018.				X

Exhibit number	Exhibit description	Incorporated by reference			Filed herewith
		Form	Date	Number	
10.2(b)†	Amendment to License Agreement by and between Aligos Therapeutics, Inc. and Luxna Biotech Co., Ltd., dated April 8, 2020.				X
10.3	Lease between Aligos Therapeutics, Inc. and Britannia Biotech Gateway Limited Partnership, dated June 21, 2018.				X
10.4*	Amended and Restated Investors' Rights Agreement dated December 23, 2019.				
10.5(a)#	2018 Equity Incentive Plan, as amended.				X
10.5(b)#	Form of Stock Option Grant Notice and Stock Option Agreement under 2018 Equity Incentive Plan, as amended.				X
10.5(c)#	Form of Early Exercise Stock Option Grant Notice and Stock Option Agreement under 2018 Equity Incentive Plan, as amended.				X
10.5(d)#	Form of International Stock Option Grant Notice and Stock Option Agreement under 2018 Equity Incentive Plan, as amended.				X
10.6(a)#*	2020 Incentive Award Plan.				
10.6(b)#*	Form of Stock Option Grant Notice and Stock Option Agreement under the 2020 Incentive Award Plan.				
10.6(c)#*	Form of Restricted Stock Award Agreement under the 2020 Incentive Award Plan.				
10.6(d)#*	Form of Restricted Stock Unit Award Grant Notice under the 2020 Incentive Award Plan.				
10.7#*	2020 Employee Stock Purchase Plan.				
10.8#*	Employment Agreement by and between Aligos Therapeutics, Inc. and Lawrence M. Blatt, Ph.D., dated August 16, 2018.				
10.9#*	Employment Agreement by and between Aligos Therapeutics, Inc. and Leonid Beigelman, Ph.D., dated August 16, 2018.				
10.10#*	Offer Letter by and between Aligos Therapeutics, Inc. and Lucinda Quan, J.D., dated May 14, 2019.				
10.11#*	Non-Employee Director Compensation Program.				
10.12*	Form of Indemnification Agreement for directors and officers.				
21.1	Subsidiaries of Registrant.				X
23.1	Consent of Independent Registered Public Accounting Firm.				X

Exhibit number	Exhibit description	Incorporated by reference			Filed herewith
		Form	Date	Number	
23.4*	Consent of Latham & Watkins LLP (included in Exhibit 5.1).				
24.1	Power of Attorney. Reference is made to the signature page to the Registration Statement.				X

* To be filed by amendment.

† Portions of the exhibit, marked by brackets, have been omitted because the omitted information (i) is not material and (ii) would likely cause competitive harm if publicly disclosed.

# Indicates management contract or compensatory plan.

(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 financial statements or notes thereto.

Item 17. Undertakings.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act, and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer, or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question of whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned Registrant hereby undertakes that:

1. For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this Registration Statement in reliance upon Rule 430A and contained in a form of prospectus filed by the Registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this Registration Statement as of the time it was declared effective.

2. For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

Signatures

Pursuant to the requirements of the Securities Act of 1933, as amended, the Registrant has duly caused this Registration Statement on Form S-1 to be signed on its behalf by the undersigned, thereunto duly authorized, in South San Francisco, California on September 25, 2020.

Aligos Therapeutics, Inc.

By: /s/ Lawrence M. Blatt
Lawrence M. Blatt, Ph.D.
Chief Executive Officer

Power of attorney

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints Lawrence M. Blatt, Ph.D., Lesley Ann Calhoun and Lucinda Quan, J.D., and each of them acting individually, as his or her true and lawful attorneys-in-fact and agents, each with full power of substitution, for him in any and all capacities, to sign any and all amendments to this Registration Statement, including post-effective amendments or any abbreviated registration statement and any amendments thereto filed pursuant to Rule 462(b) increasing the number of securities for which registration is sought, and to file the same, with all exhibits thereto and other documents in connection therewith, with the SEC, granting unto said attorneys-in-fact and agents, with full power of each to act alone, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully for all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or his or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Lawrence M. Blatt Lawrence M. Blatt, Ph.D.	Chief Executive Officer and Director *(Principal Executive Officer)*	September 25, 2020
/s/ Lesley Ann Calhoun Lesley Ann Calhoun	Executive Vice President, Chief Financial Officer *(Principal Financial and Accounting Officer)*	September 25, 2020
/s/ Leonid Beigelman Leonid Beigelman, Ph.D.	Director	September 25, 2020
/s/ K. Peter Hirth K. Peter Hirth, Ph.D.	Director	September 25, 2020
/s/ Jack B. Nielsen Jack B. Nielsen	Director	September 25, 2020
/s/ Peter Moldt Peter Moldt, Ph.D.	Director	September 25, 2020

Signature	Title	Date
/s/ Carole Nuechterlein Carole Nuechterlein	Director	September 25, 2020
/s/ Thomas Woiwode Thomas Woiwode, Ph.D.	Director	September 25, 2020
/s/ Kathleen Sereda Glaub Kathleen Sereda Glaub	Director	September 25, 2020

Exhibit 3.1

SECOND AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF
ALIGOS THERAPEUTICS, INC.

(Pursuant to Sections 242 and 245 of the
General Corporation Law of the State of Delaware)

Aligos Therapeutics, Inc., a corporation organized and existing under and by virtue of the provisions of the General Corporation Law of the State of Delaware (the "**General Corporation Law**"),

DOES HEREBY CERTIFY:

1. That the name of this corporation is Aligos Therapeutics, Inc., and that this corporation was originally incorporated pursuant to the General Corporation Law on February 5, 2018 under the name Aligos, Inc.

2. That the Board of Directors duly adopted resolutions proposing to amend and restate the Certificate of Incorporation of this corporation, declaring said amendment and restatement to be advisable and in the best interests of this corporation and its stockholders, and authorizing the appropriate officers of this corporation to solicit the consent of the stockholders therefor, which resolution setting forth the proposed amendment and restatement is as follows:

RESOLVED, that the Amended and Restated Certificate of Incorporation of this corporation be amended and restated in its entirety by this Second Amended and Restated Certificate of Incorporation (the "Certificate of Incorporation") to read as follows:

FIRST: The name of this corporation is Aligos Therapeutics, Inc. (the "**Corporation**").

SECOND: The address of the registered office of the Corporation in the State of Delaware is 1209 Orange Street in the City of Wilmington 19801, County of New Castle. The name of its registered agent at such address is The Corporation Trust Company.

THIRD: The nature of the business or purposes to be conducted or promoted is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law.

FOURTH: The total number of shares of all classes of stock which the Corporation shall have authority to issue is (i) 278,000,000 shares of Common Stock, $0.0001 par value per share ("**Common Stock**") and (ii) 212,994,964 shares of Preferred Stock, $0.0001 par value per share ("**Preferred Stock**").

The following is a statement of the designations and the powers, privileges and rights, and the qualifications, limitations or restrictions thereof in respect of each class of capital stock of the Corporation.

A. COMMON STOCK

1. General. The voting, dividend and liquidation rights of the holders of shares of Common Stock are subject to and qualified by the rights, powers and preferences of the holders of shares of Preferred Stock set forth herein.

2. Voting. The holders of shares of Common Stock are entitled to one vote for each share of Common Stock held at all meetings of stockholders (and written actions in lieu of meetings); provided, however, that, except as otherwise required by law, holders of shares of Common Stock, as such, shall not be entitled to vote on any amendment to this Certificate of Incorporation that relates solely to the terms of one or more outstanding series of Preferred Stock if the holders of such affected series are entitled, either separately or together with the holders of one or more other such series, to vote thereon pursuant to this Certificate of Incorporation or pursuant to the General Corporation Law. There shall be no cumulative voting. The number of authorized shares of Common Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by (in addition to any vote of the holders of one or more series of Preferred Stock that may be required by the terms of this Certificate of Incorporation) the affirmative vote of the holders of shares of capital stock of the Corporation representing a majority of the votes represented by all outstanding shares of capital stock of the Corporation entitled to vote, irrespective of the provisions of Section 242(b)(2) of the General Corporation Law.

B. PREFERRED STOCK

101,962,864 shares of the authorized Preferred Stock of the Corporation are hereby designated "**Series A Preferred Stock**", 77,764,055 shares of the authorized Preferred Stock of the Corporation are hereby designated "**Series B-1 Preferred Stock**", and 33,268,045 shares of the authorized Preferred Stock of the Corporation are hereby designated "**Series B-2 Preferred Stock**" with the following rights, preferences, powers, privileges and restrictions, qualifications and limitations. Unless otherwise indicated, references to "sections" or "subsections" in this Part B of this Article Fourth refer to sections and subsections of this Part B of this Article Fourth.

1. Dividends.

1.1 The holders of shares of Preferred Stock, in preference to the holders of Common Stock, shall be entitled to receive, on a *pari passu* basis, when, as and if declared by the Board of Directors out of funds legally available therefor, noncumulative cash dividends at the rate of eight percent (8%) of the Original Issue Price (as defined below) per annum on each outstanding share of Preferred Stock.

1.2 So long as any shares of Preferred Stock are outstanding, the Corporation shall not pay or declare any dividend, whether in cash or property, or make any other distribution on the Common Stock, or purchase, redeem or otherwise acquire for value any shares of Common Stock until all dividends as set forth in Subsection 1.1 above on the Preferred Stock shall have been paid or declared an set apart, except for, and in each case subject to obtaining any approvals required by Subsection 3.3 below:

1.2.1 acquisitions of Common Stock by the Corporation pursuant to agreements which permit the Corporation to repurchase such shares at cost (or the lesser of cost or fair market value) upon termination of services to the Corporation; or

1.2.2 acquisitions of Common Stock in exercise of the Corporation's right of first refusal to repurchase such shares as approved by the Board of Directors.

1.3 After the dividends on the Preferred Stock shall have been paid pursuant to Subsection 1.1 above, then the Corporation may (when, as and if declared by the Board of Directors) declare and distribute in such year dividends among the holders of Preferred Stock and the holders of Common Stock pro rata based on the number of shares of Common Stock held by each, determined on an as-if-converted to Common Stock basis (assuming full conversion of all such Preferred Stock) as of the record date with respect to the declaration of such dividends.

1.4 The provisions of Subsections 1.2 and 1.3 shall not apply to a dividend payable solely in Common Stock to which the provisions of Subsection 4.6 hereof are applicable.

1.5 The "**Original Issue Price**" for a series of Preferred Stock shall mean, with respect to the Series A Preferred Stock, $1.00 for each outstanding share of Series A Preferred Stock (such amount to be adjusted appropriately for stock splits, stock dividends, combinations, recapitalizations and the like), with respect to the Series B-1 Preferred Stock, $1.09305 for each outstanding share of Series B-1 Preferred Stock (such amount to be adjusted appropriately for stock splits, stock dividends, combinations, recapitalizations and the like) (the "**Series B-1 Original Issue Price**") and with respect to the Series B-2 Preferred Stock, $1.20236 for each outstanding share of Series B-2 Preferred Stock (such amount to be adjusted appropriately for stock splits, stock dividends, combinations, recapitalizations and the like).

2. Liquidation, Dissolution or Winding Up; Certain Mergers, Consolidations and Asset Sales.

2.1 Preferential Payments to Holders of Shares of Preferred Stock. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, the holders of shares of Preferred Stock then outstanding shall be entitled to be paid out of the assets of the Corporation available for distribution to its stockholders or, in the case of a Deemed Liquidation Event (as defined below), out of the consideration payable to stockholders in such Deemed Liquidation Event or the Available Proceeds (as defined below), before any payment shall be made to the holders of Common Stock by reason of their ownership thereof, an amount per share equal to one (1) times the applicable Original Issue Price of such series of Preferred Stock, plus any dividends declared but unpaid thereon. If upon any such liquidation, dissolution or winding up of the Corporation or Deemed Liquidation Event, the assets of the Corporation available for distribution to its stockholders shall be insufficient to pay the holders of shares of Preferred Stock the full amount to which they shall be entitled under this Subsection 2.1, the holders of shares of Preferred Stock shall share ratably in any distribution of the assets available for distribution in proportion to the respective amounts which would otherwise be payable in respect of the shares held by them upon such distribution if all amounts payable on or with respect to such shares were paid in full.

2.2 Distribution of Remaining Assets. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, after the payment in full of all Liquidation Amounts (as defined below) required to be paid to the holders of shares of Preferred Stock the remaining assets of the Corporation available for distribution to its stockholders or, in the case of a Deemed Liquidation Event, the consideration not payable to the holders of shares of Preferred Stock pursuant to Subsection 2.1 or the remaining Available Proceeds, as the case may be, shall be distributed among the holders of the shares of Preferred Stock and Common Stock, pro rata based on the number of shares held by each such holder, treating for this purpose all such securities as if they had been converted to Common Stock pursuant to the terms of this Certificate of Incorporation immediately prior to such liquidation, dissolution or winding up of the Corporation; provided, however, that if the aggregate amount which the holders of shares of Preferred Stock are entitled to receive under Subsections 2.1 and 2.2 shall exceed one and one-half (1.5) times the applicable Original Issue Price of such series of Preferred Stock per share, plus any dividends declared, but unpaid thereon (such amount, with respect to a series of Preferred Stock, the "**Maximum Participation Amount**"), each holder of shares of a series of Preferred Stock shall be entitled to receive upon such liquidation, dissolution or winding up of the Corporation the greater of (i) the Maximum Participation Amount applicable to such series and (ii) the amount such holder would have received if all shares of such series of Preferred Stock had been converted into Common Stock immediately prior to such liquidation, dissolution or winding up of the Corporation. The aggregate amount which a holder of shares of a series of Preferred Stock is entitled to receive under Subsections 2.1 and 2.2 is hereinafter referred to as the "**Liquidation Amount**" for such series of Preferred Stock.

2.3 Deemed Liquidation Events.

2.3.1 Definition. Each of the following events shall be considered a "**Deemed Liquidation Event**" unless the holders of at least 67% of the outstanding shares of Preferred Stock (voting together as a single class on an as converted to Common Stock basis) which must include New Financial Series B Holders (as defined below) holding at least 33% of outstanding shares of Series B-1 Preferred Stock and Series B-2 Preferred Stock then held by all New Financial Series B Holders (the "**Requisite Holders**") elect otherwise by written notice sent to the Corporation prior to the effective date of any such event:

(a) a merger or consolidation in which

(i) the Corporation is a constituent party or

(ii) a subsidiary of the Corporation is a constituent party and the Corporation issues shares of its capital stock pursuant to such merger or consolidation,

except (1) any such merger or consolidation involving the Corporation or a subsidiary in which the shares of capital stock of the Corporation outstanding immediately prior to such merger or consolidation continue to represent, or are converted into or exchanged for shares of capital stock that represent, immediately following such merger or consolidation, a majority, by voting power, of the capital stock of (a) the surviving or resulting

corporation; or (b) if the surviving or resulting corporation is a wholly owned subsidiary of another corporation immediately following such merger or consolidation, the parent corporation of such surviving or resulting corporation; or (2) a merger effected exclusively to change the domicile of the Corporation;

(b) the closing of the sale, in a single transaction or series of related transactions, of equity securities of the Corporation other than (a) bona fide equity financing, and (b) any transaction in which, the stockholders of the Corporation prior to such transaction continue to hold at least fifty percent (50%) of the outstanding shares of the surviving corporation; or

(c) (1) the sale, lease, transfer, exclusive license or other disposition, in a single transaction or series of related transactions, by the Corporation or any subsidiary of the Corporation of all or substantially all the assets of the Corporation and its subsidiaries taken as a whole, or (2) the sale or disposition (whether by merger, consolidation or otherwise, and whether in a single transaction or a series of related transactions) of one or more subsidiaries of the Corporation if substantially all of the assets of the Corporation and its subsidiaries taken as a whole are held by such subsidiary or subsidiaries, except where such sale, lease, transfer, exclusive license or other disposition is to a wholly owned subsidiary of the Corporation.

(d) A "**New Financial Series B Holder**" means a holder of Series B-1 Preferred Stock or Series B-2 Preferred Stock that (i) does not hold any shares of Series A Preferred Stock and is not affiliated with a holder of shares of Series A Preferred Stock and (ii) is principally engaged in investment activities such that neither such holder or any of such holder's affiliates are engaged in the business of researching, developing, marketing, manufacturing, distributing or selling therapeutics; provided, that, for purposes of determining whether an entity is an affiliate of a holder of Series B-1 Preferred Stock or Series B-2 Preferred Stock as used in Section (ii) of the definition of a "New Financial Series B Holder" above a person or entity shall only be deemed to control an entity if it owns or controls, directly or indirectly, at least 50% of the equity securities of the subject entity entitled to vote in the election of directors (or, in the case of an entity that is not a corporation, for the election of the corresponding managing authority), or otherwise has the power to direct the management and policies of such other entity; provided further, that, for purposes of Section (ii) of the definition of "New Financial Series B Holder", "affiliate" shall not include portfolio companies (as such term is customarily used among institutional investors) of a holder of Series B-1 Preferred Stock or Series B-2 Preferred Stock if such holder is principally engaged in investment activities with respect to such portfolio company.

2.3.2 Effecting a Deemed Liquidation Event.

(a) The Corporation shall not have the power to effect a Deemed Liquidation Event referred to in Subsection 2.3.1(a)(i) unless the agreement or plan of merger or consolidation for such transaction (the "**Merger Agreement**") provides that the consideration payable to the stockholders of the Corporation in such Deemed Liquidation Event shall be paid to the holders of capital stock of the Corporation in accordance with Subsections 2.1 and 2.2.

(b) In the event of a Deemed Liquidation Event referred to in Subsection 2.3.1(a)(ii), 2.3.1(b) or 2.3.1(c), if the Corporation does not effect a dissolution of the Corporation under the General Corporation Law within ninety (90) days after such Deemed Liquidation Event, then (i) the Corporation shall send a written notice to each holder of Preferred Stock no later than the ninetieth (90th) day after the Deemed Liquidation Event advising such holders of their right (and the requirements to be met to secure such right) pursuant to the terms of the following clause; (ii) to require the redemption of such shares of Preferred Stock, and (iii) if the Requisite Holders (voting together as a single class on an as-converted to Common Stock basis) so request in a written instrument delivered to the Corporation not later than one hundred twenty (120) days after such Deemed Liquidation Event, the Corporation shall use the consideration received by the Corporation for such Deemed Liquidation Event (net of any retained liabilities associated with the assets sold or technology licensed, as determined in good faith by the Board of Directors), together with any other assets of the Corporation available for distribution to its stockholders, all to the extent permitted by Delaware law governing distributions to stockholders (the "**Available Proceeds**"), on the one hundred fiftieth (150th) day after such Deemed Liquidation Event, to redeem all outstanding shares of Preferred Stock at a price per share equal to the applicable Liquidation Amount for each series of Preferred Stock. Notwithstanding the foregoing, in the event of a redemption pursuant to the preceding sentence, if the Available Proceeds are not sufficient to redeem all outstanding shares of Preferred Stock, the Corporation shall redeem a pro rata portion of each holder's shares of Preferred Stock to the fullest extent of such Available Proceeds, based on the respective amounts which would otherwise be payable in respect of the shares to be redeemed if the Available Proceeds were sufficient to redeem all such shares, and shall redeem the remaining shares as soon as it may lawfully do so under Delaware law governing distributions to stockholders. If the Requisite Holders elect to have their shares redeemed pursuant to this Subsection 2.3.2(b), the Corporation shall send written notice (the "**Redemption Notice**") to each holder of record of Preferred Stock not less than thirty (30) days prior to the date of redemption (the "**Redemption Date**") stating: (a) the number of shares of Preferred Stock held by the holder that the Corporation shall redeem on the Redemption Date specified in the Redemption Notice; (b) the Redemption Date and the price per share that each holder will receive (the "**Redemption Price**"); (c) the date upon which the holder's right to convert such shares terminates (as determined in accordance with Subsection 4.1); and (d) for holders of shares in certificated form, that the holder is to surrender to the Corporation, in the manner and at the place designated, his, her or its certificate or certificates representing the shares of Preferred Stock to be redeemed. On or before the applicable Redemption Date, each holder of shares of Preferred Stock to be redeemed on such Redemption Date, shall, if a holder of shares in certificated form, surrender the certificate or certificates representing such shares (or, if such registered holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Corporation to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of such certificate) to the Corporation, in the manner and at the place designated in the Redemption Notice, and thereupon the Redemption Price for such shares shall be payable to the order of the person whose name appears on such certificate or certificates as the owner thereof. Prior to the distribution or redemption provided for in this Subsection 2.3.2(b), the Corporation shall not expend or dissipate the consideration received for such Deemed Liquidation Event, except to discharge expenses incurred in connection with such Deemed Liquidation Event.

2.3.3 Amount Deemed Paid or Distributed. The amount deemed paid or distributed to the holders of capital stock of the Corporation upon any such merger, consolidation, sale, transfer, exclusive license, other disposition or redemption shall be the cash or the value of the property, rights or securities to be paid or distributed to such holders pursuant to such Deemed Liquidation Event. The value of such property, rights or securities shall be determined in good faith (a) if the value of such property is established in the definitive documentation entered into in connection with such transaction (the "**Acquisition Agreement**"), then the fair market value shall be established using the method set forth in the Acquisition Agreement, or (b) if not included in the Acquisition Agreement, then by the Board of Directors, including the approval of the then-serving Series B Preferred Director (if any) and at least one of the then-serving Series A Directors (if any).

2.3.4 Allocation of Escrow and Contingent Consideration. In the event of a Deemed Liquidation Event pursuant to Subsection 2.3.1(a)(i), if any portion of the consideration payable to the stockholders of the Corporation is payable only upon satisfaction of contingencies (the "**Additional Consideration**"), the Merger Agreement shall provide that (a) the portion of such consideration that is not Additional Consideration (such portion, the "**Initial Consideration**") shall be allocated among the holders of capital stock of the Corporation in accordance with Subsections 2.1 and 2.2 as if the Initial Consideration were the only consideration payable in connection with such Deemed Liquidation Event; and (b) any Additional Consideration which becomes payable to the stockholders of the Corporation upon satisfaction of such contingencies shall be allocated among the holders of capital stock of the Corporation in accordance with Subsections 2.1 and 2.2 after taking into account the previous payment of the Initial Consideration as part of the same transaction. For the purposes of this Subsection 2.3.4, consideration placed into escrow or retained as a holdback to be available for satisfaction of indemnification or similar obligations in connection with such Deemed Liquidation Event shall be deemed to be Additional Consideration.

3. Voting.

3.1 General. On any matter presented to the stockholders of the Corporation for their action or consideration at any meeting of stockholders of the Corporation (or by written consent of stockholders in lieu of meeting), each holder of outstanding shares of Preferred Stock shall be entitled to cast the number of votes equal to the number of whole shares of Common Stock into which the shares of Preferred Stock held by such holder are convertible as of the record date for determining stockholders entitled to vote on such matter. Except as provided by law or by the other provisions of this Certificate of Incorporation, holders of shares of Preferred Stock shall vote together with the holders of shares of Common Stock as a single class and on an as-converted to Common Stock basis.

3.2 Election of Directors. The holders of record of shares of Series A Preferred Stock, exclusively and as a separate class, shall be entitled to elect four (4) directors of the Corporation (the "**Series A Directors**"), the holders of record of shares of Series B-1 Preferred Stock and Series B-2 Preferred Stock, exclusively and as a separate class on an as-converted basis, shall be entitled to elect one (1) director of the Corporation (the "**Series B Director**") and the holders of record of shares of Common Stock, exclusively and as a separate class, shall be entitled to elect two (2) directors of the Corporation. Any director elected as provided in the preceding

sentence may be removed without cause by, and only by, the affirmative vote of the holders of the shares of the class or series of capital stock entitled to elect such director or directors, given either at a special meeting of such stockholders duly called for that purpose or pursuant to a written consent of stockholders. If the holders of shares of Series A Preferred Stock, Series B-1 Preferred Stock, Series B-2 Preferred Stock or Common Stock, as the case may be, fail to elect a sufficient number of directors to fill all directorships for which they are entitled to elect directors, voting exclusively and as a separate class, pursuant to the first sentence of this Subsection 3.2, then any directorship not so filled shall remain vacant until such time as the holders of shares of Series A Preferred Stock, Series B-1 Preferred Stock, Series B-2 Preferred Stock or Common Stock, as the case may be, elect a person to fill such directorship by vote or written consent in lieu of a meeting; and no such directorship may be filled by stockholders of the Corporation other than by the stockholders of the Corporation that are entitled to elect a person to fill such directorship, voting exclusively and as a separate class. The holders of record of shares of Common Stock and of any other class or series of voting stock (including the Series A Preferred Stock, Series B-1 Preferred Stock, Series B-2 Preferred Stock), exclusively and voting together as a single class on an as-converted basis, shall be entitled to elect the balance of the total number of directors of the Corporation. At any meeting held for the purpose of electing a director, the presence in person or by proxy of the holders of a majority of the outstanding shares of the class or series entitled to elect such director shall constitute a quorum for the purpose of electing such director. Except as otherwise provided in this Subsection 3.2, a vacancy in any directorship filled by the holders of any class or series shall be filled only by vote or written consent in lieu of a meeting of the holders of such class or series or by any remaining director or directors elected by the holders of such class or series pursuant to this Subsection 3.2. The rights of the holders of shares of Series A Preferred Stock under the first sentence of this Subsection 3.2 shall terminate on the first date following the Series B-1 Original Issue Date (as defined below) on which there are issued and outstanding less than 15,000,000 shares of Series A Preferred Stock (subject to appropriate adjustment in the event of any stock dividend, stock split, combination, or other similar recapitalization with respect to the Series A Preferred Stock). The rights of the holders of shares of Series B-1 Preferred Stock and Series B-2 Preferred Stock under the first sentence of this Subsection 3.2 shall terminate on the first date following the Series B-1 Original Issue Date on which there are issued and outstanding less than 15,000,000 shares of Series B-1 Preferred Stock and Series B-2 Preferred Stock (subject to appropriate adjustment in the event of any stock dividend, stock split, combination, or other similar recapitalization with respect to the Series B-1 Preferred Stock and Series B-2 Preferred Stock, respectively).

3.3 Preferred Stock Protective Provisions. At any time when at least 15,000,000 shares of Preferred Stock (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Preferred Stock) are outstanding, the Corporation shall not, either directly or indirectly by amendment, merger, consolidation or otherwise, do any of the following without (in addition to any other vote required by law or this Certificate of Incorporation) the written consent or affirmative vote of the Requisite Holders given in writing or by vote at a meeting, consenting or voting (as the case may be) separately as a class, and any such act or transaction entered into without such consent or vote shall be null and void *ab initio*, and of no force or effect:

3.3.1 alter or change the rights, preferences or privileges of any class of Preferred Stock;

3.3.2 increase or decrease the total authorized number of shares of Common Stock or Preferred Stock (or any series thereof);

3.3.3 create, or authorize the creation of (by reclassification or otherwise), any additional class or series of capital stock unless the same ranks junior to the current classes of Preferred Stock with respect to the distribution of assets on the liquidation, dissolution or winding up of the Corporation, the payment of dividends and rights of redemption;

3.3.4 purchase or redeem (or permit any subsidiary to purchase or redeem) or pay or declare any dividend or make any distribution on, any shares of capital stock or other equity securities of the Corporation other than (i) redemptions of or dividends or distributions on the Preferred Stock as expressly authorized herein, (ii) dividends or other distributions payable on the Common Stock solely in the form of additional shares of Common Stock, (iii) repurchases of stock from former employees, officers, directors, consultants or other persons who performed services for the Corporation or any subsidiary in connection with the cessation of such employment or service at the lower of the original purchase price or the then-current fair market value thereof, or (iv) repurchases of stock upon the exercise of contractual rights of first refusal of the Corporation as approved by the Board of Directors, including the approval of the then-serving Series B Preferred Director (if any) and at least one of the then-serving Series A Directors (if any);

3.3.5 liquidate, dissolve or wind-up the business and affairs of the Corporation, effect any merger or consolidation or any other Deemed Liquidation Event, or consent to any of the foregoing;

3.3.6 amend, alter or repeal any provision of this Certificate of Incorporation or Bylaws of the Corporation in a manner that affects the powers, preferences or rights of the Preferred Stock;

3.3.7 increase or decrease the authorized number of directors constituting the Board of Directors, unless otherwise approved by the Board of Directors, including the approval of the then-serving Series B Preferred Director (if any) and at least one of the then-serving Series A Directors (if any);

3.3.8 create, or authorize the creation of, or issue, or authorize the issuance of any debt security or create any lien or security interest (except for purchase money liens or statutory liens of landlords, mechanics, materialmen, workmen, warehousemen and other similar persons arising or incurred in the ordinary course of business) or incur other indebtedness for borrowed money, including but not limited to obligations and contingent obligations under guarantees, or permit any subsidiary to take any such action with respect to any debt security lien, security interest or other indebtedness for borrowed money, if the aggregate indebtedness of the Corporation and its subsidiaries for borrowed money following such action would exceed $1,000,000, unless otherwise approved by the Board of Directors, including the approval of the then-serving Series B Preferred Director (if any) and at least one of the then-serving Series A Directors (if any);

3.3.9 enter into any agreement in which the Corporation has non-cancellable financial obligations in excess of $1,000,000, unless otherwise approved by the Board of Directors, including the approval of the then-serving Series B Preferred Director (if any) and at least one of the then-serving Series A Directors (if any);

3.3.10 take an action that results in the Corporation issuing equity to acquire all of the equity of another entity or all or substantially all of the assets of another entity if the equity issued exceeds ten percent (10%) of the shares of the Corporation's outstanding Common Stock immediately prior to such transaction (treating for this purpose as outstanding all shares of Common Stock issuable upon exercise of Options outstanding immediately prior to such issuance or upon conversion or exchange of Convertible Securities (including the Preferred Stock) outstanding (assuming exercise of any outstanding Options therefor) immediately prior to such issue); or

3.3.11 create, or hold capital stock in, any subsidiary that is not wholly owned (either directly or through one or more other subsidiaries) by the Corporation, or permit any subsidiary to create, or authorize the creation of, or issue or obligate itself to issue, any shares of any class or series of capital stock, or sell, transfer or otherwise dispose of any capital stock of any direct or indirect subsidiary of the Corporation, or permit any direct or indirect subsidiary to sell, lease, transfer, exclusively license or otherwise dispose (in a single transaction or series of related transactions) of all or substantially all of the assets of such subsidiary.

3.4 Series A Preferred Stock Protective Provisions. At any time when at least 15,000,000 shares of Series A Preferred Stock (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series A Preferred Stock) are outstanding, the Corporation shall not, either directly or indirectly by amendment, merger, consolidation or otherwise, do any of the following without (in addition to any other vote required by law or this Certificate of Incorporation) the written consent or affirmative vote of the holders of a majority of the then-outstanding shares of Series A Preferred Stock given in writing or by vote at a meeting, consenting or voting (as the case may be) separately as a class, and any such act or transaction entered into without such consent or vote shall be null and void *ab initio*, and of no force or effect:

3.4.1 take any action that adversely affects the express rights, preferences, privileges or powers of, or restrictions provided for the benefit of the Series A Preferred Stock, if such action would adversely and differently affect the special rights, preferences or privileges of the Series A Preferred Stock relative to the other series of Preferred Stock;

3.4.2 waive the express rights, preferences or privileges of the Series A Preferred Stock, if such action would adversely and differently affect the special rights, preferences or privileges of the Series A Preferred Stock relative to the other series of Preferred Stock;

3.4.3 take any action that results in the automatic conversion of the then-outstanding shares of Series A Preferred Stock into shares of Common Stock other than as provided for by Section 4 or Section 5 of this Certificate of Incorporation;

3.4.4 increase or decrease the total authorized number of shares of Series A Preferred Stock;

3.4.5 waive the treatment of any transaction as a Deemed Liquidation Event, or any other voluntary dissolution or liquidation of the Corporation, or waive the payment of consideration in accordance with Section 2 of this Certificate of Incorporation, if any such waiver would result in an amount of proceeds payable to the holders of Series A Preferred Stock upon consummation of such transaction that is less than the amount of proceeds that such holders (in their capacity as holders of Series A Preferred Stock) would have received had such waiver not occurred;

3.4.6 purchase or redeem (or permit any subsidiary to purchase or redeem) or pay or declare any dividend or make any distribution on, any shares of Preferred Stock unless (i) Series A Preferred Stock are proportionally purchased or redeemed, or dividends or distributions are proportionally paid, declared or made thereon, or (ii) repurchases of stock upon the exercise of contractual rights of first refusal of the Corporation as approved by the Board of Directors, including the approval of the then-serving Series B Preferred Director (if any) and at least one of the then-serving Series A Directors (if any); or

3.4.7 amend the first sentence of Section 4.4.2 or the second sentence of Section 8, Part B of this Certificate of Incorporation.

3.5 Series B-1 Preferred Stock and Series B-2 Preferred Stock Protective Provisions. At any time when at least 15,000,000 shares of Series B-1 Preferred Stock and Series B-2 Preferred Stock (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series B-1 Preferred or Series B-2 Preferred Stock, respectively) are outstanding, the Corporation shall not, either directly or indirectly by amendment, merger, consolidation or otherwise, do any of the following without (in addition to any other vote required by law or this Certificate of Incorporation) the written consent or affirmative vote of a majority of the then-outstanding shares of Series B-1 Preferred Stock and Series B-2 Preferred Stock held by the New Financial Series B Holders (the "**Requisite B Holders**") given in writing or by vote at a meeting, consenting or voting (as the case may be) separately as a class, and any such act or transaction entered into without such consent or vote shall be null and void *ab initio*, and of no force or effect:

3.5.1 take any action that adversely affects the express rights, preferences, privileges or powers of, or restrictions provided for the benefit of the Series B-1 Preferred Stock or Series B-2 Preferred Stock (including any amendment to the definition of a Requisite B Holder), if such action would adversely and differently affect the special rights, preferences or privileges of the Series B-1 Preferred Stock or the Series B-2 Preferred Stock relative to the other series of Preferred Stock;

3.5.2 waive the express rights, preferences or privileges of the Series B-1 Preferred Stock or Series B-2 Preferred Stock, if such action would adversely and differently affect the special rights, preferences or privileges of the Series B-1 Preferred Stock or the Series B-2 Preferred Stock relative to the other series of Preferred Stock;

3.5.3 take any action that results in the automatic conversion of the then-outstanding shares of Series B-1 Preferred Stock or Series B-2 Preferred Stock into shares of Common Stock other than as provided for by Section 4 or Section 5 of this Certificate of Incorporation;

3.5.4 increase or decrease the total authorized number of shares of Series B-1 Preferred Stock or Series B-2 Preferred Stock;

3.5.5 amend Section 2, Part B of this Certificate of Incorporation, waive the treatment of any transaction as a Deemed Liquidation Event, or any other voluntary dissolution or liquidation of the Corporation, or waive the payment of consideration in accordance with Section 2 of this Certificate of Incorporation, if any such amendment or waiver would result in an amount of proceeds payable to the holders of Series B-1 Preferred Stock or Series B-2 Preferred Stock upon consummation of such transaction that is less than the amount of proceeds that such holders (in their capacity as holders of Series B-1 Preferred Stock or Series B-2 Preferred Stock) would have received had such amendment or waiver not occurred;

3.5.6 purchase or redeem (or permit any subsidiary to purchase or redeem) or pay or declare any dividend or make any distribution on, any shares of Preferred Stock unless (i) Series B-1 Preferred Stock and Series B-2 Preferred Stock are proportionally purchased or redeemed, or dividends or distributions are proportionally paid, declared or made thereon, or (ii) repurchases of stock upon the exercise of contractual rights of first refusal of the Corporation as approved by the Board of Directors, including the approval of the then-serving Series B Preferred Director (if any) and at least one of the then-serving Series A Directors (if any);

3.5.7 amend the second sentence of Section 4.4.2 or the second sentence of Section 8, Part B of this Certificate of Incorporation; or

3.5.8 amend the definition of Requisite B Holder or New Financial Series B Holder as used in this Certificate of Incorporation.

4. Optional Conversion.

The holders of shares of Preferred Stock shall have conversion rights as follows (the "**Conversion Rights**"):

4.1 Right to Convert.

4.1.1 Conversion Ratio. Each share of Preferred Stock shall be convertible, at the option of the holder thereof, at any time and from time to time, and without the payment of additional consideration by the holder thereof, into such number of fully paid and non-assessable shares of Common Stock as is determined by dividing the applicable Original Issue Price for such Preferred Stock by the applicable Conversion Price (as defined below) for such Preferred Stock in effect at the time of conversion. The "**Conversion Price**" shall initially be equal to $1.00 in the case of the Series A Preferred Stock, $1.09305 in the case of the Series B-1 Preferred Stock and $1.20236 in the case of Series B-2 Preferred Stock. Such initial Conversion Price, and the rate at which shares of each series of Preferred Stock may be converted into shares of Common Stock, shall be subject to adjustment as provided below.

4.1.2 Termination of Conversion Rights. In the event of a liquidation, dissolution or winding up of the Corporation or a Deemed Liquidation Event, the Conversion Rights shall terminate at the close of business on the last full day preceding the date fixed for the payment of any such amounts distributable on such event to the holders of shares of Preferred Stock.

4.2 Fractional Shares. No fractional shares of Common Stock shall be issued upon conversion of the Preferred Stock. In lieu of any fractional shares to which the holder would otherwise be entitled, the Corporation shall pay cash equal to such fraction multiplied by the fair market value of a share of Common Stock as determined in good faith by the Board of Directors. Whether or not fractional shares would be issuable upon such conversion shall be determined on the basis of the total number of shares of Preferred Stock the holder is at the time converting into Common Stock and the aggregate number of shares of Common Stock issuable upon such conversion.

4.3 Mechanics of Conversion.

4.3.1 Notice of Conversion. In order for a holder of shares of Preferred Stock to voluntarily convert shares of Preferred Stock into shares of Common Stock, such holder shall (a) provide written notice to the Corporation's transfer agent at the office of the transfer agent for the Preferred Stock (or at the principal office of the Corporation if the Corporation serves as its own transfer agent) that such holder elects to convert all or any number of such holder's shares of Preferred Stock and, if applicable, any event on which such conversion is contingent and (b), if such holder's shares are certificated, surrender the certificate or certificates for such shares of Preferred Stock (or, if such registered holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Corporation to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of such certificate), at the office of the transfer agent for the Preferred Stock (or at the principal office of the Corporation if the Corporation serves as its own transfer agent). Such notice shall state such holder's name or the names of the nominees in which such holder wishes the shares of Common Stock to be issued. If required by the Corporation, any certificates surrendered for conversion shall be endorsed or accompanied by a written instrument or instruments of transfer, in form satisfactory to the Corporation, duly executed by the registered holder or his, her or its attorney duly authorized in writing. The close of business on the date of receipt by the transfer agent (or by the Corporation if the Corporation serves as its own transfer agent) of such notice and, if applicable, certificates (or lost certificate affidavit and agreement) shall be the time of conversion (the "**Conversion Time**"), and the shares of Common Stock issuable upon conversion of the specified shares shall be deemed to be outstanding of record as of such date. The Corporation shall, as soon as practicable after the Conversion Time (i) issue and deliver to such holder of Preferred Stock, or to his, her or its nominees, a certificate or certificates for the number of full shares of Common Stock issuable upon such conversion in accordance with the provisions hereof and a certificate for the number (if any) of the shares of Preferred Stock represented by the surrendered certificate that were not converted into Common Stock, (ii) pay in cash such amount as provided in Subsection 4.2 in lieu of any fraction of a share of Common Stock otherwise issuable upon such conversion and (iii) pay all declared but unpaid dividends on the shares of Preferred Stock converted.

4.3.2 Reservation of Shares. The Corporation shall at all times when the Preferred Stock shall be outstanding, reserve and keep available out of its authorized but unissued capital stock, for the purpose of effecting the conversion of the Preferred Stock, such number of its duly authorized shares of Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding Preferred Stock; and if at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the conversion of all then outstanding shares of the Preferred Stock, the Corporation shall take such corporate action as may be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purposes, including, without limitation, engaging in best efforts to obtain the requisite stockholder approval of any necessary amendment to this Certificate of Incorporation. Before taking any action which would cause an adjustment reducing the Conversion Price below the then par value of the shares of Common Stock issuable upon conversion of the Preferred Stock, the Corporation will take any corporate action which may, in the opinion of its counsel, be necessary in order that the Corporation may validly and legally issue fully paid and non-assessable shares of Common Stock at such adjusted Conversion Price.

4.3.3 Effect of Conversion. All shares of Preferred Stock which shall have been surrendered for conversion as herein provided shall no longer be deemed to be outstanding and all rights with respect to such shares shall immediately cease and terminate at the Conversion Time, except only the right of the holders thereof to receive shares of Common Stock in exchange therefor, to receive payment in lieu of any fraction of a share otherwise issuable upon such conversion as provided in Subsection 4.2 and to receive payment of any dividends declared but unpaid thereon. Any shares of Preferred Stock so converted shall be retired and cancelled and may not be reissued as shares of such series, and the Corporation may thereafter take such appropriate action (without the need for stockholder action) as may be necessary to reduce the authorized number of shares of Preferred Stock accordingly.

4.3.4 No Further Adjustment. Upon any such conversion, no adjustment to the Conversion Price shall be made for any declared but unpaid dividends on the Preferred Stock surrendered for conversion or on the Common Stock delivered upon conversion.

4.3.5 Taxes. The Corporation shall pay any and all issue and other similar taxes that may be payable in respect of any issuance or delivery of shares of Common Stock upon conversion of shares of Preferred Stock pursuant to this Section 4. The Corporation shall not, however, be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of shares of Common Stock in a name other than that in which the shares of Preferred Stock so converted were registered, and no such issuance or delivery shall be made unless and until the person or entity requesting such issuance has paid to the Corporation the amount of any such tax or has established, to the satisfaction of the Corporation, that such tax has been paid.

4.4 Adjustments to Conversion Price for Diluting Issues.

4.4.1 Special Definitions. For purposes of this Article Fourth, the following definitions shall apply:

(a) "**Option**" shall mean rights, options or warrants to subscribe for, purchase or otherwise acquire Common Stock or Convertible Securities.

(b) "**Series B-1 Original Issue Date**" shall mean the date on which the first share of Series B-1 Preferred Stock was issued.

(c) "**Convertible Securities**" shall mean any evidences of indebtedness, shares or other securities directly or indirectly convertible into or exchangeable for Common Stock, but excluding Options.

(d) "**Additional Shares of Common Stock**" shall mean all shares of Common Stock issued (or, pursuant to Subsection 4.4.3 below, deemed to be issued) by the Corporation after the Series B-1 Original Issue Date, other than (1) the following shares of Common Stock and (2) shares of Common Stock deemed issued pursuant to the following Options and Convertible Securities (clauses (1) and (2), collectively, "**Exempted Securities**"):

(i) shares of Common Stock, Options or Convertible Securities issued as a dividend or distribution on Preferred Stock;

(ii) shares of Common Stock, Options or Convertible Securities issued by reason of a dividend, stock split, split-up or other distribution on shares of Common Stock for which an adjustment to the Conversion Price of such series of Preferred Stock is made pursuant to Subsection 4.5, 4.6, 4.7 or 4.8;

(iii) shares of Common Stock or Options issued to employees or directors of, or consultants or advisors to, the Corporation or any of its subsidiaries pursuant to a plan, agreement or arrangement approved by the Board of Directors, including the approval of the then-serving Series B Preferred Director (if any) and at least one of the then-serving Series A Directors (if any);

(iv) shares of Common Stock or Convertible Securities actually issued upon the exercise of Options or shares of Common Stock actually issued upon the conversion or exchange of Convertible Securities, in each case provided such issuance is pursuant to the terms of such Option or Convertible Security that is outstanding prior to the Series B-1 Original Issue Date;

(v) shares of Common Stock, Options or Convertible Securities issued to banks, equipment lessors or other financial institutions, or to real property lessors, pursuant to a debt financing, equipment leasing or real property leasing transaction approved by the Board of Directors, including the approval of the then-serving Series B Preferred Director (if any) and at least one of the then-serving Series A Directors (if any);

(vi) shares of Common Stock, Options 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 of Directors, including the approval of the then-serving Series B Preferred Director (if any) and at least one of the then-serving Series A Directors (if any);

(vii) shares of Common Stock, Options or Convertible Securities issued as acquisition consideration pursuant to the acquisition of another entity by the Corporation by merger, purchase of substantially all of the assets or other reorganization or to a joint venture agreement, provided that such issuances are approved by the Board of Directors, including the approval of the then-serving Series B Preferred Director (if any) and at least one of the then-serving Series A Directors (if any);

(viii) shares of Common Stock, Options or Convertible Securities issued in connection with sponsored research, collaboration, technology license, development, OEM, marketing or other similar agreements or strategic partnerships approved by the Board of Directors, including the approval of the then-serving Series B Preferred Director (if any) and at least one of the then-serving Series A Directors (if any); or

(ix) shares issued pursuant to the Series B-1 and B-2 Preferred Stock Purchase Agreement, dated on or about the date this Certificate of Incorporation is filed with the Secretary of State of the State of Delaware, by and among the Corporation and the purchasers listed on Exhibit A thereto, as amended from time to time in accordance with its terms (the "**Series B-1 and B-2 Preferred Stock Purchase Agreement**") and any securities issued or issuable upon the exercise or conversion of the foregoing.

4.4.2 No Adjustment of Conversion Price. No adjustment in the Conversion Price of the Series A Preferred Stock shall be made as the result of the issuance or deemed issuance of Additional Shares of Common Stock if the Corporation receives written notice from the holders of a majority of the then-outstanding shares of Series A Preferred Stock agreeing that no such adjustment shall be made as the result of the issuance or deemed issuance of such Additional Shares of Common Stock. No adjustment in the Conversion Price of the Series B-1 Preferred Stock or the Series B-2 Preferred Stock shall be made as the result of the issuance or deemed issuance of Additional Shares of Common Stock if the Corporation receives written notice from the Requisite B Holders agreeing that no such adjustment shall be made as the result of the issuance or deemed issuance of such Additional Shares of Common Stock.

4.4.3 Deemed Issue of Additional Shares of Common Stock.

(a) If the Corporation at any time or from time to time after the Series B-1 Original Issue Date shall issue any Options or Convertible Securities (excluding Options or Convertible Securities which are themselves Exempted Securities) or shall fix a record date for the determination of holders of any class of securities entitled to receive any such Options or Convertible Securities, then the maximum number of shares of Common Stock (as set forth in the instrument relating thereto, assuming the satisfaction of any conditions to exercisability, convertibility or exchangeability but without regard to any provision contained therein for a subsequent adjustment of such number) issuable upon the exercise of such Options or, in the case of Convertible Securities and Options therefor, the conversion or exchange of such Convertible Securities, shall be deemed to be Additional Shares of Common Stock issued as of the time of such issue or, in case such a record date shall have been fixed, as of the close of business on such record date.

(b) If the terms of any Option or Convertible Security, the issuance of which resulted in an adjustment to the Conversion Price pursuant to the terms of Subsection 4.4.4, are revised as a result of an amendment to such terms or any other adjustment pursuant to the provisions of such Option or Convertible Security (but excluding automatic adjustments to such terms pursuant to anti-dilution or similar provisions of such Option or Convertible Security) to provide for either (1) any increase or decrease in the number of shares of Common Stock issuable upon the exercise, conversion and/or exchange of any such Option or Convertible Security or (2) any increase or decrease in the consideration payable to the Corporation

upon such exercise, conversion and/or exchange, then, effective upon such increase or decrease becoming effective, the Conversion Price computed upon the original issue of such Option or Convertible Security (or upon the occurrence of a record date with respect thereto) shall be readjusted to such Conversion Price as would have obtained had such revised terms been in effect upon the original date of issuance of such Option or Convertible Security. Notwithstanding the foregoing, no readjustment pursuant to this clause (b) shall have the effect of increasing the Conversion Price to an amount which exceeds the lower of (i) the Conversion Price in effect immediately prior to the original adjustment made as a result of the issuance of such Option or Convertible Security, or (ii) the Conversion Price that would have resulted from any issuances of Additional Shares of Common Stock (other than deemed issuances of Additional Shares of Common Stock as a result of the issuance of such Option or Convertible Security) between the original adjustment date and such readjustment date.

(c) If the terms of any Option or Convertible Security (excluding Options or Convertible Securities which are themselves Exempted Securities), the issuance of which did not result in an adjustment to the Conversion Price pursuant to the terms of Subsection 4.4.4 (either because the consideration per share (determined pursuant to Subsection 4.4.5) of the Additional Shares of Common Stock subject thereto was equal to or greater than the Conversion Price then in effect, or because such Option or Convertible Security was issued before the Series B-1 Original Issue Date), are revised after the Series B-1 Original Issue Date as a result of an amendment to such terms or any other adjustment pursuant to the provisions of such Option or Convertible Security (but excluding automatic adjustments to such terms pursuant to anti-dilution or similar provisions of such Option or Convertible Security) to provide for either (1) any increase in the number of shares of Common Stock issuable upon the exercise, conversion or exchange of any such Option or Convertible Security or (2) any decrease in the consideration payable to the Corporation upon such exercise, conversion or exchange, then such Option or Convertible Security, as so amended or adjusted, and the Additional Shares of Common Stock subject thereto (determined in the manner provided in Subsection 4.4.3(a) shall be deemed to have been issued effective upon such increase or decrease becoming effective.

(d) Upon the expiration or termination of any unexercised Option or unconverted or unexchanged Convertible Security (or portion thereof) which resulted (either upon its original issuance or upon a revision of its terms) in an adjustment to the Conversion Price pursuant to the terms of Subsection 4.4.4, the Conversion Price shall be readjusted to such Conversion Price as would have obtained had such Option or Convertible Security (or portion thereof) never been issued.

(e) If the number of shares of Common Stock issuable upon the exercise, conversion and/or exchange of any Option or Convertible Security, or the consideration payable to the Corporation upon such exercise, conversion and/or exchange, is calculable at the time such Option or Convertible Security is issued or amended but is subject to adjustment based upon subsequent events, any adjustment to the Conversion Price provided for in this Subsection 4.4.3 shall be effected at the time of such issuance or amendment based on such number of shares or amount of consideration without regard to any provisions for subsequent adjustments (and any subsequent adjustments shall be treated as provided in clauses (b) and (c) of this Subsection 4.4.3). If the number of shares of Common Stock issuable upon the exercise, conversion and/or exchange of any Option or Convertible Security, or the consideration payable

to the Corporation upon such exercise, conversion and/or exchange, cannot be calculated at all at the time such Option or Convertible Security is issued or amended, any adjustment to the Conversion Price that would result under the terms of this Subsection 4.4.3 at the time of such issuance or amendment shall instead be effected at the time such number of shares and/or amount of consideration is first calculable (even if subject to subsequent adjustments), assuming for purposes of calculating such adjustment to the Conversion Price that such issuance or amendment took place at the time such calculation can first be made.

4.4.4 Adjustment of Conversion Price Upon Issuance of Additional Shares of Common Stock. In the event the Corporation shall at any time after the Series B-1 Original Issue Date issue Additional Shares of Common Stock (including Additional Shares of Common Stock deemed to be issued pursuant to Subsection 4.4.3), without consideration or for a consideration per share less than the Conversion Price in effect immediately prior to such issuance or deemed issuance, then the Conversion Price shall be reduced, concurrently with such issue, to a price (calculated to the nearest one-hundredth of a cent) determined in accordance with the following formula:

$$CP_2 = CP_1 * (A + B) \div (A + C).$$

For purposes of the foregoing formula, the following definitions shall apply:

(a) "CP_2" shall mean the Conversion Price in effect immediately after such issuance or deemed issuance of Additional Shares of Common Stock;

(b) "CP_1" shall mean the Conversion Price in effect immediately prior to such issuance or deemed issuance of Additional Shares of Common Stock;

(c) "A" shall mean the number of shares of Common Stock outstanding immediately prior to such issuance or deemed issuance of Additional Shares of Common Stock (treating for this purpose as outstanding all shares of Common Stock issuable upon exercise of Options outstanding immediately prior to such issuance or deemed issuance or upon conversion or exchange of Convertible Securities (including the Preferred Stock) outstanding (assuming exercise of any outstanding Options therefor) immediately prior to such issue);

(d) "B" shall mean the number of shares of Common Stock that would have been issued if such Additional Shares of Common Stock had been issued or deemed issued at a price per share equal to CP_1 (determined by dividing the aggregate consideration received by the Corporation in respect of such issue by CP_1); and

(e) "C" shall mean the number of such Additional Shares of Common Stock issued in such transaction.

4.4.5 Determination of Consideration. For purposes of this Subsection 4.4, the consideration received by the Corporation for the issuance or deemed issuance of any Additional Shares of Common Stock shall be computed as follows:

(a) Cash and Property: Such consideration shall:

(i) insofar as it consists of cash, be computed at the aggregate amount of cash received by the Corporation, excluding amounts paid or payable for accrued interest;

(ii) insofar as it consists of property other than cash, be computed at the fair market value thereof at the time of such issue, as determined in good faith by the Board of Directors; and

(iii) in the event Additional Shares of Common Stock are issued together with other shares or securities or other assets of the Corporation for consideration which covers both, be the proportion of such consideration so received, computed as provided in clauses (i) and (ii) above, as determined in good faith by the Board of Directors.

(b) Options and Convertible Securities. The consideration per share received by the Corporation for Additional Shares of Common Stock deemed to have been issued pursuant to Subsection 4.4.3, relating to Options and Convertible Securities, shall be determined by dividing:

(i) the total amount, if any, received or receivable by the Corporation as consideration for the issue of such Options or Convertible Securities, plus the minimum aggregate amount of additional consideration (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such consideration) payable to the Corporation upon the exercise of such Options or the conversion or exchange of such Convertible Securities, or in the case of Options for Convertible Securities, the exercise of such Options for Convertible Securities and the conversion or exchange of such Convertible Securities, by

(ii) the maximum number of shares of Common Stock (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such number) issuable upon

the exercise of such Options or the conversion or exchange of such Convertible Securities, or in the case of Options for Convertible Securities, the exercise of such Options for Convertible Securities and the conversion or exchange of such Convertible Securities.

4.4.6 Multiple Closing Dates. In the event the Corporation shall issue on more than one date Additional Shares of Common Stock that are a part of one transaction or a series of related transactions and that would result in an adjustment to the Conversion Price pursuant to the terms of Subsection 4.4.4, and such issuance dates occur within a period of no more than ninety (90) days from the first such issuance to the final such issuance, then, upon the final such issuance, the Conversion Price shall be readjusted to give effect to all such issuances as if they occurred on the date of the first such issuance (and without giving effect to any additional adjustments as a result of any such subsequent issuances within such period).

4.5 Adjustment for Stock Splits and Combinations. If the Corporation shall at any time or from time to time after the Series B-1 Original Issue Date effect a subdivision of the outstanding Common Stock, the Conversion Price in effect immediately before that subdivision shall be proportionately decreased so that the number of shares of Common Stock issuable on conversion of each share of such series shall be increased in proportion to such increase in the aggregate number of shares of Common Stock outstanding. If the Corporation shall at any time or from time to time after the Series B-1 Original Issue Date combine the outstanding shares of Common Stock, the Conversion Price in effect immediately before the combination shall be proportionately increased so that the number of shares of Common Stock issuable on conversion of each share of such series shall be decreased in proportion to such decrease in the aggregate number of shares of Common Stock outstanding. Any adjustment under this subsection shall become effective at the close of business on the date the subdivision or combination becomes effective.

4.6 Adjustment for Certain Dividends and Distributions. In the event the Corporation at any time or from time to time after the Series B-1 Original Issue Date shall make or issue, or fix a record date for the determination of holders of shares of Common Stock entitled to receive, a dividend or other distribution payable on the Common Stock in additional shares of Common Stock, then and in each such event the Conversion Price in effect immediately before such event shall be decreased as of the time of such issuance or, in the event such a record date shall have been fixed, as of the close of business on such record date, by multiplying the Conversion Price then in effect by a fraction:

(1) the numerator of which shall be the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date, and

(2) the denominator of which shall be the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date plus the number of shares of Common Stock issuable in payment of such dividend or distribution.

Notwithstanding the foregoing (a) if such record date shall have been fixed and such dividend is not fully paid or if such distribution is not fully made on the date fixed therefor, the Conversion Price shall be recomputed accordingly as of the close of business on such record date and thereafter the Conversion Price shall be adjusted pursuant to this subsection as of the time of actual payment of such dividends or distributions; and (b) no such adjustment shall be made if the holders of shares of Preferred Stock simultaneously receive a dividend or other distribution of shares of Common Stock in a number equal to the number of shares of Common Stock as they would have received if all outstanding shares of Preferred Stock had been converted into Common Stock on the date of such event.

4.7 Adjustments for Other Dividends and Distributions. In the event the Corporation at any time or from time to time after the Series B-1 Original Issue Date shall make or issue, or fix a record date for the determination of holders of shares of Common Stock entitled to receive, a dividend or other distribution payable in securities of the Corporation (other than a distribution of shares of Common Stock in respect of outstanding shares of Common Stock) or in other property and the provisions of Section 1 do not apply to such dividend or distribution, then and in each such event the holders of shares of Preferred Stock shall receive, simultaneously with the distribution to the holders of shares of Common Stock, a dividend or other distribution of such securities or other property in an amount equal to the amount of such securities or other property as they would have received if all outstanding shares of Preferred Stock had been converted into Common Stock on the date of such event.

4.8 Adjustment for Merger or Reorganization, etc. Subject to the provisions of Subsection 2.3, if there shall occur any reorganization, recapitalization, reclassification, consolidation or merger involving the Corporation in which the Common Stock (but not the Preferred Stock) is converted into or exchanged for securities, cash or other property (other than a transaction covered by Subsections 4.4, 4.6 or 4.7), then, following any such reorganization, recapitalization, reclassification, consolidation or merger, each share of Preferred Stock shall thereafter be convertible in lieu of the Common Stock into which it was convertible prior to such event into the kind and amount of securities, cash or other property which a holder of the number of shares of Common Stock issuable upon conversion of one share of Preferred Stock immediately prior to such reorganization, recapitalization, reclassification, consolidation or merger would have been entitled to receive pursuant to such transaction; and, in such case, appropriate adjustment (as determined in good faith by the Board of Directors of the Corporation) shall be made in the application of the provisions in this Section 4 with respect to the rights and interests thereafter of the holders of shares of Preferred Stock, to the end that the provisions set forth in this Section 4 (including provisions with respect to changes in and other adjustments of the 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 Stock.

4.9 Certificate as to Adjustments. Upon the occurrence of each adjustment or readjustment of the Conversion Price pursuant to this Section 4, the Corporation at its expense shall, as promptly as reasonably practicable but in any event not later than ten (10) days thereafter, compute such adjustment or readjustment in accordance with the terms hereof and

furnish to each holder of Preferred Stock a certificate setting forth such adjustment or readjustment (including the kind and amount of securities, cash or other property into which the Preferred Stock is convertible) and showing in detail the facts upon which such adjustment or readjustment is based. The Corporation shall, as promptly as reasonably practicable after the written request at any time of any holder of Preferred Stock (but in any event not later than ten (10) days thereafter), furnish or cause to be furnished to such holder a certificate setting forth (i) the Conversion Price then in effect, and (ii) the number of shares of Common Stock and the amount, if any, of other securities, cash or property which then would be received upon the conversion of Preferred Stock.

4.10 Notice of Record Date. In the event:

(a) the Corporation shall take a record of the holders of its Common Stock (or other capital stock or securities at the time issuable upon conversion of the Preferred Stock) for the purpose of entitling or enabling them to receive any dividend or other distribution, or to receive any right to subscribe for or purchase any shares of capital stock of any class or any other securities, or to receive any other security; or

(b) of any capital reorganization of the Corporation, any reclassification of the Common Stock of the Corporation, or any Deemed Liquidation Event; or

(c) of the voluntary or involuntary dissolution, liquidation or winding-up of the Corporation,

then, and in each such case, the Corporation will send or cause to be sent to the holders of shares of Preferred Stock a notice specifying, as the case may be, (i) the record date for such dividend, distribution or right, and the amount and character of such dividend, distribution or right, or (ii) the effective date on which such reorganization, reclassification, consolidation, merger, transfer, dissolution, liquidation or winding-up is proposed to take place, and the time, if any is to be fixed, as of which the holders of record of Common Stock (or such other capital stock or securities at the time issuable upon the conversion of the Preferred Stock) shall be entitled to exchange their shares of Common Stock (or such other capital stock or securities) for securities or other property deliverable upon such reorganization, reclassification, consolidation, merger, transfer, dissolution, liquidation or winding-up, and the amount per share and character of such exchange applicable to the Preferred Stock and the Common Stock. Such notice shall be sent at least ten (10) days prior to the record date or effective date for the event specified in such notice.

5. Mandatory Conversion.

5.1 Trigger Events. Upon the closing of the sale of shares of Common Stock to the public in a firm-commitment underwritten public offering pursuant to an effective registration statement under the Securities Act of 1933, as amended, that was approved by the Requisite B Holders; or following the earlier of (i) September 30, 2021 or (ii) the date that the last patient is dosed in the healthy volunteer arm of the Corporation's multiple ascending dose study for S-Antigen Transport-Inhibiting Oligonucleotide Polymers (STOPs) program (the "**IPO Approval Expiration Date**"), upon (a) the closing of the sale of shares of Common Stock to the public occurring after the IPO Approval Expiration Date at a price of at least the Reference Price (as defined below) per share, 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 Corporation and in connection with such offering the Common Stock is listed for trading on the Nasdaq Stock Market's National Market, the New York Stock Exchange or another exchange or marketplace approved by the Board of Directors; (b) the closing of the sale of shares of Common Stock to the public occurring after the IPO Approval Expiration Date in a firm-commitment underwritten public offering pursuant to an effective registration statement under the Securities Act of 1933, as amended, which has been approved by the vote or written consent of the Requisite Holders; or (c) the date and time, or the occurrence of an event, specified by vote or written consent of the Requisite B Holders and the holders of a majority of the then-outstanding shares of Series A Preferred Stock (each voting as a separate class) (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**") ((a) or (b), a "**Qualified IPO**"), then (i) all outstanding shares of Preferred Stock shall automatically be converted into shares of Common Stock, at the then effective conversion rate as calculated pursuant to Subsection 4.1.1 and (ii) such shares may not be reissued by the Corporation. "**Reference Price**" means 1.2 *multiplied by* (i), in the case of the closing of the sale of shares of Common Stock to the public in a firm-commitment underwritten public offering pursuant to an effective registration statement under the Securities Act of 1933, as amended prior to the Second Closing (as defined in the Series B-1 and B-2 Preferred Stock Purchase Agreement), the Series B-1 Original Issue Price, and (ii), in the case of the closing of the sale of shares of Common Stock to the public in a firm-commitment underwritten public offering pursuant to an effective registration statement under the Securities Act of 1933, as amended on or after the Second Closing (as defined in the Series B-1 and B-2 Preferred Stock Purchase Agreement), means the quotient of (x) the sum of the total purchase price paid by the Co-Lead Investors (as defined in the Series B-1 and B-2 Preferred Stock Purchase Agreement) in the Initial Closing (as defined in the Series B-1 and B-2 Preferred Stock Purchase Agreement) and the Second Closing (as defined in the Series B-1 and B-2 Preferred Stock Purchase Agreement), *by* (y) the total number of shares of Series B-1 Preferred Stock and Series B-2 Preferred Stock issued to the Co-Lead Investors in the Initial Closing and the Second Closing pursuant to the Series B-1 and B-2 Preferred Stock Purchase Agreement (in each case, such amount to be adjusted appropriately for stock splits, stock dividends, combinations, recapitalizations and the like).

5.2 Procedural Requirements. All holders of record of shares of Preferred Stock being converted pursuant to Subsection 5.1 shall be sent written notice of the Mandatory Conversion Time and the place designated for mandatory conversion of all such shares of Preferred Stock pursuant to this Section 5. Such notice need not be sent in advance of the occurrence of the Mandatory Conversion Time. Upon receipt of such notice, each such holder of shares of Preferred Stock in certificated form shall surrender his, her or its certificate or certificates for all such shares (or, if such holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Corporation to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of such certificate) to the Corporation at the place designated in such notice. If so required by the Corporation, any certificates surrendered for conversion shall be endorsed or accompanied by written instrument or instruments of transfer, in form satisfactory to the Corporation, duly executed by the registered holder or by his, her or its attorney duly authorized in writing. All rights with respect to the Preferred Stock converted pursuant to Subsection 5.1, including the rights, if any, to receive notices and vote (other than as a holder of Common Stock),

will terminate at the Mandatory Conversion Time (notwithstanding the failure of the holder or holders thereof to surrender any certificates at or prior to such time), except only the rights of the holders thereof, upon surrender of any certificate or certificates of such holders (or lost certificate affidavit and agreement) therefor, to receive the items provided for in the next sentence of this Subsection 5.2. As soon as practicable after the Mandatory Conversion Time and, if applicable, the surrender of any certificate or certificates (or lost certificate affidavit and agreement) for Preferred Stock, the Corporation shall (a) issue and deliver to such holder, or to his, her or its nominees, a certificate or certificates for the number of full shares of Common Stock issuable on such conversion in accordance with the provisions hereof and (b) pay cash as provided in Subsection 4.2 in lieu of any fraction of a share of Common Stock otherwise issuable upon such conversion and the payment of any declared but unpaid dividends on the shares of Preferred Stock converted. Such converted Preferred Stock shall be retired and cancelled and may not be reissued as shares of such series, and the Corporation may thereafter take such appropriate action (without the need for stockholder action) as may be necessary to reduce the authorized number of shares of Preferred Stock accordingly.

6. Redemption. Other than as set forth in Subsection 2.3.2(b), the Preferred Stock is not redeemable.

7. Redeemed or Otherwise Acquired Shares. Any shares of Preferred Stock that are redeemed or otherwise acquired by the Corporation or any of its subsidiaries shall be automatically and immediately cancelled and retired and shall not be reissued, sold or transferred. Neither the Corporation nor any of its subsidiaries may exercise any voting or other rights granted to the holders of shares of Preferred Stock following a redemption or acquisition of such shares.

8. Waiver. Any of the rights, powers, preferences and other terms of the Series A Preferred Stock set forth herein may be waived on behalf of all holders of Series A Preferred Stock by the affirmative written consent or vote of the holders of a majority of the shares of Series A Preferred Stock then outstanding, voting as a separate class. Any of the rights, powers, preferences and other terms of the Series B-1 Preferred Stock and Series B-2 Preferred Stock set forth herein may be waived on behalf of all holders of Series B-1 Preferred Stock and Series B-2 Preferred Stock by the affirmative written consent or vote of the Requisite B Holders.

9. Notices. Any notice required or permitted by the provisions of this Article Fourth to be given to a holder of shares of Preferred Stock shall be mailed, postage prepaid, to the post office address last shown on the records of the Corporation, or given by electronic communication in compliance with the provisions of the General Corporation Law, and shall be deemed sent upon such mailing or electronic transmission.

FIFTH: Subject to any additional vote required by this Certificate of Incorporation or Bylaws, in furtherance and not in limitation of the powers conferred by statute, the Board of Directors is expressly authorized to make, repeal, alter, amend and rescind any or all of the Bylaws of the Corporation.

SIXTH: Subject to any additional vote required by this Certificate of Incorporation, the number of directors of the Corporation shall be determined in the manner set forth in the Bylaws of the Corporation. Each director shall be entitled to one vote on each matter presented to the Board of Directors.

SEVENTH: Elections of directors need not be by written ballot unless the Bylaws of the Corporation shall so provide.

EIGHTH: Meetings of stockholders may be held within or without the State of Delaware, as the Bylaws of the Corporation may provide. The books of the Corporation may be kept outside the State of Delaware at such place or places as may be designated from time to time by the Board of Directors or in the Bylaws of the Corporation.

NINTH: To the fullest extent permitted by law, a director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director. If the General Corporation Law or any other law of the State of Delaware is amended after approval by the stockholders of this Article Ninth to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the General Corporation Law as so amended.

Any repeal or modification of the foregoing provisions of this Article Ninth by the stockholders of the Corporation shall not adversely affect any right or protection of a director of the Corporation existing at the time of, or increase the liability of any director of the Corporation with respect to any acts or omissions of such director occurring prior to, such repeal or modification.

TENTH: To the fullest extent permitted by applicable law, the Corporation is authorized to provide indemnification of (and advancement of expenses to) directors, officers and agents of the Corporation (and any other persons to which General Corporation Law permits the Corporation to provide indemnification) through Bylaw provisions, agreements with such agents or other persons, vote of stockholders or disinterested directors or otherwise, in excess of the indemnification and advancement otherwise permitted by Section 145 of the General Corporation Law.

Any amendment, repeal or modification of the foregoing provisions of this Article Tenth shall not (a) adversely affect any right or protection of any director, officer or other agent of the Corporation existing at the time of such amendment, repeal or modification or (b) increase the liability of any director of the Corporation with respect to any acts or omissions of such director, officer or agent occurring prior to, such amendment, repeal or modification.

ELEVENTH: The Corporation renounces, to the fullest extent permitted by law, any interest or expectancy of the Corporation in, or in being offered an opportunity to participate in, any Excluded Opportunity. An "**Excluded Opportunity**" is any matter, transaction or interest that is presented to, or acquired, created or developed by, or which otherwise comes into the possession of (i) any director of the Corporation who is not an employee of the Corporation or any of its subsidiaries, or (ii) any holder of shares of Preferred Stock or any partner, member, director, stockholder, employee, affiliate or agent of any such holder, other than someone who is an employee of the Corporation or any of its subsidiaries

(collectively, the persons referred to in clauses (i) and (ii) are "**Covered Persons**"), unless such matter, transaction or interest is presented to, or acquired, created or developed by, or otherwise comes into the possession of, a Covered Person expressly and solely in such Covered Person's capacity as a director of the Corporation while such Covered Person is performing services in such capacity. Any repeal or modification of this Article Eleventh will only be prospective and will not affect the rights under this Article Eleventh in effect at the time of the occurrence of any actions or omissions to act giving rise to liability. Notwithstanding anything to the contrary contained elsewhere in this Certificate of Incorporation, the affirmative vote of the holders a majority of the shares of Preferred Stock then outstanding, will be required to amend or repeal, or to adopt any provisions inconsistent with this Article Eleventh.

TWELFTH: For purposes of Section 500 of the California Corporations Code (to the extent applicable), in connection with any repurchase of shares of Common Stock permitted under this Certificate of Incorporation from employees, officers, directors or consultants of the Corporation in connection with a termination of employment or services pursuant to agreements or arrangements approved by the Board of Directors (in addition to any other consent required under this Certificate of Incorporation), such repurchase may be made without regard to any "preferential dividends arrears amount" or "preferential rights amount" (as those terms are defined in Section 500 of the California Corporations Code). Accordingly, for purposes of making any calculation under California Corporations Code Section 500 in connection with such repurchase, the amount of any "preferential dividends arrears amount" or "preferential rights amount" (as those terms are defined therein) shall be deemed to be zero (0).

* * *

3. That the foregoing amendment and restatement was approved by the holders of the requisite number of shares of this corporation in accordance with Section 228 of the General Corporation Law.

4. That this Second Amended and Restated Certificate of Incorporation Certificate of Incorporation, which restates and integrates and further amends the provisions of this Corporation's Certificate of Incorporation, has been duly adopted in accordance with Sections 242 and 245 of the General Corporation Law.

[*Signature page follows*]

IN WITNESS WHEREOF, this Second Amended and Restated Certificate of Incorporation has been executed by a duly authorized officer of this corporation on this 23rd day of December, 2019.

By: /s/ Lawrence Blatt
Chief Executive Officer

[Signature Page to Second Amended and Restated Certificate of Incorporation]

BYLAWS

OF

ALIGOS, INC.
(a Delaware corporation)

Adopted as of February 5, 2018

TABLE OF CONTENTS

		Page
ARTICLE I. IDENTIFICATION; OFFICES		1
SECTION 1.	NAME	1
SECTION 2.	PRINCIPAL AND BUSINESS OFFICES	1
SECTION 3.	REGISTERED AGENT AND OFFICE	1
SECTION 4.	PLACE OF KEEPING CORPORATE RECORDS	1
ARTICLE II. STOCKHOLDERS		1
SECTION 1.	ANNUAL MEETING	1
SECTION 2.	SPECIAL MEETING	1
SECTION 3.	PLACE OF STOCKHOLDER MEETINGS	1
SECTION 4.	NOTICE OF MEETINGS	2
SECTION 5.	QUORUM	2
SECTION 6.	ADJOURNED MEETINGS	2
SECTION 7.	FIXING OF RECORD DATE	3
SECTION 8.	VOTING LIST	3
SECTION 9.	VOTING	4
SECTION 10.	PROXIES	4
SECTION 11.	RATIFICATION OF ACTS OF DIRECTORS AND OFFICERS	4
SECTION 12.	CONDUCT OF MEETINGS	5
SECTION 13.	ACTION WITHOUT MEETING	5
ARTICLE III. DIRECTORS		6
SECTION 1.	GENERAL POWERS	6
SECTION 2.	NUMBER AND TENURE OF DIRECTORS	6
SECTION 3.	ELECTION OF DIRECTORS	6
SECTION 4.	CHAIRMAN OF THE BOARD; VICE CHAIRMAN OF THE BOARD	6
SECTION 5.	QUORUM	7
SECTION 6.	VOTING	7
SECTION 7.	VACANCIES	7
SECTION 8.	REMOVAL OF DIRECTORS	7
SECTION 9.	RESIGNATION	7
SECTION 10.	REGULAR MEETINGS	7
SECTION 11.	SPECIAL MEETINGS	7
SECTION 12.	NOTICE OF SPECIAL MEETINGS OF THE BOARD OF DIRECTORS	8
SECTION 13.	WRITTEN ACTION BY DIRECTORS	8
SECTION 14.	PARTICIPATION BY CONFERENCE TELEPHONE	8
SECTION 15.	COMMITTEES	8
SECTION 16.	COMPENSATION OF DIRECTORS	9
ARTICLE IV. OFFICERS		9
SECTION 1.	GENERAL PROVISIONS	9
SECTION 2.	ELECTION AND TERM OF OFFICE	9
SECTION 3.	RESIGNATION AND REMOVAL OF OFFICERS	9

Page

SECTION 4. VACANCIES 10
SECTION 5. THE CHIEF EXECUTIVE OFFICER 10
SECTION 6. THE PRESIDENT 10
SECTION 7. THE VICE PRESIDENT 11
SECTION 8. THE SECRETARY 11
SECTION 9. THE ASSISTANT SECRETARY 11
SECTION 10. THE TREASURER 11
SECTION 11. THE ASSISTANT TREASURER 12
SECTION 12. OTHER OFFICERS, ASSISTANT OFFICERS AND AGENTS 12
SECTION 13. ABSENCE OF OFFICERS 12
SECTION 14. COMPENSATION 12

ARTICLE V. CAPITAL STOCK 12

SECTION 1. ISSUANCE OF STOCK 12
SECTION 2. CERTIFICATES OF SHARES; UNCERTIFICATED SHARES 12
SECTION 3. SIGNATURES OF FORMER OFFICER, TRANSFER AGENT OR REGISTRAR 13
SECTION 4. TRANSFER OF SHARES 13
SECTION 5. LOST, DESTROYED OR STOLEN CERTIFICATES 14
SECTION 6. REGULATIONS 14

ARTICLE VI. RESTRICTIONS ON TRANSFER AND RIGHT OF FIRST REFUSAL 14

SECTION 1. TRANSFERS 14
SECTION 2. CONSENT TO TRANSFER 14
SECTION 3. RIGHT OF FIRST REFUSAL 15
SECTION 4. EXCEPTIONS 16
SECTION 5. TERMINATION 17
SECTION 6. VOID TRANSFERS 17
SECTION 7. LEGENDS 17
SECTION 8. CONFLICTS 17

ARTICLE VII. INDEMNIFICATION 17

SECTION 1. RIGHT TO INDEMNIFICATION OF DIRECTORS AND OFFICERS 17
SECTION 2. PREPAYMENT OF EXPENSES OF DIRECTORS AND OFFICERS 17
SECTION 3. CLAIMS BY DIRECTORS AND OFFICERS 18
SECTION 4. INDEMNIFICATION OF EMPLOYEES AND AGENTS 18
SECTION 5. ADVANCEMENT OF EXPENSES OF EMPLOYEES AND AGENTS 18
SECTION 6. NON-EXCLUSIVITY OF RIGHTS 18
SECTION 7. OTHER INDEMNIFICATION 18
SECTION 8. INSURANCE 19
SECTION 9. AMENDMENT OR REPEAL 19

ARTICLE VIII. DIVIDENDS 19

SECTION 1. DECLARATIONS OF DIVIDENDS 19
SECTION 2. SPECIAL PURPOSES RESERVES 19

Page

ARTICLE IX. NOTICE BY ELECTRONIC TRANSMISSION 19

SECTION 1. NOTICE BY ELECTRONIC TRANSMISSION 19
SECTION 2. DEFINITION OF ELECTRONIC TRANSMISSION 20
SECTION 3. INAPPLICABILITY 20

ARTICLE X. GENERAL PROVISIONS 20

SECTION 1. FISCAL YEAR 20
SECTION 2. SEAL 20
SECTION 3. WRITTEN WAIVER OF NOTICE 20
SECTION 4. ATTENDANCE AS WAIVER OF NOTICE 21
SECTION 5. WAIVER OF SECTION 1501 21
SECTION 6. CONTRACTS 21
SECTION 7. LOANS 21
SECTION 8. CHECKS, DRAFTS, ETC 21
SECTION 9. DEPOSITS 21
SECTION 10. ANNUAL STATEMENT 21
SECTION 11. VOTING OF SECURITIES 21
SECTION 12. EVIDENCE OF AUTHORITY 21
SECTION 13. CERTIFICATE OF INCORPORATION 21
SECTION 14. SEVERABILITY 22
SECTION 15. PRONOUNS 22

ARTICLE XI. AMENDMENTS 22

SECTION 1. BY THE BOARD OF DIRECTORS 22
SECTION 2. BY THE STOCKHOLDERS 22

ARTICLE I.
IDENTIFICATION; OFFICES

SECTION 1. NAME. The name of the corporation is Aligos, Inc. (the "Corporation").

SECTION 2. PRINCIPAL AND BUSINESS OFFICES. The Corporation may have such principal and other business offices, either within or outside of the state of Delaware, as the Board of Directors may designate or as the Corporation's business may require from time to time.

SECTION 3. REGISTERED AGENT AND OFFICE. The Corporation's registered agent may be changed from time to time by or under the authority of the Board of Directors. The address of the Corporation's registered agent may change from time to time by or under the authority of the Board of Directors, or the registered agent. The business office of the Corporation's registered agent shall be identical to the registered office. The Corporation's registered office may be but need not be identical with the Corporation's principal office in the state of Delaware. The Corporation's initial registered office shall be in the City of Wilmington, County of New Castle, State of Delaware.

SECTION 4. PLACE OF KEEPING CORPORATE RECORDS. The records and documents required by law to be kept by the Corporation permanently shall be kept at the Corporation's principal office or as the Board of Directors may designate.

ARTICLE II.
STOCKHOLDERS

SECTION 1. ANNUAL MEETING. An annual meeting of the stockholders shall be held on such date as may be designated by the Board of Directors, the Chairman of the Board, the Chief Executive Officer or the President. At each annual meeting, the stockholders shall elect directors to hold office for the term provided in Section 2 of Article III of these Bylaws and transact such other business as may properly be brought before the meeting.

SECTION 2. SPECIAL MEETING. A special meeting of the stockholders for any purpose or purposes may be called at any time only by the President, the Board of Directors, the Chairman of the Board, the Chief Executive Officer or any other person designated by the Board of Directors. The Board of Directors may postpone or reschedule any previously scheduled special meeting of stockholders. Business transacted at any special meeting of stockholders shall be limited to matters relating to the purpose or purposes stated in the notice of meeting.

SECTION 3. PLACE OF STOCKHOLDER MEETINGS. The Board of Directors, the Chairman of the Board, the Chief Executive Officer or the President may designate any place, either within or without the State of Delaware, as the place of meeting for any annual meeting or for any special meeting. If no such place is designated by the Board of Directors, the place of meeting will be the principal business office of the Corporation or the Board of Directors may, in its sole discretion, determine that the meeting shall not be held at any place, but will instead be held solely by means of remote communication as provided under Section 211 of the Delaware General Corporation Law.

SECTION 4. NOTICE OF MEETINGS. Except as otherwise provided by law or waived as herein provided, whenever stockholders are required or permitted to take any action at a meeting, whether annual or special, written notice of the meeting shall be given stating the place, if any, date and hour of the meeting, the means of remote communications, if any, by which stockholders may be deemed to be present in person and vote at such meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called. Such written notice shall be given not less than 10 days nor more than 60 days before the date of the meeting to each stockholder entitled to vote at the meeting. If mailed, notice is given when deposited in the United States mail, postage prepaid, directed to the stockholder at the stockholder's address as it appears on the records of the Corporation. If electronically transmitted (in a manner consistent with Section 232 of the Delaware General Corporation Law), then notice is deemed given when transmitted and directed to a facsimile number or electronic mail address at which the stockholder has consented to receive notice. An affidavit of the secretary or of the transfer agent or other agent of the Corporation that the notice has been given by a form of electronic transmission shall, in the absence of fraud, be *prima facie* evidence of the facts stated therein.

When a meeting is adjourned to reconvene at the same or another place, if any, or by means of remote communications, if any, in accordance with Section 6 of Article II of these Bylaws, notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken.

SECTION 5. QUORUM. Unless otherwise provided by law, the Corporation's Certificate of Incorporation or these Bylaws, the holders of a majority in voting power of the shares of the capital stock of the Corporation issued and outstanding and entitled to vote at the meeting, present in person, present by means of remote communication in a manner, if any, authorized by the Board of Directors in its sole discretion, or represented by proxy, shall constitute a quorum for the transaction of business; provided, however, that where a separate vote by a class or classes or series of capital stock is required by law or the Certificate of Incorporation, the holders of a majority in voting power of the shares of such class or classes or series of the capital stock of the Corporation issued and outstanding and entitled to vote on such matter, present in person, present by means of remote communication in a manner, if any, authorized by the Board of Directors in its sole discretion, or represented by proxy, shall constitute a quorum entitled to take action with respect to the vote on such matter. If a quorum is present in person or represented by proxy at such meeting, such stockholders may continue to transact business until adjournment, notwithstanding the withdrawal of such number of stockholders as may leave less than a quorum.

SECTION 6. ADJOURNED MEETINGS. Any meeting of stockholders may be adjourned from time to time to any other time and to any other place (or by means of remote communications, if any) at which a meeting of stockholders may be held under these Bylaws by the chairman of the meeting or by a majority of the stockholders present or represented at the meeting and entitled to vote, although less than a quorum. It shall not be necessary to notify any stockholder of any adjournment of less than 30 days if the time and place, if any, of the adjourned meeting, and the means of remote communication, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such adjourned meeting, are announced at the meeting at which adjournment is taken, unless after the adjournment a new record date is fixed for the adjourned meeting. At the adjourned meeting, the Corporation may transact any business which might have been transacted at the original meeting.

SECTION 7. FIXING OF RECORD DATE.

(a) The Board of Directors may fix in advance a date as a record date for the determination of the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof. Such record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date shall not be more than 60 days nor less than 10 days before the date of such meeting. If no record date is fixed by the Board of Directors, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

(b) For the purpose of determining stockholders entitled to consent to corporate action in writing without a meeting, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is established by the Board of Directors, and which date shall not be more than 10 days after the date on which the resolution fixing the record date is adopted by the Board of Directors. If no record date has been fixed by the Board of Directors, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting, when no prior action by the Board of Directors is required by law, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the Corporation by delivery to its registered office in the State of Delaware, its principal office, or an officer or agent of the Corporation having custody of the book in which the proceedings of meetings of stockholders are recorded. Delivery to the Corporation's registered office shall be by hand or by certified or registered mail, return receipt requested. If no record date has been fixed by the Board of Directors and prior action by the Board of Directors is required by law, the record date for determining stockholders' consent to corporate action in writing without a meeting shall be the close of business on the day on which the Board of Directors adopts the resolution taking such prior action.

(c) For the purpose of determining the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights or the stockholders entitled to exercise any rights in respect to any change, conversion or exchange of stock, or for the purpose of any other lawful action, the Board of Directors may fix the record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than 60 days prior to such action. If no record date is fixed, the record date for determining the stockholders for any such purpose shall be the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

SECTION 8. VOTING LIST. The officer who has charge of the stock ledger of the Corporation shall prepare and make, at least 10 days before every meeting of stockholders, a complete list of stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, for a period of at least 10 days prior to the meeting, (i) by a reasonably

accessible electronic network, provided that the information required to gain access to such list is provided with the notice of the meeting, or (ii) during ordinary business hours, at the principal place of business of the Corporation. In the event that the Corporation determines to make the list available on an electronic network, the Corporation may take reasonable steps to ensure that such information is available only to the stockholders of the Corporation. If the meeting is to be held at a place, then the list shall be produced and kept at the time and place of the meeting during the whole time thereof and may be inspected by any stockholder who is present. If the meeting is to be held solely by means of remote communication, then the list shall also be open to the examination of any stockholder during the whole time of the meeting on a reasonably accessible electronic network, and the information required to access such list shall be provided with the notice of the meeting. Except as otherwise provided by law, such list shall be the only evidence as to the identity of stockholders entitled to examine the list of stockholders required by this Section 8 or to vote in person or by proxy at any meeting of the stockholders. The Corporation shall not be required to include electronic mail addresses or other electronic contact information on such list.

SECTION 9. VOTING. Unless otherwise provided by the Certificate of Incorporation, each stockholder shall be entitled to one vote for each share of capital stock held by each stockholder. When a quorum is present at any meeting, in all matters other than the election of directors, the affirmative vote of the majority of shares present in person or represented by proxy at the meeting and entitled to vote on the subject matter shall be the act of the stockholders, except when a different vote is required by law, the Certificate of Incorporation or these Bylaws. When a quorum is present at any meeting, directors shall be elected by plurality of the votes of the shares present in person or represented by a proxy at the meeting entitled to vote on the election of directors.

SECTION 10. PROXIES. Each stockholder entitled to vote at a meeting of stockholders or to express consent or dissent to corporate action in writing without a meeting (including by means of remote communications, if any, by which stockholders may be deemed to be present in person and vote at such meeting) may authorize another person or persons to act for him by proxy (executed or transmitted in a manner permitted by the Delaware General Corporation Law), but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. A duly executed proxy shall be irrevocable if it states that it is irrevocable and if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power. A proxy may remain irrevocable regardless of whether the interest with which it is coupled is an interest in the stock itself or an interest in the Corporation generally.

SECTION 11. RATIFICATION OF ACTS OF DIRECTORS AND OFFICERS. Except as otherwise provided by law or by the Certificate of Incorporation of the Corporation, any transaction or contract or act of the Corporation or of the directors or the officers of the Corporation may be ratified by the affirmative vote of the holders of the number of shares which would have been necessary to approve such transaction, contract or act at a meeting of stockholders, or by the written consent of stockholders in lieu of a meeting.

SECTION 12. CONDUCT OF MEETINGS.

(a) Chairman of Meeting. Meetings of stockholders shall be presided over by the Chairman of the Board, if any, or in the Chairman's absence by the Vice Chairman of the Board, if any, or in the Vice Chairman's absence by the Chief Executive Officer, or in the Chief Executive Officer's absence, by the President, or in the President's absence by a Vice President, or in the absence of all of the foregoing persons by a chairman designated by the Board of Directors, or in the absence of such designation by a chairman chosen by vote of the stockholders at the meeting. The Secretary shall act as secretary of the meeting, but in the Secretary's absence the chairman of the meeting may appoint any person to act as secretary of the meeting.

(b) Rules, Regulations and Procedures. The Board of Directors may adopt by resolution such rules, regulations and procedures for the conduct of any meeting of stockholders of the Corporation as it shall deem appropriate including, without limitation, such guidelines and procedures as it may deem appropriate regarding the participation by means of remote communication of stockholders and proxyholders not physically present at a meeting. Except to the extent inconsistent with such rules, regulations and procedures as adopted by the Board of Directors, the chairman of any meeting of stockholders shall have the right and authority to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such chairman, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board of Directors or prescribed by the chairman of the meeting, may include, without limitation, the following: (i) the establishment of an agenda or order of business for the meeting; (ii) rules and procedures for maintaining order at the meeting and the safety of those present; (iii) limitations on attendance at or participation in the meeting to stockholders of record of the Corporation, their duly authorized and constituted proxies or such other persons as shall be determined; (iv) restrictions on entry to the meeting after the time fixed for the commencement thereof; and (v) limitations on the time allotted to questions or comments by participants. Unless and to the extent determined by the Board of Directors or the chairman of the meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure.

SECTION 13. ACTION WITHOUT MEETING.

(a) Any action required or permitted to be taken at any annual or special meeting of stockholders of the Corporation, may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be delivered to the Corporation signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted.

(b) Prompt notice of the taking of the corporate action without a meeting by less than unanimous consent shall be given to those stockholders who have not consented in writing and who, if the action had been taken at a meeting, would have been entitled to notice of the meeting if the record date for such meeting had been the date that written consents signed by a sufficient number of holders to take the action were delivered to the Corporation.

(c) A telegram, cablegram or other electronic transmission consenting to an action to be taken and transmitted by a stockholder or proxy holder, or by a person or persons authorized to act for a stockholder or proxy holder, shall be deemed to be written, signed and dated for the purposes of this section, provided that any such telegram, cablegram or other electronic transmission sets forth or is delivered with information from which the Corporation can determine (i) that the telegram, cablegram or other electronic transmission was transmitted by the stockholder or proxy holder or by a person or persons authorized to act for the stockholder or proxy holder and (ii) the date on which such stockholder or proxy holder or authorized person or persons transmitted such telegram, cablegram or electronic transmission. The date on which such telegram, cablegram or electronic transmission is transmitted shall be deemed to be the date on which such consent was signed. No consent given by telegram, cablegram or other electronic transmission shall be deemed to have been delivered until such consent is reproduced in paper form and until such paper form shall be delivered to the Corporation by delivery to its registered office in the State of Delaware, its principal place of business or to an officer or agent of the Corporation having custody of the book in which the proceedings of meetings of stockholders are recorded. Any copy, facsimile or other reliable reproduction of a consent in writing may be substituted or used in lieu of the original writing for any and all purposes for which the original writing could be used, provided that such copy, facsimile or other reproduction shall be a complete reproduction of the entire original writing.

ARTICLE III.
DIRECTORS

SECTION 1. GENERAL POWERS. The business and affairs of the Corporation shall be managed by or under the direction of a Board of Directors, who may exercise all of the powers of the Corporation except as otherwise provided by law or the Certificate of Incorporation.

SECTION 2. NUMBER AND TENURE OF DIRECTORS. Subject to the rights of holders of any class or series of capital stock of the Corporation to elect directors, the number of directors of the Corporation shall be determined from time to time by the stockholders or the Board of Directors in a resolution adopted by the Board of Directors. Each director shall hold office until the next annual meeting of stockholders and until such director's successor is elected and qualified or until such director's earlier death, resignation or removal.

SECTION 3. ELECTION OF DIRECTORS. Except as otherwise provided in these Bylaws, directors shall be elected at the annual meeting of stockholders by such stockholders as have the right to vote on such election. Directors need not be residents of the State of Delaware. Directors need not be stockholders of the Corporation. Elections of directors need not be by written ballot.

SECTION 4. CHAIRMAN OF THE BOARD; VICE CHAIRMAN OF THE BOARD. The Board of Directors may appoint from its members a Chairman of the Board and a Vice Chairman of the Board, neither of whom need be an employee or officer of the Corporation. If the Board of Directors appoints a Chairman of the Board, such Chairman shall perform such duties and possess such powers as are assigned by the Board of Directors. If the Board of Directors appoints a Vice Chairman of the Board, such Vice Chairman shall perform such duties and possess such powers as are assigned by the Board of Directors. Unless otherwise provided by the Board of Directors, the Chairman of the Board or, in the Chairman's absence, the Vice Chairman of the Board, if any, shall preside at all meetings of the Board of Directors.

SECTION 5. QUORUM. The greater of (a) a majority of the directors at any time in office and (b) one-third of the number of directors fixed pursuant to Section 2 of Article III of these Bylaws shall constitute a quorum of the Board of Directors. If less than a quorum are present at a meeting of the Board of Directors, a majority of the directors present may adjourn the meeting from time to time without further notice other than announcement at the meeting, until such quorum shall be present.

SECTION 6. VOTING. The vote of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the Delaware General Corporation Law or the Certificate of Incorporation requires a vote of a greater number.

SECTION 7. VACANCIES. Subject to the rights of holders of any series of Preferred Stock to elect directors, unless and until filled by the stockholders, any vacancy or newly-created directorship on the Board of Directors, however occurring, may be filled by vote of a majority of the directors then in office, although less than a quorum, or by a sole remaining director. A director elected to fill a vacancy shall be elected for the unexpired term of such director's predecessor in office, and a director chosen to fill a position resulting from a newly-created directorship shall hold office until the next annual meeting of stockholders and until a successor is elected and qualified, or until such director's earlier death, resignation or removal.

SECTION 8. REMOVAL OF DIRECTORS. Except as otherwise provided by the General Corporation Law of the State of Delaware, a director, or the entire Board of Directors, may be removed, with or without cause, by the holders of a majority of the shares then entitled to vote at an election of directors, except that the directors elected by the holders of a particular class or series of stock may be removed without cause only by vote of the holders of a majority of the outstanding shares of such class or series.

SECTION 9. RESIGNATION. Any director may resign by delivering a resignation in writing or by electronic transmission to the Corporation at its principal office or to the Chairman of the Board, the Chief Executive Officer, the President or the Secretary. Such resignation shall be effective upon delivery unless it is specified to be effective at some later time or upon the happening of some later event.

SECTION 10. REGULAR MEETINGS. Regular meetings of the Board of Directors may be held without notice at such time, place and manner as shall be determined from time to time by the Board of Directors; provided that any director who is absent when such a determination is made shall be given notice of the determination. A regular meeting of the Board of Directors may be held without notice immediately after and at the same place as the annual meeting of stockholders.

SECTION 11. SPECIAL MEETINGS. Special meetings of the Board of Directors may be called by or at the request of the Chairman of the Board, the Chief Executive Officer, the President, two or more directors or by one director in the event that there is only a single director in office. The person or persons authorized to call special meetings of the Board of Directors may fix any time, date or place, either within or without the State of Delaware, for holding any special meeting of the Board of Directors called by them.

SECTION 12. NOTICE OF SPECIAL MEETINGS OF THE BOARD OF DIRECTORS. Notice of the date, place, if any, and time of any special meeting of the Board of Directors shall be given to each director by the Secretary or by the officer or one of the directors calling the meeting. Notice shall be duly given to each director (a) in person, by telephone, fax or by electronic transmission at least 24 hours in advance of the meeting, (b) by sending written notice by reputable overnight courier or delivering written notice by hand, to such director's last known business, home or facsimile address at least 48 hours in advance of the meeting, or (c) by sending written notice by first-class mail to such director's last known business or home address at least 72 hours in advance of the meeting. A notice or waiver of notice of a meeting of the Board of Directors need not specify the purposes of the meeting.

SECTION 13. WRITTEN ACTION BY DIRECTORS. Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, any action required or permitted to be taken at any meeting of the Board of Directors, or of any committee thereof, may be taken without a meeting if all members of the Board of Directors or committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board of Directors or committee. Without limiting the manner by which consent may be given, members of the Board of Directors may consent by delivery of an electronic transmission when such transmission is directed to a facsimile number or electronic mail address at which the Corporation has consented to receive such electronic transmissions, and copies of the electronic transmissions are filed with the minutes of proceedings of the Board of Directors or committee. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

SECTION 14. PARTICIPATION BY CONFERENCE TELEPHONE. Members of the Board of Directors, or any committee designated by such board, may participate in a meeting of the Board of Directors, or committee thereof, by means of conference telephone or similar communications equipment as long as all persons participating in the meeting can speak with and hear each other, and participation by a director pursuant to this section shall constitute presence in person at such meeting.

SECTION 15. COMMITTEES. The Board of Directors may designate one or more committees, each committee to consist of one or more of the directors of the Corporation with such lawfully delegable powers and duties as the Board of Directors thereby confers, to serve at the pleasure of the Board of Directors. The Board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member at any meeting of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent provided in the resolution of the Board of Directors, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers which may require it, but no such committee shall have the

power or authority in reference to the following matters: (i) approving or adopting, or recommending to the stockholders, any action or matter (other than the election or removal of directors) expressly required by law to be submitted to stockholders for approval or (ii) adopting, amending or repealing any bylaw of the Corporation. Each such committee shall keep minutes and make such reports as the Board of Directors may from time to time request. Except as the Board of Directors may otherwise determine, any committee may make rules for the conduct of its business, but unless otherwise provided by the directors or in such rules, its business shall be conducted as nearly as possible in the same manner as is provided in these Bylaws for the Board of Directors. Except as otherwise provided in the Certificate of Incorporation, these Bylaws, or the resolution of the Board of Directors designating the committee, a committee may create one or more subcommittees, each subcommittee to consist of one or more members of the committee, and delegate to a subcommittee any or all of the powers and authority of the committee.

SECTION 16. COMPENSATION OF DIRECTORS. Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, the Board of Directors shall have the authority to fix the compensation of directors. The directors may be paid their expenses, if any, of attendance at each meeting of the Board of Directors and may be paid a fixed sum for attendance at each meeting of the Board of Directors or a stated salary as director. No such payment shall preclude any director from serving the Corporation in any other capacity and receiving compensation therefore. Members of special or standing committees may be allowed like compensation for attending committee meetings.

ARTICLE IV.
OFFICERS

SECTION 1. GENERAL PROVISIONS. The officers of the Corporation shall consist of a Chief Executive Officer, a President, a Secretary, a Treasurer and such other officers with such other titles as the Board of Directors shall determine, including one or more Vice Presidents, Assistant Treasurers and Assistant Secretaries. The Board of Directors may appoint such other officers as it may deem appropriate. No officer need be a stockholder. Any two or more offices may be held by the same person. The officers elected by the Board of Directors shall have such duties as are hereafter described and such additional duties as the Board of Directors may from time to time prescribe.

SECTION 2. ELECTION AND TERM OF OFFICE. The Chief Executive Officer, President, Treasurer and Secretary shall be elected annually by the Board of Directors at the regular meeting of the Board of Directors held after each annual meeting of the stockholders. If the election of officers is not held at such meeting, such election shall be held as soon thereafter as may be convenient. Other officers may be appointed at any time, at a meeting or by the written consent of the Board of Directors. Except as otherwise provided by law, by the Certificate of Incorporation or by these Bylaws, each officer shall hold office until his successor has been duly elected and qualified, unless a different term is specified in the resolution electing or appointing such officer, or until his earlier death, resignation or removal. Election or appointment of an officer or agent shall not of itself create contract rights.

SECTION 3. RESIGNATION AND REMOVAL OF OFFICERS. Any officer may resign by delivering a written resignation to the Corporation at its principal office or to the Chief

Executive Officer, the President or the Secretary. Such resignation shall be effective upon receipt unless it is specified to be effective at some later time or upon the happening of some later event. Any officer may be removed at any time, with or without cause, by vote of a majority of the directors then in office. Except as the Board of Directors may otherwise determine, no officer who resigns or is removed shall have any right to any compensation as an officer for any period following such officer's resignation or removal, or any right to damages on account of such removal, whether such officer's compensation be by the month or by the year or otherwise, unless such compensation is expressly provided for in a duly authorized written agreement with the Corporation.

SECTION 4. VACANCIES. The Board of Directors may fill any vacancy occurring in any office for any reason and may, in its discretion, leave unfilled for such period as it may determine any offices other than those of Chief Executive Officer, President, Treasurer and Secretary. Each such successor shall hold office for the unexpired term of such officer's predecessor and until a successor is elected and qualified, or until such officer's earlier death, resignation or removal.

SECTION 5. THE CHIEF EXECUTIVE OFFICER. Unless the Board of Directors has designated another person as the Corporation's Chief Executive Officer, the President shall be the Chief Executive Officer of the Corporation. The Chief Executive Officer shall have general charge and supervision of the business and affairs of the Corporation subject to the direction of the Board of Directors, and shall perform all duties and have all powers that are commonly incident to the office of chief executive or that are delegated to such officer by the Board of Directors. The Chief Executive Officer shall preside at all meetings of the Board of Directors and shall see that orders and resolutions of the Board of Directors are carried into effect. The Chief Executive Officer may sign bonds, mortgages, certificates for shares and all other contracts and documents whether or not under the seal of the Corporation except in cases where the signing and execution thereof shall be expressly delegated by law, by the Board of Directors or by these Bylaws to some other officer or agent of the Corporation. The Chief Executive Officer shall have general powers of supervision and shall be the final arbiter of all differences between officers of the Corporation and his decision as to any matter affecting the Corporation shall be final and binding as between the officers of the Corporation subject only to the Board of Directors.

SECTION 6. THE PRESIDENT. In the absence of the Chief Executive Officer or in the event of his inability or refusal to act, the President shall perform the duties of the Chief Executive Officer, and when so acting, shall have all the powers of and be subject to all the restrictions upon the Chief Executive Officer. At all other times the President shall have the active management of the business of the Corporation under the general supervision of the Chief Executive Officer or the Board of Directors. The President shall have concurrent power with the Chief Executive Officer to sign bonds, mortgages, certificates for shares and other contracts and documents, whether or not under the seal of the Corporation except in cases where the signing and execution thereof shall be expressly delegated by law, by the Board of Directors, or by these Bylaws to some other officer or agent of the Corporation. In general, the President shall perform all duties incident to the office of president and such other duties as the Chief Executive Officer (if the President is not the Chief Executive Officer) or the Board of Directors may from time to time prescribe.

SECTION 7. THE VICE PRESIDENT. In the absence of the President or in the event of his inability or refusal to act, the Vice President (or in the event there be more than one Vice President, the Executive Vice President and then the other Vice President or Vice Presidents in the order designated, or in the absence of any designation, then in the order of their election) shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The Vice Presidents shall perform such other duties and have such other powers as the Chief Executive Officer or the Board of Directors may from time to time prescribe.

SECTION 8. THE SECRETARY. The Secretary shall perform such duties and shall have such powers as the Board of Directors or the Chief Executive Officer may from time to time prescribe. The Secretary shall perform such duties and have such powers as are incident to the office of the secretary, including without limitation the duty and power to attend all meetings of the Board of Directors and all meetings of the stockholders and record all the proceedings in a book to be kept for that purpose and shall perform like duties for the standing committees when required and to maintain a stock ledger and prepare lists of stockholders and their addresses as required. The Secretary shall give, or cause to be given, notice of all meetings of the stockholders and special meetings of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors or the Chief Executive Officer, under whose supervision he shall be. The Secretary shall have custody of the corporate records and the corporate seal of the Corporation and the Secretary, or an Assistant Secretary, shall have authority to affix the same to any instrument requiring it and when so affixed, it may be attested by his signature or by the signature of such Assistant Secretary. The Board of Directors may give general authority to any other officer to affix the seal of the Corporation and to attest the affixing by his signature.

SECTION 9. THE ASSISTANT SECRETARY. The Assistant Secretary, or if there be more than one, the Assistant Secretaries in the order determined by the Board of Directors (or if there be no such determination, then in the order of their election), shall, in the absence of the Secretary or in the event of his inability or refusal to act, perform the duties and exercise the powers of the Secretary and shall perform such other duties and have such other powers as the Chief Executive Officer, the Board of Directors or the Secretary may from time to time prescribe. In the absence of the Secretary or any Assistant Secretary at any meeting of stockholders or directors, the chairman of the meeting shall designate a temporary secretary to keep a record of the meeting.

SECTION 10. THE TREASURER. The Treasurer shall perform such duties and shall have such powers as may from time to time be assigned by the Board of Directors or the Chief Executive Officer. In addition, the Treasurer shall perform such duties and have such powers as are incident to the office of treasurer, including without limitation, the duty and power to have the custody of the corporate funds and securities and to keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation and deposit all moneys and other valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by the Board of Directors. The Treasurer shall disburse the funds of the Corporation as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the President and the Board of Directors, as required by the Board of Directors, an account of all his transactions as Treasurer and of the financial condition of the Corporation. If required by the Board of Directors, the Treasurer shall give the Corporation a bond (which shall be renewed every six years) in such sum and with such surety or sureties as shall be satisfactory to the Board

of Directors for the faithful performance of the duties of his office and for the restoration to the Corporation, in case of his death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the Corporation.

SECTION 11. THE ASSISTANT TREASURER. The Assistant Treasurer, or if there shall be more than one, the Assistant Treasurers in the order determined by the Board of Directors (or if there be no such determination, then in the order of their election), shall, in the absence of the Treasurer or in the event of his inability or refusal to act, perform the duties and exercise the powers of the Treasurer and shall perform such other duties and have such other powers as the Chief Executive Officer, the Board of Directors or the Treasurer may from time to time prescribe.

SECTION 12. OTHER OFFICERS, ASSISTANT OFFICERS AND AGENTS. Officers, Assistant Officers and Agents, if any, other than those whose duties are provided for in these Bylaws, shall have such authority and perform such duties as may from time to time be prescribed by resolution of the Board of Directors.

SECTION 13. ABSENCE OF OFFICERS, DELEGATION OF AUTHORITY. In the absence of any officer of the Corporation, or for any other reason the Board of Directors may deem sufficient, the Board of Directors may from time to time delegate the powers or duties, or any of such powers or duties, of any officers or officer to any other officer or to any director.

SECTION 14. COMPENSATION. The Board of Directors shall have the authority to establish reasonable salaries, compensation or reimbursement of all officers for services to the Corporation.

ARTICLE V.
CAPITAL STOCK

SECTION 1. ISSUANCE OF STOCK. Subject to the provisions of the Certificate of Incorporation, the whole or any part of any unissued balance of the authorized capital stock of the Corporation or the whole or any part of any shares of the authorized capital stock of the Corporation held in the Corporation's treasury may be issued, sold, transferred or otherwise disposed of by vote of the Board of Directors in such manner, for such lawful consideration and on such terms as the Board of Directors may determine.

SECTION 2. CERTIFICATES OF SHARES; UNCERTIFICATED SHARES.

(a) The shares of the Corporation shall be represented by certificates, provided that the Board of Directors of the Corporation may provide by resolution or resolutions that some or all of any or all classes or series of its stock shall be uncertificated shares. Any such resolution shall not apply to shares represented by a certificate until such certificate is surrendered to the Corporation. Every holder of stock represented by certificates shall be entitled to have a certificate, in such form as may be prescribed by law and by the Board of Directors, signed in a manner that complies with Section 158 of the Delaware General Corporation Law, representing the number of shares held by such holder registered in certificate form. Any or all the signatures on the certificate may be a facsimile or pdf.

(b) Each certificate for shares of stock which are subject to any restriction on transfer pursuant to the Certificate of Incorporation, these Bylaws, applicable securities laws or any agreement among any number of stockholders or among such holders and the Corporation shall have conspicuously noted on the face or back of the certificate either the full text of the restriction or a statement of the existence of such restriction.

(c) If the Corporation shall be authorized to issue more than one class of stock or more than one series of any class, the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights shall be set forth in full or summarized on the face or back of each certificate representing shares of such class or series of stock, provided that in lieu of the foregoing requirements there may be set forth on the face or back of each certificate representing shares of such class or series of stock a statement that the Corporation will furnish without charge to each stockholder who so requests a copy of the full text of the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights.

(d) Within a reasonable time after the issuance or transfer of uncertificated shares, the Corporation shall send to the registered owner thereof a written notice containing the information required to be set forth or stated on certificates pursuant to Sections 151, 156, 202(a) or 218(a) of the General Corporation Law of the State of Delaware or, with respect to Section 151 of the General Corporation Law of the State of Delaware, a statement that the Corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights.

SECTION 3. SIGNATURES OF FORMER OFFICER, TRANSFER AGENT OR REGISTRAR. In case any officer, transfer agent, or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if such person or entity were such officer, transfer agent or registrar at the date of issue.

SECTION 4. TRANSFER OF SHARES. Transfers of shares of the Corporation shall be made only on the books of the Corporation, or by transfer agents designated to transfer shares of the Corporation. Subject to applicable law, shares of stock represented by certificates shall be transferred only on the books of the Corporation by the surrender to the Corporation or its transfer agent of the certificate representing such shares properly endorsed or accompanied by a written assignment or power of attorney properly executed, and with such proof of authority or the authenticity of signature as the Corporation or its transfer agent may reasonably require. Except as may be otherwise required by law, by the Certificate of Incorporation or by these Bylaws, the Corporation shall be entitled to treat the record holder of stock as shown on its books as the owner of such stock for all purposes, including the payment of dividends and the right to vote with respect to such stock, regardless of any transfer, pledge or other disposition of such stock until the shares have been transferred on the books of the Corporation in accordance with the requirements of these Bylaws.

SECTION 5. LOST, DESTROYED OR STOLEN CERTIFICATES. Whenever a certificate representing shares of the Corporation has been lost, destroyed or stolen, the holder thereof may file in the office of the Corporation an affidavit setting forth, to the best of his knowledge and belief, the time, place, and circumstance of such loss, destruction or theft together with a statement of indemnity and posting of such bond sufficient in the opinion of the Board of Directors to indemnify the Corporation against any claim that may be made against it on account of the alleged loss of any such certificate. Thereupon the Board may cause to be issued to such person or such person's legal representative a new certificate or a duplicate of the certificate alleged to have been lost, destroyed or stolen. In the exercise of its discretion, the Board of Directors may waive the indemnification and bond requirements provided herein.

SECTION 6. REGULATIONS. The issue, transfer, conversion and registration of shares of stock of the Corporation shall be governed by such other regulations as the Board of Directors may establish.

ARTICLE VI.
RESTRICTIONS ON TRANSFER AND RIGHT OF FIRST REFUSAL.

SECTION 1. TRANSFERS. If a holder of any shares of stock of the Corporation (a "Holder") proposes to sell, assign, transfer, pledge, hypothecate or otherwise dispose of, by operation of law or otherwise (collectively "Transfer") any such shares pursuant to a bona fide offer acceptable to such Holder, then Holder shall first give written notice of the proposed Transfer (the "Transfer Notice") to the Corporation. The Transfer Notice shall state the name of the proposed transferee, the number of shares Holder proposes to transfer (the "Offered Shares"), whether the Offered Shares are vested or unvested shares, the price per share and all other material terms and conditions of the transfer, including any available exemption set forth in Section 4 below from the restrictions set forth in Sections 2 and 3 below and shall include a confirmation from the Holder that the proposed transferee is an accredited investor as defined in Rule 501(a) of Regulation D promulgated under the Securities Act of 1933, as amended (the "Securities Act").

SECTION 2. CONSENT TO TRANSFER. Following receipt of the Transfer Notice, the prior written consent of the Corporation (upon duly authorized action of its Board of Directors) shall be required (and such consent may be withheld) if such transfer (a) would be to an individual, company or any other form of entity identified by the Corporation as a potential competitor; (b) increases the risk of the Corporation having a class of equity security (other than an exempted security) held of record by either (i) 2,000 or more persons, provided, however, that such restriction shall only apply after the Corporation has a class of equity security (other than an exempted security) held of record by more than 1,000 persons or (ii) 500 or more persons who are not accredited investors, as described in Section 12(g) of the Securities and Exchange Act of 1934 (the "1934 Act"), and Rule 12g5-1 promulgated thereunder, or otherwise requiring the Corporation to register any class of securities under the 1934 Act; (c) would result in the loss of any federal or state securities law exemption relied upon by the Corporation in connection with the initial issuance of such shares or the issuance of any other securities; (d) is facilitated in any manner by any public posting, message board, trading portal, internet site or similar method of communication, including without limitation any trading portal or internet site intended to facilitate secondary transfers of securities; (e) is to be effected in a brokered transaction; (f) represents a transfer of less than all of the shares then held by the stockholder and its affiliates or

is to be made to more than a single transferee or (g) is determined by the Corporation's Board of Directors to require such consent for any legitimate corporate purpose. The provisions of subsections (f) and (g) of this Section 2 shall not apply to any Transfer of Preferred Stock of the Corporation or the shares of Common Stock issued upon conversion thereof. The Corporation shall notify Holder within 30 days of receipt of the Transfer Notice indicating whether the proposed transfer requires such consent and if so, whether such consent has been provided (a "Transfer Approval") or withheld (a "Transfer Denial" and together with "Transfer Approval", the "Transfer Determination"). For purposes of clarity, a Holder shall not be entitled to transfer any shares if such proposed Transfer results in a Transfer Denial.

SECTION 3. RIGHT OF FIRST REFUSAL.

(a) Subject to the exceptions set forth in Section 3(e) below, for 30 days following a Transfer Determination that results in a Transfer Approval, the Corporation or its assigns shall have the option to purchase all or part of the Offered Shares at the price and upon the terms set forth in the Transfer Notice (the "Right of First Refusal"). In the event the Corporation or its assigns, as applicable, elects to purchase all or part of the Offered Shares, it shall give written notice of such election to the Holder within such 30 day period. Within 10 days after Holder's receipt of such notice, Holder shall tender to the Corporation at its principal offices the certificate or certificates representing the Offered Shares to be purchased by the Corporation, duly endorsed in blank by Holder or with duly endorsed stock powers attached thereto, all in a form suitable for transfer of the Offered Shares to the Corporation. Promptly following receipt of such certificate or certificates, the Corporation or its assigns, as applicable, shall deliver or mail to Holder a check in payment of the purchase price for such Offered Shares; provided that if the terms of payment set forth in the Transfer Notice were other than cash against delivery, the Corporation or its assigns, as applicable, may pay for the Offered Shares on the same terms and conditions as were set forth in the Transfer Notice.

(b) If the Corporation or its assigns, as applicable, does not elect to acquire any of the Offered Shares, Holder may, within the 30-day period following the expiration of the option granted to the Corporation under Section 3(a) above, transfer the Offered Shares that the Corporation has not elected to acquire to the proposed transferee, provided that such transfer shall not be on terms and conditions more favorable to the transferee than those contained in the Transfer Notice, such transfer shall be only to a prospective transferee that is an accredited investor as defined in Rule 501(a) of Regulation D promulgated under the Securities Act and such transfer shall comply with the Securities Act. Notwithstanding any of the above, all Offered Shares transferred pursuant to this Section 3 shall remain subject to these Bylaws and any equity grant agreement such Offered Shares were subject to and such transferee shall, as a condition to such transfer, deliver to the Corporation a written instrument confirming that such transferee shall be bound by all of the terms and conditions of these Bylaws and any applicable equity grant agreement.

(c) After the time at which the Offered Shares are required to be delivered to the Corporation for transfer to the Corporation pursuant to subsection 3(a) above, the Corporation shall not pay any dividend to Holder on account of such Offered Shares or permit Holder to exercise any of the privileges or rights of a stockholder with respect to such Offered Shares, but shall, insofar as permitted by law, treat the Corporation as the owner of such Offered Shares.

(d) The Corporation may assign its Right of First Refusal in any particular transaction under this Section 3 to one or more persons or entities.

(e) The provisions of this Section 3 shall not apply to any Transfer of Preferred Stock of the Corporation or the shares of Common Stock issued upon conversion thereof.

SECTION 4. EXCEPTIONS.

(a) The provisions of this Article VI may be waived with respect to any Transfer upon duly authorized action of its Board of Directors.

(b) The following transactions shall be exempt from the restrictions set forth in Article VI, Section 3:

(A) any Transfer to or for the benefit of (i) any spouse, children, parents, uncles, aunts, siblings or grandchildren of the Holder or any other relatives of the Holder that have been approved by the Board of Directors (collectively, "Approved Relatives"), (ii) a trust established solely for the benefit of the Holder and/or Approved Relatives or (iii) where the Holder is a trust, (x) a trust established solely for the benefit of one or more beneficiaries of the Holder trust and/or Approved Relatives of any such beneficiaries or (y) one or more beneficiaries of the Holder trust and/or Approved Relatives of any such beneficiaries;

(B) any transfer made as part of the sale of all or substantially all of the shares of capital stock of the Corporation (including pursuant to a merger or consolidation);

(C) any transfer pursuant to an effective registration statement filed by the Corporation under the Securities Act;

(D) a stockholder's bona fide pledge or mortgage of any Common Stock with a commercial lending institution;

(E) a corporate stockholder's transfer of any or all of its shares pursuant to and in accordance with the terms of any merger, consolidation, reclassification of common stock or capital reorganization of the corporate stockholder, or pursuant to a sale of all or substantially all of the stock or assets of a corporate stockholder;

(F) a corporate stockholder's transfer of any or all of its shares to any or all of its stockholders; and

(G) a transfer of any or all of the shares held by a stockholder which is a limited or general partnership to any or all of its partners.

(c) In the case of a transfer pursuant to Sections 4(b)(A) and (D)-(G) above, such shares shall remain subject to these Bylaws and any existing equity grant agreement and such transferee shall, as a condition to such transfer, deliver to the Corporation a written instrument confirming that such transferee shall be bound by all of the terms and conditions of these Bylaws and any applicable equity grant agreement and there shall be no further transfer of such shares except in accordance with these Bylaws.

SECTION 5. TERMINATION. The provisions of Article VI shall terminate upon the closing of the sale of shares of common stock in an underwritten public offering pursuant to an effective registration statement filed by the Corporation under the Securities Act.

SECTION 6. VOID TRANSFERS. The Corporation shall not be required (a) to transfer on its books any shares which shall have been sold or otherwise transferred in violation of any of the provisions of this Article VI or (b) to treat as owner of such shares or to accord the right to vote or pay dividends to any purchaser or other transferee to whom any such shares shall have been so sold or transferred.

SECTION 7. LEGENDS. The books and records of the Corporation and any certificates representing shares of stock of the Corporation shall contain or bear the following legend so long as the foregoing Transfer restrictions are in effect:

THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO (i) TRANSFER RESTRICTIONS AND (ii) A RIGHT OF FIRST REFUSAL OPTION IN FAVOR OF THE CORPORATION AND/OR ITS ASSIGNEE(S), EACH AS PROVIDED IN THE BYLAWS OF THE CORPORATION.

SECTION 8. CONFLICTS. To the extent the Corporation has entered into any written agreement with the stockholder attempting to Transfer shares that contains terms restricting such Transfer and grants the Corporation a right of first refusal with respect thereto ("Separate ROFR Terms"), then such Separate ROFR Terms shall supersede this Article VI and shall control such stockholder's proposed Transfer of shares.

ARTICLE VII.
INDEMNIFICATION

SECTION 1. RIGHT TO INDEMNIFICATION OF DIRECTORS AND OFFICERS. The Corporation shall indemnify and hold harmless, to the fullest extent permitted by applicable law as it presently exists or may hereafter be amended, any person (an "Indemnified Person") who was or is made or is threatened to be made a party or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "Proceeding"), by reason of the fact that such person, or a person for whom such person is the legal representative, is or was a director or officer of the Corporation or, while a director or officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, limited liability company, trust, enterprise or nonprofit entity, including service with respect to employee benefit plans, against all liability and loss suffered and expenses (including attorneys' fees) reasonably incurred by such Indemnified Person in such Proceeding. Notwithstanding the preceding sentence, except as otherwise provided in Section 3 of this Article VII, the Corporation shall be required to indemnify an Indemnified Person in connection with a Proceeding (or part thereof) commenced by such Indemnified Person only if the commencement of such Proceeding (or part thereof) by the Indemnified Person was authorized in advance by the Board of Directors.

SECTION 2. PREPAYMENT OF EXPENSES OF DIRECTORS AND OFFICERS. The Corporation shall pay the expenses (including attorneys' fees) incurred by an Indemnified Person

in defending any Proceeding in advance of its final disposition, provided, however, that, to the extent required by law, such payment of expenses in advance of the final disposition of the Proceeding shall be made only upon receipt of an undertaking by the Indemnified Person to repay all amounts advanced if it should be ultimately determined that the Indemnified Person is not entitled to be indemnified under this Article VII or otherwise.

SECTION 3. CLAIMS BY DIRECTORS AND OFFICERS. If a claim for indemnification or advancement of expenses under this Article VII is not paid in full within 30 days after a written claim therefor by the Indemnified Person has been received by the Corporation, the Indemnified Person may file suit to recover the unpaid amount of such claim and, if successful in whole or in part, shall be entitled to be paid the expense of prosecuting such claim. In any such action the Corporation shall have the burden of proving that the Indemnified Person is not entitled to the requested indemnification or advancement of expenses under applicable law.

SECTION 4. INDEMNIFICATION OF EMPLOYEES AND AGENTS. The Corporation may indemnify and advance expenses to any person who was or is made or is threatened to be made or is otherwise involved in any Proceeding by reason of the fact that such person, or a person for whom such person is the legal representative, is or was an employee or agent of the Corporation or, while an employee or agent of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, limited liability company, trust, enterprise or nonprofit entity, including service with respect to employee benefit plans, against all liability and loss suffered and expenses (including attorneys' fees) reasonably incurred by such person in connection with such Proceeding. The ultimate determination of entitlement to indemnification of persons who are non-director or officer employees or agents shall be made in such manner as is determined by the Board of Directors in its sole discretion. Notwithstanding the foregoing sentence, the Corporation shall not be required to indemnify a person in connection with a Proceeding initiated by such person if the Proceeding was not authorized in advance by the Board of Directors.

SECTION 5. ADVANCEMENT OF EXPENSES OF EMPLOYEES AND AGENTS. The Corporation may pay the expenses (including attorneys' fees) incurred by an employee or agent in defending any Proceeding in advance of its final disposition on such terms and conditions as may be determined by the Board of Directors.

SECTION 6. NON-EXCLUSIVITY OF RIGHTS. The rights conferred on any person by this Article VII shall not be exclusive of any other rights which such person may have or hereafter acquire under any statute, provision of the Certificate of Incorporation, these bylaws, agreement, vote of stockholders or disinterested directors or otherwise.

SECTION 7. OTHER INDEMNIFICATION. The Corporation's obligation, if any, to indemnify any person who was or is serving at its request as a director, officer or employee of another corporation, partnership, limited liability company, joint venture, trust, organization or other enterprise shall be reduced by any amount such person may collect as indemnification from such other corporation, partnership, limited liability company, joint venture, trust, organization or other enterprise.

SECTION 8. INSURANCE. The Board of Directors may, to the full extent permitted by applicable law as it presently exists, or may hereafter be amended from time to time, authorize an appropriate officer or officers to purchase and maintain at the Corporation's expense insurance: (a) to indemnify the Corporation for any obligation which it incurs as a result of the indemnification of directors, officers and employees under the provisions of this Article VII; and (b) to indemnify or insure directors, officers and employees against liability in instances in which they may not otherwise be indemnified by the Corporation under the provisions of this Article VII.

SECTION 9. AMENDMENT OR REPEAL. Any repeal or modification of the foregoing provisions of this Article VII shall not adversely affect any right or protection hereunder of any person in respect of any act or omission occurring prior to the time of such repeal or modification. The rights provided hereunder shall inure to the benefit of any Indemnified Person and such person's heirs, executors and administrators.

ARTICLE VIII.
DIVIDENDS

SECTION 1. DECLARATIONS OF DIVIDENDS. Dividends upon the capital stock of the Corporation, subject to the provisions of the Certificate of Incorporation, if any, may be declared by the Board of Directors at any regular or special meeting, pursuant to law. Dividends may be paid in cash, in property, or in shares of the capital stock, subject to the provisions of the Certificate of Incorporation.

SECTION 2. SPECIAL PURPOSES RESERVES. The Board of Directors may set apart out of any of the funds of the Corporation available for dividends a reserve or reserves for any proper purpose and may abolish any such reserve.

ARTICLE IX.
NOTICE BY ELECTRONIC TRANSMISSION

SECTION 1. NOTICE BY ELECTRONIC TRANSMISSION. Without limiting the manner by which notice otherwise may be given effectively to stockholders pursuant to the Delaware General Corporation Law, the Certificate of Incorporation or these Bylaws, any notice to stockholders given by the Corporation under any provision of the Delaware General Corporation Law, the Certificate of Incorporation or these Bylaws shall be effective if given by a form of electronic transmission consented to by the stockholder to whom the notice is given. Any such consent shall be revocable by the stockholder by written notice to the Corporation. Any such consent shall be deemed revoked if:

(a) the Corporation is unable to deliver by electronic transmission two consecutive notices given by the Corporation in accordance with such consent; and

(b) such inability becomes known to the secretary or an assistant secretary of the Corporation or to the transfer agent, or other person responsible for the giving of notice.

However, the inadvertent failure to treat such inability as a revocation shall not invalidate any meeting or other action.

Any notice given pursuant to the preceding paragraph shall be deemed given:

(c) if by facsimile telecommunication, when directed to a number at which the stockholder has consented to receive notice;

(d) if by electronic mail, when directed to an electronic mail address at which the stockholder has consented to receive notice;

(e) if by a posting on an electronic network together with separate notice to the stockholder of such specific posting, upon the later of (A) such posting and (B) the giving of such separate notice; and

(f) if by any other form of electronic transmission, when directed to the stockholder.

An affidavit of the secretary or an assistant secretary or of the transfer agent or other agent of the Corporation that the notice has been given by a form of electronic transmission shall, in the absence of fraud, be *prima facie* evidence of the facts stated therein.

SECTION 2. DEFINITION OF ELECTRONIC TRANSMISSION. An "electronic transmission" means any form of communication, not directly involving the physical transmission of paper, that creates a record that may be retained, retrieved, and reviewed by a recipient thereof, and that may be directly reproduced in paper form by such a recipient through an automated process.

SECTION 3. INAPPLICABILITY. Notice by a form of electronic transmission shall not apply to Sections 164, 296, 311, 312 or 324 of the Delaware General Corporation Law.

ARTICLE X.
GENERAL PROVISIONS

SECTION 1. FISCAL YEAR. The fiscal year of the Corporation shall be fixed by resolution of the Board of Directors.

SECTION 2. SEAL. The corporate seal shall have inscribed thereon the name of the Corporation, the year of its organization and the words "Corporate Seal, Delaware" or such other form as shall be approved by the Board of Directors. Said seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

SECTION 3. WRITTEN WAIVER OF NOTICE. A written waiver of any notice required to be given by law, the Certificate of Incorporation or by these Bylaws, signed by or electronically transmitted by the person entitled to notice, whether before, at or after the time of the event for which notice is to be given, shall be deemed equivalent to notice required to be given to such person. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of stockholders, directors or members of a committee of directors need be specified in any written waiver of notice.

SECTION 4. ATTENDANCE AS WAIVER OF NOTICE. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting at the beginning of the meeting, and objects, to the transaction of any business because the meeting is not lawfully called or convened.

SECTION 5. WAIVER OF SECTION 1501.

To the fullest extent provided by the law, the Corporation shall not be required to cause annual reports to be delivered to its stockholders under Section 1501 of the California General Corporation Law.

SECTION 6. CONTRACTS. The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

SECTION 7. LOANS. No loans shall be contracted on behalf of the Corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

SECTION 8. CHECKS, DRAFTS, ETC. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation shall be signed by one or more officers or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors.

SECTION 9. DEPOSITS. The funds of the Corporation may be deposited or invested in such bank account, in such investments or with such other depositaries as determined by the Board of Directors.

SECTION 10. ANNUAL STATEMENT. The Board of Directors shall present at each annual meeting, and at any special meeting of the stockholders when called for by vote of the stockholders, a full and clear statement of the business and condition of the Corporation.

SECTION 11. VOTING OF SECURITIES. Except as the Board of Directors may otherwise designate, the Chief Executive Officer, the President or the Treasurer may waive notice of, vote, or appoint any person or persons to vote, on behalf of the Corporation at, and act as, or appoint any person or persons to act as, proxy or attorney-in-fact for this Corporation (with or without power of substitution) at, any meeting of stockholders or securityholders of any other entity, the securities of which may be held by this Corporation.

SECTION 12. EVIDENCE OF AUTHORITY. A certificate by the Secretary, or an Assistant Secretary, or a temporary Secretary, as to any action taken by the stockholders, directors, a committee or any officer or representative of the Corporation shall as to all persons who rely on the certificate in good faith be conclusive evidence of such action.

SECTION 13. CERTIFICATE OF INCORPORATION. All references in these Bylaws to the Certificate of Incorporation shall be deemed to refer to the Certificate of Incorporation of the Corporation, as amended and in effect from time to time.

SECTION 14. SEVERABILITY. Any determination that any provision of these Bylaws is for any reason inapplicable, illegal or ineffective shall not affect or invalidate any other provision of these Bylaws.

SECTION 15. PRONOUNS. All pronouns used in these Bylaws shall be deemed to refer to the masculine, feminine or neuter, singular or plural, as the identity of the person or persons may require.

ARTICLE XI.
AMENDMENTS

SECTION 1. BY THE BOARD OF DIRECTORS. These Bylaws may be altered, amended or repealed, in whole or in part, or new Bylaws may be adopted by the Board of Directors, when such power is conferred upon the Board of Directors by the Certificate of Incorporation.

SECTION 2. BY THE STOCKHOLDERS. These Bylaws may be altered, amended or repealed, in whole or in part, or new Bylaws may be adopted, by the affirmative vote of the holders of a majority of the shares of the capital stock of the Corporation issued and outstanding and entitled to vote at any annual meeting of stockholders, or at any special meeting of stockholders, provided notice of such alteration, amendment, repeal or adoption of new Bylaws shall have been stated in the notice of such special meeting. If the power to adopt, amend or repeal Bylaws is conferred upon the Board of Directors by the Certificate of Incorporation it shall not divest or limit the power of the stockholders to adopt, amend or repeal Bylaws.

ALIGOS THERAPEUTICS / EMORY UNIVERSITY
LICENSE AGREEMENT OF JUNE 26, 2018

Table of Contents:

Preamble
Article 1 Definition of Terms
Article 2 Grant
Article 3 Financial Considerations
Article 4 Diligence
Article 5 Reports and Records
Article 6 Ownership of Inventions and Patent Prosecution
Article 7 Duration and Termination
Article 8 Confidentiality and Publication
Article 9 Arbitration and Governing Law
Article 10 Indemnification and Insurance
Article 11 Representations and Warranties
Article 12 Payments and Notices
Article 13 Assignment
Article 14 Non-Use of Names
Article 15 Export Control
Article 16 Marking
Article 17 Severability
Article 18 Anti-Kickback and Stark Law
Article 19 Headers
Article 20 Benefit and Waiver
Article 21 Entire Agreement
Article 22 Force Majeure
Article 23 Counterparts

ALIGOS THERAPEUTICS / EMORY UNIVERSITY
LICENSE AGREEMENT of JUNE 26, 2018

This License Agreement (the "Agreement") is entered into and made effective as of June 26, 2018, (the "Effective Date") by and between Emory University ("Emory"), a Georgia nonprofit corporation with offices at 1599 Clifton Road NE, 4th Floor, Atlanta, Georgia 30322, and Aligos Therapeutics, Inc. ("Aligos"), a Delaware corporation having its principal offices at 1 Corporate Drive, 2nd Floor, South San Francisco, California 94080.

W I T N E S S E T H

WHEREAS, Emory owns and may acquire certain proprietary know-how, patent applications and/or patents pertaining to hepatitis B virus ("HBV") capsid assembly modulator compounds developed by Raymond F. Schinazi, Sebastien Boucle, Franck Amblard, Ozkan Sari and Leda Bassit (the "Inventors") having Emory Tech ID 16089;

WHEREAS, Aligos wishes to contribute to the further research and development of the Licensed Rights (defined below) through the research project to be described in the Development Plan (defined below) and to obtain an exclusive license to the Licensed Rights; and

WHEREAS, Emory is willing to grant such a license to Aligos, in consideration of Aligos's satisfaction of its obligations hereunder, and for other good and valuable consideration as set forth herein below.

NOW, THEREFORE, in consideration of the premises set forth above and the mutual covenants set forth below, the parties hereto agree as follows:

Article 1
DEFINITION OF TERMS

1.1 "Affiliate" shall mean any affiliate that Aligos authorizes to practice under the Licensed Rights; "affiliate" shall mean any legal entity that directly or indirectly owns or controls, is owned or controlled by, or is under common ownership or control with Aligos. With respect to an entity, the terms "ownership" and "control" shall mean (a) possession, or the right to possession, of at least 50% of the equity; (b) the power to direct the management and policies; (c) the power to appoint or remove a majority of the board of directors; and/or (d) the right to receive 50% or more of the profits or earnings. The term "entity" includes without limitation any corporation or other organization.

1.2 "Commercially Reasonable Efforts" shall mean [****]

1.3 "Confidential Information" shall mean any information exchanged between Emory and

Aligos, its Affiliates or affiliates and Sublicensees, either orally or in writing or other tangible medium, regarding the Licensed Rights or this Agreement and/or the performance of either party hereunder other than that which:

i. is already in the recipient party's possession at the time of disclosure as evidenced by the recipient party's contemporaneous written records;

ii. is or later becomes part of the public domain through no fault of the recipient party;

iii. is received from a third party having no obligations of confidentiality to the disclosing party;

iv. is independently developed by the recipient party without the use of or reliance upon Confidential Information as evidenced by the recipient party's contemporaneous written records; or

v. is required by law, administrative or judicial order to be disclosed.

In the event that information is required to be disclosed pursuant to subsection (v), the party required to make disclosure shall notify the other to allow that party to assert whatever exclusions or exemptions may be available to it under such law or administrative or judicial regulation. The disclosing party shall endeavor in good faith to mark tangible Confidential Information as "Confidential" and to confirm orally disclosed Confidential Information as "Confidential" in writing, given the understanding that failure to mark orally disclosed Confidential Information as "Confidential" in writing does not constitute a designation of non-confidentiality, particularly when the confidential nature is apparent from context and subject matter.

1.4 "Control" shall mean, with respect to any item of intellectual property, the ability of a party to grant access to, or a license or sublicense of, such item without violating the terms of any agreement or other arrangement with any third party.

1.5 "Development Plan" shall have the meaning ascribed to it in Section 4.1 hereof.

1.6 "Enabled Compound" shall mean any compound other than a Licensed Compound that would be encompassed by a Valid Claim of the Licensed Patents.

1.7 "Field" shall mean all therapeutic and prophylactic uses for any compound.

1.8 "Final Regulatory Approval" shall mean obtaining the last required approval, license, registration, permit, notification or authorization (or waiver) of any regulatory authority that is necessary for the commercialization of a product in a country or jurisdiction, including any required pricing or reimbursement approval required in such country or jurisdiction.

1.9 "Functional Cure" shall mean, with respect to HBV, the sustained loss of HBsAg and induction of anti-HBsAg, normalization of liver tests (eg ALT, AST) and loss of serum/plasma HBV DNA, all at six months after cessation of therapy, or, alternatively the accepted definition by the FDA at the time of product approval. For each other indication other than HBV for which

a Combination Product may be used, the parties will in good faith discuss and mutually agree upon a reasonable definition of "Functional Cure" for purposes of this Agreement.

1.10 "Initiation of Phase I Clinical Trial" shall mean first administration of Licensed Product to a patient enrolled in the first human clinical trial for such Licensed Product for a certain disease(s), as applicable, the principal purpose of which is preliminary determination of safety in healthy individuals or patients as required in 21 C.F.R. §312.21(a).

1.11 "Initiation of Phase II Clinical Trial" shall mean first administration of Licensed Product to a patient enrolled in the first human clinical trial for such Licensed Product for a certain disease(s), as applicable, the principal purpose of which is preliminary evaluation of clinical efficacy and safety, and/or to obtain an indication of the dosage regimen required.

1.12 "Initiation of Phase III Clinical Trial" shall mean first administration of Licensed Product to a patient enrolled in the first human clinical trial for such Licensed Product for a certain disease(s), as applicable, the principal purpose of which is to establish safety and efficacy in patients with the disease being studied.

1.13 "Invention" shall mean any process, method, composition of matter, article of manufacture, discovery or finding that is conceived and/or reduced to practice during the Term of this Agreement.

1.14 "Net Sales" shall mean the gross invoice price (not including value added taxes, sales taxes, or similar taxes) of Licensed Product sold by Aligos or its Affiliates or Sublicensees to the first third party after deducting, if not previously deducted, from the amount invoiced or received:

- customary trade, cash, and quantity discounts actually allowed and taken other than early payment cash discounts;
- credits actually given for: rejected or returned products, rebates granted to customers including managed health care or governmental organizations, chargebacks;
- retroactive price reductions that are actually allowed or granted;
- deductions actually incurred for: Health Care Reform fees and similar deductions to gross invoice price of Licensed Product imposed by regulatory authorities or other governmental entities;
- sales commissions paid to third party distributors and/or selling agents;
- an amount to cover bad debt actually incurred, early payment cash discounts, transportation and insurance and custom duties, if actually paid; and
- the standard inventory cost of devices or delivery systems used for dispensing or administering Licensed Product.

For the purpose of this Agreement, "Active Ingredient" shall mean any therapeutically or prophylactically active ingredient or product. With respect to sales of Combination Products, Net Sales shall be calculated by multiplying the total Net Sales of such Combination Product by the fraction A/A+B where A is the actual sale price of the Licensed Product in the same dosage amount in the applicable country if sold separately and B is the sum of the actual sale prices of all other Active Ingredients in the Combination Product in the applicable country if sold separately during the applicable quarter. For purposes of the calculation of B, the sale prices of other Active Ingredients would not be factored in if the other Active Ingredients are molecules that are available generically or do not contribute to the Functional Cure rate. If A or B cannot be determined because values for the Licensed Product or Active Ingredient(s) sold alone are not available in an applicable country, or are in good faith reasonably disputed by a party hereto then Aligos and Emory shall agree upon an appropriate allocation for the fair market value of the Licensed Product and other Active Ingredients in the Combination Product to determine Net Sales for such Combination Product. In the event the parties are unable to agree on an appropriate allocation for such fair market value, the issue may be adjudicated through binding arbitration pursuant to Article 9 hereof.

1.15 "Combination Product" shall mean either a single pharmaceutical formulation containing as its Active Ingredients both a Licensed Compound or an Enabled Compound and one or more other Active Ingredients, or a combination therapy comprised of a Licensed Product and one or more therapeutically or prophylactically active products priced and sold in a single package containing such multiple products. All references to Licensed Product in this Agreement shall be deemed to include Combination Product.

1.16 "Licensed Compound" means those specific compounds which are set forth in Appendix C attached hereto. As set forth in Section 2.5, Appendix C may be updated from time to time to include additional compounds that are Enabled Compounds as of the Effective Date of this Agreement.

1.17 "Licensed Know-how" shall mean the know-how set forth on Exhibit 1.17 hereto.

1.18 "Licensed Patents" shall mean the patent application listed in Appendix A and all U.S. patent applications making a proper claim of priority to the foregoing, including divisionals and equivalent continuations (but excluding continuations-in-part), as well as foreign equivalents of same, and all patents issuing therefrom and extensions of same, including reissues and re-examinations.

1.19 "Licensed Product" shall mean any product in the Field containing a Licensed Compound or an Enabled Compound, wherein the making, use, sale, offer to sell, or import of which in the relevant country or countries infringes or would infringe one or more Valid Claims, but for the Licensed Rights granted herein. For the purposes of clarity, any product sold by Aligos that infringes a Valid Claim of the Licensed Patents shall be a Licensed Product.

1.20 "Licensed Rights" shall mean collectively the Licensed Patents and Licensed Know-how.

1.21 “Patenting Costs” shall mean any past or ongoing costs incurred or to be incurred by Emory, including government fees and attorneys’ fees, in the course of preparing, filing, prosecuting, issuing and maintaining any of the Licensed Patents, including continuations, extensions, re-examinations, reissues and appeals.

1.22 “Sublicensee” shall mean any non-affiliated third party to whom Aligos has granted a Sublicense.

1.23 “Sublicense” shall mean an agreement in which Aligos (i) grants or otherwise transfers to a Sublicensee any of the rights to Licensed Patents granted by Emory to Aligos hereunder, or (ii) agrees not to assert such rights or to sue, prevent or seek a legal remedy for the practice of same.

1.24 “Sublicensing Revenue” shall mean the fair market cash value of license issue fees and other upfront licensing fees received by Aligos from Sublicensees under or otherwise in connection with its Sublicenses. In the event that Aligos received equity or other non-cash consideration as part of an upfront payment, the percentage of non-cash payments shall be calculated as a percentage of the then current fair market value of such equity or other non-cash consideration. For clarity, the purchase by a Sublicensee of shares of Aligos as specified in a sublicense agreement shall be considered a non-cash payment to Aligos.

1.25 “Territory” shall mean the entire world.

1.26 “Valid Claim” shall mean (a) a claim of any issued, unexpired Licensed Patent that has not been withdrawn, canceled, or disclaimed, and has not been held unenforceable or invalid by a court of competent jurisdiction in the relevant country in an unappealable or unappealed decision, or has not been held unpatentable in any post-issuance administrative proceeding, for which no appeal has been sought, *e.g.*, inter-parties review (IPR), post-grant review (PGR) reexamination, deriviation, interference and opposition; or (b) a pending claim of a Licensed Patent that (i) has been asserted and continues to be prosecuted in good faith, (ii) has not been abandoned or finally rejected without the possibiliy of appeal or refiling, and (iii) has not been pending for more than [****] from the filing date of the first non-provisional patent application containing the supporting disclosure for such claim. For clarity, in the event that a claim of the Licensed Patent issues more than [****] from the filing date of the first non-provisional patent application, that claim shall be considered a Valid Claim under 1.26(a). Aligos shall pay to Emory any royalties calculated on Net Sales that are attributable at least in part to such claim and that would have been paid to Emory but for the [****] pendency of the claim within [****] of such issuance, if not already paid.

Article 2
GRANT

2.1 Grant of Licenses

(a) In consideration of Aligos's covenants and obligations hereunder, Emory hereby grants to Aligos an exclusive license in the Field and in the Territory under the Licensed Patents to make, have made, develop, use, offer to sell, sell, import and export Licensed Products containing Licensed Compound(s).

(b) In consideration of Aligos's covenants and obligations hereunder, Emory hereby grants to Aligos a license in the Field and in the Territory under the Licensed Patents to make, have made, develop, use, offer to sell, sell, import and export Licensed Products containing Enabled Compound(s). With respect to Licensed Products containing Enabled Compound(s) (x) jointly invented by (i) Aligos and (ii) Emory, Raymond F. Schinazi, and/or inventors in Raymond F. Schinazi's laboratory, or (y) disclosed in the Licensed Patent as published on September 14, 2017, but not included in Appendix C, this license set forth in this Section 2.1(b) shall be exclusive, even as to Emory. With respect to Licensed Products containing all other Enabled Compound(s), this license set forth in this Section 2.1(b) shall be non-exclusive.

(c) In consideration of Aligos's covenants and obligations hereunder, Emory hereby grants to Aligos a non-exclusive license in the Territory under the Licensed Know-how for the manufacture, use, development, testing, marketing, export, import, offer for sale or sale of any Licensed Product.

2.2 Affiliate Rights

The rights licensed to Aligos hereunder, except for the right to sublicense granted in the following paragraph, shall be extended to Affiliates designated in writing by Aligos, provided that each such Affiliate first agrees in writing to be bound by the terms and conditions of this Agreement. Aligos shall deliver to Emory a copy of said writing within [****] of its execution. Aligos agrees to be fully responsible for the performance of such Affiliates hereunder, including acts and omissions of same.

2.3 Right to Sublicense

Aligos shall have the right to grant Sublicenses with respect to the Licensed Rights granted to it by Emory under this Agreement, provided that (a) the execution of any such Sublicense shall not in any way diminish, reduce or eliminate any of Aligos's obligations under this Agreement, and Aligos shall remain primarily liable for such obligations and any breach of any provision of this Agreement or any Sublicense by any Affiliate or Sublicensee of Aligos; (b) Aligos shall provide prior notification to Emory regarding any proposed Sublicense and shall reasonably consider any input Emory may have with respect to such Sublicense; (c) Aligos shall provide a copy of each executed Sublicense to Emory within [****] following the execution date thereof (with each such copy to be considered to be Confidential Information of Aligos under this Agreement); and (d) Aligos shall require each Sublicensee to abide by those obligations of this Agreement relevant to such Sublicensee.

(a) Aligos shall include in any Sublicense granted pursuant to this Agreement, a provision that grants Emory the right to audit the Sublicensee to the same extent that Emory has the right to audit Aligos pursuant to this Agreement.

2.4 Government Rights

Notwithstanding anything herein to the contrary, any and all licenses and other rights granted hereunder are limited by and subject to the rights and requirements of the United States Government which may attach as a result of Government sponsorship of research at Emory in which one or more invention covered by the Licensed Patents was conceived or first actually reduced to practice, as set forth in 35 U.S.C. §§200-206, 37 C.F.R. Part 401 and in the relevant Government research contracts with Emory, and as such rights and requirements may be amended or modified by law, rule or regulation. To the extent applicable, such rights and requirements include without limitation (i) the grant of a nonexclusive, nontransferable, irrevocable, paid-up license to practice or have practiced for or on behalf of the Government any of the Licensed Patents throughout the world (as set forth in 35 U.S.C. §202(c)(4)), and (ii) the requirement that Licensed Products used or sold in the United States will be manufactured substantially in the United States (as set forth in 35 U.S.C. §204).

2.5 Reservation by Emory

Notwithstanding anything herein to the contrary, the above grant is subject to a reservation of rights by Emory for itself to practice, and have practiced by other entities solely for purposes of collaborative research with Emory, under the Licensed Patents for educational purposes, non-commercial research, patient care and treatment, and internal purposes. The Parties acknowledge the mutual interest in signing a separate collaboration agreement determining how Raymond F. Schinazi and his laboratory, and Aligos will work together in the development of HBV therapy. Prior to the signing of such agreement, or in the event that such agreement is not made, in any instance in which Emory (through Dr. Raymond F. Schinazi or his laboratory) alone (without the active participation of Aligos) generates data related to a compound covered by the Licensed Patents that indicates such compound may have utility with respect to the treatment of HBV, and solely to the extent such compound is not an Enabled Compound invented solely by Aligos or its Affiliates or Sublicensees, or co-invented with Emory, Emory shall promptly notify Aligos in writing and Appendix C to this Agreement shall be updated by the Parties in writing to add such additional compound(s) as a "Licensed Compound" within [****] of receipt of the data by Aligos. Emory excludes from the license granted herein the right of Aligos, its Affiliates or Sublicensees to bring an infringement action against, seek monetary damages from, or seek an injunction against, any inventor or their present or future not-for-profit employers even after such employment has ended, for infringement of any of the Licensed Rights in carrying out not-for-profit research. Nothing herein shall be construed to require Emory to bring any such action against any such party. Such reservation shall further include the right to grant licenses under the Licensed Patents, to not-for-profit and governmental institutions for their internal non-commercial research and scholarly use only, in accordance with the NIH Guidelines for Obtaining and Disseminating Biomedical Research Resources (as published in the U.S. Federal Register / vol 64, No. 246 – 12/23/99).

2.6 Transfer of Licensed Know-how

Upon the Effective Date or within [****] thereafter, Emory shall transfer or transmit all Licensed Know-how to Aligos.

Article 3
FINANCIAL CONSIDERATIONS

3.1 Issue Fee

As partial consideration for the license grants hereunder, Aligos shall pay to Emory a non-refundable, non-creditable license issue fee of Two Hundred and Ninety Thousand Dollars (US $290,000) (”Issue Fee”). In addition, within [****] after the Effective Date, Aligos shall deliver to Emory, upon the execution of this Agreement, a convertible promissory note (the “Note”) payable to Emory in the principal amount of Six Hundred Thousand Dollars (US $600,000), a copy of the form of which and associated Note Agreement are attached hereto as Appendix B.

3.2 Running Royalties

With respect to Licensed Products containing a Licensed Compound, Aligos shall pay [****] to Emory running royalties, calculated on a Licensed Product-by-Licensed Product basis as follows:

Percentage of Net Sales	Cumulative Annual Net Sales
[****]%	[****]
[****]%	[****]
[****]%	[****]

With respect to Licensed Products containing an Enabled Compound for which a Phase I Clinical Trial was initiated within [****] following the Effective Date, Aligos shall pay [****] to Emory running royalties, calculated on a Licensed Product-by-Licensed Product basis as follows:

Percentage of Net Sales	Cumulative Annual Net Sales
[****]%	[****]
[****]%	[****]
[****]%	[****]

With respect to Licensed Products containing an Enabled Compound for which a Phase I Clinical Trial was initiated more than [****] following the Effectve Date, Aligos shall pay [****] to Emory running royalties, calculated on a Licensed Product-by-Licensed Product basis as follows:

Percentage of Net Sales	Cumulative Annual Net Sales
[****]%	[****]
[****]%	[****]
[****]%	[****]

Royalties on each Licensed Product shall continue on a country-by-country basis until the expiration of the later of (i) the last-to-expire Valid Claim claiming such Licensed Product, or (ii) a period of ten (10) years from the date of the first commercial sale of such Licensed Product in such country. No multiple running royalties shall be payable because the Licensed Product, or the manufacture or use thereof, are or shall be covered by more than one Licensed Patent, or by both Licensed Patents and Licensed Know-how.

3.3 Performance Milestone Payments

Aligos shall pay to Emory the following performance milestone amounts within [****]of the first achievement of each milestone listed below, whether triggered by actions of Aligos or an Affiliate or a Sublicensee.

Milestone	**Milestone Payment**
[****]	[****] -or- [****] --or-- [****]
[****]	[****]
[****]	[****]
[****]	[****]
[****]	[****]
[****]	[****]
[****]	[****]
[****]	[****]
[****]	[****]

Aligos shall be obligated to make no more than one payment to Emory for any one milestone, even if a milestone is achieved more than one time or in more than one jurisdiction.

3.4 Sublicensing Payments

Aligos shall pay to Emory the following percentage of Sublicensing Revenues arising solely from any Sublicense that involves the assignment of Aligos's rights to commercially exploit the Licensed Rights:

a. [****] ([****]%) of Sublicensing Revenues attributable at least in part to Valid Claims of Licensed Patents if the applicable Sublicense is granted at or before [****]; or

b. [****] ([****]%)] of Sublicensing Revenues attributable at least in part to Valid Claims of Licensed Patents if the applicable Sublicense is granted after [****]; or

c. [****] ([****]%) of Sublicensing Revenues attributable at least in part to Valid Claims of Licensed Patents if the applicable Sublicense is granted at or after [****] of the Effective Date of this Agreement.

For clarity, the foregoing amounts shall not be payable in connection with an acquisition of Aligos by a third party. Aligos shall pay a running royalty on Net Sales of Licensed Products by Sublicensees under the Running Royalties Section 3.2 above, and not under this Section 3.4. Emory and Aligos acknowledge that in addition to Licensed Patents, Sublicenses may include grants of rights to other intellectual property owned or controlled by Aligos, and the Parties shall agree upon, in good faith, a mutually acceptable apportionment and attribution of consideration between Licensed Patents and such other Aligos intellectual property before the execution of any Sublicense.

Article 4
DILIGENCE

4.1 Diligence Milestones

Aligos shall use Commercially Reasonable Efforts to bring Licensed Products to market in accordance with a mutually agreed Development Plan to be agreed upon by the parties in writing within [****] following the Effective Date of this Agreement. In partial satisfaction of its diligence obligations, Aligos shall use Commercially Reasonable Efforts to achieve the commercial goals ("Milestones") set forth in the Development Plan by the dates set forth therein (the "Milestone Dates").

4.2 Partial Reversion of Certain Licensed Compounds

By the fourth (4th) anniversary of the Effective Date, Aligos shall have selected in a written communication to Emory a maximum of three of the Licensed Compounds[****], on which Aligos intends to focus its continuing development and potential commercialization efforts. On such date, the license grant in Section 2.1(a) hereof thereafter shall be narrowed only with respect to the not-selected Licensed Compounds such that the exclusive Aligos Field of use for Licensed Product(s) containing those not-selected Licensed Compounds Aligos shall be only the treatment or prevention of HBV. For clarity, this means that, thereafter, for those Licensed Compounds not selected by Aligos, Emory shall be free to itself or with or through a license to any third party develop and commercialize such not-selected Licensed Compounds for any use other than the treatment or prevention of HBV.

4.3 Diligence Reporting

Throughout the course of commercial development of Licensed Products by Aligos, its Affiliates and Sublicensees, Aligos shall provide Emory with reasonably detailed confidential periodic summary reports evidencing its efforts in, progress made, and future plans for, its development and commercialization of Licensed Products, on a Licensed Product-by-Licensed Product basis, with such reports to be provided no less frequently than [****] after the Effective Date. In addition, Aligos shall provide to Emory commercially reasonable evidence of Aligos having achieved each Milestone within [****] after the corresponding Milestone Date, each as set forth in the Development Plan. The Development Plan will initiate as of the date of transfer of Know-how under Section 2.6 of this Agreement. Should Aligos materially fail to achieve a Milestone by the relevant Milestone Date, Aligos shall, [****] after the Milestone Date, provide Emory with evidence that Aligos used Commercially Reasonable Efforts to achieve such Milestone, and of the existence of a reasonable, good-faith business or technical justification for such failure. Provided that Aligos has made such a showing, Emory and Aligos shall then negotiate in good faith to reasonably adjust the Milestone or Milestone Date to take into consideration the reason for such failure. Should Aligos and Emory be unable to reach agreement on such an adjustment, or agreement regarding whether any such adjustment is warranted, Aligos and Emory hereby agree to submit the matter to binding arbitration in accordance with the arbitration provisions set forth in Article 9 hereof, and the arbitrators shall determine (i) whether an adjustment of the Milestone or Milestone Date is warranted (which shall be determined in the affirmative if the arbitrators find that the reasons asserted by Aligos have been made in good faith, the evidence provided by Aligos is reasonable, and the reasons asserted reasonably justify the delay) based upon Aligos' efforts as of the relevant Milestone Date and, if adjustment is warranted, (ii) what the adjusted Milestone or Milestone Date should be. An individual milestone can not be adjusted by arbitration more than one time. However, Aligos's failure to achieve any Milestone by the Milestone Date for same, followed by Aligos's failure to timely provide commercially reasonable evidence of the existence of a reasonable, good-faith business or technical justification for such failure, or followed by an arbitrator's finding that an adjustment of the Milestone Dates is not warranted, shall constitute a material breach of this Agreement; and upon such occurrences Emory shall have the right, but not the obligation, to terminate this Agreement in accordance with the termination provisions set forth below.

Emory agrees that a Sublicensee's performance of its diligence obligations regarding a Licensed Product as set forth in the sublicense agreement shall be deemed to be performance by Aligos of

its diligence obligations for such Licensed Product under this Agreement. Aligos further agrees to attach copies of pertinent portions of this Agreement, as jointly redacted by Aligos and Emory, to executed sublicense agreements and to provide a report on a Sublicensee's performance as part of its reporting obligations under this Agreement.

Article 5
REPORTS AND RECORDS

5.1 Record Accounting

5.1.1 Aligos shall keep complete and accurate books of account containing all particulars that may be necessary for the purpose of showing the amounts payable to Emory by Aligos hereunder, and for otherwise verifying Aligos's performance hereunder. Such books of account shall be kept [****], and shall be maintained for at least [****] following the end of the reporting period to which they pertain. For the purpose of verifying Aligos's royalty statement or compliance in other respects with this Agreement, Emory shall have the right to conduct an on-site audit of Aligos's business activities relating to this Agreement, either by Emory's internal auditing personnel, and/or an independent certified public accountant retained by Emory and/or employed by Emory. Such examinations shall be made during reasonable business hours, and not more than [****]. Aligos shall also provide Emory with a comparable right of audit of each Affiliate and Sublicensee. Should any of the foregoing examinations reveal an underpayment, then Aligos shall immediately pay to Emory the underpaid amount, plus interest (as provided for herein below). Furthermore, if such underpayment exceeds [****] ([****]%) of the amount paid by Aligos, then [****].

5.2 Product Reports

Within [****] of the end of each [****] following the date of the first commercial sale of a Licensed Product, Aligos shall deliver to Emory complete and accurate reports, giving such particulars of the business conducted by Aligos and its Affiliates and Sublicensees during the preceding [****] period under this Agreement as shall be pertinent to a royalty accounting hereunder. These reports shall include at least the following, on a Licensed Product-by-Licensed Product basis:

A. The numbers of each Licensed Product sold by Aligos and each Affiliate and Sublicensee, broken down by territory;

B. Total receipts, and an accounting of other consideration provided in the definition of Net Sales, for each Licensed Product sold by Aligos and each Affiliate and Sublicensee in each relevant territory;

C. Details of each deduction applicable to the sale of each Licensed Product, as provided in the definition of Net Sales;

D. Total royalties due to Emory, as well as a detailed accounting of how such royalties was calculated including the exchange rates, if any, used in determining the amount due;

E. Names and addresses of all Sublicensees of Aligos that have commercial sales of Licensed Products during such period;

F. Payments and other consideration received from each Sublicensee from the sale of Licensed Products during such period and an explanation of the contractual obligation satisfied by such consideration; and

G. Description and product codes, or other Aligos identifier, of each category of Licensed Product sold.

5.3 Payments

With each quarterly report submitted, Aligos shall pay to Emory the royalties and other payments due and payable under this Agreement. If no royalties shall be due, Aligos shall so report. Payments shall be paid in United States Dollars in Atlanta, Georgia, or at such other place as Emory may reasonably designate consistent with the laws and regulations controlling in any foreign country. If any currency conversion shall be required in connection with the payment of royalties hereunder, such conversion shall be made by using the exchange rate stated in the Wall Street Journal on the last business day of the calendar quarterly reporting period to which such royalty payments relate, and all transfer fees in connection with payment shall be borne by Aligos. The Issue Fee due hereinabove and [****] of the Past Patenting Costs due herein below shall be due within [****] after the Effective Date, and if such payments are not timely received, this Agreement shall be null, void and without effect. All other payments shall be made within [****] after the end of the [****] in which they became due and payable to Emory. Any amounts due hereunder which are unpaid [****] after the end of the [****] they are due shall bear interest accrued and compounded monthly at the annual rate of [****] ([****]%). All payments made to EMORY under this Agreement shall be made free and clear of any deduction or withholding on account of any tax or other similar governmental charge or levy (other than taxes imposed on the net income of EMORY), provided that EMORY has delivered a duly completed and executed, valid Internal Revenue Service Form W-9 to Aligos or has otherwise established a valid exemption from U.S. withholding taxes.

Article 6
OWNERSHIP OF INVENTIONS AND PATENT PROSECUTION

6.1 Ownership of Inventions

As between the parties, the ownership of any new Inventions arising from Aligos's activities under this Agreement shall follow inventorship in accordance with the patent laws of the United States, regardless of where the applicable activities occur.

6.2 Patent Prosecution

6.2.1 (a) With respect to Licensed Patents solely owned by Emory, Emory shall have the responsibility for the preparation, filing, prosecution, issuance and maintenance of the Licensed Patents, including choice of patent counsel, provided, however, that Emory shall consider Aligos's comments and suggestions in connection therewith, including with respect to

the selection of counsel. However, Emory shall keep Aligos informed of patent prosecution, will consider Aligos's comments and suggestions prior to taking material actions for the same, and will consider prosecution actions reasonably recommended by Aligos which would maintain or expand the scope of rights sought, or would more effectively cover products being developed by Aligos. Aligos shall cooperate with Emory to ensure that each Licensed Patent reflects and will reflect, to the extent practicable and to the best of Aligos's knowledge, all items of commercial interest to Aligos. Aligos will cover all of Emory's Patenting Costs, in accordance with the Patent Reimbursements paragraph below. Emory will endeavor to cover Patenting Costs in the order in which they were accrued and in a manner consistent with its business practices.

Emory shall give notice to Aligos of any desire on Emory's part to not prepare, file, prosecute, issue or maintain any of the Licensed Patents on a country-by-country basis and, in such cases, shall permit Aligos, in its sole discretion, to take such actions itself, [****]. In such event, Emory shall execute in a timely manner and [****] any and all documents as may be reasonably necessary to allow Aligos to take all such actions.

6.2.2 All information exchanged between counsel, the parties, Affiliates, Sublicensees, and/or the Inventors regarding the Licensed Patents shall be deemed Confidential Information of the respective Party that provided such Confidential Information. In addition, the parties acknowledge and agree that, with regard to such activities, the interests of the parties as licensor and exclusive licensee are to obtain the strongest patent protection possible, and as such, are aligned and are legal in nature. The parties agree and acknowledge that they have not waived, and nothing in this Agreement constitutes a waiver of, any legal privilege concerning the Licensed Patents, including without limitation, privilege under the common interest doctrine and similar or related doctrines.

6.3 Patent Reimbursements

6.3.1 Past Patenting Costs: Aligos shall pay Emory [****] ($[****]) for reimbursement of Patenting Costs incurred by Emory prior to the Effective Date. Such payment shall be made within [****] of the Effective Date.

6.3.2 Ongoing Patenting Costs: With respect to any Patenting Costs incurred by or on behalf of Emory after the Effective Date, Aligos shall remit payment of such Patenting Costs within [****] after Aligos's receipt of invoices for same.

6.3.3 Exclusion of Certain Rights: With respect to any action necessary to protect a particular Licensed Patent in a particular territory, if Aligos instructs Emory in writing not to take such action, Emory shall have the right to (i) abandon some or all of such rights at Emory's sole discretion, or (ii) incur those costs at its own expense; in either case, Emory shall be free to license its rights in such Licensed Patent in such territory to third parties without any further obligation to Aligos and Aligos's rights to such Licensed Patent under this Agreement shall cease.

6.3.4 Unpaid Patenting Costs: Any amounts due hereunder that remain unpaid [****] after Aligos receives an invoice from Emory or its counsel for same shall bear simple interest accrued at the annual rate of [****] ([****]%) from the date such payment first became due.

6.4 Infringement of Licensed Patents

If either party believes that a Licensed Patent is being or has been infringed by a third party, such party shall notify the other of such belief, and as part of such notice shall provide copies of documentary evidence of the alleged infringement. Where the infringement is in the Field, Aligos shall have the first option to bring an infringement action against the alleged infringer [****]. If Aligos exercises its option, which shall be made in writing within [****] days after the parties' receipt of said notice of infringement, Emory will cooperate as reasonably requested by Aligos, [****]. Aligos agrees to defend Emory against any counterclaim brought against it in such action. [****]. No settlement, consent judgment, or other voluntary final disposition of such suits may be entered into without the express written consent of Emory, which consent shall not be unreasonably withheld. Any damages received by Aligos (including without limitation statutory damages, compensatory damages, lost profits damages, exemplary damages, increased damages, and awards of costs and attorney's fees) shall first be applied to [****]. The remaining balance of such damages shall be divided equally between Aligos and Emory, except that for any portion which was awarded on the basis of lost profits, Emory shall recover the greater of the above equal split or the royalty Emory would have received under this Agreement if the infringing sales had been made by Aligos. In the event that Aligos does not exercise its option to bring or pursue an infringement action against an alleged infringer, Emory shall have the right (but not the obligation) to do so [****], and to retain all recovered damages. In such instances Aligos will cooperate as requested by Emory, and Emory shall be entitled to retain all damages or costs awarded in such action. [****]. Aligos shall cooperate with Emory in such effort including being joined as a party to such action if necessary. Should either Emory or Aligos be a party to a suit under the provisions of this Article and thereafter elect to abandon such suit, the abandoning party shall give timely notice to the other party who may, at its discretion, continue prosecution of such suit [****].

6.5 Patent Extensions

Aligos and Emory agree that the Licensed Patents shall be extended by all means provided by law or regulation, including without limitation extensions provided under U.S. law at 35 U.S.C. §§154(b), 155A, and 156. Each party hereby agrees to provide the other party with all necessary assistance in securing such extensions, including without limitation, providing all information regarding applications for regulatory approval, approvals granted, and the timing of same.

Article 7
DURATION AND TERMINATION

7.1 Contract Term

The Term of this Agreement shall commence on the Effective Date and shall continue until the expiration of the last to expire of the Licensed Patents, unless sooner terminated in accordance with the provisions herein.

7.2 Bankruptcy

If Aligos becomes bankrupt or insolvent, files a petition in bankruptcy, or is placed in the hands of a receiver, assignee, or trustee for the benefit of creditors, whether by the voluntary act

of Aligos or otherwise, this Agreement shall automatically terminate, in as much as permitted under applicable and prevailing law, provided however, that in the case of any involuntary bankruptcy proceeding such right to terminate shall only become effective if Aligos consents to the involuntary bankruptcy or such proceeding is not dismissed within [****] after the filing thereof.

7.3 Emory Termination

If Aligos fails to make a payment to Emory of running royalties, Patenting Costs or any other payment in accordance with the terms of this Agreement, or upon Aligos's other material breach or default of any material term of this Agreement Emory shall have the right to serve notice upon Aligos of Emory's intention to terminate the entirety of the rights, privileges and licenses granted hereunder. If Aligos does not pay all such overdue amounts to Emory, or, otherwise cure a material breach to the reasonable satisfaction of Emory within [****] following the receipt of such notice from Emory, then this Agreement may be terminated by Emory. Without limitation, and in addition to those listed above, any one or more of the following shall each be deemed a material breach of this Agreement by Aligos:

i. failure of Aligos to provide Product Reports or Diligence Reports; or

ii. lack of diligence as set forth in Article 4; or

iii. the breach by Aligos of any other material term of this Agreement.

Notwithstanding the foregoing, if Aligos, or its Affiliates or Sublicensees challenges the validity or enforceability of any Licensed Patent in a court or other governmental agency of competent jurisdiction, this Agreement shall terminate immediately.

7.4 Aligos Termination

7.4.1 Aligos shall have the right to terminate this Agreement without cause, in whole or with respect to any Licensed Patents, at any time by providing Emory with [****] advance written notice. In the event that Aligos makes a final decision to cease developing, or to quit the business of selling, Licensed Products, it agrees to terminate this Agreement pursuant to this Section.

7.4.2 Aligos shall have the right to terminate this Agreement for cause, in whole or in part, upon a material breach by Emory of its obligations under this Agreement, provided, however, that Emory shall have [****] following the receipt of a notice of breach from Aligos to cure such material breach to the reasonable satisfaction of Aligos. In the event that Emory fails to cure such a breach, the rights granted by Emory to Aligos under this Agreement shall remain in full force and effect, however, the obligations of Aligos to make economic payments to Emory pursuant to this Agreement, including but not limited to running royalties, milestones, fees on Sublicensing Revenues, Patent Costs, and Maintenance Fees, shall be suspended so long as such material breach by Emory remains uncured or, if cure is not possible, so long as a substantial and material economic or scientific impact of the breach continues. Notwithstanding the foregoing, in the event that the impact of a material breach by Emory can be isolated to one or more particular countries within the Territory, then Aligos shall be entitled to suspend such economic payments only on a country by country basis for those countries in which the rights granted by Emory to Aligos under this Agreement are adversely and materially impacted.

7.5 Disputes Regarding Right to Terminate

If a party disputes the grounds for the other to terminate this Agreement, such party must provide written notice of the dispute to the other party during the [****] cure period and prior to the effective date of said termination. In such case, the dispute shall be resolved in accordance with the dispute resolution provisions provided herein below.

7.6 Continued Obligations

Upon termination of this Agreement in whole or in part for any reason, nothing herein shall be construed to release either party from any obligation that matured prior to the effective date of such termination. All Confidential Information of the other party shall be promptly returned or destroyed, at the disclosing party's election. After the effective date of such termination of this Agreement, to the extent not made by Emory for breach by Aligos, Aligos and its Affiliates and Sublicensees may, for a period of [****], sell all Licensed Products, and complete Licensed Products in the process of manufacture at the time of such termination and sell the same, provided that Aligos complies with, and requires its Affiliates and Sublicensees to comply with, all of the terms of this Agreement, and including without limitation, (i) Aligos shall pay to Emory the running royalties and other payments as required hereinabove, (ii) insurance required hereunder shall be in effect, and (iii) Aligos shall submit the reports required by the Product Reports paragraph hereof.

7.7 Effect on Sublicenses

Upon termination of this Agreement by Emory for cause, Aligos shall promptly notify its Sublicensees of such termination. Upon termination of this Agreement, Aligos shall no longer have the authority to grant further Sublicenses. Any rights previously granted by Aligos under any Sublicense hereunder will be automatically revoked [****] following the effective date of termination of this Agreement. If this Agreement terminates for any reason, any Sublicensee shall, from the effective date of such termination, automatically become a direct licensee of Emory with respect to the rights originally sublicensed to it by Aligos, provided such Sublicensee did not cause the termination of the Agreement, Sublicensee agrees to comply with all the terms of this Agreement and Sublicensee assumes the responsibilities of Aligos hereunder, to the extent applicable to the sublicense originally granted to it.

7.8 Survivability

Except as otherwise expressly set forth herein, the provisions of the Financial Considerations (solely to the extent related to payment obligations arising prior to termination), Reports and Records, Confidentiality, Indemnification and Insurance, Representations and Warranties, Export Control and Non-Use of Names articles of this Agreement shall survive termination of this Agreement. In the event of a partial termination hereof (e.g., with respect to a Licensed Patent in a particular country), those same articles shall survive with respect to the terminated rights, and all of the provisions hereof shall continue in full force and effect with respect to the non-terminated rights.

7.9 Effects of Emory's Termination for Aligos Breach

If this Agreement is terminated by Emory pursuant to Section 7.3 as a result of Aligos's material, uncured breach, (a) Aligos shall use its reasonable best efforts to return, or at Emory's direction, destroy, all data, writings and other documents and tangible materials supplied to Aligos by Emory, and (b) Aligos shall further upon Emory's request and with no need for additional consideration grant to Emory a non-exclusive, royalty-free license (with the right to sublicense) to all of Aligos's rights in patents owned by, licensed to (to the extent sublicensing is permissible and subject to the terms thereof, including any payment obligations to the licensors as a result of such sublicensing) or Controlled by Aligos to the extent (i) they relate to Aligos's exercise of its Licensed Rights granted under this Agreement and (ii) include claims covering the manufacture, use or sale of any Licensed Products containing Licensed Compound. Aligos shall further provide Emory with full and complete copies of all toxicity, efficacy, pharmacokinetic, biochemical, and other data generated by Aligos or its Affiliates, Sublicensees, contractors or agents in the course of Aligos's efforts to develop Licensed Products containing Licensed Compound or obtain governmental approval for the sale of Licensed Products containing Licensed Compound, including but not limited to any IND, NDA, or other documents filed with any government agency. In addition, all API and formulated drug will be provided to Emory at no charge except reasonable transportation costs and on request within [****] of termination. Emory and its licensees shall be authorized to cross-reference any such IND, NDA or other filings made in the United States or foreign countries where permitted by law. Emory shall be authorized to provide data pertaining to the Licensed Patents to any third party with a bona fide interest in licensing such technology. Such data shall be provided on a confidential basis; provided, however, that if such third party enters into a license with Emory, such third party shall be free to use such data for all purposes, including to obtain government approvals to sell Licensed Products containing Licensed Compound. Aligos shall cooperate reasonably (at no unreimbursed cost to Aligos) with any third party licensee of Emory in pursuing governmental approval to sell any Licensed Product containing Licensed Compound, including but not limited to, permitting such third parties to cross-reference any NDA filed with the FDA or registration obtained from the FDA or analogous documents filed or obtained in any foreign countries.

Article 8
CONFIDENTIALITY AND PUBLICATION

8.1 Confidential Information

During the term of this Agreement and for a period of [****] thereafter, the parties agree that all Confidential Information shall be maintained in confidence by the receiving party and shall not be disclosed by the receiving party to any third parties unless agreed to in writing by the party providing the information; nor shall any such Confidential Information be used by the receiving party for any purpose other than those contemplated by this Agreement; except, however, the parties agree that nothing herein will be construed to prevent (i) the parties from providing information about this Agreement and amounts paid as part of other routinely prepared summary documents, and (ii) Emory from reporting consideration received hereunder to the Inventors and to the Government, as required. The parties further agree that Aligos shall be entitled to disclose terms and conditions of this Agreement if, and to the extent, required by any securities laws or regulations.

8.2 Security

Aligos and Emory agree that the confidentiality obligations hereunder shall require that each party use at least those security and confidentiality procedures and practices as each would use for its own confidential records.

8.3 Publication

Emory shall be free to publish any of its information related to the Licensed Patents and to use the same solely for purposes of its internal non-commercial research, teaching and other educationally-related non-commercial matters; provided, however, that each such planned publication must first be shared at least [****] in advance with Aligos in order to allow Aligos to identify and, together with Emory, seek any intellectual property protection of inventions that may be contained, disclosed or described in such publication. During such [****], Aligos may elect in its sole discretion (i) to require Emory to delete any Aligos Confidential Information, or (ii) to request that Emory delay publication for an additional [****] in order to allow the parties time to file one or more relevant patent applications.

Article 9
ARBITRATION AND GOVERNING LAW

9.1 Law To Govern

This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to its or any other jurisdiction's conflicts of laws provisions.

9.2 Arbitration Proceedings

Claims, disputes or controversies between the parties shall be elevated for resolution to the Chief Executive Officer of Aligos and the Vice President for Research Administration of Emory for at least [****] good faith discussion prior to either party taking any legal action related to any such claims, dispute, or controversy. Any agreed decisions of the executives will be final and binding on the parties. All negotiations pursuan to this Section are confidential and shall be treated as compromise and settlement negotiations for purposes of applicable rules of evidence. Thereafter, if unresolved, claims, disputes or controversies concerning the validity, construction, or scope of any of the Licensed Patents, together with pendent or supplemental claims, shall be resolved in the Federal District Court seated in the District of Delaware. All other claims, disputes or controversies arising under, out of, or in connection with this Agreement, shall be resolved by final and binding arbitration in New York, New York under the rules of the American Arbitration Association. The arbitrators shall have no power to add to, subtract from, or modify any of the terms or conditions of this Agreement. The U.S. Arbitration Act (9 U.S.C. §§1-16) shall govern the arbitration proceedings, and any award rendered in such arbitration may be enforced by either party in the courts of the State of Delaware, or other jurisdiction, as appropriate. The parties hereby irrevocably consent and submit to the exclusive jurisdiction and venue of each court and arbitration site cited above for the purposes each is mentioned. In any arbitration proceedings, the parties together hereby instruct the arbitrators to

use the arbitration as a less expensive and more expeditious alternative to litigation and hereby encourage the arbitrators to place reasonable limits on the parties' allowable discovery efforts, the length and frequency of hearings, and the parties' allowable motion practice.

Article 10
INDEMNIFICATION AND INSURANCE

10.1 Licensee Indemnification

The parties acknowledge that Aligos, either itself or through the actions of its Affiliates and/or Sublicensees, shall be fully responsible for the quality, safety and operability of all Licensed Products, and shall have sole control over, and responsibility for, the development, design, testing, promotion, marketing, sales, and other activities directed to the commercialization of Licensed Products. Aligos agrees to indemnify, hold harmless and defend Emory, its officers, trustees, Inventors, personnel, agents, employees, students, and each of their respective successors and assigns ("Indemnitees"), except in the case of such party's negligence, against any and all claims, demands, loss, liability, expense, damages, and actions (including investigative costs, court costs, and attorneys' fees) Indemnitees may suffer, pay or incur as a results of claims, demands, or actions by third parties arising, in whole or in part, from the execution of this Agreement or from the exercise of any rights licensed hereunder or manufacture, testing, design, use Sale, or labeling of any Licensed Product by Aligos, its parents, assigns, successors, Affiliates, Sublicensees, customers, contractors, agents, or other transferees, including without limitation, against any damages, losses or liabilities whatsoever for death, injury to person or damage to property. Aligos agrees to provide attorneys reasonably acceptable to Emory to defend against such a claim, and Emory shall cooperate with Aligos in defense of such claim. Aligos acknowledges that the technology embodied in the rights licensed hereunder is experimental and agrees to take all reasonable precautions to prevent death, personal injury, illness and property damage. Aligos shall promptly notify Emory of all claims involving the Indemnitees and shall advise Emory of the amounts that might be needed to defend and pay any such claims. Emory shall promptly notify Aligos of all claims brought to its attention relating to Aligos's indemnity obligations under this Agreement. Aligos shall not settle any such claims, demands or actions under this Section, without the express, prior written consent of Emory, which consent shall not be unreasonably withheld or delayed.

Without limiting Aligos's indemnity obligations as stated herein, Aligos shall obtain and maintain product liability and general liability insurance upon the obligation to carry insurance commencing pursuant to Section 10.3, below, which is sufficient to meaningfully protect Emory as required by this article, and shall require each of its authorized Affiliates and Sublicensees to have such insurance. Aligos shall provide to Emory prior to its first clinical trial or commercial Sale of any Licensed Product, certificates of insurance evidencing the coverages required herein and including Emory as an additional insured. Evidence of the existence and sufficiency of such insurance shall be provided to Emory on [****] basis thereafter.

10.2 Extent of Insurance

Neither Aligos nor any Affiliate shall make, use, import, offer to sell or sell any Licensed Product, or engage in any other act involving any Licensed Product or the Licensed Rights, if

such act could reasonably create a material risk of a claim against Emory for personal injury or property damage, unless Aligos shall have first provided Emory with a certificate of insurance, to be updated [****], proving that Aligos and such Affiliates have in force, during the term of this Agreement, a policy of general liability insurance to indemnify the Indemnitees against liability claims for accidental death, injury, illness or other damages arising from such act, as required by the previous paragraph. Such insurance shall include product liability insurance covering each Licensed Product with total limits of not less than:

[****]

Such policy shall be deemed primary and shall include Emory as an additional insured party with respect to the sale or other dispensation of Licensed Products.

10.3 Term of Insurance

Unless expressly waived in writing by Emory, Aligos agrees that the above-described liability insurance policy shall be continuously maintained in force prior to the first administration of Licensed Product to a human for so long as any Licensed Products are Sold, and such policy will provide coverage that may arise due to the actions of Aligos or its Affiliates, or the manufacture, use or sale of Licensed Products, irrespective of whether such liability may occur or be claimed for a period of up to [****] after termination hereof. Neither Aligos nor any third party shall terminate, reduce the face value of, or otherwise materially modify such insurance coverage while such policy is in effect, unless equal or greater coverage is first provided under another policy in compliance with the foregoing provisions and without any gap in coverage.

All insurance coverage required under this Agreement shall be primary to any coverage carried by Emory, shall waive all rights of subrogation against any additional insured and shall be placed with insurers whose A.M. Best's rating is at least A-X.

Aligos will provide Emory or have the insurance carrier provide Emory with no less than [****] written notice of any change in the terms or coverage of the policy or its cancellation.

10.4 Sublicensee Insurance

Aligos shall ensure that Indemnification and Insurance provisions that are no less stringent than those contained herein are contained in any Sublicense.

10.5 Limitation of Liability

Except in the case of such Party's fraud or willful misconduct, under no circumstances will either Party be liable to the other Party or its Affiliates or Sublicensees for lost profits or special, incidental, indirect, consequential or exemplary damages. In no event shall Emory be liable to Aligos or its Affiliates for compensatory damages resulting from the manufacture, testing, design, labeling, use or sale of Licensed Products.

Article 11
REPRESENTATIONS AND WARRANTIES

11.1 No Encumbrances

Each party hereto acknowledges and agrees that no representation or promise not expressly contained in this Agreement has been made by the other party hereto or by any of its agents, employees, representatives or attorneys concerning the subject matter of this Agreement. Each party further warrants and represents that, to the best of its knowledge, it has the full right and power to make the promises and grant the licenses set forth in this Agreement and that there are no outstanding agreements, assignments or encumbrances in existence which are inconsistent with the provisions of this Agreement.

11.2 Aligos Warranty

Aligos warrants and represents that (a) it shall use its Commercially Reasonable Efforts to diligently pursue the development, manufacture, and sale of Licensed Products throughout the term of this Agreement, and to comply in all material respects with all applicable laws and regulations, and (b) it has the necessary expertise and skill in relevant technical areas pertaining to the Licensed Patents and Licensed Products to make, and has made, its own evaluation of the capabilities, safety, utility and commercial application of the Licensed Patents and Licensed Products.

11.3 Emory Warranty

Emory hereby represents to Aligos that (a) the Licensed Know-How includes all of the data and other know-how owned or otherwise controlled by Emory as of the Effective Date related to Licensed Compounds and Licensed Patents, and (b) to the best of Emory's knowledge it has the right and authority to grant to Aligos the rights as detailed herein with respect to the Licensed Patents, free and clear of any claims or encumbrances, except as indicated in the Government Rights and the Reservation by Emory paragraphs hereinabove. However, subsequent to the Effective Date in the event that a third party, including the Veteran's Administration, makes a claim of inventorship or ownership of a Licensed Patent based upon information not known to Emory prior to the Effective Date, and after a good faith evaluation of such claim it is necessary to add such party to the Licensed Patent as an inventor and/or to assign an undivided interest in and to said Licensed Patent, then such action shall not be considered a breach of this Agreement. In such instance, Emory and Aligos shall negotiate in good faith to reasonably amend the Agreement to take into consideration any change in the scope of the license granted herein resulting from such co-ownership of the Licensed Patent at issue.

11.4 Disclaimers

Aligos acknowledges and agrees that all rights licensed by Emory hereunder are licensed "as is" and without any representation, indemnification or warranty with respect to possible infringement of third party rights. Nothing in this Agreement shall be construed as (i) a warranty or representation by Emory as to the validity, protectability, enforceability, or scope of any Licensed Rights, (ii) a warranty or representation that anything made, used, imported, developed, promoted, offered for sale, sold, or otherwise disposed of under any license granted in this Agreement does not or will not infringe patents, trade secrets or other proprietary rights of third parties; (iii) a representation or warranty of operability or that development of a commercial products is possible; (iv) an obligation to bring or prosecute actions or suits against third parties for infringement; (v) conferring the right to use in advertising, publicity or otherwise any

trademark, trade name, or names, or any contraction, abbreviation, simulation or adaptation thereof of Aligos or Emory; (vi) conferring by implication, estoppel or otherwise any license or rights under any patents of Emory other than the Licensed Patents; and (vii) any other representations or warranties, either express or implied, unless specified in this Agreement. Except as expressly provided herein, the furnishing of Confidential Information shall not be interpreted to convey any grant of rights, titles, interests, options or licenses to the receiving party under any of the Licensed Rights. EMORY DISCLAIMS ALL REPRESENTATIONS AND WARRANTIES NOT EXPRESSLY STATED IN THIS ARTICLE, INCLUDING WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE WITH RESPECT TO THE LICENSED RIGHTS OR ANY LICENSED PRODUCTS, AND INCLUDING WARRANTIES WITH RESPECT TO THE CAPABILITIES, SAFETY, UTILITY, OR COMMERCIAL APPLICATION OF THE LICENSED TECHNOLOGY OR LICENSED PRODUCTS, THE SCOPE, VALIDITY, PROTECTABILITY OR ENFORCEABILITY OF ANY OF THE LICENSED RIGHTS, THAT ANY PATENT WILL ISSUE BASED UPON ANY OF THE PENDING APPLICATIONS COMPRISING SAME, OR THAT THE USE OF ANY OF THE LICENSED RIGHTS WILL NOT INFRINGE INTELLECTUAL PROPERTY RIGHTS OF ANOTHER PARTY.

Article 12
PAYMENTS AND NOTICES

Any payment, notice, or other communication given under this Agreement (except for correspondence necessary in the Patent Prosecution article hereinabove) shall be in writing and shall be deemed delivered when sent by certified first class mail or overnight courier, addressed to the parties as follows (or at such other addresses as the parties may notify each other in writing):

Aligos:
Aligos Therapeutics, Inc.
1 Corporate Drive, 2nd Floor
South San Francisco, CA 94080
Attention: [****]

Emory:
[EMORY UNIVERSITY
1599 Clifton Road NE, 4th Floor
Atlanta, GA 30322
Attention: [****]

Product Reports and Diligence Reports required may be delivered electronically to [****] with a copy to [****].

Article 13
ASSIGNMENT

Aligos may grant, transfer, or convey this Agreement (by assignment or otherwise) and/or the rights and obligations acquired by it hereunder upon obtaining written consent from Emory for the same (such consent will not be unreasonably withheld or delayed), except in the case of a merger or sale by Aligos of substantially all of its issued and outstanding stock or all or substantially all of the assets to which this Agreement relates, in which case Aligos shall provide Emory with written notice of such merger or assignment, but no written consent by Emory is

required, and provided further that the surviving entity or acquirer agrees in writing to be bound by and assume the obligations of Aligos under to this Agreement. This Agreement shall be assignable by Emory to any other nonprofit corporation which promotes the research purposes of Emory and which has the right to grant the licenses contained herein.

Article 14
NON-USE OF NAMES

Neither party shall use the names of the other, or any adaptation thereof, or of their employees, officers, or agents, or any adaptation thereof, in any advertisement, promotional or sales literature without prior written consent obtained from such party in each case. The Parties agree that the existence and terms contained in this Agreement will be held as Confidential Information for a period of [****] from the Effective Date. During said [****], Aligos may state that it has licensed rights from a university without naming Emory and may further include generic details as to the (i) technology field of use and (ii) the type and extent of the license. Thereafter each party may state that Aligos has licensed the Licensed Rights from Emory, and may further include (i) Inventors' names, (ii) invention titles and summaries, (iii) technology field of use, and (iv) the type and extent of the license, but may not include terms and conditions of this Agreement, or other Confidential Information, unless such disclosure is required by law, rule or regulation. Aligos agrees to take all reasonable precautions to prevent any public information regarding the Licensed Patents or this Agreement from containing inaccuracies or from otherwise being misconstrued or misleading. Notwithstanding the foregoing, the parties agree that Aligos shall be entitled to disclose terms and conditions of this Agreement if, and to the extent, required by any securities laws or regulations.

Article 15
EXPORT CONTROLS

It is understood that Emory and Aligos are subject to United States laws and regulations (including the Arms Export Control Act, as amended, and the Export Administration Act of 1979) controlling the export of technical data, computer software, laboratory prototypes, and other commodities, and that such obligations hereunder are contingent on Aligos, Affiliate, and Sublicensee compliance with applicable United States export laws and regulations. The transfer of certain technical data and commodities may require a license from the cognizant agency of the United States Government and/or written assurances by Aligos that Aligos shall not export data or commodities to certain foreign countries without prior approval of such agency. Emory does not represent that a license is not required, or that, if required, such a license shall be issued.

Article 16
MARKING

Aligos shall mark all Licensed Products made or sold in the United States in accordance with 35 U.S.C. §287(a), and will mark all Licensed Products made or sold in other countries in accordance with the laws and regulations then applicable in each such country.

Article 17
SEVERABILITY

Should any provision of this Agreement be determined to be unenforceable or otherwise unlawful, then such provision shall be without effect, as if such provision had not been included herein, and the remaining terms of this Agreement shall survive. In such instance, the parties shall promptly meet to agree upon further terms which shall, within the confines of the law, most substantially satisfy the intention of the parties as reflected by the ineffective provision. If such agreement between the parties is not reached within thirty (30) days of the date such provision is determined to be unenforceable or otherwise unlawful, the parties agree to submit such matter to binding arbitration for resolution, in accordance with the arbitration provisions hereinabove.

Article 18
ANTI-KICKBACK AND STARK LAW

It is the intention of the parties hereto to comply with all applicable laws, rules, and regulations, including (i) the federal anti-kickback statute (42 U.S.C. §1320a-7b) and related safe harbor regulations, and (ii) the Limitation Certain Physician Referrals (42 U.S.C. §1395nn, the "Stark Law"). Accordingly, the parties agree and acknowledge that no consideration received under this Agreement is, or is intended to be, a prohibited payment for the recommending or arranging for the referral of business or ordering of items or services, nor is any such consideration intended to induce illegal referrals of business.

Article 19
HEADERS

The article and paragraph headings contained in this Agreement are for reference purposes only, and shall not in any way affect the meaning or interpretation of this Agreement.

Article 20
BENEFIT AND WAIVER

This Agreement is binding upon and shall inure to the benefit of the parties hereto, their representatives, successors and permitted assigns. No failure or successive failures on the part of the parties, to enforce any provisions of this Agreement, and no waiver or successive waivers on either party's part of any condition of this Agreement, shall operate as a discharge of such provision or condition, or render the same invalid, or impair the right of such party to enforce same in the event of any subsequent breach or breaches by the other party.

Article 21
ENTIRE AGREEMENT

The parties hereto agree that this Agreement, the Note and The Note Agreement set forth the entire agreement and understanding of the parties hereto as to the subject matter hereof, and supersedes any and all prior written and oral agreements, understandings, promises or offers, including without limitation any term sheet which preceded its drafting, and shall not be subject to any change or modification except by the execution of a written instrument subscribed to by the parties hereto and explicitly referencing this Agreement and specifying that it is the parties' intent to modify the terms and/or conditions set forth herein. The parties acknowledge that invoices, purchase orders or other mechanisms for administering any payment or other obligation set forth herein shall not contain terms and conditions separate from, in addition to, and/or in conflict with this Agreement, and that any such terms, if present, shall be void and without effect, and shall not be enforceable by any party hereto. The initial drafting of this Agreement by Aligos was for the convenience of both parties, and both parties agree that they had the opportunity to be represented by counsel of their choosing, and such facts shall not result in this Agreement or any of the above clauses being construed against Aligos should such clauses become in dispute.

Article 22
FORCE MAJEURE

No party shall be liable for any failure to perform as required by this Agreement, to the extent such failure to perform is caused by acts of God or natural disaster, interference by civil or military authorities, government actions, and war or terrorism.

Article 23
COUNTERPARTS

This Agreement and any and all other documents or instruments referred to herein may be executed with counterpart signatures all of which taken together shall constitute an original. This Agreement may also be executed by signatures to facsimile or electronic transmittal documents.

* * * * * * *

IN WITNESS WHEREOF, the parties hereto have agreed and accepted the terms and conditions of, and have duly executed this Agreement to be made effective as of the Effective Date.

For EMORY UNIVERSITY

By /s/ Todd Sherer
Signature

Todd Sherer
Printed Name:

Assoc. VPRA & Exec. Director, OTT
Title:

6/26/2018 1:46:55 PM PDT
Date

For ALIGOS THERAPEUTICS, INC.

By /s/ Lawrence Blatt
Signature

Lawrence Blatt
Printed Name:

CEO
Title:

6/26/2018 11:24:51 AM PDT
Date

Schedule 1.17

Licensed Know-How

[****]

Omitted pursuant to Regulation S-K, Item 601(a)(5)

Appendix A
LICENSED PATENTS

[****]

Omitted pursuant to Regulation S-K, Item 601(a)(5)

Appendix B
NOTE AND NOTE AGREEMENT

CONVERTIBLE PROMISSORY NOTE

THIS NOTE AND THE SECURITIES ISSUABLE UPON THE CONVERSION HEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED. THEY MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT REGISTRATION IS NOT REQUIRED UNDER SUCH ACT OR UNLESS SOLD IN ACCORDANCE WITH RULE 144 UNDER SUCH ACT.

No. 2018-24 Date of Issuance

US$600,000.00 June 26, 2018

FOR VALUE RECEIVED, pursuant to that certain License Agreement, by and between Aligos Therapeutics, Inc., a Delaware corporation (the "Company"), and Emory University, a Georgia nonprofit corporation (the "Lender"), the Company hereby promises to pay Lender, or such Lender's registered and permitted assigns, the principal sum of US$600,000.00, or such lesser amount as shall equal the outstanding principal sum hereof, with simple interest on the outstanding principal amount at the rate of 8% per annum, computed on the basis of the actual number of days elapsed and a year of 365 days; provided, that in no event shall the interest rate be less than the minimum rate of interest required in order to avoid the imputation of interest for federal income tax purposes. Interest shall commence with the date hereof and shall continue on the outstanding principal until paid in full or converted.

1. **Definitions**.

(a) "Act" shall mean the Securities Act of 1933, as amended, or any similar successor federal statute, and the rules and regulations thereunder, all as the same shall be in effect from time to time.

(b) "Business Day" shall mean any day other than (i) a Saturday or a Sunday or (ii) a day on which banks are not required to be open or are authorized to close in New York, New York.

(c) "Change of Control" shall mean a sale, conveyance or other disposition of all or substantially all of the property or business of the Company (other than to a wholly-owned subsidiary of the Company), or a merger or consolidation with or into any other corporation or other business transaction or series of transactions as a result of which stockholders of the Company immediately prior to the transaction would hold less than a majority of the voting interests of the Company (or successor or parent company thereof) after the transaction; provided, that a Change of Control shall not include any transaction or series of related transactions

principally for bona fide equity financing purposes (including, but not limited to, the Next Equity Financing) in which cash is received by the Company or any successor or indebtedness of the Company is cancelled or converted or a combination thereof occurs.

(d) "Common Stock" shall mean the Company's common stock, par value US$0.0001 per share.

(e) "Conversion Price" shall mean:

(i) with respect to a conversion pursuant to Section 6.1 below, the price paid per share for Equity Securities by the investors in the Next Equity Financing;

(ii) with respect to a conversion pursuant to Section 6.2 below, the price per share equal to the fair market value of the Common Stock at time of such conversion as determined by the Company's Board of Directors; and

(iii) with respect to a conversion pursuant to Section 6.3 below, the price per share equal to the fair market value of the Common Stock at time of such conversion as determined by the Company's Board of Directors.

(f) "Conversion Shares" shall, for purposes of determining the type of Equity Securities issuable upon conversion of the Note, mean:

(i) if the Note is converted to equity pursuant to Section 6.1 below, the Equity Securities issued in the Next Equity Financing;

(ii) if the Note is converted to equity pursuant to Section 6.2 below, shares of Common Stock; and

(iii) if the Note is converted to equity pursuant to Section 6.3 below, shares of Common Stock.

(g) "Equity Securities" shall mean the Company's Common Stock or preferred stock or any securities conferring the right to purchase the Company's Common Stock or preferred stock or securities convertible into, or exchangeable for (with or without additional consideration), the Company's Common Stock or preferred stock, except any security granted, issued and/or sold by the Company to any director, officer, employee or consultant of the Company in such capacity for the primary purpose of soliciting or retaining their services.

(h) "Initial Public Offering" or "IPO" shall mean the closing of the issuance and sale of shares of Equity Securities of the Company in the Company's first underwritten public offering pursuant to an effective registration statement under the Act.

(i) "Maturity Date" shall be the eighteen (18) month anniversary of the Date of Issuance.

(j) "Next Equity Financing" shall mean the next sale (or series of related sales) by the Company of its Equity Securities following the date of this Agreement from which the

Company receives gross proceeds of not less than ten million dollars (US$10,000,000) (excluding the aggregate amount of the Note converted into Equity Securities pursuant to Section 6 below and any other debt securities converted into Equity Securities); provided, that an Initial Public Offering shall not qualify as a Next Equity Financing.

(k) "Note" shall mean this convertible promissory note.

2. **Maturity**. Unless earlier converted into Conversion Shares pursuant to the conversion provisions set forth herein, the outstanding principal and accrued interest shall be due and payable by the Company on written demand by the Lender delivered to the Company at any time after the Maturity Date.

3. **Payment**. All payments shall be made in lawful money of the United States of America at the principal office of the Company, or at such other place as the holder hereof may from time to time designate in writing to the Company. Payment shall be credited first to accrued interest due and payable and any remainder applied to principal. The Company hereby waives demand, notice, presentment, protest and notice of dishonor. This Note shall not be pre-paid without prior consent of the Lender. If the Company dissolves or liquidates while this Note is outstanding, Company shall satisfy in full any obligations hereunder before paying any stockholders of the Company for their capital stock.

4. **Security**. This Note is a general unsecured obligation of the Company.

5. **Priority**. This Note will be subordinate in right of payment to all current and future Company indebtedness to banks, leasing or equipment financing institutions and other financial institutions engaged in the business of lending money, which is for money borrowed or purchased or leasing of equipment in the case of lease or other equipment financing, whether or not secured.

6. **Conversion of the Note**.

6.1 **Next Equity Financing**. The outstanding principal and unpaid accrued interest of the Note shall be automatically converted into Conversion Shares upon the initial closing of a Next Equity Financing. Notwithstanding the foregoing, accrued interest on the Note may be paid in cash at the option of the Company. The number of Conversion Shares to be issued upon such conversion shall be equal to the quotient obtained by dividing the outstanding principal and unpaid accrued interest on the Note, on the date of conversion, by the Conversion Price. At least three (3) days prior to the closing of the Next Equity Financing, the Company shall deliver notice to Lender at the address last shown on the records of the Company for Lender or given by Lender to the Company for the purpose of notice (or, if no such address appears or is given, at the place where the principal executive office or residence of Lender is located), notifying Lender of the conversion to be effected and the terms under which the Equity Securities of the Company will be sold in such financing. The issuance of Conversion Shares pursuant to the conversion of the Note shall be upon and subject to the same terms and conditions applicable to the Equity Securities sold in the Next Equity Financing, including any minimum shareholding requirements for the exercise of certain stockholder rights. Lender hereby agrees to execute and become party to all customary agreements that the Company reasonably requests in connection with such Next Equity Financing.

6.2 **Optional Conversion**. If the Next Equity Financing has not occurred on or before the 180-day anniversary of the Date of Issuance (the "Optional Conversion Date"), the outstanding principal and unpaid accrued interest due on the Note, at the option of Lender, upon delivery of written notice to the Company on or after the Optional Conversion Date, may be, in whole or in part, paid in cash or converted into Conversion Shares. The number of Conversion Shares to be issued upon conversion shall be equal to the quotient obtained by dividing the outstanding principal and unpaid accrued interest due on the Note to be converted, or portion thereof, on the date of conversion by the Conversion Price.

6.3 **Change of Control or IPO**. In the event of a Change of Control or Initial Public Offering prior to the time when the Note may be converted (as provided herein), all outstanding principal and unpaid accrued interest due on the Note shall be automatically converted in full into Conversion Shares immediately prior to the closing of the Change of Control or Initial Public Offering. The number of Conversion Shares to be issued upon conversion shall be equal to the quotient obtained by dividing the outstanding principal and unpaid accrued interest due on the Note, or portion thereof, on the date of conversion by the Conversion Price.

6.4 **No Fractional Shares**. Upon the conversion of the Note into Conversion Shares, any fraction of a share will be rounded down to the next whole share of the Conversion Shares. In lieu of any fractional shares to which Lender would otherwise be entitled, the Company shall pay Lender cash equal to such fraction multiplied by the Conversion Price.

6.5 **Mechanics of Conversion**. Before Lender shall be entitled to convert the Note into Conversion Shares, Lender shall give written notice to the Company of the election to convert the Note into Conversion Shares. The Company shall not be required to issue or deliver the Conversion Shares until Lender has surrendered the Note to the Company. Such conversion may be made contingent upon the closing of the Next Equity Financing, Change of Control or Initial Public Offering. Upon the conversion of the Note, Lender shall have no further rights under the Note, whether or not the Note is surrendered. As promptly as practicable after the conversion of this Note, Company at its expense shall issue and deliver to Lender, upon surrender of the Note, a certificate or certificates for the number of shares of stock issuable upon such conversion.

7. **California Corporate Securities Law** THE SALE OF THE SECURITIES WHICH ARE THE SUBJECT OF THIS AGREEMENT HAS NOT BEEN QUALIFIED WITH THE COMMISSIONER OF CORPORATIONS OF THE STATE OF CALIFORNIA AND THE ISSUANCE OF SUCH SECURITIES OR THE PAYMENT OR RECEIPT OF ANY PART OF THE CONSIDERATION FOR SUCH SECURITIES PRIOR TO SUCH QUALIFICATION IS UNLAWFUL, UNLESS THE SALE OF SECURITIES IS EXEMPT FROM QUALIFICATION BY SECTION 25100, 25102 OR 25105 OF THE CALIFORNIA CORPORATIONS CODE. THE RIGHTS OF ALL PARTIES TO THIS AGREEMENT ARE EXPRESSLY CONDITIONED UPON SUCH QUALIFICATION BEING OBTAINED, UNLESS THE SALE IS SO EXEMPT.

8. **Defaults and Remedies**.

8.1 **Events of Default**. The following events shall be considered events of default with respect to the Note (each individually an "Event of Default"):

(a) If the Company defaults in the payment of any part of the principal or unpaid accrued interest on the Note and the Company fails to cure such breach within thirty (30) days after receipt of written notice thereof from the holder, after the earlier of (i) the date on which the holder demands payment on or subsequent to the Maturity Date or (ii) the date fixed for payment by acceleration or otherwise;

(b) If the Company makes an assignment for the benefit of creditors, or admits in writing its inability to pay its debts as they become due, or files a voluntary petition for bankruptcy, or files any petition or answer seeking for itself any reorganization, arrangement, composition, readjustment, dissolution or similar relief under any present or future statute, law or regulation, or files any answer admitting the material allegations of a petition filed against the Company in any such proceeding, or seeks or consents to or acquiesces in the appointment of any trustee, receiver or liquidator of the Company, or if all or any substantial part of the properties of the Company, or the Company or its respective directors or majority stockholders take any action looking to the dissolution or liquidation of the Company; or

(c) If upon sixty (60) days after the commencement of any proceeding against the Company seeking any bankruptcy reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future statute, law or regulation, such proceeding has not been dismissed, or if upon sixty (60) days after the appointment without the consent or acquiescence of the Company of any trustee, receiver or liquidator of the Company or of all or any substantial part of the properties of the Company, such appointment has not been vacated.

8.2 **Remedies**. Upon the occurrence of an Event of Default under Section 8.1 hereof, at the option and upon the declaration of Lender and upon written notice to the Company, the entire unpaid principal and accrued and unpaid interest on the Note shall, without presentment, demand, protest or notice of any kind, all of which are hereby expressly waived, be forthwith due and payable, and Lender may, immediately and without expiration of any period of grace, enforce payment of all amounts due and owing under the Note and exercise any and all other remedies granted to it at law, in equity or otherwise. Alternatively, on the occurrence of an Event of Default under Section 8.1 hereof, at the option and upon the declaration of Lender and upon written notice to the Company, Lender may charge a default rate of interest equal to 12% per annum on the unpaid principal of this Note, any accrued interest and all other sums due under this Note from and after the date of default until paid in full.

9. **Officers and Directors Not Liable**. In no event shall any officer or director of the Company be liable for any amounts due and payable pursuant to this Note.

10. **Pari Passu Notes.** The Lender acknowledges and agrees that the payment of all or any portion of the outstanding principal amount of this Note and all interest hereon shall be pari passu in right of payment and in all other respects to the notes issued pursuant to that certain Note and Warrant Purchase Agreement, by and among the Company and each of the lenders as set forth on the Schedule of Lenders attached thereto, dated as of March 26, 2018.

11. **"Market Stand-Off" Agreement**. Lender hereby agrees that in connection with an IPO, upon the request of the underwriters managing such IPO, that such Lender shall not (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 or any securities convertible into or exercisable or exchangeable for Common Stock; or (b) enter into any hedging 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 above is to be settled by delivery of Common Stock or other securities, in cash or otherwise, any Common Stock (or other securities) of the Company held by such Lender (whether such shares or any such securities are then owned by the Lender or are thereafter acquired) (other than those included in the registration) for a period specified by the representative of the underwriters of Common Stock (or other securities) of the Company not to exceed one hundred eighty (180) days following the effective date of a registration statement of the Company filed under the Securities Act in connection with the Company's IPO (or such longer period of time as may be required to accommodate regulatory restrictions on (x) the publication or other distribution of research reports and (y) analyst recommendations and opinions, including, but not limited to, the restrictions contained in FINRA Rule 2711(f)(4) or NYSE Rule 472(f)(4), as applicable, (or any successor rules or amendments thereto)) (the "Standoff Period"). Lender agrees to execute and deliver such other agreements that are reasonably requested by the Company or the underwriter which are consistent with the foregoing and which are necessary to give further effect thereto. The Company may impose stop-transfer instructions with respect to the shares of Common Stock (or other securities) subject to the foregoing restriction until the end of the Standoff Period. The underwriters of the Company's stock are intended third party beneficiaries of this Section 11 and shall have the right, power and authority to enforce the provisions hereof as though they were a party hereto.

12. **Stock Purchase Agreement**. Each Lender understands and agrees that the conversion of the Note into Conversion Shares may require, and such conversion may be conditioned upon, such Lender's execution of certain agreements in the form agreed to by investors in the Next Equity Financing, relating to the purchase and sale of such securities as well as registration, co-sale, rights of first refusal, rights of first offer and voting rights, if any, relating to such securities.

13. **Interest Cutoff**. If a Change of Control or Next Equity Financing is consummated, all interest on this Note shall be deemed to have stopped accruing as of a date selected by the Company that is up to 10 days prior to the signing of the definitive agreement for the Change of Control or Next Equity Financing.

14. **Miscellaneous**

14.1 **Governing Law**. This Note shall be governed by and construed under the laws of the State of California as applied to agreements among California residents, made and to be performed entirely within the State of California. Notwithstanding any provision of this Note to the contrary, this Note shall be (to the extent necessary to satisfy the requirements of Section 22062(b)(3)(D) of the California Financial Code) subject to the implied covenant of good faith and fair dealing arising under Section 1655 of the California Civil Code.

14.2 **Successors and Assigns**. This Note shall inure to the benefit of and be binding upon the respective successors and assigns of the parties. Nothing in this Note is intended

to confer upon any party other than the parties hereto or their respective successors and assigns any rights, remedies, obligations or liabilities under or by reason of this Note, except as expressly provided in this Note. Notwithstanding the forgoing, any transfer of this Note may be effected only in accordance with the provisions of this Note and the consent of the Company and by surrender of this Note to the Company and reissuance of a new note to the transferee. The Lender and any subsequent holder of this Note receives this Note subject to the foregoing terms and conditions, as well as all other terms and conditions contained in this Note, and agrees to comply with all such terms and conditions for the benefit of the Company and Lender.

14.3 **Accredited Investor Representation**. By accepting this Note and countersigning below, the Lender represents and warrants to the Company that such Lender is an "accredited investor" as defined in Rule 501(a) under the Act.

14.4 **No "Bad Actor" Disqualification**. Lender hereby represents that no "bad actor" disqualifying event described in Rule 506(d)(1)(i)-(viii) of the Act (a "Disqualification Event") is applicable to Lender or any of its Rule 506(d) Related Parties (as defined below), except, if applicable, for a Disqualification Event as to which Rule 506(d)(2)(ii) or (iii) or (d)(3) is applicable. For purposes of this Note, "Rule 506(d) Related Party" shall mean any individual, corporation, partnership, trust, limited liability company, association or other entity that is a beneficial owner of Lender's securities for purposes of Rule 506(d) of the Act.

14.5 **No Rights as Stockholder**. Until the conversion of this Note, the Lender shall not have or exercise any rights by virtue hereof as a stockholder of the Company.

14.6 **Entire Agreement; Amendments and Waivers**. This Note constitutes the full and entire understanding and agreement between the parties with regard to the subjects hereof. The terms and provisions of this Note may be modified or amended and the observance of any term of this Note may be waived (either generally or in a particular instance and either retroactively or prospectively) only with the written consent of the Company and the Lender.

14.7 **Titles and Subtitles**. The titles and subtitles used in this Note are used for convenience only and are not to be considered in construing or interpreting this Note.

14.8 **Notices**. All notices required or permitted hereunder shall be in writing and shall be deemed effectively given: (a) upon personal delivery to the party to be notified; (b) when sent by confirmed electronic mail or confirmed facsimile if sent during normal business hours of the recipient, if not, then on the next Business Day; (c) five (5) Business Days after having been sent by registered or certified mail, return receipt requested, postage prepaid; or (d) one (1) Business Day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All communications to the Company shall be sent to:

Aligos Therapeutics, Inc.
1 Corporate Drive, 2nd Floor
South San Francisco, CA 94080
Attn: CEO

with a copy (which shall not constitute notice) to:
Latham & Watkins LLP
140 Scott Drive
Menlo Park, California 94025
Attn: Mark V. Roeder
Facsimile: (650) 463-2600
Email: [****]

All communications to the Lender shall be sent to:

Emory University
1599 Clifton Road NE, 4th Floor
Atlanta, GA 30322
Attn: Director, Office of Technology Transfer
Email: [****]

14.9 **Severability**. If any provision of this Note is held to be unenforceable under applicable law, such provision shall be excluded from this Note and the balance of this Note shall be interpreted as if such provision were so excluded and shall be enforceable in accordance with its terms.

14.10 **Expenses**. If any action at law or in equity is necessary to enforce or interpret the terms of this Note, the prevailing party shall be entitled to reasonable attorneys' fees, costs and disbursements in addition to any other relief to which such party may be entitled.

14.11 **Counterparts**. This Note may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one instrument. Any counterpart delivered electronically by .pdf transmission or by facsimile shall be binding to the same extent as an original counterpart with regard to any agreement subject to the terms hereof or any amendment thereto.

14.12 **No Usury** This Note is hereby expressly limited so that in no event whatsoever, whether by reason of deferment or advancement of loan proceeds, acceleration of maturity of the loan evidenced hereby, or otherwise, shall the amount paid or agreed to be paid to the Lender hereunder for the loan, use, forbearance or detention of money exceed the maximum interest rate permitted by the laws of the State of California. If at any time the performance of any provision hereof involves a payment exceeding the limit of the price that may be validly charged for the loan, use, forbearance or detention of money under applicable law, then automatically and retroactively, ipso facto, the obligation to be performed shall be reduced to such limit, it being the specific intent of the Company and the Lender hereof that all payments under this Note are to be credited first to interest as permitted by law, but not in excess of (a) the agreed rate of interest set forth in the Note or (b) that permitted by law, whichever is the lesser, and the balance toward the reduction of principal. The provisions of this Section 14.12 shall never be superseded or waived and shall control every other provision of this Note.

14.13 **Waiver of Jury Trial** TO THE EXTENT EACH MAY LEGALLY DO SO, EACH PARTY HERETO HEREBY EXPRESSLY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION, CAUSE OF ACTION OR PROCEEDING ARISING UNDER OR WITH RESPECT TO THIS AGREEMENT, OR IN ANY WAY CONNECTED WITH, OR RELATED TO, OR INCIDENTAL TO, THE DEALING OF THE PARTIES HERETO WITH RESPECT TO THIS AGREEMENT, OR THE TRANSACTIONS RELATED THERETO, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND IRRESPECTIVE OF WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE.

[Signature Page Follows]

Appendix C
LICENSED COMPOUNDS

[****]

Omitted pursuant to Regulation S-K, Item 601(a)(5)

Exhibit 10.1B

FIRST AMENDMENT TO LICENSE AGREEMENT

This First Amendment (the "First Amendment"), effective as of June 18, 2020 ("Effective Date"), is entered into between Emory University ("Emory"), a Georgia nonprofit corporation with offices at 1599 Clifton Road NE, 4th Floor, Atlanta, Georgia 30322, and Aligos Therapeutics, Inc. ("Aligos"), a Delaware corporation having its principal offices at 156 2nd Street, Suite 403, San Francisco, California 94105 (each individually a "Party" and collectively the "Parties"), and amends that certain Aligos Therapeutics / Emory University License Agreement of June 26, 2018 between the Parties (the "License Agreement"). Capitalized terms used herein without definition shall have the meaning set forth in the License Agreement.

WHEREAS, under Section 6.2.1 of the License Agreement, Emory is solely responsible for the preparation, filing, prosecution, issuance and maintenance of the Licensed Patents solely owned by Emory;

WHEREAS, Aligos wishes for its counsel to take initial responsibility for drafting responses to actions from patent offices and proposing actions and strategies as part of the preparation, prosecution, and maintenance of the Licensed Patents while Emory's agent will have the option to provide final edits and approval rights, and will remain attorney of record and point of contact for any such Licensed Patents; and

WHEREAS, the Parties wish to add additional patent rights to the License Agreement and wish to clarify how compounds covered by such additional patent rights will be treated under the License Agreement;

NOW THEREFORE, for good and valuable mutual consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereto agree to amend the Agreement as follows:

1. Section 6.2.1 of the License Agreement is hereby deleted and replaced with the following:

   (a) With respect to Licensed Patents solely owned by Emory, [****]. The Parties will cooperate to ensure that each Licensed Patent reflects and will reflect, to the extent practicable and to the best of Aligos's knowledge, all items of commercial interest to Aligos. Aligos will cover all of Emory's Patenting Costs, in accordance with the Patent Reimbursements paragraph below. Emory will endeavor to pay Patenting Costs in the order in which they were accrued and in a manner consistent with its business practices.

   (b) Emory shall give notice to Aligos of any desire on Emory's part to not prepare, file, prosecute, issue or maintain any of the Licensed Patents on a country-by-country basis and, in such cases, shall permit Aligos, in its sole discretion, to take such actions itself, [****]. In such event, Emory shall execute in a timely manner and [****] documents reasonably necessary to allow Aligos to take all such actions.

2. Appendix A of the License Agreement shall be amended to add (i) [****] and (ii) [****] to such Appendix.

3. A new Section 2.7 shall be added to the License Agreement and shall state:

"All compounds encompassed by a Valid Claim of patent [****] but no other Licensed Patent as defined as of June _, 2020, shall for purposes of the License Agreement be treated as Licensed Compounds rather than as Enabled Compounds."

4. Section 4.2 of the License Agreement shall be deleted in its entirety and replaced with the following language:

"By the fourth (4th) anniversary of June 26, 2018, Aligos shall have selected in a written communication to Emory a maximum of three of the Licensed Compounds encompassed by a Valid Claim of patent [****], on which Aligos intends to focus its continuing development and potential commercialization efforts. On such date, the license grant in Section 2.1(a) hereof thereafter shall be narrowed only with respect to the not-selected Licensed Compounds encompassed by a Valid Claim of patent [****] such that the exclusive Aligos Field of use for Licensed Product(s) containing those not-selected Licensed Compounds encompassed by a Valid Claim of patent [****] Aligos shall be only the treatment or prevention of HBV. For clarity, this means that, thereafter, for those Licensed Compounds encompassed by a Valid Claim of patent [****] not selected by Aligos, Emory shall be free to itself or with or through a license to any third party develop and commercialize such not-selected Licensed Compounds for any use other than the treatment or prevention of HBV.

By the fourth (4th) anniversary of June 18, 2020, Aligos shall have selected in a written communication to Emory a maximum of three of the Licensed Compounds encompassed by a Valid Claim of patent [****] on which Aligos intends to focus its continuing development and potential commercialization efforts. On such date, the license grant in Section 2.1(a) hereof thereafter shall be narrowed only with respect to the not-selected Licensed Compounds encompassed by a Valid Claim of patent [****] such that the exclusive Aligos Field of use for Licensed Product(s) containing those not-selected Licensed Compounds encompassed by a Valid Claim of patent [****] Aligos shall be only the treatment or prevention of HBV. For clarity, this means that, thereafter, for those Licensed Compounds encompassed by a Valid Claim of patent [****] not selected by Aligos, Emory shall be free to itself or with or through a license to any third party develop and commercialize such not-selected Licensed Compounds for any use other than the treatment or prevention of HBV."

5. The Parties hereby agree that with respect to the compounds identified within Aligos and known as [****] and [****], such compounds, as applicable, will be treated as Enabled Compounds for purposes of financial considerations under Sections 3.2 and 3.3 and, under no circumstances, will be treated as Licensed Compounds thereunder.

6. Within [****] following the execution of this First Amendment by both Parties and invoice by Emory to Aligos, Aligos shall make a one-time, non-refundable payment to Emory in the amount of one hundred and fifty thousand dollars ($150,000). In addition, Aligos shall reimburse Emory for up to a maximum of [****] ($[****]) of actual costs incurred by Emory in connection with the prosection of patent [****].

7. **Entire Agreement**. All other terms and conditions of the License Agreement, as amended and modified, are hereby ratified, confirmed and approved. This First Amendment is the integral

part of the License Agreement. Except as set forth in this First Amendment, the License Agreement is unaffected and shall continue in full force and effect in accordance with its terms. If there is a conflict between the License Agreement and this First Amendment, the terms of this First Amendment will prevail.

8. **Counterparts**. This First Amendment may be executed in one or more counterparts by the Parties by signature of a person having authority to bind the Party, each of which when executed and delivered by facsimile, electronic transmission or by mail delivery, will be an original and all of which shall constitute but one and the same instrument.

(The remainder of this page intentionally left blank.)

IN WITNESS WHEREOF, the Parties hereto have agreed and accepted the terms and conditions of, and have duly executed this First Amendment to be made effective as of the Effective Date.

For EMORY UNIVERSITY

By /s/ Todd Sherer, Ph.D
Signature

Todd Sherer, Ph.D
Printed Name:

Executive Director, Office of Tech Transfer
Title:

06/18/20
Date

For ALIGOS THERAPEUTICS, INC.

By /s/ Lawrence Blatt
Signature

Lawrence Blatt
Printed Name:

CEO
Title:

2020/06/19
Date

LICENSE AGREEMENT

This License Agreement (the "Agreement") is entered into and made effective as of December 19, 2018, (the "Effective Date") by and between Luxna Biotech Co., Ltd. ("Luxna"), a Japanese corporation having its principal place of business at 3-21-1 Onoharanishi, Mino-City, Osaka 562-0032 Japan, and Aligos Therapeutics, Inc. ("Aligos"), a Delaware corporation having its principal offices at 1 Corporate Drive, 2nd Floor, South San Francisco, California 94080.

W I T N E S S E T H

WHEREAS, Luxna has an exclusive license from Osaka University for certain rights pertaining to modifications of xeno-nucleic acid ("XNA") and other gapmer technologies covered by the Licensed Patents, as of the Effective Date;

WHEREAS, Aligos wishes to obtain an exclusive worldwide sublicense under the Licensed Patents from Luxna, in order to research, develop and commercialize Licensed Products (defined below) within the Field; and

WHEREAS, Luxna is willing to grant such a license to Aligos, in consideration of Aligos's satisfaction of its obligations hereunder, and for other good and valuable consideration as set forth herein below.

NOW, THEREFORE, in consideration of the premises set forth above and the mutual covenants set forth below, the parties hereto agree as follows:

1. DEFINITION OF TERMS

1.1 "Active Ingredient" shall mean any therapeutically or prophylactically active ingredient or product.

1.2 "Affiliate" shall mean any legal entity that directly or indirectly owns or controls, is owned or controlled by, or is under common ownership or control with a party. With respect to an entity, the terms "ownership" and "control" shall mean (a) possession, or the right to possession, of at least fifty percent (50%) of the equity; (b) the power to direct the management and policies; (c) the power to appoint or remove a majority of the board of directors; or (d) the right to receive fifty percent (50%) or more of the profits or earnings. The term "entity" includes without limitation any corporation or other organization.

1.3 "Calendar Year" shall mean January 1 through December 31.

1.4 "Combination Product" shall mean either a single pharmaceutical formulation containing as its Active Ingredients both a Licensed Compound and one or more other Active Ingredients, or a combination therapy comprised of a Licensed Product and one or more therapeutically or prophylactically active products priced and sold as a therapeutic regimen containing such multiple products. All references to Licensed Product in this Agreement shall be deemed to include Combination Product.

1.5 "Commercially Reasonable Efforts" shall mean [****]

1.6 "Confidential Information" shall mean any information exchanged between Luxna and Aligos, either directly or indirectly, orally or in writing or other tangible medium, regarding the Licensed Rights or this Agreement and/or the performance of either party hereunder, including without limitation (a) intellectual property, such as, but not limited to, patents, patent applications,

copyrights, copyright applications, and trade secrets and/or (b) confidential information, including without limitation (i) information regarding physical or chemical or biological materials (such as, but not limited to, reagents, gene sequences, nucleic acids, cell lines, media, antibodies, compounds, c-DNAs, antisense oligonucleotides, proteins and vectors) and techniques for their handling and use; (ii) information regarding ideas, technology and processes (such as, but not limited to, assays, techniques, sketches, schematics, drawings, works of authorship, models, designs, inventions, know-how, technical documentation, equipment, algorithms, software programs, software source documents, formulae); (iii) information concerning or resulting from research and development projects and other projects (such as, but not limited to, preclinical and clinical data, design details and specifications, engineering information, and works in process); (iv) business and financial information (such as, but not limited to, current, future, and proposed products and services, financial information and models, information relating to procurement requirements, purchasing, manufacturing, customer lists, product plans, product ideas, business strategies, marketing or business plans, financial or personnel matters, investors, employees, business and contractual relationships, business forecasts, sales and merchandising, and information regarding third parties, suppliers, customers, employees, investors or facilities); (v) any information created using the foregoing Confidential Information; and (vi) any other information which is designated by either party as "Confidential," "Proprietary" or some similar designation, other than that which:

(a) is already in the recipient party's possession at the time of disclosure as evidenced by the recipient party's contemporaneous written records;

(b) is or later becomes part of the public domain through no fault of the recipient party;

(c) is received from a third party having no obligations of confidentiality to the disclosing party; or

(d) is independently developed by the recipient party without the use of or reliance upon Confidential Information as evidenced by the recipient party's contemporaneous written records.

1.7 "Control" shall mean, with respect to any item of intellectual property, the ability of a party to grant access to, or a license or sublicense of, such item without violating the terms of any agreement or other arrangement with any third party.

1.8 "Field" shall mean all therapeutic and prophylactic uses for any molecule.

1.9 "Final Regulatory Approval" shall mean obtaining the last required approval, license, registration, permit, notification or authorization (or waiver) of any regulatory authority that is necessary for the commercialization of a product in a country or jurisdiction, including any required pricing or reimbursement approval required in such country or jurisdiction.

1.10 [****]

1.11 [****]

1.12 [****]

1.13 "Invention" shall mean any process, method, composition of matter, article of manufacture, discovery or finding that is conceived and/or reduced to practice during the Term of this Agreement.

1.14 “Licensed Compound” shall mean an oligonucleotide incorporating at least one modification claimed by the Licensed Patents.

1.15 “Licensed Know-how” shall mean the know-how Controlled by Luxna, which is necessary for making the Licensed Compounds.

1.16 “Licensed Patents” shall mean the Patent Cooperation Treaty (“PCT”) patent applications listed in Appendix A and all worldwide patent applications making a proper claim of priority to the foregoing, including divisionals, continuations, continuations-in-part, and all patents issuing therefrom and extensions of same, including reissues and re-examinations.

1.17 “Licensed Product” shall mean any product in the Field containing a Licensed Compound, wherein the making, use, sale, offer to sell, or import of which in the relevant country or countries infringes or would infringe one or more Valid Claims, but for the Licensed Rights granted herein.

1.18 “Licensed Rights” shall mean collectively the Licensed Patents and Licensed Know-how.

1.19 “Net Sales” shall mean the gross invoice price (not including value added taxes, sales taxes, or similar taxes) of Licensed Product sold by Aligos or its Affiliates or Sublicensees to the first third party after deducting, if not previously deducted, from the amount invoiced or received:

(a) customary trade, cash, and quantity discounts actually allowed and taken other than early payment cash discounts;

(b) credits actually given for: rejected or returned products, rebates granted to customers including managed health care or governmental organizations, chargebacks;

(c) retroactive price reductions that are actually allowed or granted;

(d) deductions actually incurred for: Health Care Reform fees and similar deductions to gross invoice price of Licensed Product imposed by regulatory authorities or other governmental entities;

(e) sales commissions paid to third party distributors and/or selling agents;

(f) an amount to cover bad debt actually incurred, early payment cash discounts, transportation and insurance and custom duties, if actually paid; and

(g) the standard inventory cost of devices or delivery systems used for dispensing or administering Licensed Product.

With respect to sales of Combination Products, Net Sales shall be calculated by multiplying the total Net Sales of such Combination Product by the fraction A/A+B where A is the actual sale price of the Licensed Product in the same dosage amount in the applicable country if sold separately and B is the sum of the actual sale prices of all other Active Ingredients in the Combination Product in the applicable country if sold separately during the applicable quarter. If A or B cannot be determined because values for the Licensed Product or Active Ingredient(s) sold alone are not available in an applicable country then Aligos and Luxna shall agree upon an appropriate allocation for the fair market value of the Licensed Product and other Active Ingredients in the Combination Product to determine Net Sales for such Combination Product. In the event the parties are unable to agree on an appropriate allocation for such fair market value, the issue may be resolved through arbitration pursuant to Section 9.2 hereof.

1.20 "Osaka-Luxna Agreement" shall mean [****].

1.21 "Sublicensee" shall mean any non-affiliated third party to whom Aligos has granted a Sublicense.

1.22 "Sublicense" shall mean an agreement, subject to Section 2.2 hereunder, in which Aligos (i) grants or otherwise transfers to a Sublicensee any of the rights to Licensed Patents granted by Luxna to Aligos hereunder, or (ii) agrees not to assert such rights or to sue, prevent or seek a legal remedy for the practice of same.

1.23 "Term" shall mean the term of this Agreement as set forth in Section 7.1 hereunder.

1.24 "Territory" shall mean the entire world.

1.25 "Third Party Agreements" shall mean the following agreements between Osaka University and third parties predating this Agreement:

(a) License from Osaka University to Company A under the Licensed Patent A to use AmNA for specific indications including NASH;

(b) License from Osaka University to Company B under the Licensed Patents to manufacture reagents containing the modifications of AmNA claimed by the Licensed Patent A; and

(c) Option from Osaka University to Company C under the Licensed Patent B to use GuNA to target DUX4, miR-150, and PDK4 genes.

1.26 "Valid Claim" shall mean a claim of any issued, unexpired Licensed Patent that has not been withdrawn, cancelled, or disclaimed, and has not been held unenforceable or invalid by a court of competent jurisdiction in the relevant country in an unappealable or unappealed decision, or has not been held unpatentable in any post-issuance administrative proceeding, for which no appeal has been sought, *e.g.*, inter-parties review (IPR), post-grant review (PGR) reexamination, deriviation, interference and opposition.

2. GRANT

2.1 Exclusive License

2.1.1. HBV Rights: Luxna hereby grants to Aligos the exclusive license in the Territory during the Term, including the right to Sublicense pursuant to Section 2.2 below, to research, develop, make, have made, and commercialize Licensed Products containing Licensed Compounds to target the Hepatitis B Virus ("HBV") genome.

2.1.2. HCC Rights

(i) Luxna hereby grants to Aligos the exclusive license in the Territory during the Term, including the right to Sublicense pursuant to Section 2.2 below, to research, develop, make, have made and commercialize Licensed Products containing Licensed Compounds to target up to three (3) genes that are reasonably known to be genetic contributors of Hepatocellular Carcinoma ("HCC Gene Targets"), which gene targets Aligos shall identify to Luxna in writing at any time prior to the expiration of three (3) years from the Effective Date hereof ("HCC Exclusive Period"). During the HCC Exclusive Period, Luxna shall not grant to any third party any rights under the Licensed Patents to research or develop any compounds/products targeting any HCC Gene Target. At any time during the HCC Exclusive Period, Aligos may exchange any HCC Gene Target that Aligos selected for license under this Section 2.1.2 for another HCC Gene Target upon written notice to Luxna.

(ii) Following the HCC Exclusive Period: (a) Luxna shall be free to grant licenses to third parties under the Licensed Patents to research, develop and commercialize any compounds/products targeting any HCC Gene Target to the extent such HCC Gene Target has not at that time been selected upon written notice to Luxna by Aligos for its license under this Section 2.1.2; and (b) for a period of five (5) years from the expiration of the HCC Exclusive Period, Aligos may exchange any HCC Gene Target that Aligos selected for license under this Section 2.1.2 for another HCC Gene Target, by giving written notice to Luxna, to the extent that Luxna has not licensed such HCC Gene Target to a third party at that time.

2.1.3. NASH Rights: Luxna hereby grants to Aligos the exclusive license in the Territory during the Term, including the right to Sublicense pursuant to Section 2.2 below, to research, develop, make, have made and commercialize Licensed Products containing Licensed Compounds (but specifically excluding compounds utilizing AmNA, claimed by the Licensed Patent A) to target up to three (3) genes that are reasonably known to be genetic contributors of Nonalcoholic Steatohepatitis ("NASH Gene Target"), which gene targets Aligos shall identify to Luxna in writing at any time within eight (8) years from the Effective Date hereof ("NASH Non-Exclusive Period"), to the extent that Luxna has not licensed such NASH Gene Target to a third party at that time. At any time during the NASH Non-Exclusive Period, Aligos may exchange any NASH Gene Target that Aligos selected for license under this Section 2.1.3 for another NASH Gene Target, by giving written notice to Luxna, to the extent that Luxna has not licensed such NASH Gene Target to a third party at that time. For purposes of clarity, at any time including during the NASH Non-Exclusive Period, Luxna shall be free to grant licenses to third parties under the Licensed Patents to research, develop and commercialize any compounds/products targeting any NASH Gene Target to the extent such NASH Gene Target has not at that time already been selected upon written notice to Luxna by Aligos for its license under this Section 2.1.3.

2.2 Right to Sublicense

Aligos shall have the right to grant Sublicenses with respect to the rights granted under the foregoing Section 2.1, provided that (a) Aligos shall notify Luxna of each such Sublicense in advance of any such grant thereof; (b) the execution of any such Sublicense shall not in any way diminish, reduce or eliminate any of Aligos's obligations under this Agreement, and Aligos shall remain primarily liable for such obligations and any breach of any provision of this Agreement or any Sublicense by any Affiliate or Sublicensee of Aligos; (c) Aligos shall not have the right to grant Sublicenses for the discovery of Licensed Compounds; and (d) Aligos shall require each Sublicensee to abide by those obligations of this Agreement relevant to such Sublicensee.

2.3 Affiliate Rights

The rights licensed to Aligos under the foregoing Sections 2.1 and 2.2 shall be extended to Affiliates designated in advance in writing by Aligos, provided that each such Affiliate agrees in writing to be bound by the terms and conditions of this Agreement. Aligos agrees to be fully responsible for the performance of such Affiliates hereunder, including acts and omissions of same.

2.4 Right of First Refusal

Aligos shall have the right of first refusal for any additional XNA and/or gapmer modifications that are not claimed by the Licensed Patents and that Luxna Controls through Osaka University licenses to Luxna or otherwise ("Additional Modifications"), which Aligos may exercise within [****] after written disclosure thereof by Luxna to Aligos. In the event Aligos desires to exercise such right of first refusal, it shall provide written notice to Luxna and the parties will promptly use good faith, diligent efforts to negotiate the additional commercially reasonable financial terms (if any) for such Additional Modifications for [****] after Aligos' written notice of the right of first refusal ("First Refusal Period") and (if agreed) amend this Agreement to include any patent rights covering such Additional Modifications as part of the "Licensed

Patents" hereunder. For the avoidance of doubt, if the parties do not enter into a license agreement with respect to the said Additional Modifications during the First Refusal Period, Luxna shall be free to grant licenses for the same to third parties, provided that Luxna may not license to a third party such Additional Modification in respect of the target genes exclusively licensed to Aligos under Section 2.1 above.

2.5 Transfer of Licensed Know-how

Upon the Effective Date or within [****] thereafter, Luxna shall transfer or transmit all Licensed Know-how then in Luxna's possession to Aligos. The parties shall hold periodic meetings to transfer any new Licensed Know-how and for Aligos to update Luxna regarding annual progress.

2.6 Excluded Rights

The parties agree that: (i) the rights separately granted by Osaka University to third parties under the Third Party Agreements are not included in the scope of this Agreement; and (ii) nothing in this Agreement shall be deemed to prevent Osaka University from using any of the Licensed Rights for its non-commercial research purposes relating to the modifications of XNA.

3. FINANCIAL CONSIDERATIONS

3.1 Upfront Fee

Aligos shall pay to Luxna a one-time non-refundable fee of Six Hundred Thousand Dollars (US $600,000) ("Upfront Fee") within [****] of Aligos' receipt of invoice from Luxna following the Effective Date.

3.2 Performance Milestone Payments

Aligos shall pay to Luxna the following non-refundable performance milestone amounts within [****] of the first achievement of each milestone listed below, whether triggered by actions of Aligos or an Affiliate or a Sublicensee, on a Licensed Compound-by-Licensed Compound basis.

Milestone	Milestone Payment (One Time Payments on a Per Licensed Compound/Licensed Product Basis)
[****]	[****]
[****]	[****]
[****]	[****]
[****]	[****]
[****]	[****]

Milestone	Milestone Payment (One Time Payments on a Per Licensed Compound/Licensed Product Basis)
[****]	[****]
[****]	[****]
[****]	[****]
[****]	[****]
[****]	[****]

Aligos shall be obligated to make no more than one payment to Luxna for any one milestone, even if a milestone is achieved more than one time or in more than one jurisdiction.

3.3 Running Royalties

With respect to Licensed Products containing a Licensed Compound, Aligos shall pay [****] to Luxna non-refundable running royalties, calculated on a Licensed Product-by-Licensed Product basis, as follows:

Percentage of Net Sales	Cumulative Worldwide Annual Net Sales
[****]%	[****]
[****]%	[****]
[****]%	[****]
[****]%	[****]

Royalties on each Licensed Product shall continue until the expiration of the last-to-expire Valid Claim applicable to such Licensed Product anywhere in the Territory. No multiple running royalties shall be payable because the Licensed Product, or the manufacture or use thereof, are or shall be covered by more than one Licensed Patent, or by both Licensed Patents and Licensed Know-how. In the event that Aligos is required to pay any royalties or other payments to a third party to obtain a license for patent rights which Aligos would need to exercise its rights under this Agreement, Aligos may set off such royalties or other payments actually paid to such third party from royalty payments due to Luxna under this Section 3.3, such setoff not to exceed [****] ([****]%) of aggregate worldwide royalty payments otherwise due to Luxna.

3.4 Payments

Payments shall be paid in United States Dollars by wire transfer to a bank account designated by Luxna. If any currency conversion shall be required in connection with the payment of royalties hereunder, such conversion shall be made by using the exchange rate stated in the Wall Street Journal, U.S. edition, on the last business day of the calendar quarterly reporting period to which such royalty payments relate, and Aligos shall bear all wire transfer and other financial transaction fees. Each party will reasonably assist the other party in claiming tax refunds, deductions, or credits at the other party's request and will reasonably cooperate to minimize the withholding tax, if available, under any tax treaties applicable to any payment made under this Agreement.

4. MATERIAL SUPPLY

Luxna shall non-exclusively provide the initial supply of certain monomers to Aligos only for use in the research, development and manufacture of oligonucleotides. Aligos shall never use such monomers for human therapeutics. Such supply shall be pursuant to a separate supply agreement ("Supply Agreement") to be entered between the parties (the "Initial Supply"). Luxna shall also provide Aligos with a separate quality estimate ("Quality Estimate") that shall describe the manufacturing and supply quality for the Initial Supply. The Supply Agreement and the Quality Estimate shall be negotiated in good faith between the parties and be executed as promptly as possible following the Effective Date. Upon Aligos' request, Luxna shall provide a quote to Aligos for the Initial Supply. Luxna shall use Commercially Reasonable Efforts to meet Aligos's reasonable requirements for the Initial Supply as may be agreed upon in the Supply Agreement.

5. REPORTS AND RECORDS

5.1 Record Accounting

Aligos shall keep complete and accurate books of account containing all particulars that may be necessary for the purpose of showing the amounts payable by Aligos to Luxna hereunder. Such books of account shall be kept at Aligos's principal place of business, and shall be maintained for at least [****] following the end of the reporting period to which they pertain. For the purpose of verifying Aligos's royalty statements, Luxna shall have the right to conduct an on-site audit of Aligos's business activities relating to this Agreement, either by Luxna's internal auditing personnel, and/or an independent certified public accountant retained by Luxna and/or employed by Luxna, [****]. Such examinations shall be made with at least [****] written notice, shall take place during reasonable business hours, and shall not occur more than [****]. Should any of the foregoing examinations reveal an underpayment, and Aligos agrees with the assessment, then Aligos shall immediately pay to Luxna the underpaid amount and, if any audit discloses that Aligos owes royalties to Luxna in excess of [****] ([****]%) of those previously paid, [****]. If Aligos does not agree with the assessment, such dispute will be resolved according to the procedure set forth in Section 9.2 below.

5.2 Product Reports

Within [****] of the end of each calendar quarter following the date of the first commercial sale of a Licensed Product, Aligos shall deliver to Luxna reports of the business conducted by Aligos during the preceding [****] period under this Agreement as shall be pertinent to a royalty accounting hereunder. These reports shall include the following, on a Licensed Product-by-Licensed Product basis:

(a) The numbers of each Licensed Product sold by Aligos and each Affiliate and Sublicensee, broken down by territory;

(b) Total receipts, and an accounting of other consideration provided in the definition of Net Sales, for each Licensed Product sold by Aligos and each Affiliate and Sublicensee in each relevant territory;

(c) Details of each deduction applicable to the sale of each Licensed Product, as provided in the definition of Net Sales;

(d) Total royalties due to Luxna, as well as a detailed accounting of how such royalties was calculated including the exchange rates, if any, used in determining the amount due;

(e) Names and addresses of all Sublicensees of Aligos that have commercial sales of Licensed Products during such period;

(f) Payments and other consideration received from each Sublicensee from the sale of Licensed Products during such period and an explanation of the contractual obligation satisfied by such consideration; and

(g) Description and product codes, or other Aligos identifier, of each category of Licensed Product sold.

6. OWNERSHIP OF INVENTIONS AND PATENT PROSECUTION

6.1 Ownership of Inventions

As between the parties, the ownership of any new Inventions arising from Aligos's activities under this Agreement shall be in accordance with the patent laws of the United States, regardless of where the applicable activities occur.

6.2 Patent Prosecution

6.2.1. With respect to Licensed Patents, Luxna shall have the responsibility for the preparation, filing, prosecution, issuance and maintenance of the Licensed Patents, including choice of patent counsel, provided, however, that Luxna shall consider Aligos's comments and suggestions in connection therewith, including with respect to the selection of counsel. However, Luxna shall keep Aligos informed of patent prosecution, will consider Aligos's comments and suggestions prior to taking material actions for the same, and will consider prosecution actions reasonably recommended by Aligos which would maintain or expand the scope of rights sought, or would more effectively cover products being developed by Aligos. Aligos shall cooperate with Luxna to ensure that each Licensed Patent reflects and will reflect, to the extent practicable and to the best of Aligos's knowledge, all items of commercial interest to Aligos.

6.2.2. Luxna shall give notice to Aligos of any desire on Luxna's part to not prepare, file, prosecute, issue or maintain any of the Licensed Patents on a country-by-country basis and, in such cases, shall permit Aligos, in its commercially reasonable discretion, to take such actions itself, [****]. In such event, Luxna shall execute in a timely manner and [****] any and all documents as may be reasonably necessary to allow Aligos to take all such actions. [****]

6.2.3. All information exchanged between counsel, the parties, Affiliates and Sublicensees regarding the Licensed Patents shall be deemed Confidential Information of the respective party that provided such Confidential Information. In addition, the parties acknowledge and agree that, with regard to such activities, the interests of the parties as licensor and exclusive licensee are to obtain the strongest patent protection possible, and as such, are aligned and are legal in nature. The parties agree and acknowledge that they have not waived, and nothing in this Agreement constitutes a waiver of, any legal privilege concerning the Licensed Patents, including without limitation, privilege under the common interest doctrine and similar or related doctrines.

6.3 Infringement of Licensed Patents

6.3.1. If either party believes that a Licensed Patent is being or has been infringed by a third party, such party shall notify the other of such belief, and as part of such notice shall provide copies of documentary evidence of the alleged infringement.

6.3.2. Where the infringement is in the Field, Aligos shall have the first option to bring an infringement action against the alleged infringer [****]. If Aligos exercises its option, which shall be made in writing within [****] after the Parties' receipt of said notice of infringement, Luxna will cooperate as reasonably requested by Aligos, [****]. Aligos shall be entitled to retain all damages or costs recovered in such action, [****]. Luxna shall cooperate with Aligos in such effort including being joined as a party to such action if necessary. Upon Aligos' reasonable request, Luxna shall request Osaka University to be joined as a party or otherwise cooperate in the prosecution of such action.

6.3.3. In the event that Aligos does not exercise its option to bring or pursue an infringement action against an alleged infringer, Luxna shall have the right (but not the obligation) to do so [****], and to retain all recovered damages. In such instances Aligos will cooperate as requested by Luxna, [****]. [****]. Aligos shall cooperate with Luxna in such effort including being joined as a party to such action if necessary.

6.3.4. Should either Luxna or Aligos be a party to a suit under the provisions of this article and thereafter elect to abandon such suit, the abandoning party shall give timely notice to the other party who may, at its discretion, continue prosecution of such suit [****].

6.3.5. Neither party may enter a settlement, consent judgment, or other voluntary final disposition of such suits without the express written consent of the other party, which consent shall not be unreasonably withheld.

6.4 Patent Extensions

Aligos and Luxna agree that the Licensed Patents shall be extended by all means provided by law or regulation, including without limitation extensions provided under 35 U.S.C. §§154(b), 155A, and 156. Each party hereby agrees to provide the other party with all necessary assistance in securing such extensions, including without limitation, providing all information regarding applications for regulatory approval, approvals granted, and the timing of same.

7. DURATION AND TERMINATION

7.1 Contract Term

The Term of this Agreement shall commence on the Effective Date and shall continue until the expiration of the last to expire of the Licensed Patents, unless sooner terminated in accordance with the provisions herein.

7.2 Luxna Termination

7.2.1. If Aligos fails to make a payment to Luxna of running royalties or any other payment in accordance with the terms of this Agreement, or upon Aligos's other material breach or default of any material term of this Agreement, Luxna shall have the right to serve notice upon Aligos of Luxna's intention to terminate the entirety of the rights, privileges and licenses granted hereunder. If Aligos does not pay all such overdue amounts to Luxna, or, otherwise cure a material breach to the reasonable satisfaction of Luxna within [****] following the receipt of such notice from Luxna, then Luxna may terminate this Agreement by written notice.

7.2.2. If Aligos becomes bankrupt or insolvent, files a petition in bankruptcy, or is placed in the hands of a receiver, assignee, or trustee for the benefit of creditors, whether by the voluntary act of Aligos or otherwise, this Agreement shall automatically terminate, in as much as permitted under applicable and prevailing law, provided however, that in the case of any involuntary bankruptcy proceeding such right to terminate shall only become effective if Aligos consents to the involuntary bankruptcy or such proceeding is not dismissed within [****] after the filing thereof.

7.3 Aligos Termination

7.3.1. Aligos shall have the right to terminate this Agreement without cause, in whole or with respect to any Licensed Patents, at any time by providing Luxna with [****] advance written notice. In the event that Aligos makes a final decision to cease researching, developing or commercializing Licensed Products, it agrees to terminate this Agreement pursuant to this Section 7.3.1.

7.3.2. Aligos shall have the right to terminate this Agreement for cause, in whole or in part, upon a material breach by Luxna of its obligations under this Agreement, provided, however, that Luxna shall have [****] following the receipt of a notice of breach from Aligos to cure such material breach to the reasonable satisfaction of Aligos. In the event that Luxna fails to cure such a breach, the rights granted by Luxna to Aligos under this Agreement shall remain in full force and effect, subject to Aligos's continued payment of all royalties and milestone amounts pursuant to Article 3; provided, however, the obligations of Aligos to make economic payments to Luxna pursuant to this Agreement shall be suspended so long as such material breach by Luxna remains uncured or, if cure is not possible, so long as a substantial and material economic or scientific impact of the breach continues. Notwithstanding the foregoing, in the event that the impact of a material breach by Luxna can be isolated to one or more particular countries within the Territory or to one or more Licensed Patents, then Aligos shall be entitled to suspend such economic payments only on a country-by-country basis for those countries or on a Licensed Patent-by-Licensed Patent basis for those Licensed Patents in which the rights granted by Luxna to Aligos under this Agreement are adversely and materially impacted.

7.4 Disputes Regarding Right to Terminate

If a party disputes the grounds for the other to terminate this Agreement, such party must provide written notice of the dispute to the other party during the [****] cure period and prior to the effective date of said termination. In such case, the dispute shall be resolved in accordance with the dispute resolution provisions provided in Section 9.2 below.

7.5 Continued Obligations

Upon termination of this Agreement in whole or in part for any reason, nothing herein shall be construed to release either party from any obligation that matured prior to the effective date of such termination. All Confidential Information of the other party shall be promptly returned or destroyed, at the disclosing party's election. After the effective date of such termination of this Agreement, to the extent not made by Luxna for breach by Aligos, Aligos and its Affiliates and Sublicensees may, for a period of [****], sell all Licensed Products, and complete Licensed Products in the process of manufacture at the time of such termination and sell the same, provided that Aligos complies with, and requires its Affiliates and Sublicensees to comply with, all of the terms of this Agreement.

7.6 Effect on Sublicenses

Upon termination of this Agreement by Luxna for cause, Aligos shall promptly notify its Sublicensees of such termination. Upon termination of this Agreement, Aligos shall no longer have the authority to grant further Sublicenses. If this Agreement terminates for any reason, any Sublicensee shall, from the effective

date of such termination, automatically become a direct licensee of Luxna with respect to the rights originally sublicensed to it by Aligos, provided such Sublicensee did not cause the termination of the Agreement, Sublicensee agrees to comply with all the terms of this Agreement and Sublicensee assumes the responsibilities of Aligos hereunder, to the extent applicable to the sublicense originally granted to it.

7.7 Survivability

Except as otherwise expressly set forth herein, the provisions of the Financial Considerations (solely to the extent related to payment obligations arising prior to termination), Reports and Records, Confidentiality, Indemnification, Representations and Warranties, and Use of Names articles of this Agreement shall survive termination of this Agreement. In the event of a partial termination hereof (*e.g.*, with respect to a Licensed Patent in a particular country), those same articles shall survive with respect to the terminated rights, and all of the provisions hereof shall continue in full force and effect with respect to the non-terminated rights.

7.8 Effects of Luxna's Termination for Aligos Breach

If this Agreement is terminated by Luxna pursuant to Section 7.2 as a result of Aligos's material, uncured breach, Aligos shall use its reasonable best efforts to return, or at Luxna's direction, destroy, all data, writings and other documents and tangible materials supplied to Aligos by Luxna.

8. CONFIDENTIALITY AND PUBLICATION

8.1 Confidential Information

8.1.1. During the term of this Agreement and for a period of [****] thereafter, the parties agree that all Confidential Information shall be maintained in confidence by the receiving party and shall not be disclosed by the receiving party to any third parties unless agreed to in writing by the party providing the information; nor shall any such Confidential Information be used by the receiving party for any purpose other than those contemplated by this Agreement; except, however, the parties agree that nothing herein will be construed to prevent (i) the parties from providing information about this Agreement and amounts paid as part of other routinely prepared summary documents, and (ii) Luxna from reporting to Osaka University the amount of any payments received from Aligos hereunder, to the extent required.

8.1.2. Each party shall endeavor in good faith to mark tangible Confidential Information that it discloses as "Confidential" and to confirm Confidential Information that it orally discloses as "Confidential" in writing.

8.1.3. In the event that Confidential Information is required by law, regulation, or administrative or judicial order to be disclosed, the party required to make disclosure shall promptly notify the other to allow that party to assert whatever exclusions or exemptions may be available.

8.2 Osaka-Luxna Agreement

Upon the execution of this Agreement or shortly thereafter, Luxna shall provide to Aligos a copy of the Osaka-Luxna Agreement, with the financial terms redacted. Luxna will provide promptly to Aligos copies of any future amendments thereto. Aligos shall treat the terms of the Osaka-Luxna Agreement and any amendments thereto as Confidential Information, except, however, Aligos may disclose such terms to its Affiliates, Sublicensees, shareholders and potential investors, subject to such Affiliates, Sublicensees, shareholders and potential investors first agreeing in writing to treat the same as Confidential Information.

8.3 Publication

Luxna shall not publish or publicize any information related to Licensed Compounds or Licensed Products without Aligos' prior written consent at its sole discretion.

9. GOVERNING LAW AND DISPUTE RESOLUTION

9.1 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the State of California, without regard to its or any other jurisdiction's conflicts of laws provisions.

9.2 Dispute Resolution

9.2.1. Claims, disputes or controversies between the parties shall be elevated for resolution to the Chief Executive Officer of Aligos and the Chief Executive Officer of Luxna for at least [****] good faith discussion prior to either party taking any legal action related to any such claims, dispute, or controversy. Any agreed decisions of the executives will be final and binding on the parties. All negotiations pursuant to this Section 9.2.1 are confidential and shall be treated as compromise and settlement negotiations for purposes of applicable rules of evidence.

9.2.2. Any claims, disputes or controversies between the parties that cannot be resolved pursuant to the foregoing paragraph shall be exclusively and finally settled by binding arbitration under the then current ICC International Court of Arbitration ("ICC") procedures applicable to the commercial arbitration. The place of arbitration shall be Tokyo, Japan, if Aligos initiates the dispute process hereunder, and San Francisco, California, if Luxna initiates the dispute process hereunder. The language of the arbitration shall be English. Such arbitration shall be conducted by a single neutral and impartial arbitrator agreed upon by the parties within [****] of receipt by respondent of a copy of the demand for arbitration. If the parties fail to timely agree, on the request of any party, such arbitrator shall be appointed by the ICC in accordance with its rules. The dispute shall be resolved by submission of documents unless the arbitrator determines (or the parties agree) that an oral hearing is necessary. The award shall be rendered, if practicable, within [****] of the appointment of the arbitrator. Any award rendered by the arbitrator shall be final and binding upon the parties. Judgment upon any award rendered may be entered in any court having jurisdiction, or application may be made to such court for a judicial acceptance of the award and an order of enforcement, as the case may be. [****]. This Section shall not prohibit a party from seeking preliminary injunctive relief in aid of arbitration from a court of competent jurisdiction in the event of a breach or prospective breach of this Agreement by any other party which would cause irreparable harm to the party seeking such relief. Without prejudice to such provisional remedies as may be available under the jurisdiction of a court, the arbitrator shall have full authority to grant provisional remedies and to direct the parties to request that any court modify or vacate any temporary or preliminary relief issued by such court, and to award damages for the failure of any party to respect the arbitrator's orders to that effect.

10. INDEMNIFICATION

10.1 Aligos Indemnification

The parties acknowledge that Aligos, either itself or through the actions of its Affiliates and/or Sublicensees, shall be fully responsible for the quality, safety and operability of all Licensed Products, and shall have sole control over, and responsibility for, the development, design, testing, promotion, marketing, sales, and other activities directed to the commercialization of Licensed Products. Aligos agrees to indemnify, hold harmless and defend Luxna, its shareholders, representatives, directors, officers, employees, agents, and each of their respective successors and assigns ("Luxna Indemnitees"), except in the case of such party's negligence, against any and all claims, demands, loss, liability, expense, damages, and actions (including investigative costs, court costs, and attorneys' fees) Luxna Indemnitees may suffer, pay or incur as a results

of claims, demands, or actions by third parties arising, in whole or in part, from the execution of this Agreement or from the exercise of any rights licensed hereunder or manufacture, testing, design, use Sale, or labeling of any Licensed Product by Aligos, its parents, assigns, successors, Affiliates, Sublicensees, customers, contractors, agents, or other transferees, including without limitation, against any damages, losses or liabilities whatsoever for death, injury to person or damage to property. Aligos agrees to provide attorneys reasonably acceptable to Luxna to defend against such a claim, and Luxna shall cooperate with Aligos in defense of such claim. Aligos acknowledges that the technology embodied in the rights licensed hereunder is experimental and agrees to take all reasonable precautions to prevent death, personal injury, illness and property damage. Aligos shall promptly notify Luxna of all claims involving the Luxna Indemnitees and shall advise Luxna of the amounts that might be needed to defend and pay any such claims. Luxna shall promptly notify Aligos of all claims brought to its attention relating to Aligos's indemnity obligations under this Agreement. Aligos shall not settle any such claims, demands or actions under this Section, without the express, prior written consent of Luxna, which consent shall not be unreasonably withheld or delayed.

10.2 Luxna Indemnification

Luxna agrees to indemnify, hold harmless and defend Aligos, its shareholders, representatives, directors, officers, employees, agents, Affiliates, Sublicensees and each of their respective successors and assigns ("Aligos Indemnitees"), except in the case of such party's negligence, against any and all claims, demands, loss, liability, expense, damages, and actions (including investigative costs, court costs, and attorneys' fees) Aligos Indemnitees may suffer, pay or incur as a results of claims, demands, or actions by third parties arising, in whole or in part, from the execution of this Agreement or from the exercise of any rights licensed hereunder or supply of any materials by Luxna, including without limitation, against any damages, losses or liabilities whatsoever for death, injury to person or damage to property. Luxna agrees to provide attorneys reasonably acceptable to Aligos to defend against such a claim, and Aligos shall cooperate with Luxna in defense of such claim. Luxna acknowledges that the technology embodied in the rights licensed hereunder is experimental and agrees to take all reasonable precautions to prevent death, personal injury, illness and property damage. Luxna shall promptly notify Aligos of all claims involving the Aligos Indemnitees and shall advise Aligos of the amounts that might be needed to defend and pay any such claims. Aligos shall promptly notify Luxna of all claims brought to its attention relating to Luxna's indemnity obligations under this Agreement. Luxna shall not settle any such claims, demands or actions under this Section, without the express, prior written consent of Aligos, which consent shall not be unreasonably withheld or delayed.

10.3 Limitation of Liability

Except in the case of such party's fraud or willful misconduct or breach of Section 8.1, under no circumstances will either party be liable to the other party for lost profits or special, incidental, indirect, consequential or exemplary damages.

11. REPRESENTATIONS AND WARRANTIES

11.1 No Encumbrances

Each party hereto acknowledges and agrees that no representation or promise not expressly contained in this Agreement has been made by the other party hereto or by any of its agents, employees, representatives or attorneys concerning the subject matter of this Agreement. Each party further warrants and represents that, to the best of its knowledge, it has the full right and power to make the promises and grant the licenses set forth in this Agreement and that there are no outstanding agreements, assignments or encumbrances in existence which are inconsistent with the provisions of this Agreement.

11.2 Aligos Warranty

Aligos warrants and represents that (a) it shall use its Commercially Reasonable Efforts to pursue the research, development and commercialization of Licensed Products throughout the term of this Agreement, and to comply in all material respects with all applicable laws and regulations, and (b) it has the necessary expertise and skill in relevant technical areas pertaining to the Licensed Patents and Licensed Products to make, and has made, its own evaluation of the capabilities, safety, utility and commercial application of the Licensed Patents and Licensed Products.

11.3 Luxna Warranty

Luxna warrants and represents that(a) the Licensed Know-How consists of all of the data and other know-how owned or otherwise controlled by Luxna as of the Effective Date related to Licensed Compounds and Licensed Patents, and (b) it has the right and authority to grant to Aligos the rights as detailed herein with respect to the Licensed Patents and Licensed Know-How, free and clear of any claims or encumbrances.

11.4 Disclaimers

Nothing in this Agreement shall be construed as (i) a representation or warranty of operability or that development of a commercial products is possible; (ii) an obligation to bring or prosecute actions or suits against third parties for infringement; (iii) conferring the right to use in advertising, publicity or otherwise any trademark, trade name, or names, or any contraction, abbreviation, simulation or adaptation thereof of Aligos or Luxna; (iv) conferring by implication, estoppel or otherwise any license or rights under any patents of Luxna other than the Licensed Patents; and (v) any other representations or warranties, either express or implied, unless specified in this Agreement. Except as expressly provided herein, the furnishing of Confidential Information shall not be interpreted to convey any grant of rights, titles, interests, options or licenses to the receiving party under any of the Licensed Rights.

12. NOTICES

Any notice or other communication given under this Agreement shall be in writing and shall be deemed delivered when sent by certified first class mail or overnight courier, addressed to the parties as follows (or at such other addresses as the parties may notify each other in writing):

Aligos:
Aligos Therapeutics, Inc.
1 Corporate Drive, 2nd Floor
South San Francisco
CA 94080 USA
Attention: [****]

Luxna:
Luxna Biotech Co., Ltd.
3-21-1 Onoharanishi,
Mino-shi,
Osaka 562-0032 Japan
Attention: [****]

13. ASSIGNMENT

Neither party may grant, transfer, or convey this Agreement (by assignment or otherwise) and/or the rights and obligations acquired by it hereunder, without prior written consent from the other party (such consent not to be unreasonably withheld or delayed), except in the case of a merger or sale of substantially all of a party's issued and outstanding stock or all or substantially all of the assets of a party to which this Agreement relates, in which case such party shall provide the other party with written notice of such merger or assignment, but no prior written consent by the other party is required, provided further that the surviving entity or acquirer agrees in writing to be bound by and assume the obligations under this Agreement.

14. USE OF NAMES

Neither party shall use the names of the other, or any adaptation thereof, or of their employees, officers, or agents, or any adaptation thereof, in any advertisement, promotional or sales literature without prior written consent obtained from such party in each case.

15. MARKING

Aligos shall mark, and shall cause its Affliates and Sublicensees to mark, all Licensed Products made or sold in the United States in accordance with 35 U.S.C. §287(a), and all Licensed Products made or sold in other countries in accordance with the laws and regulations then applicable in each such country.

16. SEVERABILITY

Should any provision of this Agreement be determined to be unenforceable or otherwise unlawful, then such provision shall be without effect, as if such provision had not been included herein, and the remaining terms of this Agreement shall survive. In such instance, the parties shall promptly meet to agree upon further terms which shall, within the confines of the law, most substantially satisfy the intention of the parties as reflected by the ineffective provision. If such agreement between the parties is not reached within [****] of the date such provision is determined to be unenforceable or otherwise unlawful, the parties agree to submit such matter to arbitration pursuant to Section 9.2 above.

17. HEADERS

The article and paragraph headings contained in this Agreement are for reference purposes only, and shall not in any way affect the meaning or interpretation of this Agreement.

18. BENEFIT AND WAIVER

This Agreement is binding upon and shall inure to the benefit of the parties hereto, their representatives, successors and permitted assigns. No failure or successive failures on the part of the parties, to enforce any provisions of this Agreement, and no waiver or successive waivers on either party's part of any condition of this Agreement, shall operate as a discharge of such provision or condition, or render the same invalid, or impair the right of such party to enforce same in the event of any subsequent breach or breaches by the other party.

19. ENTIRE AGREEMENT

This Agreement sets forth the entire agreement and understanding of the parties hereto as to the subject matter hereof, and supersedes any and all prior written and oral agreements, understandings, promises or offers, including without limitation any term sheet which preceded its drafting, and shall not be subject to any change or modification except by the execution of a written instrument subscribed to by the parties hereto and explicitly referencing this Agreement and specifying that it is the parties' intent to modify the terms and/or conditions set forth herein. Both parties acknowledge and agree that they were represented by counsel in the negotiation and execution of this Agreement.

20. FORCE MAJEURE

No party shall be liable for any failure to perform as required by this Agreement, to the extent such failure to perform is caused by acts of God or natural disaster, interference by civil or military authorities, government actions, and war or terrorism.

21. COUNTERPARTS

This Agreement and any and all other documents or instruments referred to herein may be executed with counterpart signatures all of which taken together shall constitute an original. And translation of this Agreement into a language other than English is for convenience only and shall not govern or affect the interpretation of this Agreement. This Agreement may also be executed by signatures to facsimile or electronic transmittal documents.

IN WITNESS WHEREOF, the parties hereto have agreed and accepted the terms and conditions of, and have duly executed this Agreement to be made effective as of the Effective Date.

For LUXNA BIOTECH CO., LTD.

By /s/ Hideaki Sato
Hideaki Sato
President & CEO
December 19, 2018
Osaka, Japan

For ALIGOS THERAPEUTICS, INC.

By /s/ Lawrence Blatt, Ph.D.
Lawrence Blatt, Ph.D.
Chief Executive Officer
December 19, 2018
Osaka, Japan

APPENDIX A

Licensed Patents

[****]

Omitted pursuant to Regulation S-K, Item 601(a)(5)

Exhibit 10.2B

AMENDMENT

Luxna Biotech Co., Ltd. ("Luxna") and Aligos Therapeutics, Inc. ("Aligos") agree to amend their License Agreement dated as of December 19, 2018 ("License Agreement"), as follows:

1. This Amendment is effective as of April 8, 2020.

2. Luxna hereby grants to Aligos the exclusive license in the Territory during the Term, including the right to Sublicense pursuant to Section 2.2 of the License Agreement, to research, develop, make, have made, and commercialize Licensed Products containing Licensed Compounds to target the genomes of the following virus families: Coronaviridae, Orthomyxoviridae and Paramyxoviridae. For the avoidance of doubt, Aligos may make available Licensed Products for government-authorized expanded access / compassionate use programs prior to such Licensed Products being approved or cleared by the relevant government authority.

3. In consideration for the rights granted in Paragraph 2 above, Aligos shall pay to Luxna a one-time non-refundable fee of Two Hundred Thousand Dollars (US $200,000) within [****] of Aligos' receipt of invoice from Luxna following the effective date of this Amendment.

4. To the extent required by Aligos, Luxna will provide additional supplies of certain monomers for use in the research, development and manufacture of oligonucleotides under this Amendment.

5. Luxna warrants and represents that it has the right and authority to grant to Aligos the rights as set forth in Paragraph 2 above with respect to the Licensed Patents and Licensed Know-How, free and clear of any claims or encumbrances.

6. Luxna's address is changed as follows:

   Luxna Biotech Co., Ltd.
   C907 Techno-Alliance Complex Bldg. C, 9F
   2-8 Yamadaoka,
   Suita-shi,
   Osaka 565-0871 Japan

7. All other provisions of the License Agreement remain unchanged. In the event that this Amendment conflicts in any way with the License Agreement, the parties shall discuss and resolve in good faith.

LUXNA BIOTECH CO., LTD.	ALIGOS THERAPEUTICS, INC.
By: /s/ Hideaki Sato	By: /s/ Lawrence Blatt
Name: Hideaki Sato	Name: Lawrence Blatt
Title: President and CEO	Title: CEO
Date: 2020/04/08	Date: 2020/04/07

GATEWAY CROSSING

LEASE

This Lease (the "**Lease**"), dated as of the date set forth in Section 1 of the Summary of Basic Lease Information (the "**Summary**"), below, is made by and between **BRITANNIA BIOTECH GATEWAY LIMITED PARTNERSHIP,** a Delaware limited partnership ("**Landlord**"), and **ALIGOS THERAPEUTICS, INC..**, a Delaware corporation ("**Tenant**").

SUMMARY OF BASIC LEASE INFORMATION

TERMS OF LEASE		DESCRIPTION
1.	Date:	June 21, 2018
2.	Premises (Article 1).	
2.1	Building:	The two-story building containing approximately 77,255 rentable square feet of space, located at: One Corporate Drive South San Francisco, California 94080 (the "**Building**")
2.2	Premises:	38,675 rentable square feet of space consisting of the entire second (2nd) floor containing 38,367 rentable square feet, and a portion of the first (1st) floor of the Building containing approximately 308 rentable square feet, as further set forth in **Exhibit A** to the Lease.
3.	Lease Term (Article 2).	
3.1	Length of Term:	Eight (8) years, commencing on the Rent Commencement Date.
3.2	Rent Commencement Date:	The later to occur of January 1, 2019, and (ii) the date thirty (30) days after the first phase of the Premises are "Ready for Occupancy" as defined in the Tenant Work Letter. The parties anticipate that the first phase of the Premises will be Ready for Occupancy on January 1, 2019.
3.3	Lease Expiration Date:	The day prior to the eighth (8th) anniversary of the Rent Commencement Date.

4. Base Rent (Article 3):

Lease Year	Annual Base Rent	Monthly Installment of Base Rent	Approximate Monthly Base Rent per Rentable Square Foot
1 (Months 1 – 5)	N/A	$ 94,753.75	$ 4.900
1 (Months 6 – 12)	N/A	$189,507.50	$ 4.900
2	$2,353,915.20	$196,159.60	$ 5.072
3	$2,436,060.90	$203,005.08	$ 5.249
4	$2,521,455.30	$210,121.28	$ 5.433
5	$2,609,634.30	$217,469.53	$ 5.623
6	$2,701,062.00	$225,088.50	$ 5.820
7	$2,795,274.30	$232,939.53	$ 6.023
8	$2,893,199.40	$241,099.95	$ 6.234

* Note that for the first five (5) months of the Lease Term, Tenant's Base Rent obligation has been calculated as if the Premises contained only 50% of the rentable square feet of the Premises. Such calculation shall not affect Tenant's right to use the entire Premises, or Tenant's obligations under this Lease with respect to the entire Premises, including without limitation, Tenant's obligation to pay Tenant's Share of Direct Expenses with respect to the Premises which shall be as provided in Section 6 of this Summary, all in accordance with the terms and conditions of this Lease.
* Note that Tenant's obligation to pay Base Rent for the entire Premises shall commence (subject to such 50% payment) upon the Rent Commencement Date, regardless of the fact that the second phase of construction in the Premises has not been completed.

5. Tenant Improvement Allowance (**Exhibit B**): An amount equal to $120.00 per rentable square foot of the Premises (*i.e.*, $4,641,000.00 based upon 38,675 rentable square feet in the Premises).

6. Tenant's Share (Article 4): 50.11%

7.	Permitted Use (Article 5):	The Premises shall be used only for general office, research and development, engineering, laboratory, and storage and/or warehouse uses, including, but not limited to, administrative offices and other lawful uses reasonably related to or incidental to such specified uses, all (i) consistent with first class life sciences projects in South San Francisco, California ("**First Class Life Sciences Projects**"), and (ii) in compliance with, and subject to, applicable laws and the terms of this Lease.
8.	Letter of Credit (Article 21):	$482,212.92
9.	Parking (Article 28):	2.6 unreserved parking spaces for every 1,000 rentable square feet of the Premises, subject to the terms of Article 28 of the Lease. Landlord will designate two (2) spaces near the entrance to the Building as being reserved for Tenant's use.
10.	Address of Tenant (Section 29.18):	Aligos Therapeutics, Inc. c/o WeWorks 156 2nd Street, Suite 403 Attention: General Counsel (Prior to Lease Commencement Date) And Aligos Therapeutic, Inc. One Corporate Drive, 2nd Floor South San Francisco, California 94080 Attention: General Counsel (After Lease Commencement Date)
11.	Address of Landlord (Section 29.18):	See Section 29.18 of the Lease.
12.	Broker (Section 29.24):	CBRE, Inc.

1. PREMISES, BUILDING, PROJECT, AND COMMON AREAS.

1.1 **Premises, Building, Project and Common Areas**.

1.1.1 **The Premises**. Landlord hereby leases to Tenant and Tenant hereby leases from Landlord the premises set forth in Section 2.2 of the Summary (the "**Premises**"). The outline of the Premises is set forth in **Exhibit A** attached hereto. The outline of the "Building" and the "Project," as those terms are defined in Section 1.1.2 below, are further depicted on the Site Plan attached hereto as **Exhibit A-1**. The parties hereto agree that the lease of the Premises is upon and subject to the terms, covenants and conditions herein set forth, and Tenant covenants as a material part of the consideration for this Lease to keep and perform each and all of such terms, covenants and conditions by it to be kept and performed and that this Lease is made upon the condition of such performance. The parties hereto hereby acknowledge that the purpose of **Exhibit A** is to show the approximate location of the Premises only, and such Exhibit is not meant to constitute an agreement, representation or warranty as to the construction of the Premises, the precise area thereof or the specific location of the "Common Areas," as that term is defined in Section 1.1.3, below, or the elements thereof or of the accessways to the Premises or the "Project," as that term is defined in Section 1.1.2, below. Except as specifically set forth in this Lease and in the Tenant Work Letter attached hereto as **Exhibit B** (the "**Tenant Work Letter**"), Landlord shall not be obligated to provide or pay for any improvement work or services related to the improvement of the Premises. Tenant also acknowledges that neither Landlord nor any agent of Landlord has made any representation or warranty regarding the condition of the Premises, the Building or the Project or with respect to the suitability of any of the foregoing for the conduct of Tenant's business, except as specifically set forth in this Lease and the Tenant Work Letter. The taking of possession of the Premises by Tenant shall conclusively establish that the Premises and the Building were at such time in good and sanitary order, condition and repair, provided that Landlord shall deliver the Premises with the roof of the Building to be water-tight and shall cause the plumbing, electrical systems, fire sprinkler system, lighting, air conditioning, heating, and all other building systems serving the Premises in good operating condition and repair on or before the Lease Commencement Date. Notwithstanding anything in this Lease to the contrary, in connection with the foregoing Landlord shall, at Landlord's sole cost and expense (which shall not be deemed an "Operating Expense," as that term is defined in Section 4.2.4), repair or replace any failed or inoperable portion of the HVAC and other mechanical systems serving the Premises during the first twenty-four (24) months of the initial Lease Term ("**Warranty Period**"), provided that the need to repair or replace was not caused by the misuse, misconduct, damage, destruction, omissions, and/or negligence of Tenant, its subtenants and/or assignees, if any, or any company which is acquired, sold or merged with Tenant (collectively, "**Tenant Damage**"), or by any modifications, Alterations or improvements constructed by or on behalf of Tenant. Landlord shall coordinate such work with Tenant and shall utilize commercially reasonable efforts to perform the same in a manner designed to minimize interference with Tenant's use of the Premises. To the extent repairs which Landlord is required to make pursuant to this Section 1.1.1 are necessitated in part by Tenant Damage, then Tenant shall reimburse Landlord for an equitable proportion of the cost of such repair. As of the date hereof, Landlord is intending to perform work to the Building equipment as set forth on **Exhibit G** at Landlord's sole cost and expense (and which items shall be repaired at Landlord's cost during the Warranty Period as set forth above). Landlord anticipates that such work will be completed prior to March 1, 2019.

1.1.2 **The Building and The Project**. The Premises constitutes a portion of the building set forth in Section 2.1 of the Summary (the "**Building**"). The Building is part of an office/laboratory project currently known as "Gateway Crossing." The term "**Project**," as used in this Lease, shall mean (i) the Building and the Common Areas, (ii) the land (which is improved with landscaping, parking facilities and other improvements) upon which the Building and the Common Areas are located, (iii) the three (3) other office/laboratory buildings located at Gateway Crossing, and the land upon which such adjacent office/laboratory buildings are located, and (iv) at Landlord's discretion, any additional real property, areas, land, buildings or other improvements added thereto outside of the Project.

1.1.3 **Common Areas**. Tenant shall have the non-exclusive right to use in common with other tenants in the Project, and subject to the rules and regulations referred to in Article 5 of this Lease, those portions of the Project which are provided, from time to time, for use in common by Landlord, Tenant and any other tenants of the Project (such areas, together with such other portions of the Project designated by Landlord, in its discretion, are collectively referred to herein as the "**Common Areas**"). Landlord shall maintain and operate the Common Areas in

a first class manner and the use thereof shall be subject to such rules, regulations and restrictions as Landlord may reasonably make from time to time. Landlord reserves the right to close temporarily, make alterations or additions to, or change the location of elements of the Project and the Common Areas, provided that such closures, alterations, additions or changes shall not unreasonably interfere with Tenant's use of such Common Areas and that Landlord shall use commercially reasonable efforts to minimize any interference with Tenant's use of and access to the Premises and parking areas in connection therewith.

1.2 **Rentable Square Feet of Premises**. The rentable square footage of the Premises and the Building are hereby deemed to be as set forth in Section 2.2 of the Summary, and shall not be subject to measurement or adjustment during the Lease Term.

1.3 **Early Occupancy Space**. Tenant shall have the right to occupy up to 7,154 rentable square feet of the Premises, as shown on **Exhibit A-2** attached hereto (the "**Early Occupancy Space**"), commencing any time after the full execution of this Lease. Such Early Occupancy shall be on all of the terms and conditions of this Lease (including, without limitation, the obligation of Tenant to provide insurance as set forth in Section 10.3, below), as if the Rent Commencement Date had occurred, provided that Tenant shall have no obligation to pay Base Rent with respect to the Early Occupancy Space until the occurrence of the Rent Commencement Date (but Tenant shall pay for utilities and Tenant's Share of Direct Expenses attributable to such space during such occupancy).

2. LEASE TERM; OPTION TERM.

2.1 **Lease Term**. The terms and provisions of this Lease shall be effective as of the date of this Lease. The term of this Lease (the "**Lease Term**") shall be as set forth in Section 3.1 of the Summary, shall commence on the date set forth in Section 3.2 of the Summary (the "**Lease Commencement Date**"), and shall terminate on the date set forth in Section 3.3 of the Summary (the "**Lease Expiration Date**") unless this Lease is sooner terminated as hereinafter provided. For purposes of this Lease, the term "**Lease Year**" shall mean each consecutive twelve (12) month period during the Lease Term. At any time during the Lease Term, Landlord may deliver to Tenant a notice in the form as set forth in **Exhibit C**, attached hereto, as a confirmation only of the information set forth therein, which Tenant shall execute and return to Landlord within five (5) days of receipt thereof.

2.2 **Option Term**.

2.2.1 **Option Right**. Landlord hereby grants the Tenant originally named in this Lease (the "**Original Tenant**"), any "Permitted Transferee" as such term is defined in Section 14.8 below and any assignee of Original Tenant's entire interest in the Lease that has been approved in accordance with the terms of Article 14, below (each, a "**Permitted Assignee**"), one (1) option to extend the Lease Term for a period of eight (8) years (the "**Option Term**"). Such option to extend shall be exercisable only by written notice delivered by Tenant to Landlord not more than twelve (12) months nor less than nine (9) months prior to the expiration of the initial Lease Term, stating that Tenant is thereby exercising its option to lease the Premises during the Option Term. Upon the proper exercise of the option to extend, and provided that, at Landlord's option, as of the date of delivery of such notice, Tenant is not in default under this Lease, after the expiration of any applicable notice and cure periods, and has not previously been in default under this Lease after the expiration of any applicable notice and cure periods, more than once in the twelve (12) month period prior to the date of Tenant's exercise, and as of the end of the initial Lease Term, Tenant is not in default under this Lease, after the expiration of any applicable notice and cure periods, the Lease Term shall be extended for a period of eight (8) years. The rights contained in this Section 2.2 shall be personal to Original Tenant and any Permitted Assignee (and not any other assignee, sublessee or "Transferee," as that term is defined in Section 14.1, below, of Tenant's interest in this Lease). In the event that Tenant fails to timely and appropriately exercise its option to extend the Lease Term, in accordance with the terms of this Section 2.2, then such option shall automatically terminate and shall be of no further force or effect.

2.2.2 **Option Rent**. The annual Rent payable by Tenant during the Option Term (the "**Option Rent**") shall be equal to the "Fair Rental Value," as that term is defined below, for the Premises as of the commencement date of the Option Term. The "**Fair Rental Value**," as used in this Lease, shall be equal to the annual rent per rentable square foot (including additional rent and considering any "base year" or "expense stop" applicable thereto), including all escalations, at which tenants (pursuant to leases consummated within the twelve (12) month

period preceding the first day of the Option Term), are leasing non-sublease, non-encumbered, non-equity space which is not significantly greater or smaller in size than the subject space, for a comparable lease term, in an arm's length transaction, which comparable space is located in the Building or in "Comparable Buildings," as that term is defined in this Section 2.2.2, below (transactions satisfying the foregoing criteria shall be known as the "**Comparable Transactions**"), taking into consideration the following concessions (the "**Concessions**"): (a) rental abatement concessions, if any, being granted such tenants in connection with such comparable space; (b) tenant improvements or allowances provided or to be provided for such comparable space, and taking into account the value, if any, of the existing improvements in the subject space, such value to be based upon the age, condition, design, quality of finishes and layout of the improvements; and (c) other reasonable monetary concessions being granted such tenants in connection with such comparable space. The Fair Rental Value shall additionally include a determination as to whether, and if so to what extent, Tenant must provide Landlord with financial security, such as a letter of credit or guaranty, for Tenant's Rent obligations in connection with Tenant's lease of the Premises during the Option Term. Such determination shall be made by reviewing the extent of financial security then generally being imposed in Comparable Transactions from tenants of comparable financial condition and credit history to the then existing financial condition and credit history of Tenant (with appropriate adjustments to account for differences in the then-existing financial condition of Tenant and such other tenants). The Concessions (A) shall be reflected in the effective rental rate (which effective rental rate shall take into consideration the total dollar value of such Concessions as amortized on a straight-line basis over the applicable term of the Comparable Transaction (in which case such Concessions evidenced in the effective rental rate shall not be granted to Tenant)) payable by Tenant, or (B) at Landlord's election, all such Concessions shall be granted to Tenant in kind. The term "**Comparable Buildings**" shall mean the Building and those other buildings which are comparable to the Building in terms of age (based upon the date of completion of construction or major renovation of the building), quality of construction, level of services and amenities, size and appearance, and located in First Class Life Sciences Project in South San Francisco, California and the surrounding commercial area.

2.2.3 **Determination of Option Rent**. In the event Tenant timely and appropriately exercises its option to extend the Lease Term, Landlord shall notify Tenant of Landlord's determination of the Option Rent on or before the date that is thirty (30) days following Landlord's receipt of the Option Exercise Notice. If Tenant, on or before the date which is thirty (30) days following the date upon which Tenant receives Landlord's determination of the Option Rent, fails to accept or object to Landlord's determination of Option Rent, Tenant shall be deemed not to have exercised Tenant's right to extend this Lease pursuant to this Section 2.2, this Section 2.2 shall be of no further force or effect, and the Lease will terminate at the end of the initial Lease Term. If Tenant, on or before the date which is thirty (30) days following the date upon which Tenant receives Landlord's determination of the Option Rent, objects to Landlord's determination of the Option Rent, then Landlord and Tenant shall attempt to agree upon the Option Rent using their good-faith efforts. If Landlord and Tenant fail to reach agreement within thirty (30) days following Tenant's objection to the Option Rent (the "**Outside Agreement Date**"), then Tenant shall have the right to withdraw its exercise of the option by delivering written notice thereof to Landlord within give (5) business days of the Outside Agreement Date, in which event Tenant shall be deemed not to have exercised Tenant's right to extend this Lease pursuant to this Section 2.2, Tenant's right to extend this Lease pursuant to this Section 2.2 shall be of no further force or effect, and the Lease will terminate at the end of the initial Lease Term. If Tenant does not so withdraw its exercise of the option, then the option will be deemed to have been irrevocably exercised, and each party shall thereafter make a separate determination of the Option Rent, within five (5) business days of the Outside Agreement Date, and such determinations shall be submitted to arbitration in accordance with Sections 2.2.3.1 through 2.2.3.8, below.

2.2.3.1 Landlord and Tenant shall each appoint one arbitrator who shall be an MAI appraiser who shall have been active over the five (5) year period ending on the date of such appointment in the leasing or appraisal, as the case may be, of life science properties in South San Francisco, California and the surrounding commercial area. Each such arbitrator shall be appointed within twenty (20) days after the Outside Agreement Date. Landlord and Tenant may consult with their selected arbitrators prior to appointment and may select an arbitrator who is favorable to their respective positions. The arbitrators so selected by Landlord and Tenant shall be deemed "**Advocate Arbitrators**."

2.2.3.2 The two (2) Advocate Arbitrators so appointed shall be specifically required pursuant to an engagement letter within ten (10) days of the date of the appointment of the last appointed Advocate Arbitrator to agree upon and appoint a third arbitrator ("**Neutral Arbitrator**") who shall be qualified under the same

criteria set forth hereinabove for qualification of the two Advocate Arbitrators, except that neither the Landlord or Tenant or either parties' Advocate Arbitrator may, directly or indirectly, consult with the Neutral Arbitrator prior or subsequent to his or her appointment. The Neutral Arbitrator shall be retained via an engagement letter jointly prepared by Landlord's counsel and Tenant's counsel.

2.2.3.3 The three arbitrators shall, within thirty (30) days of the appointment of the Neutral Arbitrator, reach a decision as to whether the parties shall use Landlord's or Tenant's submitted Option Rent, and shall notify Landlord and Tenant thereof. The determination of the arbitrators shall be limited solely to the issue of whether Landlord's or Tenant's submitted Option Rent is the closest to the actual Option Rent, taking into account the requirements of Section 2.2.2 of this Lease, as determined by the arbitrators.

2.2.3.4 The decision of the majority of the three arbitrators shall be binding upon Landlord and Tenant.

2.2.3.5 If either Landlord or Tenant fails to appoint an Advocate Arbitrator within twenty (20) days after the Outside Agreement Date, then either party may petition the presiding judge of the Superior Court of San Mateo County to appoint such Advocate Arbitrator subject to the criteria in Section 2.2.3.1 of this Lease, or if he or she refuses to act, either party may petition any judge having jurisdiction over the parties to appoint such Advocate Arbitrator.

2.2.3.6 If the two (2) Advocate Arbitrators fail to agree upon and appoint the Neutral Arbitrator within ten (10) business days after the appointment of the last appointed Advocate Arbitrator, then either party may petition the presiding judge of the Superior Court of San Mateo County to appoint the Neutral Arbitrator, subject to criteria in Section 2.2.3.2 of this Lease, or if he or she refuses to act, either party may petition any judge having jurisdiction over the parties to appoint such arbitrator.

2.2.3.7 The cost of the arbitration shall be paid by Landlord and Tenant equally.

2.2.3.8 In the event that the Option Rent shall not have been determined pursuant to the terms hereof prior to the commencement of the Option Term, Tenant shall be required to pay as Option Rent, an amount equal to 103% of the Base Rent payable by Tenant as of the expiration of the initial Lease Term, and upon the final determination of the Option Rent, the payments made by Tenant shall be reconciled with the actual amounts of Option Rent due, and the appropriate party shall make any corresponding payment to the other party within thirty (30) days thereafter.

3. BASE RENT. Tenant shall pay, without prior notice or demand, to Landlord or Landlord's agent at the management office of the Project, or, at Landlord's option, at such other place as Landlord may from time to time designate in writing, by a check for currency which, at the time of payment, is legal tender for private or public debts in the United States of America, base rent ("**Base Rent**") as set forth in Section 4 of the Summary, payable in equal monthly installments as set forth in Section 4 of the Summary in advance on or before the first day of each and every calendar month during the Lease Term, commencing on the Rent Commencement Date, without any setoff or deduction whatsoever. The Base Rent for the first full month of the Lease Term shall be paid at the time of the parties' mutual execution and delivery of this Lease. If any Rent payment date (including the Rent Commencement Date) falls on a day of the month other than the first day of such month or if any payment of Rent is for a period which is shorter than one month, the Rent for any fractional month shall accrue on a daily basis for the period from the date such payment is due to the end of such calendar month or to the end of the Lease Term at a rate per day which is equal to 1/365 of the applicable annual Rent. All other payments or adjustments required to be made under the terms of this Lease that require proration on a time basis shall be prorated on the same basis.

4. ADDITIONAL RENT.

4.1 **General Terms**.

4.1.1 **Direct Expenses; Additional Rent**. In addition to paying the Base Rent specified in Article 3 of this Lease, Tenant shall pay "**Tenant's Share**" of the annual "**Direct Expenses**," as those terms are defined

in Sections 4.2.6 and 4.2.2 of this Lease, respectively, allocable to the Building. Such payments by Tenant, together with any and all other amounts payable by Tenant to Landlord pursuant to the terms of this Lease, are hereinafter collectively referred to as the "**Additional Rent**", and the Base Rent and the Additional Rent are herein collectively referred to as "**Rent**." All amounts due under this Article 4 as Additional Rent shall be payable for the same periods and in the same manner as the Base Rent. Without limitation on other obligations of Tenant which survive the expiration of the Lease Term, the obligations of Tenant to pay the Additional Rent provided for in this Article 4 shall survive the expiration of the Lease Term.

4.1.2 **Triple Net Lease**. Landlord and Tenant acknowledge that, except as otherwise provided to the contrary in this Lease, it is their intent and agreement that this Lease be a "**TRIPLE NET**" lease and that as such, the provisions contained in this Lease are intended to pass on to Tenant or reimburse Landlord for the costs and expenses reasonably associated with this Lease, the Building and the Project, and Tenant's operation therefrom. To the extent such costs and expenses payable by Tenant cannot be charged directly to, and paid by, Tenant, such costs and expenses shall be paid by Landlord but reimbursed by Tenant as Additional Rent.

4.2 **Definitions of Key Terms Relating to Additional Rent**. As used in this Article 4, the following terms shall have the meanings hereinafter set forth:

4.2.1 Intentionally Deleted.

4.2.2 **"Direct Expenses**" shall mean "**Operating Expenses**" and "**Tax Expenses**."

4.2.3 **"Expense Year**" shall mean each calendar year in which any portion of the Lease Term falls, through and including the calendar year in which the Lease Term expires, provided that Landlord, upon notice to Tenant, may change the Expense Year from time to time to any other twelve (12) consecutive month period, and, in the event of any such change, Tenant's Share of Direct Expenses shall be equitably adjusted for any Expense Year involved in any such change.

4.2.4 **"Operating Expenses**" shall mean all expenses, costs and amounts of every kind and nature which Landlord pays or accrues during any Expense Year because of or in connection with the ownership, management, maintenance, security, repair, replacement, restoration or operation of the Project, or any portion thereof. Without limiting the generality of the foregoing, Operating Expenses shall specifically include any and all of the following: (i) the cost of supplying all utilities (to the extent not separately metered and paid directly by Tenant or another tenant or occupant), the cost of operating, repairing, maintaining, and renovating the utility, telephone, mechanical, sanitary, storm drainage, and elevator systems, and the cost of maintenance and service contracts in connection therewith; (ii) the cost of licenses, certificates, permits and inspections and the reasonable cost of contesting any governmental enactments which may increase Operating Expenses, and the costs incurred in connection with a governmentally mandated transportation system management program or similar program; (iii) the cost of all insurance carried by Landlord in connection with the Project and Premises as reasonably determined by Landlord; (iv) the cost of landscaping, relamping, and all supplies, tools, equipment and materials used in the operation, repair and maintenance of the Project, or any portion thereof; (v) the cost of parking area operation, repair, restoration, and maintenance; (vi) fees and other costs, including management and/or incentive fees, consulting fees, legal fees and accounting fees, of all contractors and consultants in connection with the management, operation, maintenance and repair of the Project; (vii) payments under any equipment rental agreements and the fair rental value of any management office space; (viii) subject to item (f), below, wages, salaries and other compensation and benefits, including taxes levied thereon, of all persons engaged in the operation, maintenance and security of the Project; (ix) costs under any instrument pertaining to the sharing of costs by the Project; (x) subject to clause (xiii) below, operation, repair, maintenance and replacement of all systems and equipment and components thereof of the Project; (xi) the cost of janitorial, alarm, security and other services, replacement of wall and floor coverings, ceiling tiles and fixtures in common areas, maintenance and replacement of curbs and walkways, repair to roofs and re-roofing; (xii) amortization (including interest on the unamortized cost) over such period of time as Landlord shall reasonably determine, of the cost of acquiring or the rental expense of personal property used in the maintenance, operation and repair of the Project, or any portion thereof; (xiii) the cost of capital improvements or other costs incurred in connection with the Project (A) which are intended to effect economies in the operation or maintenance of the Project, or any portion thereof, or to reduce current or future Operating Expenses or to enhance the safety or security of the Project or its

occupants, (B) that are required to comply with present or anticipated conservation programs, (C) which are replacements or modifications of nonstructural items located in the Common Areas required to keep the Common Areas in good order or condition, (D) that are required under any governmental law or regulation which becomes effective after the date of this Lease, or (E) which are repairs, replacements or modifications to the Building Systems (as defined in Section 7.1, below); provided, however, that any capital expenditure shall be amortized (including interest on the amortized cost) over such the reasonable useful life of such capital item as Landlord shall reasonably determine; and (xiv) costs, fees, charges or assessments imposed by, or resulting from any mandate imposed on Landlord by, any federal, state or local government for fire and police protection, trash removal, community services, or other services which do not constitute "Tax Expenses" as that term is defined in Section 4.2.5, below, (xv) cost of tenant relation programs reasonably established by Landlord, and (xvi) payments under any easement, license, operating agreement, declaration, restrictive covenant, or instrument pertaining to the sharing of costs by the Building, including, without limitation, any covenants, conditions and restrictions affecting the property, and reciprocal easement agreements affecting the property, any parking licenses, and any agreements with transit agencies affecting the Property (collectively, "**Underlying Documents**"). Notwithstanding the foregoing, for purposes of this Lease, Operating Expenses shall not, however, include:

(a) costs, including legal fees, space planners' fees, advertising and promotional expenses (except as otherwise set forth above), and brokerage fees incurred in connection with the original construction or development, or original or future leasing of the Project, and costs, including permit, license and inspection costs, incurred with respect to the installation of tenant improvements made for new tenants initially occupying space in the Project after the Lease Commencement Date or incurred in renovating or otherwise improving, decorating, painting or redecorating vacant space for tenants or other occupants of the Project (excluding, however, such costs relating to any common areas of the Project or parking facilities);

(b) except as set forth in items (xii), (xiii), and (xiv) above, depreciation, interest and principal payments on mortgages and other debt costs, if any, penalties and interest;

(c) costs for which the Landlord is reimbursed by any tenant or occupant of the Project or by insurance by its carrier or any tenant's carrier or by anyone else, and electric power costs for which any tenant directly contracts with the local public service company;

(d) any bad debt loss, rent loss, or reserves for bad debts or rent loss;

(e) costs associated with the operation of the business of the partnership or entity which constitutes the Landlord, as the same are distinguished from the costs of operation of the Project (which shall specifically include, but not be limited to, accounting costs associated with the operation of the Project). Costs associated with the operation of the business of the partnership or entity which constitutes the Landlord include costs of partnership accounting and legal matters, costs of defending any lawsuits with any mortgagee (except as the actions of the Tenant may be in issue), costs of selling, syndicating, financing, mortgaging or hypothecating any of the Landlord's interest in the Project, and costs incurred in connection with any disputes between Landlord and its employees, between Landlord and Project management, or between Landlord and other tenants or occupants;

(f) the wages and benefits of any employee who does not devote substantially all of his or her employed time to the Project unless such wages and benefits are prorated to reflect time spent on operating and managing the Project vis-a-vis time spent on matters unrelated to operating and managing the Project; provided, that in no event shall Operating Expenses for purposes of this Lease include wages and/or benefits attributable to personnel above the level of Project manager;

(g) amount paid as ground rental for the Project by the Landlord;

(h) except for a Project management fee to the extent allowed pursuant to item (l) below, overhead and profit increment paid to the Landlord or to subsidiaries or affiliates of the Landlord for services in the Project to the extent the same exceeds the costs of such services rendered by qualified, first-class unaffiliated third parties on a competitive basis;

(i) any compensation paid to clerks, attendants or other persons in commercial concessions operated by the Landlord, provided that any compensation paid to any concierge at the Project shall be includable as an Operating Expense;

(j) rentals and other related expenses incurred in leasing air conditioning systems, elevators or other equipment which if purchased the cost of which would be excluded from Operating Expenses as a capital cost, except equipment not affixed to the Project which is used in providing engineering, janitorial or similar services and, further excepting from this exclusion such equipment rented or leased to remedy or ameliorate an emergency condition in the Project ;

(k) all items, services and utilities for which Tenant or any other tenant in the Project reimburses Landlord or which Landlord provides selectively to one or more tenants (other than Tenant) without reimbursement;

(l) any costs expressly excluded from Operating Expenses elsewhere in this Lease;

(m) rent for any office space occupied by Project management personnel to the extent the size or rental rate of such office space exceeds the size or fair market rental value of office space occupied by management personnel of the comparable buildings in the vicinity of the Building, with adjustment where appropriate for the size of the applicable project;

(n) costs arising from the gross negligence or willful misconduct of Landlord or its agent or contractors in connection with this Lease;

(o) costs incurred to comply with laws relating to the removal of hazardous material (as defined under applicable law) from the Building or Project, including without limitation costs incurred to remove, remedy, contain, or treat hazardous material, which hazardous material is brought into the Building or onto the Project after the date hereof by Landlord or any other tenant of the Project;

(p) cost to correct any construction defect in the Project or any violation of any law that exists as of the Rent Commencement Date; and

(q) cost incurred in connection with disputes with tenant of the Project or enforcing any of the terms of any lease with tenants, or in connection with any violation by Landlord or any other tenant of the Project of the terms and conditions of a lease.

4.2.5 **Taxes**.

4.2.5.1 **"Tax Expenses**" shall mean all federal, state, county, or local governmental or municipal taxes, fees, charges or other impositions of every kind and nature, whether general, special, ordinary or extraordinary (including, without limitation, real estate taxes, general and special assessments, transit taxes, leasehold taxes or taxes based upon the receipt of rent, including gross receipts or sales taxes applicable to the receipt of rent, unless required to be paid by Tenant, personal property taxes imposed upon the fixtures, machinery, equipment, apparatus, systems and equipment, appurtenances, furniture and other personal property used in connection with the Project, or any portion thereof), which Landlord shall pay or accrue during any Expense Year (without regard to any different fiscal year used by such governmental or municipal authority) because of or in connection with the ownership, leasing and operation of the Project, or any portion thereof.

4.2.5.2 Tax Expenses shall include, without limitation: (i) Any tax on the rent, right to rent or other income from the Project, or any portion thereof, or as against the business of leasing the Project, or any portion thereof; (ii) Any assessment, tax, fee, levy or charge in addition to, or in substitution, partially or totally, of any assessment, tax, fee, levy or charge previously included within the definition of real property tax; (iii) Any assessment, tax, fee, levy, or charge allocable to or measured by the area of the Premises or the Rent payable hereunder, including, without limitation, any business or gross income tax or excise tax with respect to the receipt of such rent, or upon or with respect to the possession, leasing, operating, management, maintenance, alteration, repair, use or

occupancy by Tenant of the Premises, or any portion thereof; and (iv) Any assessment, tax, fee, levy or charge, upon this transaction or any document to which Tenant is a party, creating or transferring an interest or an estate in the Premises or the improvements thereon.

4.2.5.3 Any reasonable costs and expenses (including, without limitation, reasonable attorneys' and consultants' fees) incurred in attempting to protest, reduce or minimize Tax Expenses shall be included in Tax Expenses in the Expense Year such expenses are incurred. Tax refunds shall be credited against Tax Expenses and refunded to Tenant regardless of when received, based on the Expense Year to which the refund is applicable, provided that in no event shall the amount to be refunded to Tenant for any such Expense Year exceed the total amount paid by Tenant as Additional Rent under this Article 4 for such Expense Year. If Tax Expenses for any period during the Lease Term or any extension thereof are increased after payment thereof for any reason, including, without limitation, error or reassessment by applicable governmental or municipal authorities, Tenant shall pay Landlord upon demand Tenant's Share of any such increased Tax Expenses. Notwithstanding anything to the contrary contained in this Section 4.2.5, there shall be excluded from Tax Expenses (i) all excess profits taxes, franchise taxes, gift taxes, capital stock taxes, inheritance and succession taxes, estate taxes, federal and state income taxes, and other taxes to the extent applicable to Landlord's net income (as opposed to rents, receipts or income attributable to operations at the Project), (ii) any items included as Operating Expenses, (iii) any items paid by Tenant under Section 4.5 of this Lease, (iv) any assessment amounts greater than the amount which would be payable if such assessment were paid in installments over the longest permitted period; (v) tax increases due to improvements built for the sole use of other tenants; and (vi) penalties or interest thereon due to Landlord's late or non-payment of Taxes..

4.2.6 **"Tenant's Share**" shall mean the percentage set forth in Section 6 of the Summary.

4.3 **Allocation of Direct Expenses**. The parties acknowledge that the Building is a part of a multi-building project and that the costs and expenses incurred in connection with the Project (i.e., the Direct Expenses) should be shared between the Building and the other buildings in the Project. Accordingly, as set forth in Section 4.2 above, Direct Expenses (which consist of Operating Expenses and tax Expenses) are determined annually for the Project as a whole, and a portion of the Direct Expenses, which portion shall be determined by Landlord on an equitable basis, shall be allocated to the Building (as opposed to other buildings in the Project). Such portion of Direct Expenses allocated to the Building shall include all Direct Expenses attributable solely to the Building and an equitable portion of the Direct Expenses attributable to the Project as a whole, and shall not include Direct Expenses attributable solely to other buildings in the Project.

4.4 **Calculation and Payment of Additional Rent**. Commencing on the Rent Commencement Date, Tenant shall pay to Landlord, in the manner set forth in Section 4.4.1, below, and as Additional Rent, Tenant's Share of Direct Expenses for each Expense Year.

4.4.1 **Statement of Actual Direct Expenses and Payment by Tenant**. Landlord shall give to Tenant within six (6) months following the end of each Expense Year, a statement (the "**Statement**") which shall state the Direct Expenses incurred or accrued for such preceding Expense Year, and which shall indicate the amount of Tenant's Share of Direct Expenses. Upon receipt of the Statement for each Expense Year commencing or ending during the Lease Term, Tenant shall pay, with its next installment of Base Rent due at least thirty (30) days thereafter, the full amount of Tenant's Share of Direct Expenses for such Expense Year, less the amounts, if any, paid during such Expense Year as "**Estimated Direct Expenses**," as that term is defined in Section 4.4.2, below, and if Tenant paid more as Estimated Direct Expenses than the actual Tenant's Share of Direct Expenses, Tenant shall receive a credit in the amount of Tenant's overpayment against Rent next due under this Lease. The failure of Landlord to timely furnish the Statement for any Expense Year shall not prejudice Landlord or Tenant from enforcing its rights under this Article 4. Even though the Lease Term has expired and Tenant has vacated the Premises, when the final determination is made of Tenant's Share of Direct Expenses for the Expense Year in which this Lease terminates, Tenant shall pay to Landlord such amount within thirty (30) days, and if Tenant paid more as Estimated Direct Expenses than the actual Tenant's Share of Direct Expenses, Landlord shall, within thirty (30) days, deliver a check payable to Tenant in the amount of the overpayment. The provisions of this Section 4.4.1 shall survive the expiration or earlier termination of the Lease Term.

4.4.2 **Statement of Estimated Direct Expenses**. In addition, Landlord shall give to Tenant within six (6) months following the end of each Expense Year a yearly expense estimate statement (the "**Estimate Statement**") which shall set forth Landlord's reasonable estimate (the "**Estimate**") of what the total amount of Direct Expenses for the then-current Expense Year shall be and the estimated Tenant's Share of Direct Expenses (the "**Estimated Direct Expenses**"). The failure of Landlord to timely furnish the Estimate Statement for any Expense Year shall not preclude Landlord from enforcing its rights to collect any Estimated Direct Expenses under this Article 4, nor shall Landlord be prohibited from revising any Estimate Statement or Estimated Direct Expenses theretofore delivered to the extent necessary. Thereafter, Tenant shall pay, with its next installment of Base Rent due at least thirty (30) days thereafter, a fraction of the Estimated Direct Expenses for the then-current Expense Year (reduced by any amounts paid pursuant to the last sentence of this Section 4.4.2). Such fraction shall have as its numerator the number of months which have elapsed in such current Expense Year, including the month of such payment, and twelve (12) as its denominator. Until a new Estimate Statement is furnished (which Landlord shall have the right to deliver to Tenant at any time), Tenant shall pay monthly, with the monthly Base Rent installments, an amount equal to one-twelfth (1/12) of the total Estimated Direct Expenses set forth in the previous Estimate Statement delivered by Landlord to Tenant.

4.5 **Taxes and Other Charges for Which Tenant Is Directly Responsible**. Tenant shall be liable for and shall pay ten (10) days before delinquency, taxes levied against Tenant's equipment, furniture, fixtures and any other personal property located in or about the Premises. If any such taxes on Tenant's equipment, furniture, fixtures and any other personal property are levied against Landlord or Landlord's property or if the assessed value of Landlord's property is increased by the inclusion therein of a value placed upon such equipment, furniture, fixtures or any other personal property and if Landlord pays the taxes based upon such increased assessment, which Landlord shall have the right to do regardless of the validity thereof but only under proper protest if requested by Tenant, Tenant shall upon demand repay to Landlord the taxes so levied against Landlord or the proportion of such taxes resulting from such increase in the assessment, as the case may be.

4.6 **Landlord's Books and Records**. Within one hundred eighty (180) days after receipt by Tenant of a Statement, if Tenant disputes the amount of Additional Rent set forth in the Statement, a member of Tenant's finance department, or an independent certified public accountant (which accountant is a member of a nationally recognized accounting firm and is not working on a contingency fee basis) ("**Tenant's Accountant**"), designated and paid for by Tenant, may, after reasonable notice to Landlord and at reasonable times, inspect Landlord's records with respect to the Statement at Landlord's offices, provided that there is no existing Event of Default and Tenant has paid all amounts required to be paid under the applicable Estimate Statement and Statement, as the case may be. In connection with such inspection, Tenant and Tenant's agents must agree in advance to follow Landlord's reasonable rules and procedures regarding inspections of Landlord's records, and shall execute a commercially reasonable confidentiality agreement regarding such inspection. Tenant's failure to dispute the amount of Additional Rent set forth in any Statement within one hundred eighty (180) days of Tenant's receipt of such Statement shall be deemed to be Tenant's approval of such Statement and Tenant, thereafter, waives the right or ability to dispute the amounts set forth in such Statement. If after such inspection, Tenant still disputes such Additional Rent, a determination as to the proper amount shall be made, at Tenant's expense, by an independent certified public accountant (the "**Accountant**") selected by Landlord and subject to Tenant's reasonable approval; provided that if such Accountant determines that Direct Expenses were overstated by more than five percent (5%), then the cost of the Accountant and the cost of such determination shall be paid for by Landlord, and Landlord shall reimburse Tenant for the cost of Tenant's Accountant (provided that such cost shall be a reasonable market cost for such services).

5. USE OF PREMISES.

5.1 **Permitted Use**. Tenant shall use the Premises solely for the Permitted Use set forth in Section 7 of the Summary and Tenant shall not use or permit the Premises or the Project to be used for any other purpose or purposes whatsoever without the prior written consent of Landlord, which may be withheld in Landlord's sole discretion.

5.2 **Prohibited Uses**. Tenant further covenants and agrees that Tenant shall not use, or suffer or permit any person or persons to use, the Premises or any part thereof for any use or purpose in violation of the laws of the United States of America, the State of California, or the ordinances, regulations or requirements of the local municipal

or county governing body or other lawful authorities having jurisdiction over the Project) including, without limitation, any such laws, ordinances, regulations or requirements relating to hazardous materials or substances, as those terms are defined by applicable laws now or hereafter in effect, or any Underlying Documents which Landlord has delivered to Tenant. Landlord shall have the right to impose reasonable and customary rule and regulations regarding the use of the Project, as reasonably deemed necessary by Landlord with respect to the orderly operation of the Project, and Tenant shall comply with such reasonable rules and regulations. Tenant shall not do or permit anything to be done in or about the Premises which will in any way damage the reputation of the Project or obstruct or interfere with the rights of other tenants or occupants of the Building, or injure or annoy them or use or allow the Premises to be used for any unlawful purpose, nor shall Tenant cause, maintain or permit any nuisance in, on or about the Premises. Tenant shall comply with, and Tenant's rights and obligations under the Lease and Tenant's use of the Premises shall be subject and subordinate to, all recorded easements, covenants, conditions, and restrictions now or hereafter affecting the Project.

5.3 **Hazardous Materials**.

5.3.1 **Tenant's Obligations**.

5.3.1.1 **Prohibitions**. As a material inducement to Landlord to enter into this Lease with Tenant, Tenant has fully and accurately completed Landlord's Pre-Leasing Environmental Exposure Questionnaire (the "**Environmental Questionnaire**"), which is attached as **Exhibit F**. Tenant agrees that except for those chemicals or materials, and their respective quantities, specifically listed on the Environmental Questionnaire, neither Tenant nor Tenant's employees, contractors and subcontractors of any tier, entities with a contractual relationship with Tenant (other than Landlord), or any entity acting as an agent or sub-agent of Tenant (collectively, "**Tenant's Agents**") will produce, use, store or generate any "Hazardous Materials," as that term is defined below, on, under or about the Premises, nor cause or permit any Hazardous Material to be brought upon, placed, stored, manufactured, generated, blended, handled, recycled, used or "Released," as that term is defined below, on, in, under or about the Premises. If any information provided to Landlord by Tenant on the Environmental Questionnaire, or otherwise relating to information concerning Hazardous Materials is intentionally or recklessly false, incomplete, or misleading in any material respect, the same shall be deemed a default by Tenant under this Lease. Tenant shall deliver to Landlord an updated Environmental Questionnaire at least once a year. Any Hazardous Materials use for the Premises not described on the initial Environmental Questionnaire shall be subject to all terms and conditions of this Lease. Tenant shall not install or permit any underground storage tank on the Premises. For purposes of this Lease, "**Hazardous Materials**" means all flammable explosives, petroleum and petroleum products, waste oil, radon, radioactive materials, toxic pollutants, asbestos, polychlorinated biphenyls ("**PCBs**"), medical waste, chemicals known to cause cancer or reproductive toxicity, pollutants, contaminants, hazardous wastes, toxic substances or related materials, including without limitation any chemical, element, compound, mixture, solution, substance, object, waste or any combination thereof, which is or may be hazardous to human health, safety or to the environment due to its radioactivity, ignitability, corrosiveness, reactivity, explosiveness, toxicity, carcinogenicity, infectiousness or other harmful or potentially harmful properties or effects, or defined as, regulated as or included in, the definition of "hazardous substances," "hazardous wastes," "hazardous materials," or "toxic substances" under any Environmental Laws. The term "Hazardous Materials" for purposes of this Lease shall also include any mold, fungus or spores, whether or not the same is defined, listed, or otherwise classified as a "hazardous material" under any Environmental Laws, if such mold, fungus or spores may pose a risk to human health or the environment or negatively impact the value of the Premises. For purposes of this Lease, "**Release**" or "**Released**" or "**Releases**" shall mean any release, deposit, discharge, emission, leaking, spilling, seeping, migrating, injecting, pumping, pouring, emptying, escaping, dumping, disposing, or other movement of Hazardous Materials into the environment. Landlord acknowledges that Tenant will be installing and using fume hoods in the Premises and that emissions of Hazardous Materials into the air in compliance with Environmental Laws shall not be considered Releases.

5.3.1.2 **Notices to Landlord**. Tenant shall notify Landlord in writing as soon as possible but in no event later than five (5) days after (i) the occurrence of any actual, alleged or threatened Release of any Hazardous Material in, on, under, from, about or in the vicinity of the Premises (whether past or present), regardless of the source or quantity of any such Release, or (ii) Tenant becomes aware of any regulatory actions, inquiries, inspections, investigations, directives, or any cleanup, compliance, enforcement or abatement proceedings (including any threatened or contemplated investigations or proceedings) relating to or potentially affecting the Premises, or

(iii) Tenant becomes aware of any claims by any person or entity relating to any Hazardous Materials in, on, under, from, about or in the vicinity of the Premises, whether relating to damage, contribution, cost recovery, compensation, loss or injury. Collectively, the matters set forth in clauses (i), (ii) and (iii) above are hereinafter referred to as "**Hazardous Materials Claims**". Tenant shall promptly forward to Landlord copies of all orders, notices, permits, applications and other communications and reports in connection with any Hazardous Materials Claims. Additionally, Tenant shall promptly advise Landlord in writing of Tenant's discovery of any occurrence or condition on, in, under or about the Premises that could subject Tenant or Landlord to any liability, or restrictions on ownership, occupancy, transferability or use of the Premises under any "Environmental Laws," as that term is defined below. Tenant shall not enter into any legal proceeding or other action, settlement, consent decree or other compromise with respect to any Hazardous Materials Claims without first notifying Landlord of Tenant's intention to do so and affording Landlord the opportunity to join and participate, as a party if Landlord so elects, in such proceedings and in no event shall Tenant enter into any agreements which are binding on Landlord or the Premises without Landlord's prior written consent. Landlord shall have the right to appear at and participate in, any and all legal or other administrative proceedings concerning any Hazardous Materials Claim. For purposes of this Lease, "**Environmental Laws**" means all applicable present and future laws relating to the protection of human health, safety, wildlife or the environment, including, without limitation, (i) all requirements pertaining to reporting, licensing, permitting, investigation and/or remediation of emissions, discharges, Releases, or threatened Releases of Hazardous Materials, whether solid, liquid, or gaseous in nature, into the air, surface water, groundwater, or land, or relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport, or handling of Hazardous Materials; and (ii) all requirements pertaining to the health and safety of employees or the public. Environmental Laws include, but are not limited to, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 USC § 9601, et seq., the Hazardous Materials Transportation Authorization Act of 1994, 49 USC § 5101, et seq., the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976, and Hazardous and Solid Waste Amendments of 1984, 42 USC § 6901, et seq., the Federal Water Pollution Control Act, as amended by the Clean Water Act of 1977, 33 USC § 1251, et seq., the Clean Air Act of 1966, 42 USC § 7401, et seq., the Toxic Substances Control Act of 1976, 15 USC § 2601, et seq., the Safe Drinking Water Act of 1974, 42 USC §§ 300f through 300j, the Occupational Safety and Health Act of 1970, as amended, 29 USC § 651 et seq., the Oil Pollution Act of 1990, 33 USC § 2701 et seq., the Emergency Planning and Community Right-To-Know Act of 1986, 42 USC § 11001 et seq., the National Environmental Policy Act of 1969, 42 USC § 4321 et seq., the Federal Insecticide, Fungicide and Rodenticide Act of 1947, 7 USC § 136 et seq., California Carpenter-Presley-Tanner Hazardous Substance Account Act, California Health & Safety Code §§ 25300 et seq., Hazardous Materials Release Response Plans and Inventory Act, California Health & Safety Code, §§ 25500 et seq., Underground Storage of Hazardous Substances provisions, California Health & Safety Code, §§ 25280 et seq., California Hazardous Waste Control Law, California Health & Safety Code, §§ 25100 et seq., and any other state or local law counterparts, as amended, as such applicable laws, are in effect as of the Rent Commencement Date, or thereafter adopted, published, or promulgated.

5.3.1.3 **Releases of Hazardous Materials**. If any Release of any Hazardous Material in, on, under, from or about the Premises shall occur at any time during the Lease Term and/or if any other Hazardous Material condition exists at the Premises that requires response actions of any kind, in addition to notifying Landlord as specified above, Tenant, at its own sole cost and expense, shall, if such Release of Hazardous Material was caused by Tenant or Tenant's Agents, (i) promptly comply with any and all reporting requirements imposed pursuant to any and all Environmental Laws, (ii) provide a written certification to Landlord indicating that Tenant has complied with all applicable reporting requirements, (iii) take any and all necessary investigation, corrective and remedial action in accordance with any and all applicable Environmental Laws, utilizing an environmental consultant approved by Landlord, all in accordance with the provisions and requirements of this Section 5.3, including, without limitation, Section 5.3.4, and (iv) take any such additional investigative, remedial and corrective actions as Landlord shall in its reasonable discretion deem necessary such that the Premises are remediated to the condition existing prior to such Release.

5.3.1.4 **Indemnification**.

5.3.1.4.1 **In General**. Without limiting in any way Tenant's obligations under any other provision of this Lease, Tenant shall be solely responsible for and shall protect, defend, indemnify and hold the Landlord Parties harmless from and against any and all claims, judgments, losses, damages, costs, expenses, penalties, enforcement actions, taxes, fines, remedial actions, liabilities (including, without

limitation, actual attorneys' fees, litigation, arbitration and administrative proceeding costs, expert and consultant fees and laboratory costs) including, without limitation, consequential damages and sums paid in settlement of claims, which arise during or after the Lease Term, whether foreseeable or unforeseeable, that arise during or after the Lease Term in whole or in part, foreseeable or unforeseeable, directly or indirectly arising out of or attributable to the presence, use, generation, manufacture, treatment, handling, refining, production, processing, storage, Release or presence of Hazardous Materials in, on, under or about the Premises by Tenant or Tenant's Agents.

5.3.1.4.2 **Limitations**. Notwithstanding anything in Section 5.3.1.4, above, to the contrary, Tenant's indemnity of Landlord as set forth in Section 5.3.1.**4**, above, shall not be applicable to claims based upon Hazardous Materials which may exist in, on or about the Premises as of the date of this Lease ("**Existing Hazardous Materials**"), except to the extent that Tenant's construction activities and/or Tenant's other acts or omissions (including Tenant's failure to remove, remediate or otherwise treat or "Clean-up," as that term is defined in Section 5.3.4, below, the subject Existing Hazardous Materials during the tenancy of the Premises) caused or exacerbated the subject claim, or (ii) claims based upon Hazardous Materials not Released by Tenant or Tenant's Agents.

5.3.1.4.3 **Landlord Indemnity**. Under no circumstance shall Tenant be liable for, and Landlord shall indemnify, defend, protect and hold harmless Tenant and Tenant's Agents from and against, all third party losses, costs, claims, liabilities and damages (including attorneys' and consultants' fees) arising out of any Hazardous Materials that exist in, on or about the Project as of the date hereof, or Hazardous Material Released by Landlord or any Landlord Parties. Landlord will provide Tenant with any Hazardous Material reports relating to the Building or Project that Landlord has in its possession, or control. The provision of such reports shall be for informational purposes only, and Landlord does not make any representation or warranty as to the correctness or completeness of any such reports.

5.3.1.5 **Compliance with Environmental Laws**. Without limiting the generality of Tenant's obligation to comply with applicable laws as otherwise provided in this Lease, Tenant shall, at its sole cost and expense, comply with all Environmental Laws related to the use of Hazardous Materials by Tenant and Tenant's Agents. Tenant shall obtain and maintain any and all necessary permits, licenses, certifications and approvals appropriate or required for the use, handling, storage, and disposal of any Hazardous Materials used, stored, generated, transported, handled, blended, or recycled by Tenant on the Premises. Landlord shall have a continuing right, without obligation, to require Tenant to obtain, and to review and inspect any and all such permits, licenses, certifications and approvals, together with copies of any and all Hazardous Materials management plans and programs, any and all Hazardous Materials risk management and pollution prevention programs, and any and all Hazardous Materials emergency response and employee training programs respecting Tenant's use of Hazardous Materials. Upon request of Landlord, but not more than once per year, Tenant shall deliver to Landlord a narrative description explaining the nature and scope of Tenant's activities involving Hazardous Materials and showing to Landlord's satisfaction compliance with all Environmental Laws and the terms of this Lease.

5.3.2 **Assurance of Performance**.

5.3.2.1 **Environmental Assessments In General**. Landlord may, but shall not be required to, engage from time to time such contractors as Landlord determines to be appropriate to perform environmental assessments of a scope reasonably determined by Landlord (an "**Environmental Assessment**") to ensure Tenant's compliance with the requirements of this Lease with respect to Hazardous Materials.

5.3.2.2 **Costs of Environmental Assessments**. All costs and expenses incurred by Landlord in connection with any such Environmental Assessment initially shall be paid by Landlord; provided that if any such Environmental Assessment shows that Tenant has failed to comply with the provisions of this Section 5.3, then all of the costs and expenses of such Environmental Assessment shall be reimbursed by Tenant as Additional Rent within ten (10) days after receipt of written demand therefor.

5.3.3 **Tenant's Obligations upon Surrender**. At the expiration or earlier termination of the Lease Term, Tenant, at Tenant's sole cost and expense, shall: (i) cause an Environmental Assessment of the Premises

to be conducted in accordance with **Section 15.3**; (ii) cause all Hazardous Materials brought onto the Premises by Tenant or Tenant's Agents to be removed from the Premises and disposed of in accordance with all Environmental Laws and as necessary to allow the Premises to be used for any purpose permitted by applicable law on the date of this Lease; and (iii) cause to be removed all containers installed or used by Tenant or Tenant's Agents to store any Hazardous Materials on the Premises, and cause to be repaired any damage to the Premises caused by such removal.

5.3.4 **Clean-up**.

5.3.4.1 **Environmental Reports; Clean-Up**. If any written report, including any report containing results of any Environmental Assessment (an "**Environmental Report**") shall indicate (i) the presence of any Hazardous Materials as to which Tenant has a removal or remediation obligation under this Section 5.3, and (ii) that as a result of same, the investigation, characterization, monitoring, assessment, repair, closure, remediation, removal, or other clean-up (the "**Clean-up**") of any Hazardous Materials is required, Tenant shall prepare and submit to Landlord within thirty (30) days after receipt of the Environmental Report a comprehensive plan, subject to Landlord's written approval, specifying the actions to be taken by Tenant to perform the Clean-up so that the Premises are restored to the conditions required by this Lease. Upon Landlord's approval of the Clean-up plan, Tenant shall, at Tenant's sole cost and expense, without limitation on any rights and remedies of Landlord under this Lease, promptly implement such plan with a consultant reasonably acceptable to Landlord and proceed to Clean-Up Hazardous Materials in accordance with all applicable laws and as required by such plan and this Lease. If, within thirty (30) days after receiving a copy of such Environmental Report, Tenant fails either (a) to complete such Clean-up, or (b) with respect to any Clean-up that cannot be completed within such thirty-day period, fails to proceed with diligence to prepare the Clean-up plan and complete the Clean-up as promptly as practicable, then Landlord shall have the right, but not the obligation, and without waiving any other rights under this Lease, to carry out any Clean-up recommended by the Environmental Report or required by any governmental authority having jurisdiction over the Premises, and recover all of the costs and expenses thereof from Tenant as Additional Rent, payable within thirty (30) days after receipt of written demand therefor.

5.3.4.2 **No Rent Abatement**. Tenant shall continue to pay all Rent due or accruing under this Lease during any Clean-up, and shall not be entitled to any reduction, offset or deferral of any Base Rent or Additional Rent due or accruing under this Lease during any such Clean-up.

5.3.4.3 **Surrender of Premises**. Tenant shall complete any Clean-up prior to surrender of the Premises upon the expiration or earlier termination of this Lease. Tenant shall obtain and deliver to Landlord a letter or other written determination from the overseeing governmental authority confirming that the Clean-up has been completed in accordance with all requirements of such governmental authority and that no further response action of any kind is required for the unrestricted use of the Premises ("**Closure Letter**"). Upon the expiration or earlier termination of this Lease, Tenant shall also be obligated to close all permits obtained in connection with Hazardous Materials in accordance with applicable laws.

5.3.4.4 **Failure to Timely Clean-Up**. Should any Clean-up for which Tenant is responsible not be completed, or should Tenant not receive the Closure Letter and any governmental approvals required under Environmental Laws in conjunction with such Clean-up prior to the expiration or earlier termination of this Lease, then Tenant shall be liable to Landlord as a holdover tenant (as more particularly provided in Article 16) until Tenant has fully complied with its obligations under this Section 5.3.

5.3.5 **Confidentiality**. Unless compelled to do so by applicable law or order of any court or other governmental agency, Tenant agrees that Tenant shall not disclose, discuss, disseminate or copy any information, data, findings, communications, conclusions and reports regarding the environmental condition of the Premises to any Person (other than Tenant's consultants, attorneys, property managers and employees that have a need to know such information), including any governmental authority, without the prior written consent of Landlord. In the event Tenant reasonably believes that disclosure is compelled by applicable law or order of any court or other governmental agency, it shall provide Landlord ten (10) days' advance notice of disclosure of confidential information so that Landlord may attempt to obtain a protective order. Tenant may additionally release such information to bona fide prospective investors, business and merger partners, purchasers, lenders, assignees and subtenants, subject to any such parties' written agreement to be bound by the terms of this Section 5.3.

5.3.6 **Copies of Environmental Reports**. Within thirty (30) days of receipt thereof, Tenant shall provide Landlord with a copy of any and all environmental assessments, audits, studies and reports regarding Tenant's activities with respect to the Premises, or ground water beneath the Land, or the environmental condition or Clean-up thereof, unless doing so would result in Tenant's breach of a contractual obligation to a third party. Tenant shall be obligated to provide Landlord with a copy of such materials without regard to whether such materials are generated by Tenant or prepared for Tenant, or how Tenant comes into possession of such materials.

5.3.7 **Intentionally Omitted**.

5.3.8 **Signs, Response Plans, Etc**. Tenant shall be responsible for posting on the Premises any signs required under applicable Environmental Laws regarding the use of Hazardous Materials by Tenant or Tenant's Agents. Tenant shall also complete and file any business response plans or inventories required by any applicable laws. Tenant shall concurrently file a copy of any such business response plan or inventory with Landlord.

5.3.9 **Survival**. Each covenant, agreement, representation, warranty and indemnification made by Tenant set forth in this Section 5.3 shall survive the expiration or earlier termination of this Lease and shall remain effective until all of Tenant's obligations under this Section 5.3 have been completely performed and satisfied.

6. SERVICES AND UTILITIES.

6.1 **In General**. Landlord will be responsible for making heating, ventilation and air-conditioning, electricity, and water available to the Premises. To the extent that any utilities (including without limitation, electricity, gas, sewer and water) to the Building are not separately metered to the Premises, then Tenant shall pay to Landlord, within thirty (30) days after billing, an equitable portion of the Building utility costs, based on Tenant's proportionate use thereof.

6.1.1 All utilities (including without limitation, electricity, gas, sewer and water) to the Building which are separately metered at the Premises and shall be paid directly by Tenant to the applicable utility provider.

6.1.2 Landlord shall not provide telephone, interior Building security services or janitorial services for the Premises. Tenant shall be solely responsible for performing all janitorial services and other cleaning of the Premises, all in compliance with applicable laws. The janitorial and cleaning of the Premises shall be adequate to maintain the Premises in a manner consistent with First Class Life Sciences Projects.

6.1.3 Tenant shall have the right to connect to the Building back-up generator (the "**Back-Up Generator**") for the purpose of providing emergency back-up electrical service to the Premises, for up to Tenant's share of the available capacity of the Back-Up Generator, at no cost to Tenant (except through Tenant's payment of Tenant's Share of Direct Expenses). Landlord shall not be liable for any damages whatsoever resulting from any failure in operation of the Back-Up Generator, or the failure of the Back-Up Generator to provide suitable or adequate back-up power, including but not limited to, loss of profits, loss of rents or other revenues, loss of business opportunity, loss of goodwill or loss of use, in each case, however occurring, or loss to inventory, scientific research, scientific experiments, laboratory animals, products, specimens, samples, and/or scientific, business, accounting and other records of every kind and description kept at the premises and any and all income derived or derivable therefrom.

Tenant shall cooperate fully with Landlord at all times and abide by all regulations and requirements that Landlord may reasonably prescribe for the proper functioning and protection of the HVAC, electrical, mechanical and plumbing systems. Provided that Landlord provides and maintains and keeps in continuous service utility connections to the Project, including electricity, gas, water and sewage connections, Landlord shall have no obligation to provide any services or utilities to the Building, including, but not limited to heating, ventilation and air-conditioning, electricity, water, telephone, janitorial and interior Building security services, except as set forth in this Section 6.1.

6.2 **Interruption of Use**. Tenant agrees that Landlord shall not be liable for damages, by abatement of Rent or otherwise, for failure to furnish or delay in furnishing any service (including telephone and telecommunication services), or for any diminution in the quality or quantity thereof, when such failure or delay or diminution is occasioned, in whole or in part, by breakage, repairs, replacements, or improvements, by any strike, lockout or other

labor trouble, by inability to secure electricity, gas, water, or other fuel at the Building or Project after reasonable effort to do so, by any riot or other dangerous condition, emergency, accident or casualty whatsoever, by act or default of Tenant or other parties, or by any other cause; and such failures or delays or diminution shall never be deemed to constitute an eviction or disturbance of Tenant's use and possession of the Premises or relieve Tenant from paying Rent or performing any of its obligations under this Lease. The foregoing waiver shall not be deemed to release Landlord from liability for bodily injury or property damage to the extent caused by the negligence or willful misconduct of Landlord or any Landlord Party, provided that Landlord shall not be liable under any circumstances for a loss of, or injury to, property or for injury to, or interference with, Tenant's business, including, without limitation, loss of profits, however occurring, through or in connection with or incidental to a failure to furnish any of the services or utilities as set forth in this Article 6.

6.3 **Energy Performance Disclosure Information**. Tenant hereby acknowledges that Landlord may be required to disclose certain information concerning the energy performance of the Building pursuant to California Public Resources Code Section 25402.10 and the regulations adopted pursuant thereto (collectively the "**Energy Disclosure Requirements**"). Tenant hereby acknowledges prior receipt of the Data Verification Checklist, as defined in the Energy Disclosure Requirements (the "**Energy Disclosure Information**"), and agrees that Landlord has timely complied in full with Landlord's obligations under the Energy Disclosure Requirements. Tenant acknowledges and agrees that (i) Landlord makes no representation or warranty regarding the energy performance of the Building or the accuracy or completeness of the Energy Disclosure Information, (ii) the Energy Disclosure Information is for the current occupancy and use of the Building and that the energy performance of the Building may vary depending on future occupancy and/or use of the Building, and (iii) Landlord shall have no liability to Tenant for any errors or omissions in the Energy Disclosure Information. If and to the extent not prohibited by applicable laws, Tenant hereby waives any right Tenant may have to receive the Energy Disclosure Information, including, without limitation, any right Tenant may have to terminate this Lease as a result of Landlord's failure to disclose such information. Further, Tenant hereby releases Landlord from any and all losses, costs, damages, expenses and/or liabilities relating to, arising out of and/or resulting from the Energy Disclosure Requirements, including, without limitation, any liabilities arising as a result of Landlord's failure to disclose the Energy Disclosure Information to Tenant prior to the execution of this Lease. Tenant's acknowledgment of the AS-IS condition of the Premises pursuant to the terms of this Lease shall be deemed to include the energy performance of the Building. Tenant further acknowledges that pursuant to the Energy Disclosure Requirements, Landlord may be required in the future to disclose information concerning Tenant's energy usage to certain third parties, including, without limitation, prospective purchasers, lenders and tenants of the Building (the "**Tenant Energy Use Disclosure**"). Tenant hereby (A) consents to all such Tenant Energy Use Disclosures, and (B) acknowledges that Landlord shall not be required to notify Tenant of any Tenant Energy Use Disclosure. Further, Tenant hereby releases Landlord from any and all losses, costs, damages, expenses and liabilities relating to, arising out of and/or resulting from any Tenant Energy Use Disclosure. The terms of this Section 6.3 shall survive the expiration or earlier termination of this Lease.

7. REPAIRS.

7.1 **Tenant Repair Obligations**. Tenant shall, throughout the Term, at its sole cost and expense, maintain, repair, replace and improve as required, the Premises and Building and every part thereof in a good standard of maintenance, repair and replacement as required, and in good and sanitary condition, all in accordance with the standards of First Class Life Sciences Projects, except for Landlord Repair Obligations, whether or not such maintenance, repair, replacement or improvement is required in order to comply with applicable Laws ("**Tenant's Repair Obligations**"), including, without limitation, the following: (1) glass, windows, window frames, window casements (including the repairing, resealing, cleaning and replacing of both interior and exterior windows) and skylights; (2) interior and exterior doors, door frames and door closers; (3) interior lighting (including, without limitation, light bulbs and ballasts); (4) the plumbing, sewer, drainage, electrical, fire protection, elevator, escalator, life safety and security systems and equipment, existing heating, ventilation and air-conditioning systems, and all other mechanical, electrical and communications systems and equipment (collectively, the "**Building Systems**"), including without limitation (i) any specialty or supplemental Building Systems installed by or for Tenant and (ii) all electrical facilities and equipment, including lighting fixtures, lamps, fans and any exhaust equipment and systems, electrical motors and all other appliances and equipment of every kind and nature located in, upon or about the Premises; (5) all communications systems serving the Premises; (6) all of Tenant's security systems in or about or serving the Premises; (7) Tenant's signage; (8) interior demising walls and partitions (including painting and wall coverings), equipment,

floors, and any roll-up doors, ramps and dock equipment; and (9) the non-structural portions of the roof of the Building, including the roof membrane and coverings. Tenant shall additionally be responsible, at Tenant's sole cost and expense, to furnish all expendables, including light bulbs, paper goods and soaps, used in the Premises, and, to the extent that Landlord notifies Tenant in writing of its intention to no longer arrange for such monitoring, cause the fire alarm systems serving the Premises to be monitored by a monitoring or protective services firm approved by Landlord in writing.

7.2 **Service Contracts**. All Building Systems, including HVAC, elevators, main electrical, plumbing and fire/life-safety systems, shall be maintained, repaired and replaced by Tenant (i) in a commercially reasonable first-class condition, (ii) in accordance with any applicable manufacturer specifications relating to any particular component of such Building Systems, (iii) in accordance with applicable Laws. Tenant shall contract with a qualified, experienced professional third party service companies (a "**Service Contract**"). Tenant shall regularly, in accordance with commercially reasonable standards, generate and maintain preventive maintenance records relating to each Building's mechanical and main electrical systems, including life safety, elevators and the central plant ("**Preventative Maintenance Records**"). In addition, upon Landlord's request, Tenant shall deliver a copy of all current Service Contracts to Landlord and/or a copy of the Preventative Maintenance Records.

7.3 **Landlord's Right to Perform Tenant's Repair Obligations**. Tenant shall notify Landlord in writing at least thirty (30) days prior to performing any material Tenant's Repair Obligations, including without limitation, any Tenant's Repair Obligation which affect the Building Systems or which is reasonably anticipated to cost more than $100,000.00. Upon receipt of such notice from Tenant, Landlord shall have the right to either (i) perform such material Tenant's Repair Obligation by delivering notice of such election to Tenant within thirty (30) days following receipt of Tenant's notice, and Tenant shall pay Landlord the cost thereof (including Landlord's reasonable supervision fee) within thirty (30) days after receipt of an invoice therefor (and delivery of reasonable back-up documentation, if requested by Tenant), or (ii) require Tenant to perform such Tenant's Repair Obligation at Tenant's sole cost and expense. If Tenant fails to perform any Tenant's Repair Obligation within a reasonable time period, as reasonably determined by Landlord, then Landlord may, but need not, following delivery of notice to Tenant of such election, make such Tenant Repair Obligation, and Tenant shall pay Landlord the cost thereof, (including Landlord's reasonable supervision fee) within thirty (30) days after receipt of an invoice therefor.

7.4 **Landlord Repair Obligations**. Landlord shall be responsible for repairs to the exterior walls, foundation and roof of the Building, the structural portions of the floors of the Building, and the maintenance of the load bearing and exterior walls of the Building, including, without limitation, any painting, sealing, patching and waterproofing of such walls (the "**Landlord Repair Obligation**"); provided, however, that if such repairs or maintenance are due to the negligence or willful misconduct of Tenant, Landlord shall nevertheless make such repairs or perform such maintenance at Tenant's expense, or, if covered by Landlord's insurance, Tenant shall only be obligated to pay any deductible in connection therewith.

8. ADDITIONS AND ALTERATIONS.

8.1 **Landlord's Consent to Alterations**. Tenant may not make any improvements, alterations, additions or changes to the Premises or any mechanical, plumbing or HVAC facilities or systems pertaining to the Premises (collectively, the "**Alterations**") without first procuring the prior written consent of Landlord to such Alterations, which consent shall be requested by Tenant not less than ten (10) business days prior to the commencement thereof, and which consent shall not be unreasonably withheld, conditioned or delayed by Landlord, provided it shall be deemed reasonable for Landlord to withhold its consent to any Alteration which adversely affects the structural portions or the systems or equipment of the Building or is visible from the exterior of the Building. Notwithstanding the foregoing, Tenant shall be permitted to make Alterations following ten (10) business days' notice to Landlord, but without Landlord's prior consent, to the extent that such Alterations (i) do not affect the building systems or equipment, (ii) are not visible from the exterior of the Building, and (iii) cost less than $100,000.00 for a particular job of work. The construction of the initial improvements to the Premises shall be governed by the terms of the Tenant Work Letter and not the terms of this Article 8.

8.2 **Manner of Construction**. Landlord may impose, as a condition of its consent to any and all Alterations or repairs of the Premises or about the Premises, such requirements as Landlord in its reasonable discretion

may deem desirable, including, but not limited to, the requirement that upon Landlord's request, Tenant shall, at Tenant's expense, remove such Alterations upon the expiration or any early termination of the Lease Term; provided, however, that Landlord may not require Tenant to remove at the expiration or early termination of the Lease Term any Tenant Improvements shown in the approved Landlord's Final Working Drawings or any Alterations consistent with the improvements shown in the approved Landlord's Final Working Drawings or any Alternations which are otherwise consistent with the typical tenant improvements in the biotechnology or pharmaceutical industries. Tenant shall construct such Alterations and perform such repairs in a good and workmanlike manner, in conformance with any and all applicable federal, state, county or municipal laws, rules and regulations and pursuant to a valid building permit, issued by the city in which the Building is located (or other applicable governmental authority). Tenant shall not use (and upon notice from Landlord shall cease using) contractors, services, workmen, labor, materials or equipment that, in Landlord's reasonable judgment, would disturb labor harmony with the workforce or trades engaged in performing other work, labor or services in or about the Building or the Common Areas. Upon completion of any Alterations (or repairs), Tenant shall deliver to Landlord final lien waivers from all contractors, subcontractors and materialmen who performed such work. In addition to Tenant's obligations under Article 9 of this Lease, upon completion of any Alterations, Tenant agrees to cause a Notice of Completion to be recorded in the office of the Recorder of the County of San Mateo in accordance with Section 3093 of the Civil Code of the State of California or any successor statute, and Tenant shall deliver to the Project construction manager a reproducible copy of the "**as built**" drawings of the Alterations as well as all permits, approvals and other documents issued by any governmental agency in connection with the Alterations.

8.3 **Payment for Improvements**. If Tenant orders any work directly from Landlord, Tenant shall pay to Landlord an amount equal to five percent (5%) of the cost of such work to compensate Landlord for all overhead, general conditions, fees and other costs and expenses arising from Landlord's involvement with such work. If Tenant does not order any work directly from Landlord, and such work affects the Building systems or structure or has a cost in excess of $50,000, Tenant shall reimburse Landlord for Landlord's reasonable, actual, out-of-pocket costs and expenses actually incurred in connection with Landlord's review of such work.

8.4 **Construction Insurance**. In addition to the requirements of Article 10 of this Lease, in the event that Tenant makes any Alterations, prior to the commencement of such Alterations, Tenant shall provide Landlord with evidence that Tenant or Tenant's contractor carries "**Builder's All Risk**" insurance in an amount approved by Landlord covering the construction of such Alterations, and such other insurance as Landlord may reasonably require, it being understood and agreed that all of such Alterations shall be insured by Tenant pursuant to Article 10 of this Lease immediately upon completion thereof. In addition, Tenant's contractors and subcontractors shall be required to carry (i) Commercial General Liability Insurance in an amount approved by Landlord, with Landlord, and, at Landlord's option, Landlord's property manager and project manager, as additional insureds in an amount approved by Landlord, and otherwise in accordance with the requirements of Article 10 of this Lease, and (ii) workers compensation insurance with a waiver of subrogation in favor of Landlord. In connection with Alterations with a cost in excess of $250,000. Landlord may, in its discretion, require Tenant to obtain a lien and completion bond or some alternate form of security satisfactory to Landlord in an amount sufficient to ensure the lien-free completion of such Alterations and naming Landlord as a co-obligee.

8.5 **Landlord's Property**. All Alterations, improvements, fixtures, equipment and/or appurtenances which may be installed or placed in or about the Premises, from time to time, shall be at the sole cost of Tenant and shall be and become the property of Landlord and remain in place at the Premises following the expiration or earlier termination of this Lease. Notwithstanding the foregoing, Landlord may, by written notice to Tenant at the time it consents to an Alteration, require Tenant, at Tenant's expense, to remove any Alterations and/or improvements and/or systems and equipment within the Premises and to repair any damage to the Premises and Building caused by such removal and return the affected portion of the Premises to a building standard tenant improved condition as determined by Landlord; provided, however, that Landlord may not require Tenant to remove at the expiration or early termination of the Lease Term any Tenant Improvements shown in the approved Landlord's Final Working Drawings or any Alterations consistent with the improvements shown in the approved Landlord's Final Working Drawings or any Alternations which are otherwise consistent with the typical tenant improvements in the biotechnology or pharmaceutical industries. If Tenant fails to complete such removal and/or to repair any damage caused by the removal of any Alterations and/or improvements and/or systems and equipment in the Premises and return the affected portion of the Premises to a building standard tenant improved condition as reasonably determined by Landlord, Landlord

may do so and may charge the cost thereof to Tenant. Tenant hereby protects, defends, indemnifies and holds Landlord harmless from any liability, cost, obligation, expense or claim of lien in any manner relating to the installation, placement, removal or financing of any such Alterations, improvements, fixtures and/or equipment in, on or about the Premises, which obligations of Tenant shall survive the expiration or earlier termination of this Lease. Notwithstanding the foregoing, Tenant may remove its moveable personal property (including without limitation all furniture, equipment, computer equipment and the like) from the Premises at any time, provided that Tenant repairs any damage caused by such removal.

8.6 **Union Labor Requirement**. All maintenance, repair, servicing and other work performed by or for the benefit of Tenant with respect to the Premises shall be provided by a Union Contractor (as defined below) licensed to do business in the State of California and otherwise approved by Landlord and shall cover all parts and labor; provided, however, the requirements of this Section 8.6 shall not be applicable to professional service providers providing services to Tenant (e.g., contract scientists) as opposed to work or services with respect to the Premises. Notwithstanding the foregoing, Tenant shall not be required to utilize a Union Contractor to install, maintain, repair or service any of the following: (i) computer equipment, (ii) office services equipment (e.g., copiers, printers and facsimile machines), (iii) kitchen equipment such as refrigerators, ovens, microwaves and dishwashers, and (iv) any equipment, work or materials being serviced or repaired under the terms of an original installation warranty or guarantee relating to such equipment, work or materials, with the further understanding that all wiring and electrical connections will nonetheless be performed by a Union Contractor. From time to time, at Landlord's request, Tenant shall provide Landlord with copies of any maintenance and service contracts. As used herein, "**Union Contractors**" shall mean contractors and subcontractors who (i) are bound by and signatory to a collective bargaining agreement with a labor organization (a) whose jurisdiction covers the type of work to be performed on the Project and (b) which is an Approved Building Trades Department Contractor or Subcontractor, and (ii) observe area standards for wages and other terms and conditions of employment, including fringe benefits. For purposes hereof, an "**Approved Building Trades Department Contractor or Subcontractor**" is a contractor or subcontractor who is currently affiliated with the Building and Construction Trades Department of the AFL-CIO (the "**BCTD**") or, if no such BCTD-affiliated contractor or subcontractor is available for a particular trade (e.g., carpentry work), a contractor or subcontractor which is affiliated with a national trade union which was formerly affiliated with the BCTD and which recognizes (and will recognize and respect, for its work on the Premises), the jurisdictional limitations established by the local BCTD.

9. COVENANT AGAINST LIENS. Tenant shall keep the Project and Premises free from any liens or encumbrances arising out of the work performed, materials furnished or obligations incurred by or on behalf of Tenant, and shall protect, defend, indemnify and hold Landlord harmless from and against any claims, liabilities, judgments or costs (including, without limitation, reasonable attorneys' fees and costs) arising out of same or in connection therewith. Tenant shall give Landlord notice at least twenty (20) days prior to the commencement of any such work on the Premises (or such additional time as may be necessary under applicable laws) to afford Landlord the opportunity of posting and recording appropriate notices of non-responsibility (to the extent applicable pursuant to then applicable laws). Tenant shall remove any such lien or encumbrance by bond or otherwise within ten (10) business days after notice by Landlord, and if Tenant shall fail to do so, Landlord may pay the amount necessary to remove such lien or encumbrance, without being responsible for investigating the validity thereof.

10. INSURANCE.

10.1 **Indemnification and Waiver**. Except as provided in Section 10.5 and except to the extent due to the negligence, willful misconduct or violation of this Lease by Landlord or any Landlord Party, Tenant hereby assumes all risk of damage to property or injury to persons in, upon or about the Premises from any cause whatsoever and agrees that Landlord, its partners, subpartners and their respective officers, agents, servants, employees, lenders, any property manager and independent contractors (collectively, "**Landlord Parties**") shall not be liable for, and are hereby released from any responsibility for, any damage either to person or property or resulting from the loss of use thereof, which damage is sustained by Tenant or by other persons claiming through Tenant. Tenant shall indemnify, defend, protect, and hold harmless the Landlord Parties from any and all claims, loss, cost, damage, injury, expense and liability (including without limitation court costs and reasonable attorneys' fees) incurred in connection with or arising from any cause in, on or about the Premises, any acts, omissions or negligence of Tenant or of any person claiming by, through or under Tenant, or of the contractors, agents, servants, employees, invitees, guests or licensees

of Tenant or any such person, in, on or about the Project or any breach of the terms of this Lease, either prior to, during, or after the expiration of the Lease Term, provided that the terms of the foregoing indemnity shall not apply to the negligence, willful misconduct or violation of this Lease by Landlord or any Landlord Party. Should Landlord be named as a defendant in any suit brought against Tenant in connection with or arising out of Tenant's occupancy of the Premises, Tenant shall pay to Landlord its costs and expenses incurred in such suit, including without limitation, its actual professional fees such as reasonable appraisers', accountants' and attorneys' fees. Notwithstanding anything to the contrary in this Lease, Landlord shall not be released or indemnified from, and shall indemnify, defend, protect and hold harmless Tenant, its agents and employees, from, all losses, damages, liabilities, demands, claims, actions, attorneys' fees, costs and expenses arising from the negligence or willful misconduct of Landlord or its agents, contractors, or licensees, or a violation of Landlord's obligations or representations under this Lease. The provisions of this Section 10.1 shall survive the expiration or sooner termination of this Lease with respect to any claims or liability arising in connection with any event occurring prior to such expiration or termination.

10.2 **Tenant's Compliance With Landlord's Property Insurance**. Landlord shall insure the Building during the Lease Term against loss or damage under an "all risk" property insurance policy on a full replacement cost basis, with commercially reasonable deductibles. Such coverage shall be in such amounts, from such companies, and on such other terms and conditions, as Landlord may from time to time reasonably determine. Additionally, at the option of Landlord, such insurance coverage may include the risks of earthquakes and/or flood damage and additional hazards, a rental loss endorsement and one or more loss payee endorsements in favor of the holders of any mortgages or deeds of trust encumbering the interest of Landlord in the Building or the ground or underlying lessors of the Building, or any portion thereof. Tenant shall, at Tenant's expense, comply with all insurance company requirements pertaining solely to Tenant's particular use of the Premises. If Tenant's conduct or use of the Premises causes any increase in the premium for such insurance policies then Tenant shall reimburse Landlord for any such increase. Tenant, at Tenant's expense, shall comply with all rules, orders, regulations or requirements of the American Insurance Association (formerly the National Board of Fire Underwriters) and with any similar body, provided that Tenant shall not be obligated to construct any Alteration in order so to comply unless such compliance is due to Tenant's particular use of the Premises. Tenant shall also provide Landlord and Landlord's insurer(s) with such information regarding the use of the Premises and any damage to the Premises as they may require in connection with the placement of insurance for the Premises or the adjusting of any losses to the Premises. Landlord shall also keep in full force and effect a policy of Commercial General Liability Insurance protecting Landlord against claims for bodily injury and property damage arising out of Landlord's ownership, use, occupancy or maintenance of the Building and the Common Areas. Such insurance shall be on an occurrence basis and shall include limits of liability not less than those required of Tenant under Section 10.3.

10.3 **Tenant's Insurance**. Tenant shall maintain the following coverages in the following amounts.

10.3.1 Commercial General Liability Insurance on an occurrence form covering the insured against claims of bodily injury, personal injury and property damage (including loss of use thereof) arising out of Tenant's operations, and contractual liabilities including a contractual coverage, for limits of liability of not less than:

Bodily Injury and Property Damage Liability	$ 5,000,000 each occurrence $ 5,000,000 annual aggregate
Personal Injury Liability	$ 3,000,000 each occurrence $ 3,000,000 annual aggregate

10.3.2 Property Insurance covering (i) all office furniture, business and trade fixtures, office equipment, free-standing cabinet work, movable partitions, merchandise and all other items of Tenant's property on the Premises installed by, for, or at the expense of Tenant, (ii) the "**Tenant Improvements**," as that term is defined in the Tenant Work Letter, and any other improvements which exist in the Premises as of the Lease Commencement Date (excluding the Base Building) (the "**Original Improvements**"), and (iii) all other improvements, alterations and additions to the Premises. Such insurance shall be written on a "**special form**" basis, for the full replacement cost value (subject to reasonable deductible amounts) new without deduction for depreciation of the covered items and in amounts that meet any co-insurance clauses of the policies of insurance and shall include coverage for damage or

other loss caused by fire or other peril including, but not limited to, vandalism and malicious mischief, theft, water damage of any type, including sprinkler leakage, bursting or stoppage of pipes, and explosion, but excluding flood and earthquake.

10.3.3 Business Income Interruption for one (1) year plus Extra Expense insurance in such amounts as will reimburse Tenant for actual direct or indirect loss of earnings attributable to the risks outlined in Section 10.3.2 above.

10.3.4 Worker's Compensation and Employer's Liability or other similar insurance pursuant to all applicable state and local statutes and regulations. The policy shall include a waiver of subrogation in favor of Landlord, its employees, Lenders and any property manager or partners.

10.4 **Form of Policies**. The minimum limits of policies of insurance required of Tenant under this Lease shall in no event limit the liability of Tenant under this Lease. Such insurance shall (i) include Landlord, its subsidiaries and affiliates, its property manager (if any) and any other party the Landlord so specifies, as an additional insured or loss payee, as applicable, including Landlord's managing agent, if any; (ii) be issued by an insurance company having a rating of not less than A:IX in Best's Insurance Guide or which is otherwise acceptable to Landlord and licensed to do business in the State of California; (iv) be primary insurance as to all claims thereunder and provide that any insurance carried by Landlord is excess and is non-contributing with any insurance required of Tenant; (v) be in form and content reasonably acceptable to Landlord; and (vi) provide that said insurance shall not be canceled unless thirty (30) days' prior written notice shall have been given to Landlord and any mortgagee of Landlord (unless such cancellation is the result of non-payment of premiums). Tenant shall deliver certificates of said policy or policies to Landlord on or before the Lease Commencement Date and at least five (5) days before the expiration dates thereof. In the event Tenant shall fail to procure such insurance, or to deliver such policies or certificate, Landlord may, at its option, procure such policies for the account of Tenant, and the cost thereof shall be paid to Landlord within five (5) days after delivery to Tenant of bills therefor.

10.5 **Subrogation**. Landlord and Tenant hereby agree to look solely to, and seek recovery only from, their respective insurance carriers in the event of a property or business interruption loss to the extent that such coverage is agreed to be provided hereunder. The parties each hereby waive all rights and claims against each other for such losses, and waive all rights of subrogation of their respective insurers. The parties agree that their respective insurance policies do now, or shall, contain the waiver of subrogation.

10.6 **Additional Insurance Obligations**. Tenant shall carry and maintain during the entire Lease Term, at Tenant's sole cost and expense, increased amounts of the insurance required to be carried by Tenant pursuant to this Article 10 and such other reasonable types of insurance coverage and in such reasonable amounts covering the Premises and Tenant's operations therein, as may be reasonably requested by Landlord or Landlord's lender, but in no event in excess of the amounts and types of insurance then being required by landlords of buildings comparable to and in the vicinity of the Building.

11. DAMAGE AND DESTRUCTION.

11.1 **Repair of Damage to Premises by Landlord**. Tenant shall promptly notify Landlord of any damage to the Premises resulting from fire or any other casualty. If the Premises or any Common Areas serving or providing access to the Premises shall be damaged by fire or other casualty, Landlord shall notify Tenant within sixty (60) days after the date of discovery of the damage whether or not Landlord will restore the Premises and Common Areas and, in Landlord's reasonable judgment, the time period within which the restoration can be completed. If Landlord elects to restore the Premises and Common Areas (the "**Landlord Repair Notice**"), Landlord shall promptly and diligently, subject to reasonable delays for insurance adjustment or other matters beyond Landlord's reasonable control, and subject to all other terms of this Article 11, restore the Base Building and such Common Areas. Such restoration shall be to substantially the same condition of the Base Building and the Common Areas prior to the casualty, except for modifications required by zoning and building codes and other laws or by the holder of a mortgage on the Building or Project or any other modifications to the Common Areas deemed desirable by Landlord, which are consistent with the character of the Project, provided that access to the Premises shall not be materially impaired. If Landlord elects to restore the Premises and Common Areas, Tenant shall assign to Landlord (or to any party designated

by Landlord) all insurance proceeds payable to Tenant under Tenant's insurance required under Section 10.3 of this Lease, and Landlord shall repair any injury or damage to the Tenant Improvements and the Original Improvements installed in the Premises and shall return such Tenant Improvements and Original Improvements to their original condition; provided that if the cost of such repair by Landlord exceeds the amount of insurance proceeds received by Landlord from Tenant's insurance carrier (including by taking into account any deductible or self-insured retention), as assigned by Tenant, the cost of such repairs shall be paid by Tenant to Landlord prior to Landlord's commencement of repair of the damage. In the event that Landlord does not deliver the Landlord Repair Notice within sixty (60) days following the date the casualty becomes known to Landlord, Tenant shall, at its sole cost and expense, repair any injury or damage to the Tenant Improvements and the Original Improvements installed in the Premises and shall return such Tenant Improvements and Original Improvements to their original condition. Whether or not Landlord delivers a Landlord Repair Notice, prior to the commencement of construction, Tenant shall submit to Landlord, for Landlord's review and approval, all plans, specifications and working drawings relating thereto, and Landlord shall select the contractors to perform such improvement work. Tenant shall in addition cooperate with requests for information regarding any repairs from Landlord's insurer(s) by providing the requested information within ten (10) days after Tenant receives the request. Landlord shall not be liable for any inconvenience or annoyance to Tenant or its visitors, or injury to Tenant's business resulting in any way from such damage or the repair thereof; provided however, that if such fire or other casualty shall have damaged the Premises or Common Areas necessary to Tenant's occupancy, and the damaged portion of the Premises are not occupied by Tenant as a result thereof, then during the time and to the extent the Premises are unfit for occupancy, the Rent shall be abated in proportion to the ratio that the amount of rentable square feet of the Premises which is unfit for occupancy for the purposes permitted under this Lease bears to the total rentable square feet of the Premises. In the event that Landlord shall not deliver the Landlord Repair Notice, Tenant's right to rent abatement pursuant to the preceding sentence shall terminate as of the date which is reasonably determined by Landlord to be the date Tenant should have completed repairs to the Premises assuming Tenant used reasonable due diligence in connection therewith.

11.2 **Landlord's Option to Repair**. Notwithstanding the terms of Section 11.1 of this Lease, Landlord may elect not to rebuild and/or restore the Premises, Building and/or Project, and instead terminate this Lease, by notifying Tenant in writing of such termination within sixty (60) days after the date of discovery of the damage, such notice to include a termination date giving Tenant sixty (60) days to vacate the Premises, but Landlord may so elect only if the Building or Project shall be damaged by fire or other casualty or cause, whether or not the Premises are affected, and one or more of the following conditions is present: (i) in Landlord's reasonable judgment, repairs cannot reasonably be completed within one (1) year after the date of discovery of the damage (when such repairs are made without the payment of overtime or other premiums); (ii) the holder of any mortgage on the Building or Project or ground lessor with respect to the Building or Project shall require that the insurance proceeds or any portion thereof be used to retire the mortgage debt, or shall terminate the ground lease, as the case may be; (iii) more than $1,000,000.00 of damage is not covered by Landlord's insurance policies, and Tenant does not agree to pay any such uninsured costs in excess of such $1,000,000.00; (iv) Landlord decides to rebuild the Building or Common Areas so that they will be substantially different structurally or architecturally; (v) the damage occurs during the last twelve (12) months of the Lease Term; or (vi) any owner of any other portion of the Project, other than Landlord, does not intend to repair the damage to such portion of the Project.

11.3 **Tenant's Option to Terminate**. Notwithstanding anything to the contrary in Sections 11.1 or 11.2, if (a) the damage occurs during the last twelve (12) months of the Lease Term, or (b) in the reasonable judgment of Landlord, the repairs cannot be completed within eight (8) months after the date of discovery of the damage (or are not in fact completed within nine (9) months after the date of discovery of the damage), Tenant may elect, no earlier than sixty (60) days after the date of the damage and not later than ninety (90) days after the date of such damage, or within thirty (30) days after such repairs are not timely completed, to terminate this Lease by written notice to Landlord effective as of the date specified in the notice, which date shall not be less than thirty (30) days nor more than sixty (60) days after the date such notice is given by Tenant;, provided that the damage to the Project by fire or other casualty was not caused by the gross negligence or intentional act of Tenant or its partners or subpartners and their respective officers, agents, servants, employees, and independent contractors.

11.4 **Waiver of Statutory Provisions**. The provisions of this Lease, including this Article 11, constitute an express agreement between Landlord and Tenant with respect to any and all damage to, or destruction of, all or any part of the Premises, the Building or the Project, and any statute or regulation of the State of California, including,

without limitation, Sections 1932(2) and 1933(4) of the California Civil Code, with respect to any rights or obligations concerning damage or destruction in the absence of an express agreement between the parties, and any other statute or regulation, now or hereafter in effect, shall have no application to this Lease or any damage or destruction to all or any part of the Premises, the Building or the Project.

12. NONWAIVER. No provision of this Lease shall be deemed waived by either party hereto unless expressly waived in a writing signed thereby. The waiver by either party hereto of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of any subsequent breach of same or any other term, covenant or condition herein contained. The subsequent acceptance of Rent hereunder by Landlord shall not be deemed to be a waiver of any preceding breach by Tenant of any term, covenant or condition of this Lease, other than the failure of Tenant to pay the particular Rent so accepted, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such Rent. No acceptance of a lesser amount than the Rent herein stipulated shall be deemed a waiver of Landlord's right to receive the full amount due, nor shall any endorsement or statement on any check or payment or any letter accompanying such check or payment be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the full amount due. No receipt of monies by Landlord from Tenant after the termination of this Lease shall in any way alter the length of the Lease Term or of Tenant's right of possession hereunder, or after the giving of any notice shall reinstate, continue or extend the Lease Term or affect any notice given Tenant prior to the receipt of such monies, it being agreed that after the service of notice or the commencement of a suit, or after final judgment for possession of the Premises, Landlord may receive and collect any Rent due, and the payment of said Rent shall not waive or affect said notice, suit or judgment.

13. CONDEMNATION. If the whole or any part of the Premises, Building or Project shall be taken by power of eminent domain or condemned by any competent authority for any public or quasi-public use or purpose, or if any adjacent property or street shall be so taken or condemned, or reconfigured or vacated by such authority in such manner as to require the use, reconstruction or remodeling of any part of the Premises, Building or Project, or if Landlord shall grant a deed or other instrument in lieu of such taking by eminent domain or condemnation, Landlord shall have the option to terminate this Lease effective as of the date possession is required to be surrendered to the authority. Tenant shall not because of such taking assert any claim against Landlord or the authority for any compensation because of such taking and Landlord shall be entitled to the entire award or payment in connection therewith, except that Tenant shall have the right to file any separate claim available to Tenant for any taking of Tenant's personal property and fixtures belonging to Tenant and removable by Tenant upon expiration of the Lease Term pursuant to the terms of this Lease, for the unamortized value of an improvements paid for by Tenant and for moving expenses, so long as such claims do not diminish the award available to Landlord, its ground lessor with respect to the Building or Project or its mortgagee, and such claim is payable separately to Tenant. All Rent shall be apportioned as of the date of such termination. If any part of the Premises shall be taken, and this Lease shall not be so terminated, the Rent shall be proportionately abated. Tenant hereby waives any and all rights it might otherwise have pursuant to Section 1265.130 of The California Code of Civil Procedure. Notwithstanding anything to the contrary contained in this Article 13, in the event of a temporary taking of all or any portion of the Premises for a period of one hundred and eighty (180) days or less, then this Lease shall not terminate but the Base Rent and the Additional Rent shall be abated for the period of such taking in proportion to the ratio that the amount of rentable square feet of the Premises taken bears to the total rentable square feet of the Premises. Landlord shall be entitled to receive the entire award made in connection with any such temporary taking.

14. ASSIGNMENT AND SUBLETTING.

14.1 **Transfers**. Tenant shall not, without the prior written consent of Landlord, assign, mortgage, pledge, hypothecate, encumber, or permit any lien to attach to, or otherwise transfer, this Lease or any interest hereunder, permit any assignment, or other transfer of this Lease or any interest hereunder by operation of law, sublet the Premises or any part thereof, or enter into any license or concession agreements or otherwise permit the occupancy or use of the Premises or any part thereof by any persons other than Tenant and its employees and contractors (all of the foregoing are hereinafter sometimes referred to collectively as "**Transfers**" and any person to whom any Transfer is made or sought to be made is hereinafter sometimes referred to as a "**Transferee**"). If Tenant desires Landlord's consent to any Transfer, Tenant shall notify Landlord in writing, which notice (the "**Transfer Notice**") shall include (i) the proposed effective date of the Transfer, which shall not be less than thirty (30) days nor more than one hundred eighty (180) days after the date of delivery of the Transfer Notice, (ii) a description of the portion of the Premises to

be transferred (the "**Subject Space**"), (iii) all of the terms of the proposed Transfer and the consideration therefor, including calculation of the "**Transfer Premium**", as that term is defined in Section 14.3 below, in connection with such Transfer, the name and address of the proposed Transferee, and a copy of all existing executed and/or proposed documentation pertaining to the proposed Transfer, and (iv) current financial statements of the proposed Transferee certified by an officer, partner or owner thereof, business credit and personal references and history of the proposed Transferee and any other information reasonably required by Landlord which will enable Landlord to determine the financial responsibility, character, and reputation of the proposed Transferee, nature of such Transferee's business and proposed use of the Subject Space. Any Transfer made without Landlord's prior written consent shall, at Landlord's option, be null, void and of no effect, and shall, at Landlord's option, constitute a default by Tenant under this Lease. Whether or not Landlord consents to any proposed Transfer, Tenant shall pay Landlord's reasonable review and processing fees, as well as any reasonable professional fees (including, without limitation, attorneys', accountants', architects', engineers' and consultants' fees) incurred by Landlord, within thirty (30) days after written request by Landlord.

14.2 **Landlord's Consent**. Landlord shall not unreasonably withhold or delay its consent to any proposed Transfer of the Subject Space to the Transferee on the terms specified in the Transfer Notice. Without limitation as to other reasonable grounds for withholding consent, the parties hereby agree that it shall be reasonable under this Lease and under any applicable law for Landlord to withhold consent to any proposed Transfer where one or more of the following apply:

14.2.1 The Transferee is of a character or reputation or engaged in a business which is not consistent with the quality of the Building or the Project;

14.2.2 The Transferee is either a governmental agency or instrumentality thereof;

14.2.3 The Transferee is not a party of reasonable financial worth and/or financial stability in light of the responsibilities to be undertaken in connection with the Transfer on the date consent is requested; or

14.2.4 The proposed Transfer would cause a violation of another lease for space in the Project, or would give an occupant of the Project a right to cancel its lease.

If Landlord consents to any Transfer pursuant to the terms of this Section 14.2 (and does not exercise any recapture rights Landlord may have under Section 14.4 of this Lease), Tenant may within six (6) months after Landlord's consent, but not later than the expiration of said six-month period, enter into such Transfer of the Premises or portion thereof, upon substantially the same terms and conditions as are set forth in the Transfer Notice furnished by Tenant to Landlord pursuant to Section 14.1 of this Lease, provided that if there are any changes in the terms and conditions from those specified in the Transfer Notice such that Landlord would initially have been entitled to refuse its consent to such Transfer under this Section 14.2, Tenant shall again submit the Transfer to Landlord for its approval and other action under this Article 14 (including Landlord's right of recapture, if any, under Section 14.4 of this Lease). Notwithstanding anything to the contrary in this Lease, if Tenant or any proposed Transferee claims that Landlord has unreasonably withheld or delayed its consent under Section 14.2 or otherwise has breached or acted unreasonably under this Article 14, their sole remedies shall be a suit for contract damages (other than damages for injury to, or interference with, Tenant's business including, without limitation, loss of profits, however occurring) or declaratory judgment and an injunction for the relief sought, and Tenant hereby waives all other remedies, including, without limitation, any right at law or equity to terminate this Lease, on its own behalf and, to the extent permitted under all applicable laws, on behalf of the proposed Transferee.

14.3 **Transfer Premium**. If Landlord consents to a Transfer, as a condition thereto which the parties hereby agree is reasonable, Tenant shall pay to Landlord fifty percent (50%) of any "**Transfer Premium**," as that term is defined in this Section 14.3, received by Tenant from such Transferee. "**Transfer Premium**" shall mean all rent, additional rent or other consideration payable by such Transferee in connection with the Transfer in excess of the Rent and Additional Rent payable by Tenant under this Lease during the term of the Transfer on a per rentable square foot basis if less than all of the Premises is transferred, and after deduction of (i) any costs of improvements made to the Subject Space in connection with such Transfer, (ii) brokerage commissions paid in connection with such Transfer, and (iii) reasonable legal fees incurred in connection with such Transfer, in each case amortized over the

remaining Term of this Lease. "**Transfer Premium**" shall also include, but not be limited to, key money, bonus money or other cash consideration paid by Transferee to Tenant in connection with such Transfer, and any payment in excess of fair market value for services rendered by Tenant to Transferee or for assets, fixtures, inventory, equipment, or furniture transferred by Tenant to Transferee in connection with such Transfer. The determination of the amount of Landlord's applicable share of the Transfer Premium shall be made on a monthly basis as rent or other consideration is received by Tenant under the Transfer.

14.4 **Landlord's Option as to Subject Space**. Notwithstanding anything to the contrary contained in this Article 14, in the event Tenant contemplates a Transfer which, together with all prior Transfers then remaining in effect, would cause fifty percent (50%) or more of the Premises to be Transferred for more than twenty five percent (25%) of the then remaining Lease Term (taking into account any extension of the Lease Term which has irrevocably exercised by Tenant), Tenant shall give Landlord notice (the "**Intention to Transfer Notice**") of such contemplated Transfer (whether or not the contemplated Transferee or the terms of such contemplated Transfer have been determined). The Intention to Transfer Notice shall specify the portion of and amount of rentable square feet of the Premises which Tenant intends to Transfer (the "**Contemplated Transfer Space**"), the contemplated date of commencement of the Contemplated Transfer (the "**Contemplated Effective Date**"), and the contemplated length of the term of such contemplated Transfer, and shall specify that such Intention to Transfer Notice is delivered to Landlord pursuant to this Section 14.4 in order to allow Landlord to elect to recapture the Contemplated Transfer Space. Thereafter, Landlord shall have the option, by giving written notice to Tenant within thirty (30) days after receipt of any Intention to Transfer Notice, to recapture the Contemplated Transfer Space. Such recapture shall cancel and terminate this Lease with respect to such Contemplated Transfer Space as of the Contemplated Effective Date. In the event of a recapture by Landlord, if this Lease shall be canceled with respect to less than the entire Premises, the Rent reserved herein shall be prorated on the basis of the number of rentable square feet retained by Tenant in proportion to the number of rentable square feet contained in the Premises, and this Lease as so amended shall continue thereafter in full force and effect, and upon request of either party, the parties shall execute written confirmation of the same. If Landlord declines, or fails to elect in a timely manner, to recapture such Contemplated Transfer Space under this Section 14.4, then, subject to the other terms of this Article 14, for a period of nine (9) months (the "**Nine Month Period**") commencing on the last day of such thirty (30) day period, Landlord shall not have any right to recapture the Contemplated Transfer Space with respect to any Transfer made during the Nine Month Period, provided that any such Transfer is substantially on the terms set forth in the Intention to Transfer Notice, and provided further that any such Transfer shall be subject to the remaining terms of this Article 14. If such a Transfer is not so consummated within the Nine Month Period (or if a Transfer is so consummated, then upon the expiration of the term of any Transfer of such Contemplated Transfer Space consummated within such Nine Month Period), Tenant shall again be required to submit a new Intention to Transfer Notice to Landlord with respect any contemplated Transfer, as provided above in this Section 14.4.

14.5 **Effect of Transfer**. If Landlord consents to a Transfer, (i) the terms and conditions of this Lease shall in no way be deemed to have been waived or modified, (ii) such consent shall not be deemed consent to any further Transfer by either Tenant or a Transferee, (iii) Tenant shall deliver to Landlord, promptly after execution, an original executed copy of all documentation pertaining to the Transfer in form reasonably acceptable to Landlord, (iv) Tenant shall furnish upon Landlord's request a complete statement, certified by an independent certified public accountant, or Tenant's chief financial officer, setting forth in detail the computation of any Transfer Premium Tenant has derived and shall derive from such Transfer, and (v) no Transfer relating to this Lease or agreement entered into with respect thereto, whether with or without Landlord's consent, shall relieve Tenant or any guarantor of the Lease from any liability under this Lease, including, without limitation, in connection with the Subject Space. Landlord or its authorized representatives shall have the right at all reasonable times to audit the books, records and papers of Tenant relating to any Transfer, and shall have the right to make copies thereof. If the Transfer Premium respecting any Transfer shall be found understated, Tenant shall, within thirty (30) days after demand, pay the deficiency, and if understated by more than two percent (2%), Tenant shall pay Landlord's costs of such audit.

14.6 **Additional Transfers**. For purposes of this Lease, the term "**Transfer**" shall also include if Tenant is a partnership, the withdrawal or change, voluntary, involuntary or by operation of law, of fifty percent (50%) or more of the partners, or transfer of fifty percent (50%) or more of partnership interests, within a twelve (12)-month period, or the dissolution of the partnership without immediate reconstitution thereof.

14.7 **Occurrence of Default**. Any Transfer hereunder shall be subordinate and subject to the provisions of this Lease, and if this Lease shall be terminated during the term of any Transfer, Landlord shall have the right to: (i) treat such Transfer as cancelled and repossess the Subject Space by any lawful means, or (ii) require that such Transferee attorn to and recognize Landlord as its landlord under any such Transfer. If Tenant shall be in default under this Lease, Landlord is hereby irrevocably authorized, as Tenant's agent and attorney-in-fact, to direct any Transferee to make all payments under or in connection with the Transfer directly to Landlord (which Landlord shall apply towards Tenant's obligations under this Lease) until such default is cured. Such Transferee shall rely on any representation by Landlord that Tenant is in default hereunder, without any need for confirmation thereof by Tenant. Upon any assignment, the assignee shall assume in writing all obligations and covenants of Tenant thereafter to be performed or observed under this Lease. No collection or acceptance of rent by Landlord from any Transferee shall be deemed a waiver of any provision of this Article 14 or the approval of any Transferee or a release of Tenant from any obligation under this Lease, whether theretofore or thereafter accruing. In no event shall Landlord's enforcement of any provision of this Lease against any Transferee be deemed a waiver of Landlord's right to enforce any term of this Lease against Tenant or any other person. If Tenant's obligations hereunder have been guaranteed, Landlord's consent to any Transfer shall not be effective unless the guarantor also consents to such Transfer.

14.8 **Non-Transfers**. Notwithstanding anything to the contrary contained in this Article 14, (i) an assignment or subletting of all or a portion of the Premises to an affiliate of Tenant (an entity which is controlled by, controls, or is under common control with, Tenant), (ii) an assignment of the Premises to an entity which acquires all or substantially all of the assets or interest (partnership, stock or other) of Tenant, or (iii) an assignment of the Premises to an entity which is the resulting entity of a merger or consolidation of Tenant with another entity shall not be deemed a Transfer under this Article 14 (and for the avoidance of doubt, Sections 14.2, 14.3 and 14.4 shall not apply to such Transfer), provided that Tenant notifies Landlord of any such assignment or sublease and promptly supplies Landlord with any documents or information requested by Landlord regarding such assignment or sublease or such affiliate, and further provided that such assignment or sublease is not a subterfuge by Tenant to avoid its obligations under this Lease. "**Control**," as used in this Section 14.8, shall mean the ownership, directly or indirectly, of at least fifty-one percent (51%) of the voting securities of, or possession of the right to vote, in the ordinary direction of its affairs, of at least fifty-one percent (51%) of the voting interest in, any person or entity. No such permitted assignment or subletting shall serve to release Tenant from any of its obligations under this Lease. An assignee of Tenant's entire interest under this Section 14.8 is sometimes referred to as a "**Permitted Assignee**."

15. SURRENDER OF PREMISES; OWNERSHIP AND REMOVAL OF TRADE FIXTURES.

15.1 **Surrender of Premises**. No act or thing done by Landlord or any agent or employee of Landlord during the Lease Term shall be deemed to constitute an acceptance by Landlord of a surrender of the Premises unless such intent is specifically acknowledged in writing by Landlord. The delivery of keys to the Premises to Landlord or any agent or employee of Landlord shall not constitute a surrender of the Premises or effect a termination of this Lease, whether or not the keys are thereafter retained by Landlord, and notwithstanding such delivery Tenant shall be entitled to the return of such keys at any reasonable time upon request until this Lease shall have been properly terminated. The voluntary or other surrender of this Lease by Tenant, whether accepted by Landlord or not, or a mutual termination hereof, shall not work a merger, and at the option of Landlord shall operate as an assignment to Landlord of all subleases or subtenancies affecting the Premises or terminate any or all such sublessees or subtenancies.

15.2 **Removal of Tenant Property by Tenant**. Upon the expiration of the Lease Term, or upon any earlier termination of this Lease, Tenant shall, subject to the provisions of this Article 15, quit and surrender possession of the Premises to Landlord in as good order and condition as when Tenant took possession and as thereafter improved by Landlord and/or Tenant, reasonable wear and tear, damage by casualty and condemnation, and repairs which are specifically made the responsibility of Landlord hereunder excepted. Upon such expiration or termination, Tenant shall, without expense to Landlord, remove or cause to be removed from the Premises all debris and rubbish, and such items of furniture, equipment, free-standing cabinet work, movable partitions and other articles of personal property owned by Tenant or installed or placed by Tenant at its expense in the Premises, and such similar articles of any other persons claiming under Tenant, as Landlord may, in its sole discretion, require to be removed, and Tenant shall repair at its own expense all damage to the Premises and Building resulting from such removal.

15.3 **Environmental Assessment**. In connection with its surrender of the Premises, Tenant shall submit to Landlord, at least sixty (60) days prior to the expiration date of this Lease (or in the event of an earlier termination of this Lease, as soon as reasonably possible following such termination), an environmental Assessment of the Premises by a competent and experienced environmental engineer or engineering firm reasonably satisfactory to Landlord (pursuant to a contract approved by Landlord and providing that Landlord can rely on the Environmental Assessment). If such Environmental Assessment reveals that remediation or Clean-up is required under any Environmental Laws, Tenant shall submit a remediation plan prepared by a recognized environmental consultant and shall be responsible for all costs of remediation and Clean-up, as more particularly provided in Section 5.3, above.

15.4 **Condition of the Building and Premises Upon Surrender**. In addition to the above requirements of this Article 15, upon the expiration of the Lease Term, or upon any earlier termination of this Lease, Tenant shall, surrender the Premises and Building with Tenant having complied with all of Tenant's obligations under this Lease, including those relating to improvement, repair, maintenance, compliance with law, testing and other related obligations of Tenant set forth in Article 7 of this Lease. In the event that the Building and Premises shall be surrendered in a condition which does not comply with the terms of this Section 15.4, because Tenant failed to comply with its obligations set forth in Lease, then following thirty (30) days' notice to Tenant, during which thirty (30) day period Tenant shall have the right to cure such noncompliance, Landlord shall be entitled to expend all reasonable costs in order to cause the same to comply with the required condition upon surrender and Tenant shall promptly reimburse Landlord for all such costs upon notice and, during the period after the expiration or termination of this Lease, Tenant shall be deemed during the period that Tenant or Landlord, as the case may be, perform obligations relating to the Surrender Improvements to be in holdover under Article 16 of this Lease.

16. HOLDING OVER. If Tenant holds over after the expiration of the Lease Term or earlier termination thereof, with the express or implied consent of Landlord, such tenancy shall be from month-to-month only, and shall not constitute a renewal hereof or an extension for any further term. If Tenant holds over after the expiration of the Lease Term of earlier termination thereof, without the express or implied consent of Landlord, such tenancy shall be deemed to be a tenancy by sufferance only, and shall not constitute a renewal hereof or an extension for any further term. In either case, Rent shall be payable at a monthly rate equal to twice the Rent applicable during the last rental period of the Lease Term under this Lease. Such month-to-month tenancy or tenancy by sufferance, as the case may be, shall be subject to every other applicable term, covenant and agreement contained herein. Nothing contained in this Article 16 shall be construed as consent by Landlord to any holding over by Tenant, and Landlord expressly reserves the right to require Tenant to surrender possession of the Premises to Landlord as provided in this Lease upon the expiration or other termination of this Lease. The provisions of this Article 16 shall not be deemed to limit or constitute a waiver of any other rights or remedies of Landlord provided herein or at law. If Tenant fails to surrender the Premises upon the termination or expiration of this Lease, in addition to any other liabilities to Landlord accruing therefrom, Tenant shall protect, defend, indemnify and hold Landlord harmless from all loss, costs (including reasonable attorneys' fees) and liability resulting from such failure, including, without limiting the generality of the foregoing, any claims made by any succeeding tenant founded upon such failure to surrender and any lost profits to Landlord resulting therefrom.

17. ESTOPPEL CERTIFICATES. Within ten (10) business days following a request in writing by Landlord, Tenant shall execute, acknowledge and deliver to Landlord an estoppel certificate, which, as submitted by Landlord, shall be substantially in the form of **Exhibit D**, attached hereto (or such other form as may be required by any prospective mortgagee or purchaser of the Project, or any portion thereof), indicating therein any exceptions thereto that may exist at that time, and shall also contain any other information reasonably requested by Landlord or Landlord's mortgagee or prospective mortgagee. Any such certificate may be relied upon by any prospective mortgagee or purchaser of all or any portion of the Project. Tenant shall execute and deliver whatever other instruments may be reasonably required for such purposes. At any time during the Lease Term, Landlord may require Tenant to provide Landlord with a current financial statement and financial statements of the two (2) years prior to the current financial statement year. Such statements shall be prepared in accordance with generally accepted accounting principles and, if such is the normal practice of Tenant, shall be audited by an independent certified public accountant. Landlord shall hold such statements confidential. Failure of Tenant to timely execute, acknowledge and deliver such estoppel certificate or other instruments shall constitute an acceptance of the Premises and an acknowledgment by Tenant that statements included in the estoppel certificate are true and correct, without exception.

18. SUBORDINATION. Landlord represents and warrants that the Building and the Project are not currently subject to any ground or underlying lease, or to the lien of any mortgage or deed of trust. This Lease shall be subject and subordinate to all present and future ground or underlying leases of the Building or Project and to the lien of any mortgage, trust deed or other encumbrances now or hereafter in force against the Building or Project or any part thereof, if any, and to all renewals, extensions, modifications, consolidations and replacements thereof, and to all advances made or hereafter to be made upon the security of such mortgages or trust deeds, unless the holders of such mortgages, trust deeds or other encumbrances, or the lessors under such ground lease or underlying leases, require in writing that this Lease be superior thereto. The subordination of this Lease to any such future ground lease of the Building or Project or to the lien of any mortgage, deed of trust or other encumbrance, shall be subject to Tenant's receipt of a commercially reasonable subordination, non-disturbance and attornment agreement in favor of Tenant. Tenant covenants and agrees in the event any proceedings are brought for the foreclosure of any such mortgage or deed in lieu thereof (or if any ground lease is terminated), to attorn, without any deductions or set-offs whatsoever, to the lienholder or purchaser or any successors thereto upon any such foreclosure sale or deed in lieu thereof (or to the ground lessor, and to recognize such purchaser or lienholder or ground lessor as the lessor under this Lease, so long as Tenant timely pays the rent and observes and performs the terms, covenants and conditions of this Lease to be observed and performed by Tenant. Landlord's interest herein may be assigned as security at any time to any lienholder. Tenant shall, within ten (10) days of request by Landlord, execute such further instruments or assurances as Landlord may reasonably deem necessary to evidence or confirm the subordination or superiority of this Lease to any such mortgages, trust deeds, ground leases or underlying leases. Tenant waives the provisions of any current or future statute, rule or law which may give or purport to give Tenant any right or election to terminate or otherwise adversely affect this Lease and the obligations of the Tenant hereunder in the event of any foreclosure proceeding or sale.

19. DEFAULTS; REMEDIES.

19.1 **Events of Default**. The occurrence of any of the following shall constitute a default of this Lease by Tenant:

19.1.1 Any failure by Tenant to pay any Rent or any other charge required to be paid under this Lease, or any part thereof, when due unless such failure is cured within five (5) business days after written notice; or

19.1.2 Except where a specific time period is otherwise set forth for Tenant's performance in this Lease, in which event the failure to perform by Tenant within such time period shall be a default by Tenant under this Section 19.1.2, any failure by Tenant to observe or perform any other provision, covenant or condition of this Lease to be observed or performed by Tenant where such failure continues for thirty (30) days after written notice thereof from Landlord to Tenant; provided that if the nature of such default is such that the same cannot reasonably be cured within a thirty (30) day period, Tenant shall not be deemed to be in default if it diligently commences such cure within such period and thereafter diligently proceeds to rectify and cure such default; or

19.1.3 Abandonment or vacation of all or a substantial portion of the Premises by Tenant; or

19.1.4 The failure by Tenant to observe or perform according to the provisions of Articles 5, 14, 17 or 18 of this Lease where such failure continues for more than five (5) business days after notice from Landlord; or

19.1.5 Tenant's failure to occupy the Premises within ten (10) business days after the Rent Commencement Date.

The notice periods provided herein are in lieu of, and not in addition to, any notice periods provided by law.

19.2 **Remedies Upon Default**. Upon the occurrence and during the continuance of any event of default by Tenant, Landlord shall have, in addition to any other remedies available to Landlord at law or in equity (all of which remedies shall be distinct, separate and cumulative), the option to pursue any one or more of the following remedies, each and all of which shall be cumulative and nonexclusive, without any notice or demand whatsoever.

19.2.1 Terminate this Lease, in which event Tenant shall immediately surrender the Premises to Landlord, and if Tenant fails to do so, Landlord may, without prejudice to any other remedy which it may have for possession or arrearages in rent, enter upon and take possession of the Premises and expel or remove Tenant and any other person who may be occupying the Premises or any part thereof, without being liable for prosecution or any claim or damages therefor; and Landlord may recover from Tenant the following:

(i) The worth at the time of award of the unpaid rent which has been earned at the time of such termination; plus

(ii) The worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; plus

(iii) The worth at the time of award of the amount by which the unpaid rent for the balance of the Lease Term after the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; plus

(iv) Any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom, specifically including but not limited to, brokerage commissions and advertising expenses incurred to obtain a new tenant, expenses of remodeling the Premises or any portion thereof for a new tenant, whether for the same or a different use, and any special concessions made to obtain a new tenant; and

(v) At Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by applicable law.

The term "**rent**" as used in this Section 19.2 shall be deemed to be and to mean all sums of every nature required to be paid by Tenant pursuant to the terms of this Lease, whether to Landlord or to others. As used in Sections 19.2.1(i) and (ii), above, the "worth at the time of award" shall be computed by allowing interest at the rate set forth in Article 25 of this Lease, but in no case greater than the maximum amount of such interest permitted by law. As used in Section 19.2.1(iii) above, the "**worth at the time of award**" shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent (1%).

19.2.2 Landlord shall have the remedy described in California Civil Code Section 1951.4 (lessor may continue lease in effect after lessee's breach and abandonment and recover rent as it becomes due, if lessee has the right to sublet or assign, subject only to reasonable limitations). Accordingly, if Landlord does not elect to terminate this Lease on account of any default by Tenant, Landlord may, from time to time, without terminating this Lease, enforce all of its rights and remedies under this Lease, including the right to recover all rent as it becomes due.

19.2.3 Landlord shall at all times have the rights and remedies (which shall be cumulative with each other and cumulative and in addition to those rights and remedies available under Sections 19.2.1 and 19.2.2, above, or any law or other provision of this Lease), without prior demand or notice except as required by applicable law, to seek any declaratory, injunctive or other equitable relief, and specifically enforce this Lease, or restrain or enjoin a violation or breach of any provision hereof.

19.3 **Subleases of Tenant**. Whether or not Landlord elects to terminate this Lease on account of any default by Tenant, as set forth in this Article 19, Landlord shall have the right to terminate any and all subleases, licenses, concessions or other consensual arrangements for possession entered into by Tenant and affecting the Premises or may, in Landlord's sole discretion, succeed to Tenant's interest in such subleases, licenses, concessions or arrangements. In the event of Landlord's election to succeed to Tenant's interest in any such subleases, licenses, concessions or arrangements, Tenant shall, as of the date of notice by Landlord of such election, have no further right to or interest in the rent or other consideration receivable thereunder.

19.4 **Efforts to Relet**. No re-entry or repossession, repairs, maintenance, changes, alterations and additions, reletting, appointment of a receiver to protect Landlord's interests hereunder, or any other action or omission by Landlord shall be construed as an election by Landlord to terminate this Lease or Tenant's right to possession, or to accept a surrender of the Premises, nor shall same operate to release Tenant in whole or in part from any of Tenant's obligations hereunder, unless express written notice of such intention is sent by Landlord to Tenant. Tenant hereby irrevocably waives any right otherwise available under any law to redeem or reinstate this Lease.

19.5 **Landlord Default**.

19.5.1 **General**. Notwithstanding anything to the contrary set forth in this Lease, Landlord shall not be in default in the performance of any obligation required to be performed by Landlord pursuant to this Lease unless Landlord fails to perform such obligation within thirty (30) days after the receipt of notice from Tenant specifying in detail Landlord's failure to perform; provided, however, if the nature of Landlord's obligation is such that more than thirty (30) days are required for its performance, then Landlord shall not be in default under this Lease if it shall commence such performance within such thirty (30) day period and thereafter diligently pursue the same to completion. Upon any such default by Landlord under this Lease, Tenant may, except as otherwise specifically provided in this Lease to the contrary, exercise any of its rights provided at law or in equity.

19.5.2 **Abatement of Rent**. In the event that Tenant is prevented from using, and does not use, the Premises or any portion thereof, as a result of (i) any repair, maintenance or alteration performed by Landlord, or which Landlord failed to perform, after the Rent Commencement Date and required by this Lease, or (ii) any failure to provide services, utilities or access to the Premises as required by this Lease, each as a direct result of Landlord's, negligence or willful misconduct or breach of this Lease (and except to the extent such failure is caused in whole or in part by the action or inaction of Tenant) (any such set of circumstances as set forth in items (i) or (ii), above, to be known as an "**Abatement Event**"), then Tenant shall give Landlord notice of such Abatement Event, and if such Abatement Event continues for five (5) consecutive business days after Landlord's receipt of any such notice (the "**Eligibility Period**"), then the Base Rent, Tenant's Share of Direct Expenses, and Tenant's obligation, if any, to pay for parking (to the extent not utilized by Tenant) shall be abated or reduced, as the case may be, after expiration of the Eligibility Period for such time that Tenant continues to be so prevented from using, and does not use for the normal conduct of Tenant's business, the Premises or a portion thereof, in the proportion that the rentable area of the portion of the Premises that Tenant is prevented from using, and does not use, bears to the total rentable area of the Premises; provided, however, in the event that Tenant is prevented from using, and does not use, a portion of the Premises for a period of time in excess of the Eligibility Period and the remaining portion of the Premises is not sufficient to allow Tenant to effectively conduct its business therein, and if Tenant does not effectively conduct its business from such remaining portion, then for such time after expiration of the Eligibility Period during which Tenant is so prevented from effectively conducting its business therein, the Base Rent and Tenant's Share of Direct Expenses for the entire Premises and Tenant's obligation to pay for parking shall be abated for such time as Tenant continues to be so prevented from using, and does not use, the Premises. If, however, Tenant reoccupies any portion of the Premises during such period, the Rent allocable to such reoccupied portion, based on the proportion that the rentable area of such reoccupied portion of the Premises bears to the total rentable area of the Premises, shall be payable by Tenant from the date Tenant reoccupies such portion of the Premises. To the extent an Abatement Event is caused by an event covered by Articles 5, 11 or 13 of this Lease, then Tenant's right to abate rent shall be governed by the terms of such Article 5, 11 or 13, as applicable, and the Eligibility Period shall not be applicable thereto. Except as provided in this Section 19.5.2, nothing contained herein shall be interpreted to mean that Tenant is excused from paying Rent due hereunder.

20. COVENANT OF QUIET ENJOYMENT. Landlord covenants that Tenant, on paying the Rent, charges for services and other payments herein reserved and on keeping, observing and performing all the other terms, covenants, conditions, provisions and agreements herein contained on the part of Tenant to be kept, observed and performed within the notice and cure periods provided for herein, shall, during the Lease Term, peaceably and quietly have, hold and enjoy the Premises subject to the terms, covenants, conditions, provisions and agreements hereof without interference by any persons lawfully claiming by or through Landlord. The foregoing covenant is in lieu of any other covenant express or implied.

21. LETTER OF CREDIT

21.1 **Delivery of Letter of Credit**. Tenant shall deliver to Landlord, concurrently with Tenant's execution of this Lease, an unconditional, clean, irrevocable letter of credit (the "**L-C**") in the amount set forth in Section 8 of the Lease Summary (the "**L-C Amount**"), which L-C shall be issued by a money-center, solvent and nationally recognized bank (a bank which accepts deposits, maintains accounts, has a local San Francisco Bay Area office which will negotiate a letter of credit, and whose deposits are insured by the FDIC) reasonably acceptable to Landlord (such approved, issuing bank being referred to herein as the "**Bank**"), which Bank must have a rating from Standard and Poors Corporation of A- or better (or any equivalent rating thereto from any successor or substitute rating service selected by Landlord) and a letter of credit issuer rating from Moody's Investor Service of A3 or better (or any equivalent rating thereto from any successor rating agency thereto)) (collectively, the "Bank's Credit Rating Threshold"), and which L-C shall be substantially in the form of Exhibit F, attached hereto. Landlord hereby approves Silicon Valley Bank as the Bank for the L-C to be initially delivered by Tenant. Tenant shall pay all expenses, points and/or fees incurred by Tenant in obtaining the L-C. The L-C shall (i) be "callable" at sight, irrevocable and unconditional, (ii) be maintained in effect, whether through renewal or extension, for the period commencing on the date of this Lease and continuing until the date (the "L-C Expiration Date") that is no less than sixty (60) days after the expiration of the Lease Term as the same may be extended, and Tenant shall deliver a new L-C or certificate of renewal or extension to Landlord at least thirty (30) days prior to the expiration of the L-C then held by Landlord, without any action whatsoever on the part of Landlord, (iii) be fully assignable by Landlord, its successors and assigns, (iv) permit partial draws and multiple presentations and drawings, and (v) be otherwise subject to the Uniform Customs and Practices for Documentary Credits (1993-Rev), International Chamber of Commerce Publication #500, or the International Standby Practices-ISP 98, International Chamber of Commerce Publication #590. Landlord shall have the right to draw down an amount up to the face amount of the L-C if any of the following shall have occurred or be applicable: (A) such amount is due to Landlord under the terms and conditions of this Lease, and has not been paid within applicable notice and cure periods (or, if Landlord is prevented by law from providing notice, within the period for payment set forth in the Lease), or (B) Tenant has filed a voluntary petition under the U. S. Bankruptcy Code or any state bankruptcy code (collectively, "**Bankruptcy Code**"), or (C) an involuntary petition has been filed against Tenant under the Bankruptcy Code that is not dismissed within thirty (30) days, or (D) the Lease has been rejected, or is deemed rejected, under Section 365 of the U.S. Bankruptcy Code, following the filing of a voluntary petition by Tenant under the Bankruptcy Code, or the filing of an involuntary petition against Tenant under the Bankruptcy Code, or (E) the Bank has notified Landlord that the L-C will not be renewed or extended through the L-C Expiration Date, and Tenant has not provided a replacement L-C that satisfies the requirements of this Lease at least thirty (30) days prior to such expiration, or (F) Tenant is placed into receivership or conservatorship, or becomes subject to similar proceedings under Federal or State law, or (G) Tenant executes an assignment for the benefit of creditors, or (H) if (1) any of the Bank's Fitch Ratings (or other comparable ratings to the extent the Fitch Ratings are no longer available) have been reduced below the Bank's Credit Rating Threshold, or (2) there is otherwise a material adverse change in the financial condition of the Bank, and Tenant has failed to provide Landlord with a replacement letter of credit, conforming in all respects to the requirements of this Article 21 (including, but not limited to, the requirements placed on the issuing Bank more particularly set forth in this Section 21.1 above), in the amount of the applicable L-C Amount, within ten (10) business days following Landlord's written demand therefor (with no other notice or cure or grace period being applicable thereto, notwithstanding anything in this Lease to the contrary) (each of the foregoing being an "**L-C Draw Event**"). The L-C shall be honored by the Bank regardless of whether Tenant disputes Landlord's right to draw upon the L-C. In addition, in the event the Bank is placed into receivership or conservatorship by the Federal Deposit Insurance Corporation or any successor or similar entity, then, effective as of the date such receivership or conservatorship occurs, said L-C shall be deemed to fail to meet the requirements of this Article 21, and, within ten (10) business days following Landlord's notice to Tenant of such receivership or conservatorship (the "L-C FDIC Replacement Notice"), Tenant shall replace such L-C with a substitute letter of credit from a different issuer (which issuer shall meet or exceed the Bank's Credit Rating Threshold and shall otherwise be acceptable to Landlord in its reasonable discretion) and that complies in all respects with the requirements of this Article 21. If Tenant fails to replace such L-C with such conforming, substitute letter of credit pursuant to the terms and conditions of this Section 21.1, then, notwithstanding anything in this Lease to the contrary, Landlord shall have the right to declare Tenant in default of this Lease for which there shall be no notice or grace or cure periods being applicable thereto (other than the aforesaid ten (10) business day period). Tenant shall be responsible for the payment of any and all Tenant's and Bank's costs incurred with the review of any replacement L-C, which replacement is required pursuant to this Section or is otherwise requested by Tenant. In the event of an assignment by Tenant of its

interest in this Lease (and irrespective of whether Landlord's consent is required for such assignment), the acceptance of any replacement or substitute letter of credit by Landlord from the assignee shall be subject to Landlord's prior written approval, in Landlord's reasonable discretion, and the actual and reasonable attorney's fees incurred by Landlord in connection with such determination shall be payable by Tenant to Landlord within thirty (30) days of billing.

21.2 **Application of L-C**. Tenant hereby acknowledges and agrees that Landlord is entering into this Lease in material reliance upon the ability of Landlord to draw upon the L-C upon the occurrence of any L-C Draw Event. In the event of any L-C Draw Event, Landlord may, but without obligation to do so, and without notice to Tenant (except in connection with an L-C Draw Event under Section 21.1(H) above), draw upon the L-C, in part or in whole, in the amount necessary to cure any such L-C Draw Event and/or to compensate Landlord for any and all damages of any kind or nature sustained or which Landlord reasonably estimates that it will sustain resulting from Tenant's breach or default of this Lease or other L-C Draw Event and/or to compensate Landlord for any and all damages arising out of, or incurred in connection with, the termination of this Lease, including, without limitation, those specifically identified in Section 1951.2 of the California Civil Code. The use, application or retention of the L-C, or any portion thereof, by Landlord shall not prevent Landlord from exercising any other right or remedy provided by this Lease or by any applicable law, it being intended that Landlord shall not first be required to proceed against the L-C, and such L-C shall not operate as a limitation on any recovery to which Landlord may otherwise be entitled. Tenant agrees and acknowledges that (i) the L-C constitutes a separate and independent contract between Landlord and the Bank, (ii) Tenant is not a third party beneficiary of such contract, (iii) Tenant has no property interest whatsoever in the L-C or the proceeds thereof, and (iv) in the event Tenant becomes a debtor under any chapter of the Bankruptcy Code, Tenant is placed into receivership or conservatorship, and/or there is an event of a receivership, conservatorship or a bankruptcy filing by, or on behalf of, Tenant, neither Tenant, any trustee, nor Tenant's bankruptcy estate shall have any right to restrict or limit Landlord's claim and/or rights to the L-C and/or the proceeds thereof by application of Section 502(b)(6) of the U. S. Bankruptcy Code or otherwise.

21.3 **Maintenance of L-C by Tenant**. If, as a result of any drawing by Landlord of all or any portion of the L-C, the amount of the L-C shall be less than the L-C Amount, Tenant shall, within ten (10) business days thereafter, provide Landlord with additional letter(s) of credit in an amount equal to the deficiency, and any such additional letter(s) of credit shall comply with all of the provisions of this Article 21. Tenant further covenants and warrants that it will neither assign nor encumber the L-C or any part thereof and that neither Landlord nor its successors or assigns will be bound by any such assignment, encumbrance, attempted assignment or attempted encumbrance. Without limiting the generality of the foregoing, if the L-C expires earlier than the L-C Expiration Date, Landlord will accept a renewal thereof (such renewal letter of credit to be in effect and delivered to Landlord, as applicable, not later than thirty (30) days prior to the expiration of the L-C), which shall be irrevocable and automatically renewable as above provided through the L-C Expiration Date upon the same terms as the expiring L-C or such other terms as may be acceptable to Landlord in its reasonable discretion. If Tenant exercises its option to extend the Lease Term pursuant to Section 2.2 of this Lease then, not later than thirty (30) days prior to the commencement of the Option Term, Tenant shall deliver to Landlord a new L C or certificate of renewal or extension evidencing the L-C Expiration Date as thirty (30) days after the expiration of the Option Term. However, if the L-C is not timely renewed, or if Tenant fails to maintain the L-C in the amount and in accordance with the terms set forth in this Article 21, Landlord shall have the right to present the L-C to the Bank in accordance with the terms of this Article 21, and the proceeds of the L-C shall be applied by Landlord against any Rent payable by Tenant under this Lease that is not paid when due and/or to pay for all losses and damages that Landlord has suffered or that Landlord reasonably estimates that it will suffer as a result of any breach or default by Tenant under this Lease. In the event Landlord elects to exercise its rights as provided above, (I) any unused proceeds shall constitute the property of Landlord (and not Tenant's property or, in the event of a receivership, conservatorship, or a bankruptcy filing by, or on behalf of, Tenant, property of such receivership, conservatorship or Tenant's bankruptcy estate) and need not be segregated from Landlord's other assets, and (II) Landlord agrees to pay to Tenant within thirty (30) days after the L-C Expiration Date the amount of any proceeds of the L-C received by Landlord and not applied against any Rent payable by Tenant under this Lease that was not paid when due or used to pay for any losses and/or damages suffered by Landlord (or reasonably estimated by Landlord that it will suffer) as a result of any breach or default by Tenant under this Lease; provided, however, that if prior to the L-C Expiration Date a voluntary petition is filed by Tenant, or an involuntary petition is filed against Tenant by any of Tenant's creditors, under the Bankruptcy Code, then Landlord shall not be obligated to make such payment in the amount of the unused L-C proceeds until either all preference issues relating to payments under this

Lease have been resolved in such bankruptcy or reorganization case or such bankruptcy or reorganization case has been dismissed. If Landlord draws on the L-C due to Tenant's failure to timely renew or provide a replacement L-C, such failure shall not be considered a default under this Lease and Landlord shall return such cash proceeds upon Tenant's presentation of a replacement L-C that satisfies the requirements of this Lease, subject to reasonable satisfaction of any preference risk to Landlord.

21.4 **Transfer and Encumbrance**. The L-C shall also provide that Landlord may, at any time and without notice to Tenant and without first obtaining Tenant's consent thereto, transfer (one or more times) all of its interest in and to the L-C to another party, person or entity, regardless of whether or not such transfer is from in connection with the assignment by Landlord all of its rights and interests in and to this Lease. In the event of a transfer of Landlord's interest in under this Lease, Landlord shall transfer the L-C, in whole or in part, to the transferee and thereupon Landlord shall, without any further agreement between the parties, be released by Tenant from all liability therefor, and it is agreed that the provisions hereof shall apply to every transfer or assignment of the whole of said L-C to a new landlord. In connection with any such transfer of the L-C by Landlord, Tenant shall, at Tenant's sole cost and expense, execute and submit to the Bank such applications, documents and instruments as may be necessary to effectuate such transfer and, Tenant shall be responsible for paying the Bank's transfer and processing fees in connection therewith; provided that, Landlord shall have the right (in its sole discretion), but not the obligation, to pay such fees on behalf of Tenant, in which case Tenant shall reimburse Landlord within ten (10) business days after Tenant's receipt of an invoice from Landlord therefor.

21.5 **L-C Not a Security Deposit**. Landlord and Tenant (1) acknowledge and agree that in no event or circumstance shall the L-C or any renewal thereof or substitute therefor or any proceeds thereof be deemed to be or treated as a "security deposit" under any law applicable to security deposits in the commercial context, including, but not limited to, Section 1950.7 of the California Civil Code, as such Section now exists or as it may be hereafter amended or succeeded (the "**Security Deposit Laws"**), (2) acknowledge and agree that the L-C (including any renewal thereof or substitute therefor or any proceeds thereof) is not intended to serve as a security deposit, and the Security Deposit Laws shall have no applicability or relevancy thereto, and (3) waive any and all rights, duties and obligations that any such party may now, or in the future will, have relating to or arising from the Security Deposit Laws. Tenant hereby irrevocably waives and relinquishes the provisions of Section 1950.7 of the California Civil Code and any successor statute, and all other provisions of law, now or hereafter in effect, which (x) establish the time frame by which a landlord must refund a security deposit under a lease, and/or (y) provide that a landlord may claim from a security deposit only those sums reasonably necessary to remedy defaults in the payment of rent, to repair damage caused by a tenant or to clean the premises, it being agreed that Landlord may, in addition, claim those sums specified in this Article 21 and/or those sums reasonably necessary to (a) compensate Landlord for any loss or damage caused by Tenant's breach of this Lease, including any damages Landlord suffers following termination of this Lease, and/or (b) compensate Landlord for any and all damages arising out of, or incurred in connection with, the termination of this Lease, including, without limitation, those specifically identified in Section 1951.2 of the California Civil Code.

21.6 **Non-Interference By Tenant**. Tenant agrees not to interfere in any way with any payment to Landlord of the proceeds of the L-C, either prior to or following a "draw" by Landlord of all or any portion of the L-C, regardless of whether any dispute exists between Tenant and Landlord as to Landlord's right to draw down all or any portion of the L-C. No condition or term of this Lease shall be deemed to render the L-C conditional and thereby afford the Bank a justification for failing to honor a drawing upon such L-C in a timely manner. Tenant shall not request or instruct the Bank of any L-C to refrain from paying sight draft(s) drawn under such L-C.

21.7 **Waiver of Certain Relief**. Tenant unconditionally and irrevocably waives (and as an independent covenant hereunder, covenants not to assert) any right to claim or obtain any of the following relief in connection with the L-C:

21.7.1 A temporary restraining order, temporary injunction, permanent injunction, or other order that would prevent, restrain or restrict the presentment of sight drafts drawn under any L-C or the Bank's honoring or payment of sight draft(s); or

21.7.2 Any attachment, garnishment, or levy in any manner upon either the proceeds of any L-C or the obligations of the Bank (either before or after the presentment to the Bank of sight drafts drawn under such L-C) based on any theory whatever.

21.8 **Remedy for Improper Drafts**. Tenant's sole remedy in connection with the improper presentment or payment of sight drafts drawn under any L-C shall be the right to obtain from Landlord a refund of the amount of any sight draft(s) that were improperly presented or the proceeds of which were misapplied, and reasonable actual out-of-pocket costs and expenses and attorneys' fees, provided that at the time of such refund, Tenant increases the amount of such L-C to the amount (if any) then required under the applicable provisions of this Lease. Tenant acknowledges that the presentment of sight drafts drawn under any L-C, or the Bank's payment of sight drafts drawn under such L-C, could not under any circumstances cause Tenant injury that could not be remedied by an award of money damages, and that the recovery of money damages would be an adequate remedy therefor. In the event Tenant shall be entitled to a refund as aforesaid and Landlord shall fail to make such payment within ten (10) business days after demand, Tenant shall have the right to deduct the amount thereof from the next installment(s) of Base Rent.

22. COMMUNICATIONS AND COMPUTER LINE. Tenant may install, maintain, replace, remove or use any communications or computer wires and cables serving the Premises (collectively, the "**Lines**"), provided that Tenant shall coordinate any such installation with Landlord, use an experienced and qualified contractor approved in writing by Landlord, and otherwise comply with all of the other provisions of Articles 7 and 8 of this Lease. Tenant shall pay all costs in connection therewith. Landlord reserves the right, upon notice to Tenant prior to the expiration or earlier termination of this Lease, to require that Tenant, at Tenant's sole cost and expense, remove any Lines located in or serving the Premises upon to the expiration or earlier termination of this Lease.

23. SIGNS

23.1 **Exterior Signage**. Subject to Landlord's prior written approval, which shall not be unreasonably withheld, conditioned or delayed, and provided all signs are in keeping with the quality, design and style of the Building and Project, Tenant, at its sole cost and expense, may install (i) identification signage on any existing monument sign located at the exterior of the Project, (ii) signage at the entrance to the Building (on a pro-rata basis based upon the respective square footage of the tenants in the Building), and (iii) any internal directional, lobby and directory signage (collectively, "**Tenant Signage**"); provided, however, in no event shall Tenant's Signage include an "Objectionable Name," as that term is defined in Section 23.3, of this Lease. All such signage shall be subject to Tenant's obtaining all required governmental approvals. All permitted signs shall be maintained by Tenant at its expense in a first-class and safe condition and appearance. Upon the expiration or earlier termination of this Lease, Tenant shall remove all of its signs at Tenant's sole cost and expense. The graphics, materials, color, design, lettering, lighting, size, illumination, specifications and exact location of Tenant's Signage (collectively, the "**Sign Specifications**") shall be subject to the prior written approval of Landlord, which approval shall not be unreasonably withheld, conditioned or delayed, and shall be consistent and compatible with the quality and nature of the Project. Tenant hereby acknowledges that, notwithstanding Landlord's approval of Tenant's Signage, Landlord has made no representation or warranty to Tenant with respect to the probability of obtaining all necessary governmental approvals and permits for Tenant's Signage. In the event Tenant does not receive the necessary governmental approvals and permits for Tenant's Signage, Tenant's and Landlord's rights and obligations under the remaining terms and conditions of this Lease shall be unaffected.

23.2 **Objectionable Name**. Tenant's Signage shall not include a name or logo which relates to an entity which is of a character or reputation, or is associated with a political faction or orientation, which is inconsistent with the quality of the Project, or which would otherwise reasonably offend a landlord of the Comparable Buildings (an "**Objectionable Name**"). The parties hereby agree that the following name, or any reasonable derivation thereof, shall be deemed not to constitute an Objectionable Name: "**Aligos Therapeutics, Inc**."

23.3 **Prohibited Signage and Other Items**. Any signs, notices, logos, pictures, names or advertisements which are installed and that have not been separately approved by Landlord may be removed without notice by Landlord at the sole expense of Tenant. Any signs, window coverings, or blinds (even if the same are located behind the Landlord-approved window coverings for the Building), or other items visible from the exterior of the Premises or Building, shall be subject to the prior approval of Landlord, in its reasonable discretion.

23.4 **Termination of Right to Tenant's Signage**. The rights contained in this Article 23 shall be personal to Original Tenant and its Permitted Assignee, and may only be exercised and maintained by such parties (and not any other assignee, sublessee or other transferee of the Original Tenant's interest in this Lease) to the extent (*x*) they are not in default under this Lease (beyond any applicable notice and cure period) *and* (y) if they occupy the entire Premises.

24. COMPLIANCE WITH LAW. Tenant shall not do anything or suffer anything to be done in or about the Premises or the Project which will in any way conflict with any law, statute, ordinance or other governmental rule, regulation or requirement now in force or which may hereafter be enacted or promulgated. At its sole cost and expense, Tenant shall promptly comply with all such governmental measures pertaining to Tenant's use of the Premises. Should any standard or regulation now or hereafter be imposed on Landlord or Tenant by a state, federal or local governmental body charged with the establishment, regulation and enforcement of occupational, health or safety standards for employers, employees, landlords or tenants, then Tenant agrees, at its sole cost and expense, to comply promptly with such standards or regulations. Tenant shall be responsible, at its sole cost and expense, to make all alterations to the Building and Premises as are required to comply with the governmental rules, regulations, requirements or standards described in this Article 24 that pertain to Tenant's use of the Premises. The judgment of any court of competent jurisdiction or the admission of Tenant in any judicial action, regardless of whether Landlord is a party thereto, that Tenant has violated any of said governmental measures, shall be conclusive of that fact as between Landlord and Tenant. For purposes of Section 1938 of the California Civil Code, Landlord hereby discloses to Tenant, and Tenant hereby acknowledges, that the Project, Building and Premises have not undergone inspection by a Certified Access Specialist (CASp). As required by Section 1938(e) of the California Civil Code, Landlord hereby states as follows: "A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises." In furtherance of the foregoing, Landlord and Tenant hereby agree as follows: (a) any CASp inspection requested by Tenant shall be conducted, at Tenant's sole cost and expense, by a CASp approved in advance by Landlord; and (b) Tenant, at its cost, is responsible for making any repairs within the Premises to correct violations of construction-related accessibility standards; and, if anything done by or for Tenant in its use or occupancy of the Premises after the construction and installation of the Landlord TI Work pursuant to the Tenant Work Letter shall require repairs to the Building (outside the Premises) to correct violations of construction-related accessibility standards, then Tenant shall, at Landlord's option, either perform such repairs at Tenant's sole cost and expense or reimburse Landlord upon demand, as Additional Rent, for the cost to Landlord of performing such repairs.

25. LATE CHARGES. If any installment of Rent or any other sum due from Tenant shall not be received by Landlord or Landlord's designee within five (5) business days after Tenant's receipt of written notice from Landlord that said amount is due, then Tenant shall pay to Landlord a late charge equal to five percent (5%) of the overdue amount plus any reasonable attorneys' fees incurred by Landlord by reason of Tenant's failure to pay Rent and/or other charges when due hereunder. The late charge shall be deemed Additional Rent and the right to require it shall be in addition to all of Landlord's other rights and remedies hereunder or at law and shall not be construed as liquidated damages or as limiting Landlord's remedies in any manner. In addition to the late charge described above, any Rent or other amounts owing hereunder which are not paid within ten (10) days after the date they are due shall bear interest from the date when due until paid at a rate per annum equal to the lesser of (i) the annual "Bank Prime Loan" rate cited in the Federal Reserve Statistical Release Publication G.13(415), published on the first Tuesday of each calendar month (or such other comparable index as Landlord and Tenant shall reasonably agree upon if such rate ceases to be published) plus four (4) percentage points, and (ii) the highest rate permitted by applicable law.

26. LANDLORD'S RIGHT TO CURE DEFAULT; PAYMENTS BY TENANT.

26.1 **Landlord's Cure**. All covenants and agreements to be kept or performed by Tenant under this Lease shall be performed by Tenant at Tenant's sole cost and expense and without any reduction of Rent, except to the extent, if any, otherwise expressly provided herein. If Tenant shall fail to perform any obligation under this Lease,

and such failure shall continue in excess of the time allowed under Section 19.1.2, above, unless a specific time period is otherwise stated in this Lease, Landlord may, but shall not be obligated to, make any such payment or perform any such act on Tenant's part without waiving its rights based upon any default of Tenant and without releasing Tenant from any obligations hereunder.

26.2 **Tenant's Reimbursement**. Except as may be specifically provided to the contrary in this Lease, Tenant shall pay to Landlord, upon delivery by Landlord to Tenant of statements therefor: (i) sums equal to expenditures reasonably made and obligations incurred by Landlord in connection with the remedying by Landlord of Tenant's defaults pursuant to the provisions of Section 26.1; (ii) sums equal to all losses, costs, liabilities, damages and expenses referred to in Article 10 of this Lease; and (iii) sums equal to all expenditures made and obligations incurred by Landlord in collecting or attempting to collect the Rent or in enforcing or attempting to enforce any rights of Landlord under this Lease or pursuant to law, including, without limitation, all reasonable legal fees and other amounts so expended (subject to Section 29.21 below). Tenant's obligations under this Section 26.2 shall survive the expiration or sooner termination of the Lease Term.

27. ENTRY BY LANDLORD. Landlord reserves the right and upon twenty four (24) hours' prior notice to Tenant (except in the case of an emergency) to enter the Premises at all reasonable times to (i) inspect them; (ii) show the Premises to prospective purchasers, or to current or prospective mortgagees, ground or underlying lessors or insurers or, during the last twelve (12) months of the Lease Term, to prospective tenants; (iii) post notices of non-responsibility (to the extent applicable pursuant to then applicable law); or (iv) alter, improve or repair the Premises or the Building, or for structural alterations, repairs or improvements to the Building or the Building's systems and equipment. Landlord may make any such entries without the abatement of Rent, except as otherwise provided in this Lease, and may take such reasonable steps as required to accomplish the stated purposes. In an emergency, Landlord shall have the right to use any means that Landlord may deem proper to open the doors in and to the Premises. Any entry into the Premises by Landlord in the manner hereinbefore described shall not be deemed to be a forcible or unlawful entry into, or a detainer of, the Premises, or an actual or constructive eviction of Tenant from any portion of the Premises. Landlord shall use commercially reasonable efforts to minimize any interference with Tenant's use of or access to the Premises in connection with any such entry, and such comply with Tenant's reasonable security measures. Without limiting the foregoing, except in an emergency, Landlord shall not enter into any portion of the Premises identified to Landlord as an area containing sensitive business information unless accompanied by a representative of Tenant. Landlord shall hold confidential any information regarding Tenant's business learned as a result of any such entry

28. TENANT PARKING. Tenant shall have the right to use the amount of parking set forth in Section 9 of the Summary, in the on-site and/or off-site, as the case may be, parking facility (or facilities) which serve the Project. Tenant shall abide by all reasonable rules and regulations which are prescribed from time to time for the orderly operation and use of the parking facility where the parking passes are located (including any sticker or other identification system established by Landlord and the prohibition of vehicle repair and maintenance activities in the parking facilities), and shall cooperate in seeing that Tenant's employees and visitors also comply with such rules and regulations. Tenant's use of the Project parking facility shall be at Tenant's sole risk and Tenant acknowledges and agrees that Landlord shall have no liability whatsoever for damage to the vehicles of Tenant, its employees and/or visitors, or for other personal injury or property damage or theft relating to or connected with the parking rights granted herein or any of Tenant's, its employees' and/or visitors' use of the parking facilities.

29. MISCELLANEOUS PROVISIONS.

29.1 **Terms; Captions**. The words "**Landlord**" and "**Tenant**" as used herein shall include the plural as well as the singular. The necessary grammatical changes required to make the provisions hereof apply either to corporations or partnerships or individuals, men or women, as the case may require, shall in all cases be assumed as though in each case fully expressed. The captions of Articles and Sections are for convenience only and shall not be deemed to limit, construe, affect or alter the meaning of such Articles and Sections.

29.2 **Binding Effect**. Subject to all other provisions of this Lease, each of the covenants, conditions and provisions of this Lease shall extend to and shall, as the case may require, bind or inure to the benefit not only of

Landlord and of Tenant, but also of their respective heirs, personal representatives, successors or assigns, provided this clause shall not permit any assignment by Tenant contrary to the provisions of Article 14 of this Lease.

29.3 **No Air Rights**. No rights to any view or to light or air over any property, whether belonging to Landlord or any other person, are granted to Tenant by this Lease. If at any time any windows of the Premises are temporarily darkened or the light or view therefrom is obstructed by reason of any repairs, improvements, maintenance or cleaning in or about the Project, the same shall be without liability to Landlord and without any reduction or diminution of Tenant's obligations under this Lease.

29.4 **Modification of Lease**. Should any current or prospective mortgagee or ground lessor for the Building or Project require a modification of this Lease, which modification will not cause an increased cost or expense to Tenant or in any other way materially and adversely change the rights and obligations of Tenant hereunder, then and in such event, Tenant agrees that this Lease may be so modified and agrees to execute whatever documents are reasonably required therefor and to deliver the same to Landlord within ten (10) business days following a request therefor. At the request of Landlord or any mortgagee or ground lessor, Tenant agrees to execute a short form of Lease and deliver the same to Landlord within ten (10) business days following the request therefor.

29.5 **Transfer of Landlord's Interest**. Tenant acknowledges that Landlord has the right to transfer all or any portion of its interest in the Project or Building and in this Lease, and Tenant agrees that in the event of any such transfer, Landlord shall automatically be released from all liability under this Lease and Tenant agrees to look solely to such transferee for the performance of Landlord's obligations hereunder after the date of transfer and such transferee shall be deemed to have fully assumed and be liable for all obligations of this Lease to be performed by Landlord, including the return of any Security Deposit, and Tenant shall attorn to such transferee.

29.6 **Prohibition Against Recording**. Except as provided in Section 29.4 of this Lease, neither this Lease, nor any memorandum, affidavit or other writing with respect thereto, shall be recorded by Tenant or by anyone acting through, under or on behalf of Tenant.

29.7 **Landlord's Title**. Landlord's title is and always shall be paramount to the title of Tenant. Nothing herein contained shall empower Tenant to do any act which can, shall or may encumber the title of Landlord.

29.8 **Relationship of Parties**. Nothing contained in this Lease shall be deemed or construed by the parties hereto or by any third party to create the relationship of principal and agent, partnership, joint venturer or any association between Landlord and Tenant.

29.9 **Application of Payments**. Landlord shall have the right to apply payments received from Tenant pursuant to this Lease, regardless of Tenant's designation of such payments, to satisfy any obligations of Tenant hereunder, in such order and amounts as Landlord, in its sole discretion, may elect.

29.10 **Time of Essence**. Time is of the essence with respect to the performance of every provision of this Lease in which time of performance is a factor.

29.11 **Partial Invalidity**. If any term, provision or condition contained in this Lease shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term, provision or condition to persons or circumstances other than those with respect to which it is invalid or unenforceable, shall not be affected thereby, and each and every other term, provision and condition of this Lease shall be valid and enforceable to the fullest extent possible permitted by law.

29.12 **No Warranty**. In executing and delivering this Lease, Tenant has not relied on any representations, including, but not limited to, any representation as to the amount of any item comprising Additional Rent or the amount of the Additional Rent in the aggregate or that Landlord is furnishing the same services to other tenants, at all, on the same level or on the same basis, or any warranty or any statement of Landlord which is not set forth herein or in one or more of the exhibits attached hereto.

29.13 **Landlord Exculpation**. The liability of Landlord or the Landlord Parties to Tenant for any default by Landlord under this Lease or arising in connection herewith or with Landlord's operation, management, leasing, repair, renovation, alteration or any other matter relating to the Project or the Premises shall be limited solely and exclusively to the interest of Landlord in the Project, including any sales or insurance proceeds received by Landlord or the Landlord Parties in connection with the Project, Building or Premises. None of the Landlord Parties (except Landlord) shall have any personal liability therefor, and Tenant hereby expressly waives and releases such personal liability on behalf of itself and all persons claiming by, through or under Tenant. The limitations of liability contained in this Section 29.13 shall inure to the benefit of Landlord's and the Landlord Parties' present and future partners, beneficiaries, officers, directors, trustees, shareholders, agents and employees, and their respective partners, heirs, successors and assigns. Under no circumstances shall any present or future partner of Landlord (if Landlord is a partnership), or trustee or beneficiary (if Landlord or any partner of Landlord is a trust), have any liability for the performance of Landlord's obligations under this Lease. Notwithstanding any contrary provision herein, neither Landlord nor the Landlord Parties shall be liable under any circumstances for injury or damage to, or interference with, Tenant's business, including but not limited to, loss of profits, loss of rents or other revenues, loss of business opportunity, loss of goodwill or loss of use, in each case, however occurring, or loss to inventory, scientific research, scientific experiments, laboratory animals, products, specimens, samples, and/or scientific, business, accounting and other records of every kind and description kept at the premises and any and all income derived or derivable therefrom.

29.14 **Entire Agreement**. It is understood and acknowledged that there are no oral agreements between the parties hereto affecting this Lease and this Lease constitutes the parties' entire agreement with respect to the leasing of the Premises and supersedes and cancels any and all previous negotiations, arrangements, brochures, agreements and understandings, if any, between the parties hereto or displayed by Landlord to Tenant with respect to the subject matter thereof, and none thereof shall be used to interpret or construe this Lease. None of the terms, covenants, conditions or provisions of this Lease can be modified, deleted or added to except in writing signed by the parties hereto.

29.15 **Right to Lease**. Landlord reserves the absolute right to effect such other tenancies in the Project as Landlord in the exercise of its sole business judgment shall determine to best promote the interests of the Building or Project. Tenant does not rely on the fact, nor does Landlord represent, that any specific tenant or type or number of tenants shall, during the Lease Term, occupy any space in the Building or Project.

29.16 **Force Majeure**. Any prevention, delay or stoppage due to strikes, lockouts, labor disputes, acts of God, acts of war, terrorist acts, inability to obtain services, labor, or materials or reasonable substitutes therefor, governmental actions, civil commotions, fire or other casualty, and other causes beyond the reasonable control of the party obligated to perform, except with respect to the obligations imposed with regard to Rent and other charges to be paid by Tenant or Landlord pursuant to this Lease (collectively, a "**Force Majeure**"), notwithstanding anything to the contrary contained in this Lease, shall excuse the performance of such party for a period equal to any such prevention, delay or stoppage and, therefore, if this Lease specifies a time period for performance of an obligation of either party, that time period shall be extended by the period of any delay in such party's performance caused by a Force Majeure.

29.17 **Waiver of Redemption by Tenant**. Tenant hereby waives, for Tenant and for all those claiming under Tenant, any and all rights now or hereafter existing to redeem by order or judgment of any court or by any legal process or writ, Tenant's right of occupancy of the Premises after any termination of this Lease.

29.18 **Notices**. All notices, demands, statements, designations, approvals or other communications (collectively, "**Notices**") given or required to be given by either party to the other hereunder or by law shall be in writing, shall be (A) sent by United States certified or registered mail, postage prepaid, return receipt requested ("**Mail**"), (B) transmitted by telecopy, if such telecopy is promptly followed by a Notice sent by Mail, (C) delivered by a nationally recognized overnight courier, or (D) delivered personally. Any Notice shall be sent, transmitted, or delivered, as the case may be, to Tenant at the appropriate address set forth in Section 10 of the Summary, or to such other place as Tenant may from time to time designate in a Notice to Landlord, or to Landlord at the addresses set forth below, or to such other places as Landlord may from time to time designate in a Notice to Tenant. Any Notice will be deemed given (i) three (3) days after the date it is posted if sent by Mail, (ii) the date the telecopy is transmitted, (iii) the date the overnight courier delivery is made, or (iv) the date personal delivery is made. As of the date of this Lease, any Notices to Landlord must be sent, transmitted, or delivered, as the case may be, to the following addresses:

Britannia Gateway II Limited Partnership
c/o HCP, Inc.
3760 Kilroy Airport Way, Suite 300
Long Beach, CA 90806-2473
Attn: Legal Department

with a copy to:

HCP Life Science Estates
950 Tower Lane, Suite 1650
Foster City, CA 94404

and

Allen Matkins Leck Gamble Mallory & Natsis LLP
1901 Avenue of the Stars, Suite 1800
Los Angeles, California 90067
Attention: Anton N. Natsis, Esq.

29.19 **Joint and Several**. If there is more than one tenant, the obligations imposed upon Tenant under this Lease shall be joint and several.

29.20 **Authority**. If Tenant is a corporation, trust or partnership, each individual executing this Lease on behalf of Tenant hereby represents and warrants that Tenant is a duly formed and existing entity qualified to do business in the State of California and that Tenant has full right and authority to execute and deliver this Lease and that each person signing on behalf of Tenant is authorized to do so. If requested by Landlord, Tenant shall, within ten (10) days after execution of this Lease, deliver to Landlord satisfactory evidence of such authority and, if a corporation, upon demand by Landlord, also deliver to Landlord satisfactory evidence of (i) good standing in Tenant's state of incorporation and (ii) qualification to do business in the State of California.

29.21 **Attorneys' Fees**. In the event that either Landlord or Tenant should bring suit for the possession of the Premises, for the recovery of any sum due under this Lease, or because of the breach of any provision of this Lease or for any other relief against the other, then all costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party therein shall be paid by the other party, which obligation on the part of the other party shall be deemed to have accrued on the date of the commencement of such action and shall be enforceable whether or not the action is prosecuted to judgment.

29.22 **Governing Law; WAIVER OF TRIAL BY JURY**. This Lease shall be construed and enforced in accordance with the laws of the State of California. IN ANY ACTION OR PROCEEDING ARISING HEREFROM, LANDLORD AND TENANT HEREBY CONSENT TO (I) THE JURISDICTION OF ANY COMPETENT COURT WITHIN THE STATE OF CALIFORNIA, (II) SERVICE OF PROCESS BY ANY MEANS AUTHORIZED BY CALIFORNIA LAW, AND (III) IN THE INTEREST OF SAVING TIME AND EXPENSE, TRIAL WITHOUT A JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER OF THE PARTIES HERETO AGAINST THE OTHER OR THEIR SUCCESSORS IN RESPECT OF ANY MATTER ARISING OUT OF OR IN CONNECTION WITH THIS LEASE, THE RELATIONSHIP OF LANDLORD AND TENANT, TENANT'S USE OR OCCUPANCY OF THE PREMISES, AND/OR ANY CLAIM FOR INJURY OR DAMAGE, OR ANY EMERGENCY OR STATUTORY REMEDY. IN THE EVENT LANDLORD COMMENCES ANY SUMMARY PROCEEDINGS OR ACTION FOR NONPAYMENT OF BASE RENT OR ADDITIONAL RENT, TENANT SHALL NOT INTERPOSE ANY COUNTERCLAIM OF ANY NATURE OR DESCRIPTION (UNLESS SUCH COUNTERCLAIM SHALL BE MANDATORY) IN ANY SUCH PROCEEDING OR ACTION, BUT SHALL BE RELEGATED TO AN INDEPENDENT ACTION AT LAW.

29.23 **Submission of Lease**. Submission of this instrument for examination or signature by Tenant does not constitute a reservation of, option for or option to lease, and it is not effective as a lease or otherwise until execution and delivery by both Landlord and Tenant.

29.24 **Brokers**. Landlord and Tenant hereby warrant to each other that they have had no dealings with any real estate broker or agent in connection with the negotiation of this Lease, excepting only the real estate brokers or agents specified in Section 12 of the Summary (the "**Brokers**"), and that they know of no other real estate broker or agent who is entitled to a commission in connection with this Lease. Each party agrees to indemnify and defend the other party against and hold the other party harmless from any and all claims, demands, losses, liabilities, lawsuits, judgments, costs and expenses (including without limitation reasonable attorneys' fees) with respect to any leasing commission or equivalent compensation alleged to be owing on account of any dealings with any real estate broker or agent, other than the Brokers, occurring by, through, or under the indemnifying party. The terms of this Section 29.24 shall survive the expiration or earlier termination of the Lease Term. Landlord shall pay any brokerage fee due to the Brokers in accordance with a separate agreement.

29.25 **Independent Covenants**. This Lease shall be construed as though the covenants herein between Landlord and Tenant are independent and not dependent and Tenant hereby expressly waives the benefit of any statute to the contrary and agrees that if Landlord fails to perform its obligations set forth herein, Tenant shall not be entitled to make any repairs or perform any acts hereunder at Landlord's expense or to any setoff of the Rent or other amounts owing hereunder against Landlord.

29.26 **Project or Building Name, Address and Signage**. Landlord shall have the right at any time to change the name and/or address of the Project or Building (in which event Landlord shall reimburse Tenant for its reasonable expenses incurred in connection with such change) and to install, affix and maintain any and all signs on the exterior and on the interior of the Project or Building as Landlord may, in Landlord's sole discretion, desire. Tenant shall not use the name of the Project or Building or use pictures or illustrations of the Project or Building in advertising or other publicity or for any purpose other than as the address of the business to be conducted by Tenant in the Premises, without the prior written consent of Landlord.

29.27 **Counterparts**. This Lease may be executed in counterparts with the same effect as if both parties hereto had executed the same document. Both counterparts shall be construed together and shall constitute a single lease.

29.28 **Confidentiality**. Tenant acknowledges that the content of this Lease and any related documents are confidential information. Tenant shall keep such confidential information strictly confidential and shall not disclose such confidential information to any person or entity other than Tenant's financial, legal, and space planning consultants. Notwithstanding the foregoing, Landlord acknowledges that if Tenant becomes publicly held (i) Tenant will be required to include, in its reports to the Securities and Exchange Commission (the "**SEC**"), a description of the terms and conditions of this Lease, and a copy of this Lease, and (ii) Tenant will not seek confidential treatment of any of the terms and conditions of this Lease, notwithstanding any provision of this Lease to the contrary. Landlord hereby consents to the filing of this Lease as an exhibit to any SEC filing and waives any obligation of Tenant to seek confidential treatment of any of the terms and conditions of this Lease in connection with any such filing.

29.29 **Development of the Project**.

29.29.1 **Subdivision**. Landlord reserves the right to subdivide all or a portion of the buildings and Common Areas. Tenant agrees to execute and deliver, upon demand by Landlord and in the form requested by Landlord, any additional documents needed to conform this Lease to the circumstances resulting from a subdivision and any all maps in connection therewith. Notwithstanding anything to the contrary set forth in this Lease, the separate ownership of any buildings and/or Common Areas by an entity other than Landlord shall not affect the calculation of Direct Expenses or Tenant's payment of Tenant's Share of Direct Expenses. No such subdivision shall interfere with Tenant's use of or access to the Premises or Tenant's access to the parking facility or facilities which serve the Building or the Project.

29.29.2 **Construction of Property and Other Improvements**. Tenant acknowledges that portions of the Project may be under construction following Tenant's occupancy of the Premises, and that such construction may result in levels of noise, dust, obstruction of access, etc. which are in excess of that present in a fully constructed project. Tenant hereby waives any and all rent offsets or claims of constructive eviction which may arise in connection with such construction, so long as the same does not interfere with Tenant's use of or access to the Premises or parking facility or facilities which serve the Building or the Project.

29.30 **No Violation**. Tenant hereby warrants and represents that neither its execution of nor performance under this Lease shall cause Tenant to be in violation of any agreement, instrument, contract, law, rule or regulation by which Tenant is bound, and Tenant shall protect, defend, indemnify and hold Landlord harmless against any claims, demands, losses, damages, liabilities, costs and expenses, including, without limitation, reasonable attorneys' fees and costs, arising from Tenant's breach of this warranty and representation.

29.31 **Transportation Management**. Tenant shall fully comply with all present or future programs intended to manage parking, transportation or traffic in and around the Project and/or the Building, and in connection therewith, Tenant shall take responsible action for the transportation planning and management of all employees located at the Premises by working directly with Landlord, any governmental transportation management organization or any other transportation-related committees or entities. Such programs may include, without limitation: (i) restrictions on the number of peak-hour vehicle trips generated by Tenant; (ii) increased vehicle occupancy; (iii) implementation of an in-house ridesharing program and an employee transportation coordinator; (iv) working with employees and any Project, Building or area-wide ridesharing program manager; (v) instituting employer-sponsored incentives (financial or in-kind) to encourage employees to rideshare; and (vi) utilizing flexible work shifts for employees.

IN WITNESS WHEREOF, Landlord and Tenant have caused this Lease to be executed the day and date first above written.

LANDLORD:

BRITANNIA GATEWAY LIMITED PARTNERSHIP,
a Delaware limited partnership

By: HCP Biotech Gateway Incorporated,
its General Partner

By: /s/ Scott Bohn

Name: Scott Bohn

Its: Vice President

TENANT:

ALIGOS THERAPEUTICS, INC.,
a Delaware corporation

By: /s/ Lawrence Blatt

Name: Lawrence Blatt

Its: CEO

By: /s/ Leo Beigelman

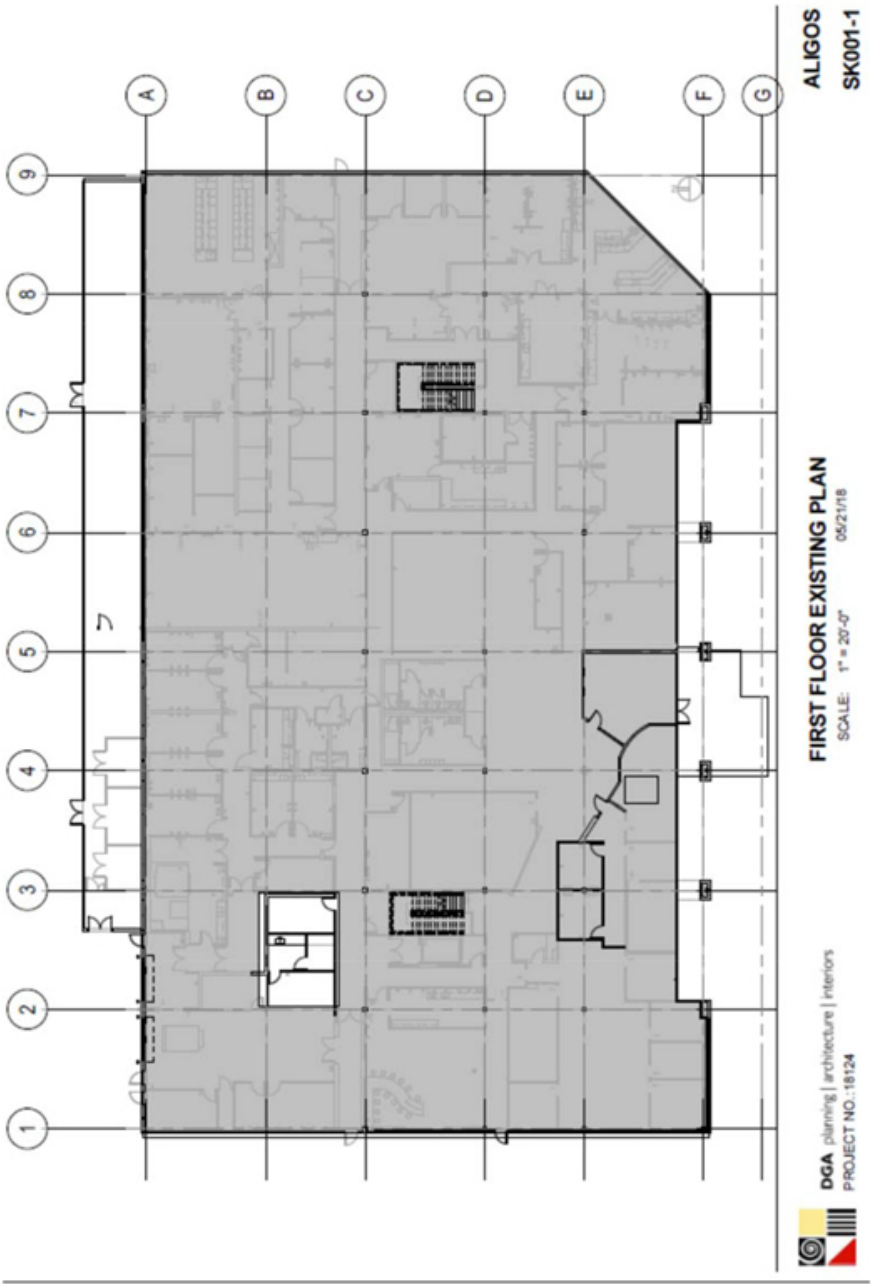
Name: Leo Beigelman

Its: President, Aligos Therapeutics

EXHIBIT A

BRITANNIA GATEWAY BUSINESS PARK

OUTLINE OF PREMISES



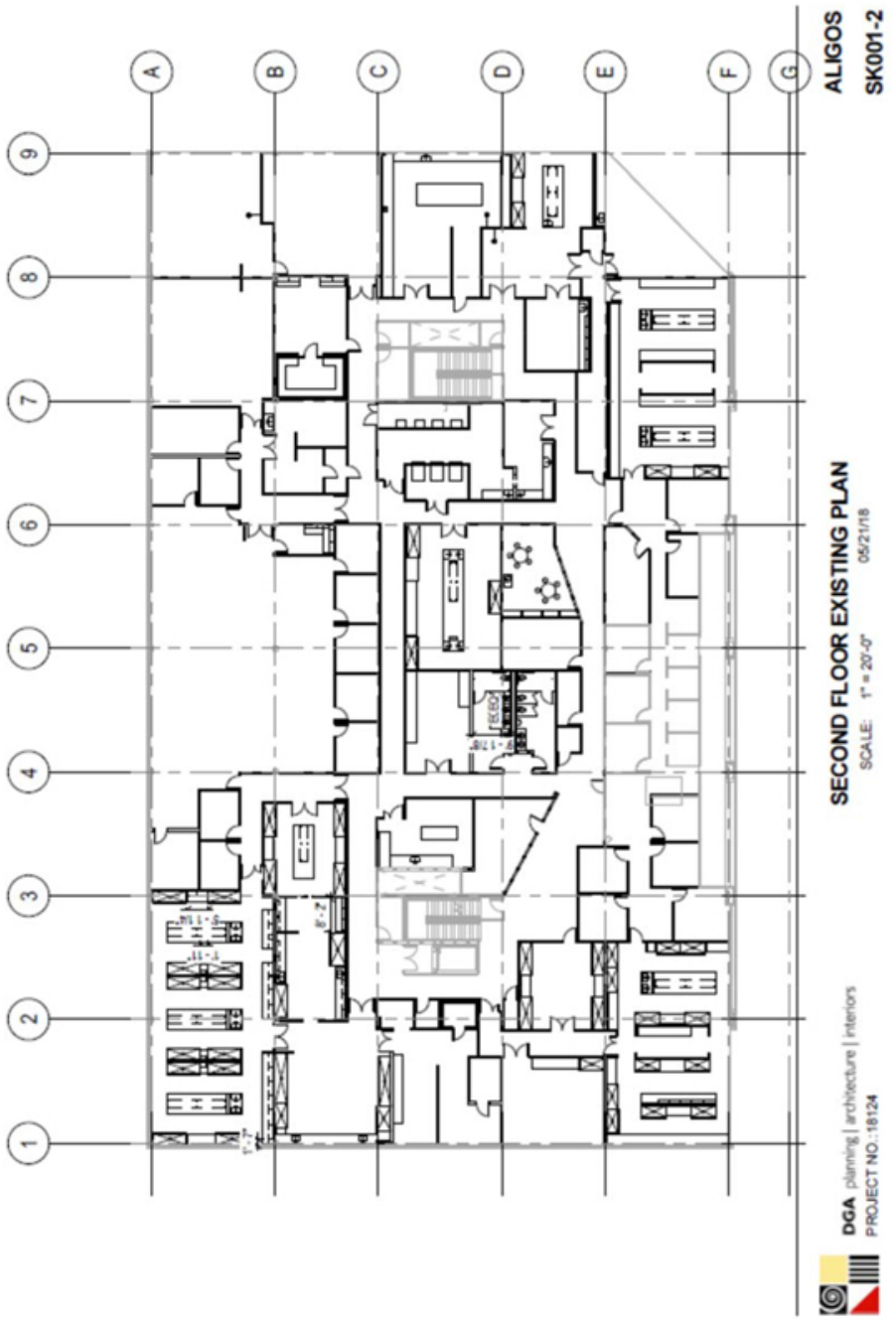

ALIGOS
SK001-2
SECOND FLOOR EXISTING PLAN
SCALE: 1" = 20'-0"
05/21/18
DGA planning | architecture | interiors
PROJECT NO.: 18124

EXHIBIT A-1

BRITANNIA GATEWAY BUSINESS PARK

PROJECT SITE PLAN

EXHIBIT A-2

BRITANNIA GATEWAY BUSINESS PARK

EARLY OCCUPANCY SPACE

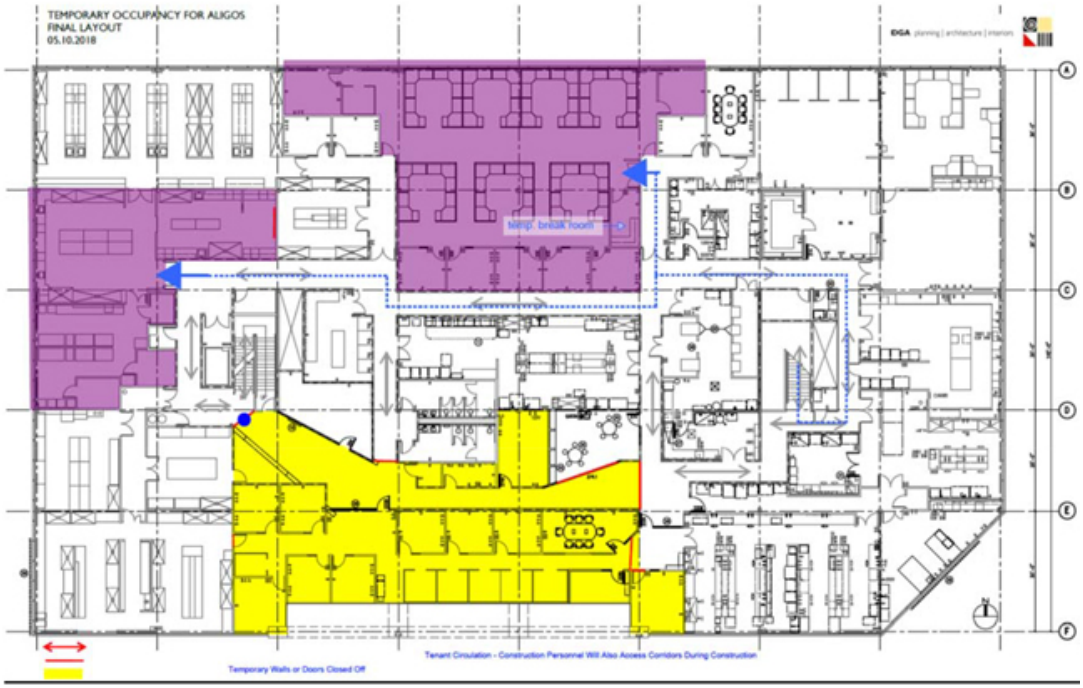


EXHIBIT B

BRITANNIA GATEWAY BUSINESS PARK

TENANT WORK LETTER

1. **Defined Terms**. As used in this Tenant Work Letter, the following capitalized terms have the following meanings:

(a) **Approved Plans**: Plans and specifications prepared by the applicable Architect for the respective Tenant Improvements and approved by Landlord and Tenant in accordance with Paragraph 2 of this Tenant Work Letter, subject to further modification from time to time to the extent provided in and in accordance with such Paragraph 2.

(b) **Architect**: Any architect selected by Landlord and approved by Tenant, with respect to any Tenant Improvements which Landlord is to cause to be constructed pursuant to this Tenant Work Letter.

(c) **Tenant Change Request**: See definition in Paragraph 2(c)(ii) hereof.

(d) **Landlord's Final Working Drawings**: See definition in Paragraph 2(a) hereof.

(e) **General Contractor**: Any general contractor reasonably selected by Landlord and approved by Tenant with respect to Landlord's TI Work. Tenant shall have no right to direct or control such General Contractor.

(f) **Landlord's TI Work**: Any Tenant Improvements which Landlord is to construct or install pursuant to this Tenant Work Letter or by mutual agreement of Landlord and Tenant from time to time.

(g) **Project Manager**. Project Management Advisors, Inc., or any other project manager designated by Landlord in its reasonable discretion from time to time to act in a supervisory, oversight, project management or other similar capacity on behalf of Landlord in connection with the design and/or construction of the Tenant Improvements.

(h) **Punch List Work**: Minor corrections of construction or decoration details, and minor mechanical adjustments, that are required in order to cause any applicable portion of the Tenant Improvements as constructed to conform to the Approved Plans in all material respects and that do not materially interfere with Tenant's use or occupancy of the Building and the Premises.

(i) **Substantial Completion Certificate**: See definition in Paragraph 3(a) hereof.

(j) **Tenant Delay**: Any of the following types of delay in the completion of construction of Landlord's TI Work (but in each instance, only to the extent that any of the following has actually and proximately caused substantial completion of Landlord's TI Work to be delayed):

(i) Any delay resulting from Tenant's failure to furnish, in a timely manner, information reasonably requested by Landlord or by Landlord's Project Manager in connection with the design or construction of Landlord's TI Work, or from Tenant's failure to approve in a timely manner any matters requiring approval by Tenant;

(ii) Any delay resulting from Tenant Change Requests initiated by Tenant, including any delay resulting from the need to revise any drawings or obtain further governmental approvals as a result of any such Tenant Change Request; or

(iii) Any delay caused by Tenant (or Tenant's contractors, agents or employees) materially interfering with the performance of Landlord's TI Work, provided that Landlord shall have given Tenant prompt notice of such material interference.

(iv) Any failure of Tenant to comply with the Milestone Schedule attached as Schedule 2 to this Exhibit B.

(k) **Tenant Improvements**: The improvements to or within the Building shown on the Approved Plans from time to time and to be constructed by Landlord pursuant to the Lease and this Tenant Work Letter. The term "Tenant Improvements" does not include the improvements existing in the Building and Premises at the date of execution of the Lease.

(l) **Unavoidable Delays**: Delays due to acts of God, acts of public agencies, labor disputes, strikes, fires, freight embargoes, inability (despite the exercise of due diligence) to obtain supplies, materials, fuels or permits, or other causes or contingencies (excluding financial inability) beyond the reasonable control of Landlord or Tenant, as applicable.

(m) Capitalized terms not otherwise defined in this Tenant Work Letter shall have the definitions set forth in the Lease.

2. **Plans and Construction**. Landlord and Tenant shall comply with the procedures set forth in this Paragraph 2 in preparing, delivering and approving matters relating to the Tenant Improvements.

(a) **Approved Plans and Working Drawings for Landlord's TI Work**. Landlord's Architect and project manager has prepared, and Landlord and Tenant have approved, preliminary plans and specifications and a scope of work for the Premises. The most recent mutually approved version of such preliminary plans and specifications and scope of work (the "**Landlord's Preliminary Plan**") is attached hereto as Schedule 1 and incorporated herein by this reference. Any items listed on the Landlord's Preliminary Plan as being "alternates" or "tenant items", or "tenant furnished" or "tenant installed" shall be provided, if at all, by Tenant at Tenant's sole cost and expense, and Landlord shall have no obligations with respect thereto. Landlord shall prepare or cause to be prepared (assuming timely delivery by Tenant of all information and decisions reasonably required to be furnished or made by Tenant in order to permit preparation of Landlord's Final Working Drawings, and subject to Tenant Delays and Unavoidable Delays), final detailed working drawings and specifications for the Tenant Improvements constituting Landlord's TI Work, including (as applicable) structural, fire protection, life safety, mechanical and electrical working drawings and final architectural drawings (collectively, "**Landlord's Final Working Drawings**"). Landlord's Final Working Drawings shall be based on and consistent with the Landlord's Preliminary Plan in all material respects (except as otherwise mutually approved by the parties in their respective discretion). Landlord shall deliver copies of Landlord's Final Working Drawings to Tenant for Tenant's approval and information, and to assist Tenant in preparing plans, specifications and drawings for Tenant's Work as hereinafter set forth. Tenant shall promptly and diligently either approve the proposed Landlord's Final Working Drawings, or set forth in writing with particularity any changes necessary to bring the aspects of such proposed plans and specifications or proposed Landlord's Final Working Drawings into a form which will be reasonably acceptable to Tenant. Notwithstanding any other provisions of this paragraph, in no event shall Tenant have the right to object to any aspect of the Landlord's Final Working Drawings (including, but not limited to, any subsequently proposed changes therein from time to time) that is (i) materially consistent with the Landlord's Preliminary Plan, (ii) necessitated by applicable law or as a condition of any governmental or other third-party approvals or consents that are required to be obtained in connection with Landlord's TI Work, or (iii) that is required as a result of unanticipated conditions encountered in the course of construction of Landlord's TI Work, but to the extent Tenant identifies to Landlord any concerns arising out of any such requirements or conditions described in this sentence, Landlord and Tenant shall cooperate reasonably, diligently and in good faith to discuss possible changes in the nature or scope of the Tenant Improvements that might minimize or avoid the effects of such requirements or conditions. Failure of Tenant to deliver to Landlord written notice of disapproval and specification of required changes on or before any deadline reasonably specified by Landlord (which shall not be less than five (5) days after delivery thereof to Tenant) in delivering an applicable set of plans, specifications and/or drawings to Tenant shall constitute and be deemed to be approval of Landlord's proposed plans and specifications or proposed Landlord's Final Working Drawings, as applicable.

(b) **Construction of Landlord's TI Work**. Following completion of Landlord's Final Working Drawings, Landlord shall apply for and use reasonable efforts to obtain the necessary permits and approvals to allow construction of all Tenant Improvements constituting Landlord's TI Work. Upon receipt of such permits and approvals, Landlord shall, at Landlord's expense (subject to Tenant's obligations to pay for the cost of any Tenant required changes to the Landlord's Preliminary Plan or Landlord's Final Working Drawings or any costs in excess of the "**Tenant Improvement Allowance**" as defined in Section 4 below), construct and complete the Tenant Improvements constituting Landlord's TI Work substantially in accordance with the Landlord's Final Working Drawings, subject to Unavoidable Delays and Tenant Delays (if any). Such construction shall be performed in a neat, good and workmanlike manner, free from defects, using new materials and equipment of good quality, and shall materially conform to all applicable laws, rules, regulations, codes, ordinances, requirements, covenants, conditions and restrictions applicable thereto in force at the time such work is completed. The Premises will be constructed in multiple phases as defined by Architect and Contractor during the development of the Final Working Drawings, and Tenant will commence to occupy the initial phase after its completion, and prior to the completion of construction in the second phase. The first phase shall generally consist of work outside of the Early Occupancy Space and associated spaces that cannot be demolished or modified while Tenant is in occupancy of such Early Occupancy Space. The second phase will consist of work not included in the first phase, to be completed after Tenant has vacated the Early Occupancy Space.

(c) **Changes**.

(i) If Landlord determines at any time that changes in Landlord's Final Working Drawings or in any other aspect of the Landlord's Approved Plans relating to any item of Landlord's TI Work are required as a result of applicable law or governmental requirements, or are required as a result of unanticipated conditions encountered in the course of construction, then Landlord shall promptly (A) advise Tenant of such circumstances and (B) at Landlord's sole cost and expense, cause revised Landlord's Final Working Drawings to be prepared by Landlord's Architect and submitted to Tenant, for Tenant's information and approval, not to be unreasonably withheld.

(ii) If Tenant at any time desires any changes, alterations or additions to the Landlord's Final Working Drawings with respect to any of Landlord's TI Work, Tenant shall submit a detailed written request to Landlord specifying such changes, alterations or additions (a "**Tenant Change Request**"). Upon receipt of any such request, Landlord shall promptly notify Tenant of (A) whether the matters proposed in the Tenant Change Request are approved by Landlord (which approval shall not be unreasonably withheld, conditioned or delayed by Landlord), (B) Landlord's estimate of the number of days of delay, if any, which shall be caused in Landlord's TI Work by such Tenant Change Request if implemented (including, without limitation, delays due to the need to obtain any revised plans or drawings and any governmental approvals), and (C) Landlord's estimate of the increase, if any, which shall occur in the cost of construction of the Landlord's TI Work affected by such Tenant Change Request if such Tenant Change Request is implemented (including, but not limited to, any costs of compliance with laws or governmental regulations that become applicable because of the implementation of the Tenant Change Request). If Landlord approves the Tenant Change Request and Tenant notifies Landlord in writing, within three (3) business days after receipt of such notice from Landlord, of Tenant's approval of the Tenant Change Request (including the estimated delays and cost increases, if any, described in Landlord's notice), then Landlord shall cause such Tenant Change Request to be implemented and Tenant shall be responsible for all actual costs or cost increases resulting from or attributable to the implementation of the Tenant Change Request, and any delays resulting therefrom shall be deemed to be a Tenant Delay. If Tenant fails to notify Landlord in writing of Tenant's approval of such Tenant Change Request within said three (3) business day period, then such Tenant Change Request shall be deemed to be withdrawn and shall be of no further effect.

(d) **Project Management**. Unless and until revoked by Landlord by written notice delivered to Tenant, Landlord hereby (i) delegates to Project Manager the authority to exercise all approval rights, supervisory rights and other rights or powers of Landlord under this Tenant Work Letter with respect to the design and construction of the Tenant Improvements, and (ii) requests that Tenant work with Project Manager with respect to any logistical or other coordination matters arising in the course of construction of the Tenant Improvements, including monitoring Tenant's compliance with its obligations under this Tenant Work Letter and under the Lease with respect to the design and construction of the Tenant Improvements. Tenant acknowledges the foregoing delegation and request, and agrees

to cooperate reasonably with Project Manager as Landlord's representative pursuant to such delegation and request. Fees and charges of Project Manager for such services shall be at Tenant's sole expense, subject to Landlord's payment of the Tenant Improvement Allowance. Such fees shall be equal to 2.9% of all funds the Tenant Improvement Allowance or Additional Tenant Improvement Allowance used in connection with the construction of the Tenant Improvements, and 2% of any additional funds provided by Tenant for such construction. Such fees are initially estimated based on the total contract price and paid in equal monthly installments over the duration of the project.

3. **Completion**.

(a) When Landlord receives written certification from Architect that construction of the Tenant Improvements constituting Landlord's TI Work in the Building for each phase of the Premises has been completed in accordance with the Landlord's Approved Plans (except for Punch List Work), Landlord shall prepare and deliver to Tenant a certificate signed by both Landlord and Architect (the "**Substantial Completion Certificate**") (i) certifying that the construction of the Tenant Improvements constituting Landlord's TI Work in the Building for such phase of the Premises has been substantially completed in a good and workmanlike manner in accordance with the Landlord's Approved Plans in all material respects, subject only to completion of Punch List Work, and specifying the date of that completion, and (ii) certifying that Landlord's TI Work complies in all material respects with all laws, rules, regulations, codes, ordinances, requirements, covenants, conditions and restrictions applicable thereto at the time of such delivery, including the ADA and all building codes. Upon receipt by Tenant of the Substantial Completion Certificate and tender of possession of each phase of the Premises by Landlord to Tenant, and receipt of any certificate of occupancy or its legal equivalent, or other required sign-offs from any applicable governmental authority, allowing the legal occupancy of the Premises, the Tenant Improvements constituting Landlord's TI Work in the Building will be deemed delivered to Tenant and "Ready for Occupancy" for all purposes of the Lease with respect to such phase of the Premises (subject to Landlord's continuing obligations with respect to any Punch List Work, and to any other express obligations of Landlord under the Lease or this Tenant Work Letter with respect to such Tenant Improvements).

(b) Promptly following delivery of the Substantial Completion Certificate for Landlord's TI Work in the Building, Project Manager or other representatives of Landlord shall conduct one or more "walkthroughs" of the Building with Tenant and Tenant's representatives, to identify any items of Punch List Work that may require correction and to prepare a joint punch list reflecting any such items, following which Landlord shall diligently complete the Punch List Work reflected in such joint punch list. At any time within thirty (30) days after delivery of such Substantial Completion Certificate with respect to each phase of the Premises, Tenant shall be entitled to submit one or more lists to Landlord supplementing such joint punch list by specifying any additional items of Punch List Work to be performed on the applicable Tenant Improvements constituting Landlord's TI Work in the Building, and upon receipt of such list(s), Landlord shall diligently complete such additional Punch List Work. Promptly after Landlord provides Tenant with the Substantial Completion Certificate and completes all applicable Punch List Work for the Building, Landlord shall cause the recordation of a Notice of Completion (as defined in Section 3093 of the California Civil Code or applicable successor statute) with respect to Landlord's TI Work in the Building.

(c) All construction, product and equipment warranties and guaranties obtained by Landlord with respect to Landlord's TI Work shall, to the extent reasonably obtainable, include a provision that such warranties and guaranties shall also run to the benefit of Tenant, and Landlord shall cooperate with Tenant in a commercially reasonable manner to assist in enforcing all such warranties and guaranties for the benefit of Tenant.

(d) Notwithstanding any other provisions of this Tenant Work Letter or of the Lease, if Landlord is delayed in substantially completing any of Landlord's TI Work as a result of any Tenant Delay, and if the Rent Commencement Date is being determined under clause (ii) of Section 3.2 of the Lease Summary, then notwithstanding any other provisions of the Lease to the contrary, the Premises shall be deemed to have been Ready for Occupancy on the date the Premises would have been Ready for Occupancy absent such Tenant Delay.

4. **Payment of Costs**.

(a) **Tenant Improvement Allowance**. Subject to any restrictions, conditions or limitations expressly set forth in this Tenant Work Letter or in the Lease or as otherwise expressly provided by mutual written agreement of Landlord and Tenant, the cost of construction of the Tenant Improvements shall be paid or reimbursed

by Landlord up to a maximum amount as set forth in Section 5 of the Summary to the Lease (the "**Tenant Improvement Allowance**"), which amount is being made available by Landlord to be applied towards the Cost of Improvements for the construction of the Tenant Improvements in the Premises. Tenant shall be responsible, at its sole cost and expense, for payment of the entire cost of construction (including all design and permit and other associated costs) (collectively, the "**Cost of Improvements**") of the Tenant Improvements in excess of the Tenant Improvement Allowance, including (but not limited to) any costs or cost increases incurred as a result of delays (unless caused by Landlord), governmental requirements or unanticipated conditions (unless caused by Landlord), and for payment of any and all costs and expenses relating to any alterations, additions, improvements, furniture, furnishings, equipment, fixtures and personal property items which are not eligible for application of Tenant Improvement Allowance funds under the restrictions expressly set forth below in this paragraph, but Tenant shall be entitled to use or apply the entire Tenant Improvement Allowance toward the Cost of Improvements of the Tenant Improvements (subject to any applicable restrictions, conditions, limitations, reductions or charges set forth in the Lease or in this Tenant Work Letter) prior to being required to expend any of Tenant's own funds for the Tenant Improvements. The funding of the Tenant Improvement Allowance shall be made on a monthly basis or at other convenient intervals mutually approved by Landlord and Tenant and in all other respects shall be based on such commercially reasonable disbursement conditions and procedures as Landlord, Project Manager and Landlord's lender (if any) may reasonably prescribe. Notwithstanding the foregoing provisions, under no circumstances shall the Tenant Improvement Allowance or any portion thereof be used or useable by Tenant for any moving or relocation expenses of Tenant, or for any Cost of Improvement (or any other cost or expense) associated with any moveable furniture or trade fixtures, personal property or any other item or element which, under the applicable provisions of the Lease, will not become Landlord's property and remain with the Building upon expiration or termination of the Lease. Notwithstanding anything to the contrary herein, the Tenant Improvements shall not include (and Landlord shall be solely responsible for and the Tenant Improvement Allowance shall not be used for) the following: (a) costs incurred due to the presence of any Hazardous Materials in the Premises, if any; (b) costs to bring the Project into compliance with Applicable Laws to the extent required in order to allow Tenant to obtain a certificate of occupancy or its legal equivalent, for the Premises for the Permitted Use assuming a normal and customary office occupancy density; (c) construction costs in excess of the contract amount stated in the contract with the General Contractor, as approved by Tenant (not to be unreasonably withheld), except for increases set forth in change orders approved by Tenant; (d) wages, labor and overhead for overtime and premium time unless approved by Tenant (which approval shall not be unreasonably withheld, conditioned or delayed); (e) attorneys' fees incurred in connection with negotiation of construction contracts, and attorneys' fees, experts' fees and other costs in connection with disputes with third parties; (f) interest and other costs of financing construction costs; (g) costs incurred as a consequence construction defects or default by a contractor; (h) costs as a consequence of casualties; and (i) penalties and late charges attributable to Landlord's failure to pay construction costs. Tenant shall use at least twenty percent (20%) of the Tenant Improvement Allowance prior to December 31, 2019, and the remainder prior to December 31, 2021. Any amounts not so expended shall revert to Landlord and Tenant shall have no further rights with respect thereto.

(b) **Tenant Funds**. Any additional funds required to complete the cost of the work, that are in excess of or elected by the Tenant to be used from the Tenant Improvement Allowance, shall be considered "**Tenant Funds**". Tenant acknowledges that an estimate of the required Tenant Funds will be determined at the time Landlord enters into the agreed upon Guaranteed Maximum Price construction contract ("**GMP**") and establishes the Project Budget. Tenant further acknowledges that such amount is an estimate and exact costs will not be known until project closeout. Tenant shall be required, on a monthly progress payment basis, to pay a percentage of each required payment to the contractor under the GMP, based on the ratio between the amount of the Tenant Funds and the total estimated cost of the work.

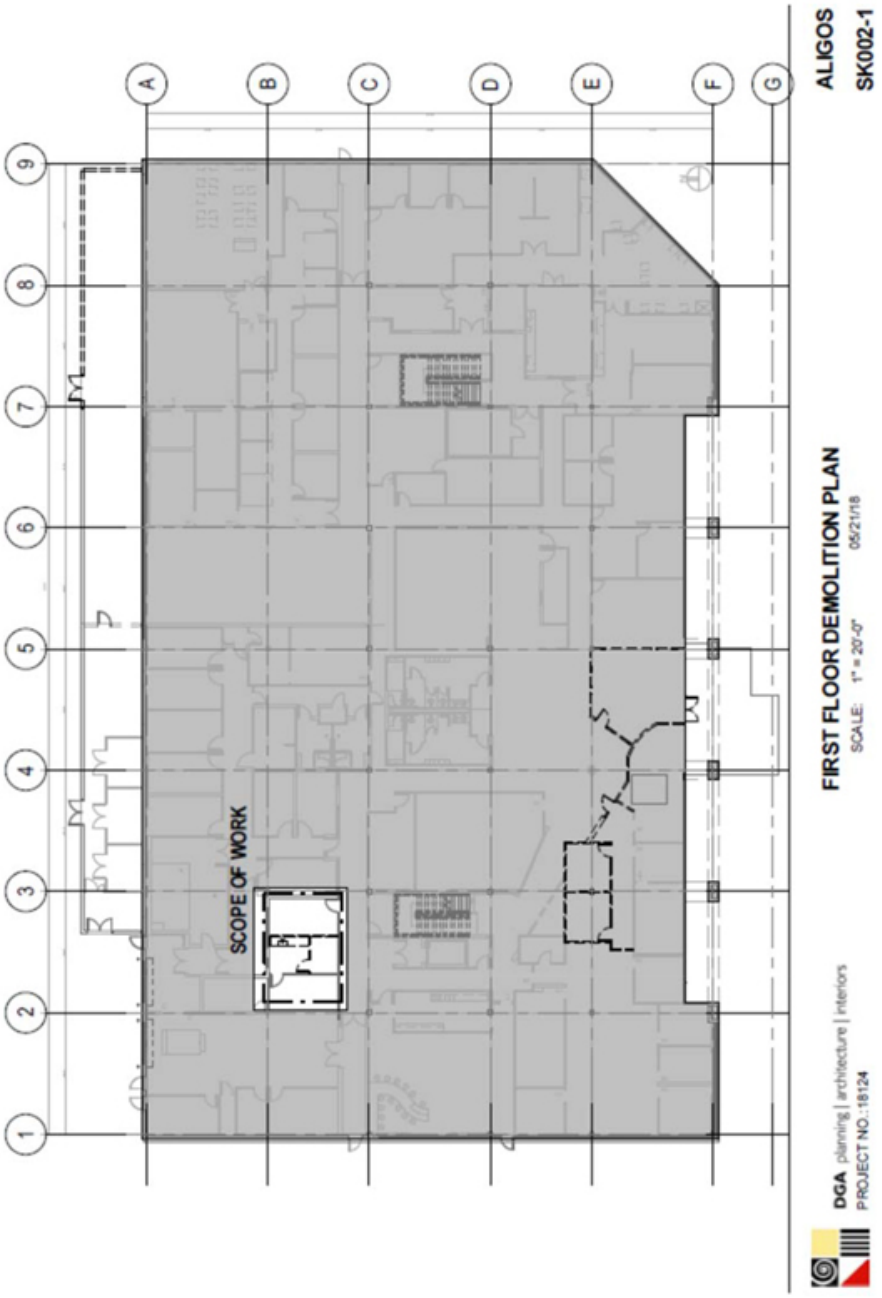
5. **No Agency**. Nothing contained in this Tenant Work Letter shall make or constitute Tenant as the agent of Landlord.

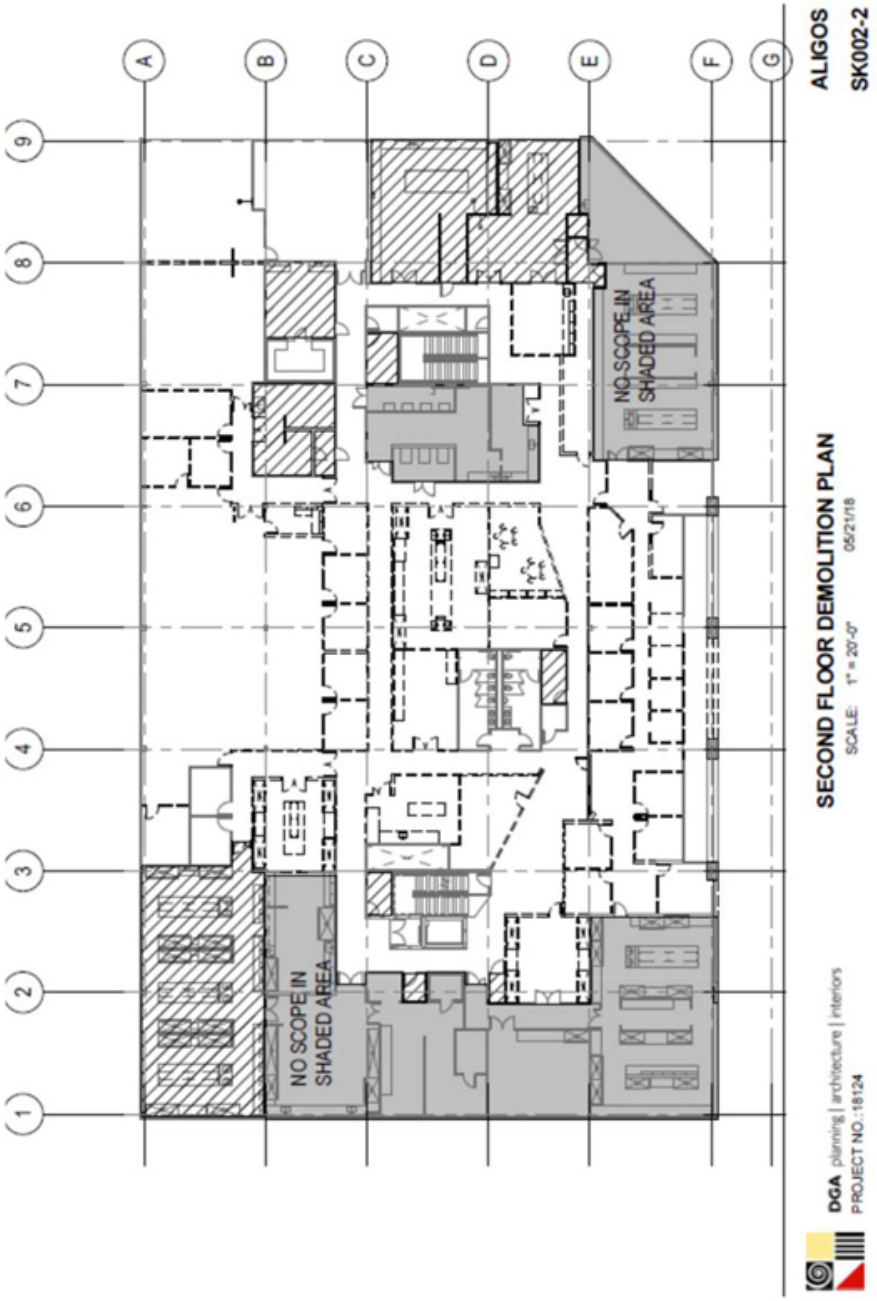
6. **Tenant Access**. Provided that Tenant and its agents do not interfere with Contractor's work in the Building and the Premises, Contractor shall allow Tenant access to the Premises without payment of Rent at least thirty (30) days prior to the Substantial Completion of the Landlord's TI Work for the purpose of Tenant installing equipment or fixtures (including Tenant's data and telephone equipment) in the Premises and for the purpose of preparing to do business. Prior to Tenant's entry into the Premises as permitted by the terms of this Section 6, Tenant shall submit a schedule to Landlord and Contractor, for their approval, which schedule shall detail the timing and purpose of Tenant's entry. Tenant shall hold Landlord harmless from and indemnify, protect and defend Landlord against any loss or damage to the Building or Premises and against injury to any persons caused by Tenant's actions pursuant to this Section 6.

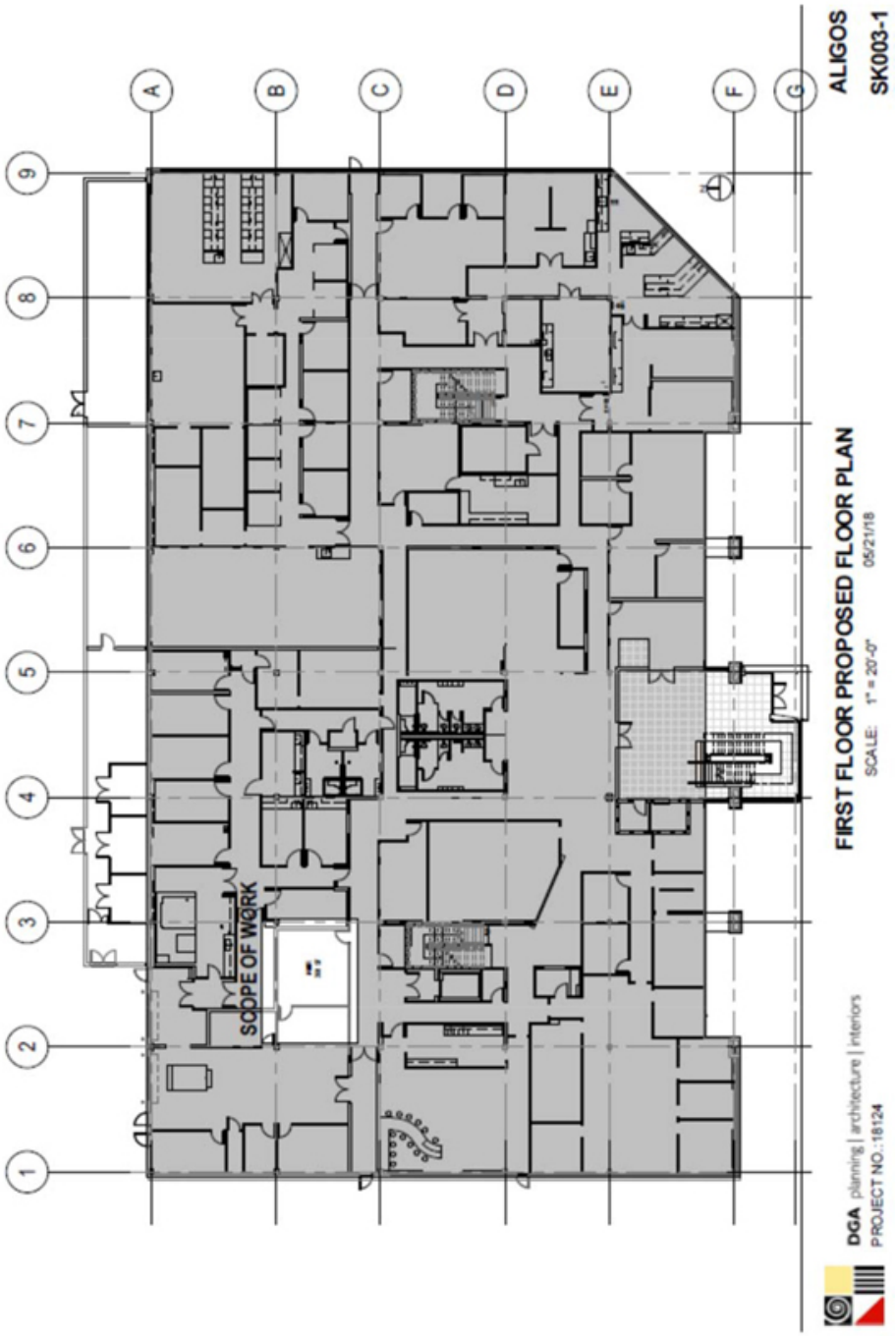
7. **Miscellaneous**. All references in this Tenant Work Letter to a number of days shall be construed to refer to calendar days, unless otherwise specified herein. In all instances where Landlord's or Tenant's approval is required, if no written notice of disapproval is given within the applicable time period, at the end of that period Landlord or Tenant shall be deemed to have given approval (unless the provision requiring Landlord's or Tenant's approval expressly states that non-response is deemed to be a disapproval or withdrawal of the pending action or request, in which event such express statement shall be controlling over the general statement set forth in this sentence) and the next succeeding time period shall commence. If any item requiring approval is disapproved by Landlord or Tenant (as applicable) in a timely manner, the procedure for preparation of that item and approval shall be repeated.

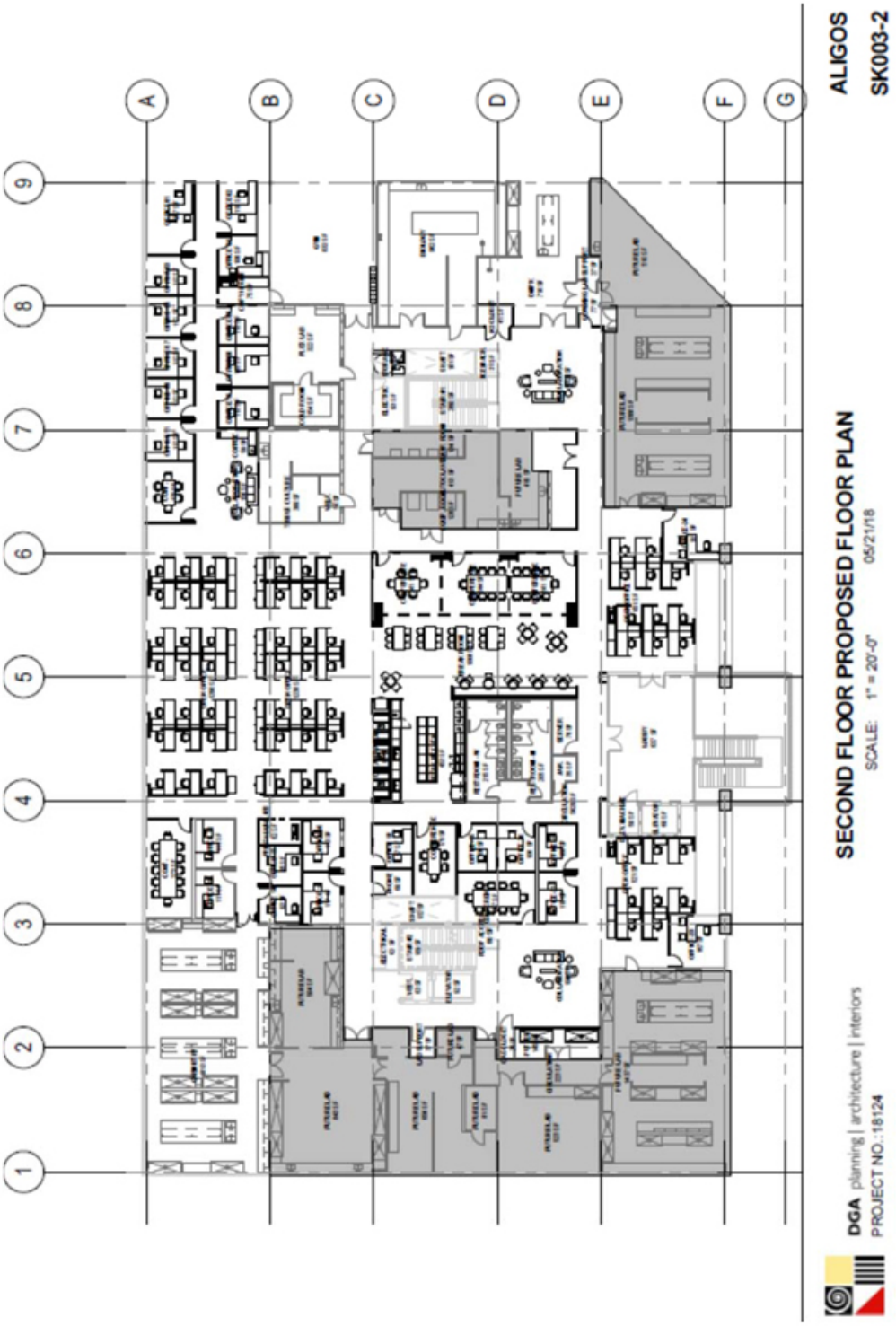
SCHEDULE 1

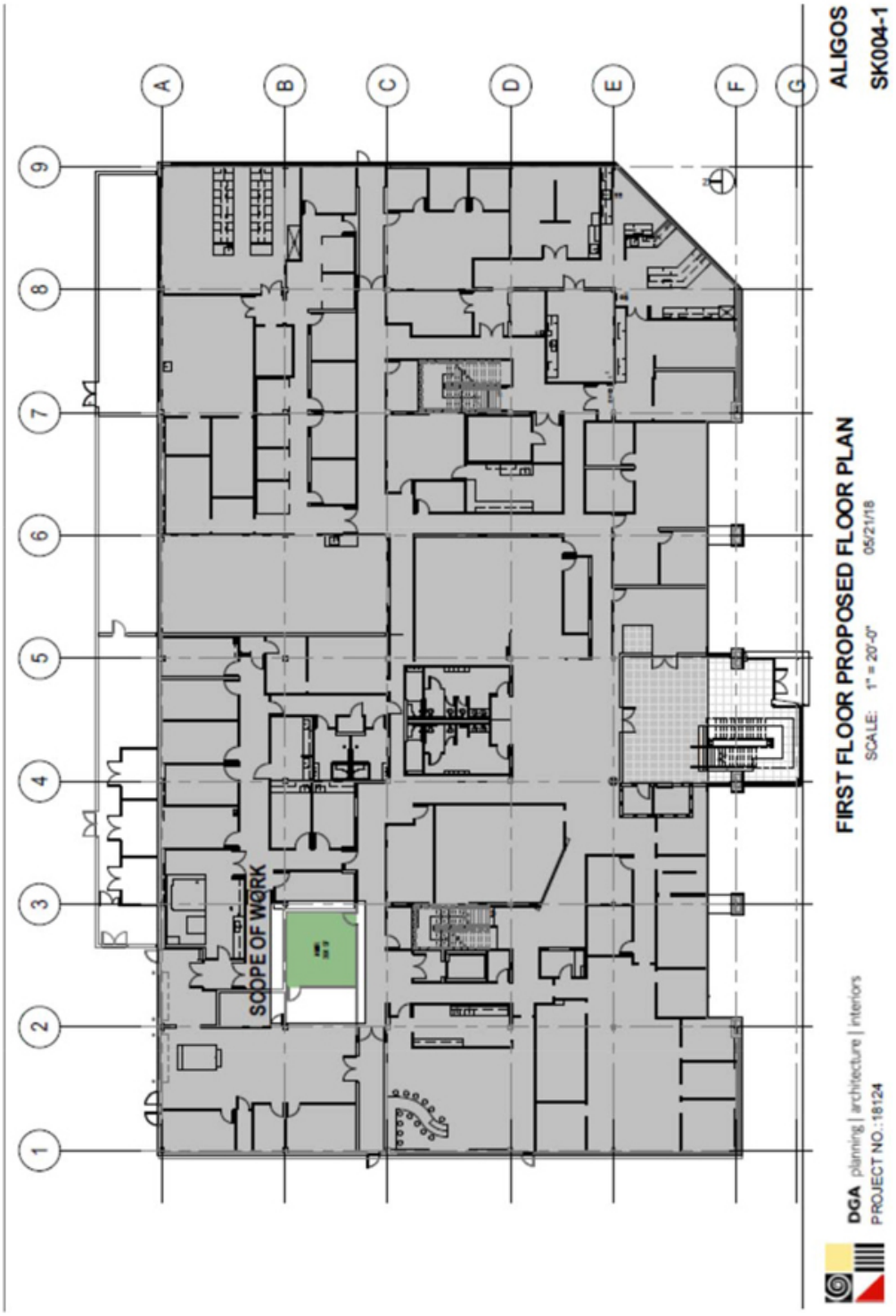
LANDLORD'S PRELIMINARY PLAN

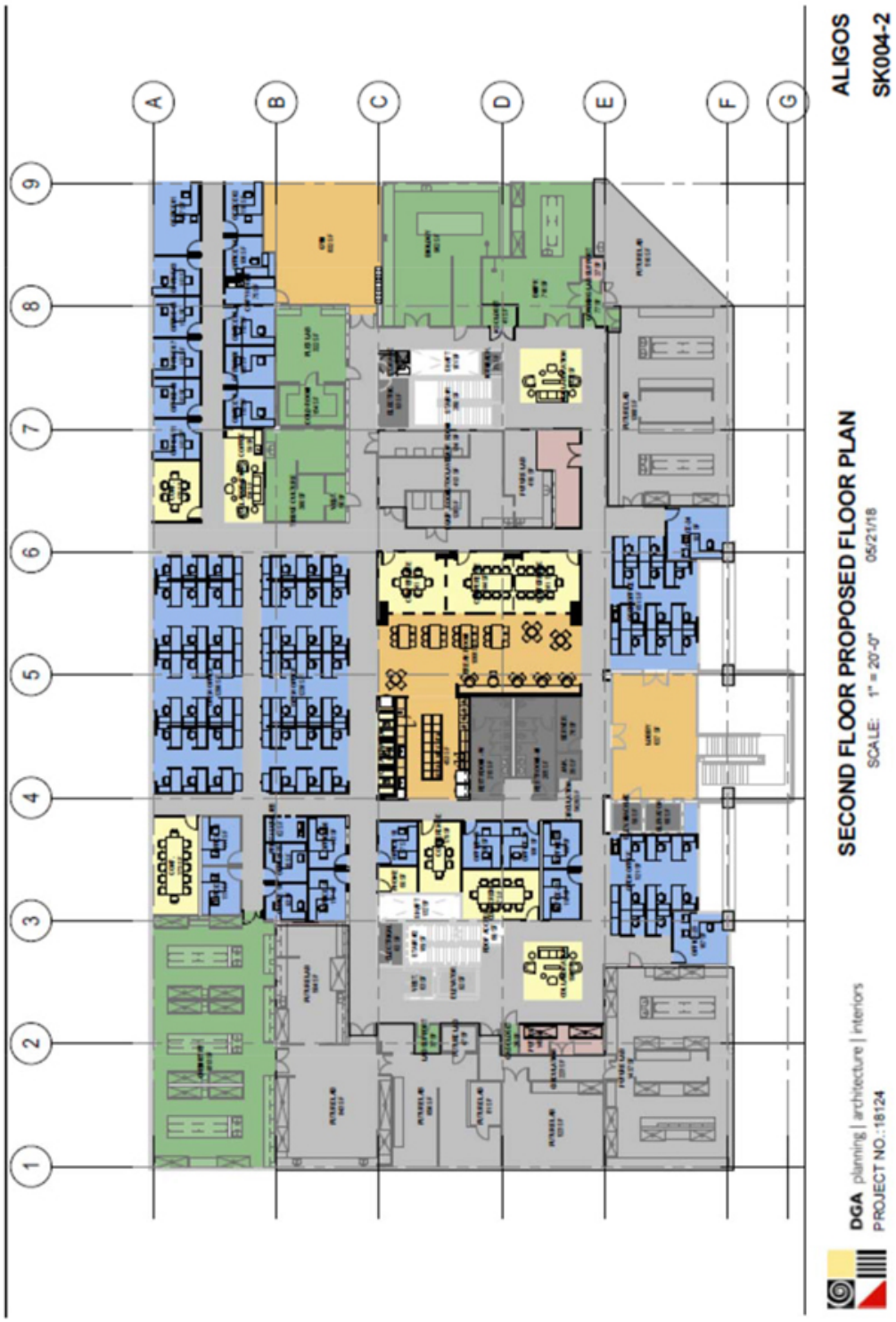



A
B
C
D
E
F
G
1
2
3
4
5
6
7
8
9
NO SCOPE IN SHADED AREA
NO SCOPE IN SHADED AREA
ALIGOS
SK002-2
SECOND FLOOR DEMOLITION PLAN
SCALE: 1" = 20'-0"
05/21/18
DGA planning | architecture | interiors
PROJECT NO.:18124


ALIGOS
SK003-1
FIRST FLOOR PROPOSED FLOOR PLAN
SCALE: 1" = 20'-0"
05/21/18
SCOPE OF WORK
DGA planning | architecture | interiors
PROJECT NO.: 18124


A
B
C
D
E
F
G
1
2
3
4
5
6
7
8
9
ALIGOS
SK003-2
SECOND FLOOR PROPOSED FLOOR PLAN
SCALE: 1" = 20'-0"
05/21/18
DGA planning | architecture | interiors
PROJECT NO.:18124


ALIGOS
SK004-1
FIRST FLOOR PROPOSED FLOOR PLAN
SCALE: 1" = 20'-0"
05/21/18
SCOPE OF WORK
DGA planning | architecture | interiors
PROJECT NO.:18124


A
B
C
D
E
F
G
9
8
7
6
5
4
3
2
1
ALIGOS
SK004-2
SECOND FLOOR PROPOSED FLOOR PLAN
SCALE: 1" = 20'-0"
05/21/18
DGA planning | architecture | interiors
PROJECT NO.: 18124

SCHEDULE 2

MILESTONE SCHEDULE

Tenant Improvement Milestone Schedule

06/25/2018	Tl Design Commencement
07/02/2018	Tenant Submission of Final Equipment list
07/30/2018	Tenant Approval of Schematic Design/Design Development Drawings
7/30/2018	Tenant Submission of Chemical Inventory (HMIS)
7/30/2018	Tenant Submission of Furniture Layout & AV/IT Requirements
08/08/2018	Tenant Approval of Draft Budget (based on GC Estimate)
09/10/2018	Tenant Approval of Final Working Drawings *
09/26/2018	Tenant Approval of Final Working Budget *
03/01/2019	Estimated Substantial Completion of Phase 1 Tl / Rent Commencement
03/15/2019	Tenant Relocation & Vacancy of Phase 2 Tl Space (as defined by GC)
06/15/2019	Estimated Substantial Completion of Phase 2 Tl

* scope, schedule, and budget changes following the issuance of the Final Working Drawings and Final Working Budget shall be processed as a Tl Tenant Change Request (TCR).

EXHIBIT C

BRITANNIA GATEWAY BUSINESS PARK

NOTICE OF LEASE TERM DATES

To: _____
_____
_____
_____

Re: Lease dated , 20 between , a ("**Landlord**"), and , a ("**Tenant**") concerning Suite on floor(s) of the building located at , California.

Gentlemen:

In accordance with the Lease (the "**Lease**"), we wish to advise you and/or confirm as follows:

1. The Lease Term shall commence on or has commenced on for a term of ending on .
2. Rent commenced to accrue on , in the amount of .
3. If the Lease Commencement Date is other than the first day of the month, the first billing will contain a pro rata adjustment. Each billing thereafter, with the exception of the final billing, shall be for the full amount of the monthly installment as provided for in the Lease.
4. Your rent checks should be made payable to at .
5. The exact number of rentable/usable square feet within the Premises is square feet.
6. Tenant's Share as adjusted based upon the exact number of usable square feet within the Premises is %.

"Landlord":

_____
_____,
a_____
_____

By: _____
_____

Its: _____
_____

Agreed to and Accepted as
of , 200 .

"Tenant":

_____
_____,
a_____
_____

By: _____
_____

Its: _____
_____

EXHIBIT D

BRITANNIA GATEWAY BUSINESS PARK

FORM OF TENANT'S ESTOPPEL CERTIFICATE

The undersigned as Tenant under that certain Lease (the "**Lease**") made and entered into as of , 20 by and between as Landlord, and the undersigned as Tenant, for Premises consisting of the entire office building located at , California, certifies as follows:

1. Attached hereto as **Exhibit A** is a true and correct copy of the Lease and all amendments and modifications thereto. The documents contained in **Exhibit A** represent the entire agreement between the parties as to the Premises.

2. The undersigned currently occupies the Premises described in the Lease, the Lease Term commenced on , and the Lease Term expires on , and the undersigned has no option to terminate or cancel the Lease or to purchase all or any part of the Premises, the Building and/or the Project.

3. Base Rent became payable on .

4. The Lease is in full force and effect and has not been modified, supplemented or amended in any way except as provided in **Exhibit A**.

5. Tenant has not transferred, assigned, or sublet any portion of the Premises nor entered into any license or concession agreements with respect thereto except as follows:

6. Tenant shall not modify the documents contained in **Exhibit A** without the prior written consent of Landlord's mortgagee.

7. All monthly installments of Base Rent, all Additional Rent and all monthly installments of estimated Additional Rent have been paid when due through . The current monthly installment of Base Rent is $.

8. To Tenant's knowledge, all conditions of the Lease to be performed by Landlord necessary to the enforceability of the Lease have been satisfied and Landlord is not in default thereunder. In addition, the undersigned has not delivered any notice to Landlord regarding a default by Landlord thereunder. The Lease does not require Landlord to provide any rental concessions or to pay any leasing brokerage commissions, except as set forth therein.

9. No rental has been paid more than thirty (30) days in advance and no security has been deposited with Landlord except as provided in the Lease. Neither Landlord, nor its successors or assigns, shall in any event be liable or responsible for, or with respect to, the retention, application and/or return to Tenant of any security deposit paid to any prior landlord of the Premises, whether or not still held by any such prior landlord, unless and until the party from whom the security deposit is being sought, whether it be a lender, or any of its successors or assigns, has actually received for its own account, as landlord, the full amount of such security deposit.

10. To Tenant's knowledge, as of the date hereof, there are no existing defenses or offsets, or, to the undersigned's knowledge, claims or any basis for a claim, that the undersigned has against Landlord.

11. If Tenant is a corporation or partnership, each individual executing this Estoppel Certificate on behalf of Tenant hereby represents and warrants that Tenant is a duly formed and existing entity qualified to do business in California and that Tenant has full right and authority to execute and deliver this Estoppel Certificate and that each person signing on behalf of Tenant is authorized to do so.

12. There are no actions pending against the undersigned under the bankruptcy or similar laws of the United States or any state.

13. Tenant is in full compliance with all federal, state and local laws, ordinances, rules and regulations affecting its use of the Premises, including, but not limited to, those laws, ordinances, rules or regulations relating to hazardous or toxic materials. Tenant has never permitted or suffered, nor does Tenant have any knowledge of, the generation, manufacture, treatment, use, storage, disposal or discharge of any hazardous, toxic or dangerous waste, substance or material in, on, under or about the Project or the Premises or any adjacent premises or property in violation of any federal, state or local law, ordinance, rule or regulation.

14. To the undersigned's knowledge, all tenant improvement work to be performed by Landlord under the Lease has been completed in accordance with the Lease and has been accepted by the undersigned and all reimbursements and allowances due to the undersigned under the Lease in connection with any tenant improvement work have been paid in full. All work (if any) in the common areas required by the Lease to be completed by Landlord has been completed and all parking spaces required by the Lease have been furnished and/or all parking ratios required by the Lease have been met.

The undersigned acknowledges that this Estoppel Certificate may be delivered to Landlord or to a prospective mortgagee or prospective purchaser, and acknowledges that said prospective mortgagee or prospective purchaser will be relying upon the statements contained herein in making the loan or acquiring the property of which the Premises are a part and that receipt by it of this certificate is a condition of making such loan or acquiring such property.

Executed at on the day of , 200 .

"Tenant":

_____

_____,

a_____

_____

By: _____

_____

Its: _____

_____

By: _____

_____

Its: _____

_____

EXHIBIT E

BRITANNIA GATEWAY BUSINESS PARK

ENVIRONMENTAL QUESTIONNAIRE

ENVIRONMENTAL QUESTIONNAIRE
FOR COMMERCIAL AND INDUSTRIAL PROPERTIES

Tenant Name:

Lease Address:

Lease Type (check correct box – *right click to properties*): ☐ **Primary Lease/Lessee**

☐ **Sublease from:** _____

Instructions: The following questionnaire is to be completed by the Lessee representative with knowledge of the planned operations for the specified building/location. Please print clearly and attach additional sheets as necessary.

1.0 PROCESS INFORMATION

Describe planned site use, including a brief description of manufacturing processes and/or pilot plants planned for this site, if any.

_____

_____

_____

2.0 HAZARDOUS MATERIALS – OTHER THAN WASTE

Will (or are) non-waste hazardous materials be/being used or stored at this site? If so, continue with the next question. If not, go to Section 3.0.

2.1 Are any of the following materials handled on the Property? ☐ Yes ☐ No

[*A material is handled if it is used, generated, processed, produced, packaged, treated, stored, emitted, discharged, or disposed.]* If YES, check *(right click to properties)* the applicable correct Fire Code hazard categories below.

☐ Combustible dusts/fibers	☐ Explosives	☐ Flammable liquids
☐ Combustible liquids (e.g., oils)	☐ Compressed gas - inert	☐ Flammable solids/pyrophorics
☐ Cryogenic liquids - inert	☐ Compressed gas - flammable/pyrophoric	☐ Organic peroxides
☐ Cryogenic liquids - flammable	☐ Compressed gas - oxidizing	☐ Oxidizers - solid or liquid
☐ Cryogenic liquids - oxidizing	☐ Compressed gas - toxic	☐ Reactives - unstable or water reactive
☐ Corrosives - solid or liquid	☐ Compressed gas - corrosive	☐ Toxics - solid or liquid

2-2. For all materials checked in Section 2.1 above, please list the specific material(s), use(s), and quantities of each used or stored on the site in the table below; or attach a separate inventory. *NOTE: If proprietary, the constituents need not be named but the hazard information and volumes are required.*

Material/ Chemical	Physical State (Solid, Liquid, or Gas)	Container Size	Number of Containers Used & Stored	Total Quantity	Units (pounds for solids, gallons or liters for liquids, & cubic feet for gases)

2-3. Describe the planned storage area location(s) for the materials in Section 2-2 above. Include site maps and drawings as appropriate.

2-4. Other hazardous materials. Check below (*right click to properties)* if applicable. *NOTE: If either of the latter two are checked (BSL-3 and/or radioisotope/radiation), be advised that not all lease locations/cities or lease agreements allow these hazards; and if either of these hazards are planned, additional information will be required with copies of oversight agency authorizations/licenses as they become available.*

☐ Risk Group 2/Biosafety Level-2 Biohazards ☐ Risk Group 3/Biosafety Level-3 Biohazards ☐ Radioisotopes/Radiation

3.0 HAZARDOUS WASTE (i.e., REGULATED CHEMICAL WASTE)

Are (or will) hazardous wastes (be) generated? ☐ Yes ☐ No

If YES, continue with the next question. If not, skip this section and go to section 4.0.

3.1 Are or will any of the following hazardous (CHEMICAL) wastes generated, handled, or disposed of (where applicable and allowed) on the property?

☐ Liquids ☐ Process sludges ☐ PCBs
☐ Solids ☐ Metals ☐ wastewater

3-2. List and estimate the quantities of hazardous waste identified in Question 3-1 above.

HAZRDOUS (CHEMICAL) WASTE GENERATED	SOURCE	WASTE TYPE: RCRA listed (federal)	WASTE TYPE: Non-RCRA (California ONLY or recycle)	APPROX. MONTHLY QUANTITY with units	DISPOSITION [e.g., off-site landfill, incineration, fuel blending scrap metal; wastewater neutralization (onsite or off-site)]
		☐	☐		
		☐	☐		
		☐	☐		
		☐	☐		
		☐	☐		

3-3. Waste characterization by: Process knowledge ☐ EPA lab analysis ☐ Both ☐

3-4. Please include name, location, and permit number (e.g. EPA ID No.) for transporter and disposal facility if applicable. Attach separate pages as necessary. *If not yet known, write "TBD."*

Hazardous Waste Transporter/Disposal Facility Name	Facility Location	Transporter (T) or Disposal (D) Facility	Permit Number

3-5. Are pollution controls or monitoring employed in the process to prevent or minimize the release of wastes into the environment? *NOTE: This does NOT mean fume hoods; examples include air scrubbers, cyclones, carbon or HEPA filters at building exhaust fans, sedimentation tanks, pH neutralization systems for wastewater, etc.*

☐ Yes ☐ No

If YES, please list/describe:_____

4.0 OTHER REGULATED WASTE (i.e., REGULATED BIOLOGICAL WASTE, referred to as "Medical Waste" in California)

4-1. Will (or do) you generate medical waste? ☐ Yes ☐ No If NO, skip to Section 5.0.

4-2. Check the types of waste that will be generated, all of which fall under the California Medical Waste Act:

☐ Contaminated sharps (i.e., if contaminated with ³ Risk Group 2 materials)	☐ Animal carcasses	☐ Pathology waste known or suspected to be contaminated with ³ Risk Group 2 pathogens)
☐ Red bag biohazardous waste (i.e., with ³ Risk Group 2 materials) for autoclaving	☐ Human or non-human primate blood, tissues, etc. (e.g., clinical specimens)	☐ Trace Chemotherapeutic Waste and/or Pharmaceutical waste NOT otherwise regulated as RCRA chemical waste

4-3. What vendor will be used for off-site autoclaving and/or incineration?

_____

4-5. Do you have a Medical Waste Permit for this site? ☐ Yes ☐ No, not required.

☐ No, but an application will be submitted.

5.0 UNDERGROUND STORAGE TANKS (USTS) & ABOVEGROUND STORAGE TANKS (ASTS)

5-1. Are underground storage tanks (USTs), aboveground storage tanks (ASTs), or associated pipelines used for the storage of petroleum products, chemicals, or liquid wastes present on site (lease renewals) or required for planned operations (new tenants)? ☐ Yes ☐ No

NOTE: If you will have your own diesel emergency power generator, then you will have at least one AST! [NOTE: If a backup generator services multiple tenants, then the landlord usually handles the permits.]

If NO, skip to section 6.0. If YES, please describe capacity, contents, age, type of the USTs or ASTs, as well any associated leak detection/spill prevention measures. Please attach additional pages if necessary.

UST or AST	Capacity (gallons)	Contents	Year Installed	Type (Steel, Fiberglass, etc.)	Associated Leak Detection / Spill Prevention Measures*

*NOTE: The following are examples of leak detection / spill prevention measures: integrity testing, inventory reconciliation, leak detection system, overfill spill protection, secondary containment, cathodic protection.

5-2. Please provide copies of written tank integrity test results and/or monitoring documentation, if available.

5-3. Is the UST/AST registered and permitted with the appropriate regulatory agencies? ☐ Yes ☐ No, not yet

If YES, please attach a copy of the required permit(s). *See Section 7-1 for the oversight agencies that issue permits, with the exception of those for diesel emergency power generators which are permitted by the local Air Quality District (Bay Area Air Quality Management District = BAAQMD; or San Diego Air Pollution Control District = San Diego APCD).*

5-4. If this Questionnaire is being completed for a lease renewal, and if any of the USTs/ASTs have leaked, please state the substance released, the media(s) impacted (e.g., soil, water, asphalt, etc.), the actions taken, and all remedial responses to the incident.

_____

_____

5-5. If this Questionnaire is being completed for a lease renewal, have USTs/ASTs been removed from the Property?

☐ Yes ☐ No

If YES, please provide any official closure letters or reports and supporting documentation (e.g., analytical test results, remediation report results, etc.).

5-6. For Lease renewals, are there any above or below ground pipelines on site used to transfer chemicals or wastes?

☐ Yes ☐ No

For new tenants, are installations of this type required for the planned operations? ☐ Yes ☐ No

If YES to either question in this section 5-6, please describe.

_____

_____

_____

6.0 ASBESTOS CONTAINING BUILDING MATERIALS

Please be advised that an asbestos survey may have been performed at the Property. If provided, please review the information that identifies the locations of known asbestos containing material or presumed asbestos containing material. All personnel and appropriate subcontractors should be notified of the presence of these materials, and informed not to disturb these materials. Any activity that involves the disturbance or removal of these materials must be done by an appropriately trained individual/contractor.

7.0 OTHER REGULATORY PERMITS/REQUIREMENTS

7-1. Does the operation have or require an industrial wastewater permit to discharge into the local National Pollutant Discharge Elimination System (NPDES)? *[Example: This applies when wastewater from equipment cleaning is routed through a pH neutralization system prior to discharge into the sanitary or lab sewer for certain pharmaceutical manufacturing wastewater; etc.]* Permits are obtained from the regional sanitation district that is treating wastewater.

☐ Yes ☐ No ☐ No, but one will be prepared and submitted to the Landlord property management company.

If so, please attach a copy of this permit or provide it later when it has been prepared.

7-2. Has a Hazardous Materials Business Plan (HMBP) been developed for the site and submitted via the State of California Electronic Reporting System (CERS)? *[NOTE: The trigger limits for having to do this are ³ 200 cubic feet if any one type of compressed gas(except for carbon dioxide and inert simple asphyxiant gases, which have a higher trigger limit of ³ 1,000 cubic feet); ³ 55 gallons if any one type of hazardous chemical liquid; and ³500 pounds of any one type of hazardous chemical solid. So a full-sixe gas cylinder and a 260-liter of liquid nitrogen are triggers! Don't forget the diesel fuel in a backup emergency generator if the diesel tank size is ³ 55 gallons and it is permitted under the tenant (rather than under the landlord).]* NOTE: Each local Certified Unified Program Agency (CUPA) in California governs the HMBP process so start there. Examples: the CUPA for cities in San Mateo County is the County Environmental Health Department; the CUPA for the City of Hayward, CA is the Hayward Fire Department; the CUPA for Mountain View is the Mountain View Fire Department; and, the CUPA for San Diego is the County of San Diego Hazardous Materials Division (HMD),

☐ Yes ☐ No, not required. ☐ No, but one will be prepared and submitted, and a copy will be provided to the landlord property management company.

If one has been completed, please attach a copy. Continue to provide updated versions as they are completed. This is a legal requirement in that State law requires that the owner/operator of a business located on leased or rented real property shall notify, in writing, the owner of the property that the business is subject to and is in compliance with the Hazardous Materials Business Plan requirements (Health and Safety Code Chapter 6.95 Section 25505.1).

7-3. NOTE: Please be advised that if you are involved in any tenant improvements that require a construction permit, you will be asked to provide the local city with a Hazardous Materials Inventory Statement (HMIS) to ensure that your hazardous chemicals fall within the applicable Fire Code fire control area limits for the applicable construction occupancy of the particular building. The HMIS will include much of the information listed in Section 2-2. Neither the landlord nor the landlord's property management company expressly warrants that the inventory provided in Section 2-2 will necessarily meet the applicable California Fire Code fire control area limits for building occupancy, especially in shared tenant occupancy situations. It is the responsibility of the tenant to ensure that a facility and site can legally handle the intended operations and hazardous materials desired/ needed for its operations, but the landlord is happy to assist in this determination when possible.

CERTIFICATION

I am familiar with the real property described in this questionnaire. By signing below, I represent and warrant that the answers to the above questions are complete and accurate to the best of my knowledge. I also understand that Lessor will rely on the completeness and accuracy of my answers in assessing any environmental liability risks associated with the property.

Signature: _____

Name: _____

Title: _____

Date: _____

Telephone: _____

EXHIBIT F

FORM OF LETTER OF CREDIT

FAX NO. [( ) -]
SWIFT: [Insert No., if any]

[Insert Bank Name And Address]

DATE OF ISSUE:

BENEFICIARY:
[Insert Beneficiary Name And Address]

APPLICANT:
[Insert Applicant Name And Address]

LETTER OF CREDIT NO.

EXPIRATION DATE:
AT OUR COUNTERS

AMOUNT AVAILABLE:
USD[Insert Dollar Amount]
(U.S. DOLLARS [Insert Dollar Amount])

LADIES AND GENTLEMEN:

WE HEREBY ESTABLISH OUR IRREVOCABLE STANDBY LETTER OF CREDIT NO. IN YOUR FAVOR FOR THE ACCOUNT OF [Insert Tenant's Name], A [Insert Entity Type], UP TO THE AGGREGATE AMOUNT OF USD[Insert Dollar Amount] ([Insert Dollar Amount] U.S. DOLLARS) EFFECTIVE IMMEDIATELY AND EXPIRING ON (Expiration Date) AVAILABLE BY PAYMENT UPON PRESENTATION OF YOUR DRAFT AT SIGHT DRAWN ON [Insert Bank Name] WHEN ACCOMPANIED BY THE FOLLOWING DOCUMENT(S):

1. THE ORIGINAL OF THIS IRREVOCABLE STANDBY LETTER OF CREDIT AND AMENDMENT(S), IF ANY.

2. BENEFICIARY'S SIGNED STATEMENT SIGNED BY AN AUTHORIZED SIGNATORY OF [Insert Landlord's Name], A [Insert Entity Type] ("LANDLORD") STATING THE FOLLOWING:

"THE UNDERSIGNED HEREBY CERTIFIES THAT THE LANDLORD, EITHER (A) UNDER THE LEASE (DEFINED BELOW), OR (B) AS A RESULT OF THE TERMINATION OF SUCH LEASE, HAS THE RIGHT TO DRAW DOWN THE AMOUNT OF USD IN ACCORDANCE WITH THE TERMS OF THAT CERTAIN OFFICE LEASE DATED [Insert Lease Date], AS AMENDED (COLLECTIVELY, THE "**LEASE**"), OR SUCH AMOUNT CONSTITUTES DAMAGES OWING BY THE TENANT TO BENEFICIARY RESULTING FROM THE BREACH OF SUCH LEASE BY THE TENANT THEREUNDER, OR THE TERMINATION OF SUCH LEASE, AND SUCH AMOUNT REMAINS UNPAID AT THE TIME OF THIS DRAWING."

OR

"THE UNDERSIGNED HEREBY CERTIFIES THAT WE HAVE RECEIVED A WRITTEN NOTICE OF [Insert Bank Name]'S ELECTION NOT TO EXTEND ITS STANDBY LETTER OF CREDIT NO. AND HAVE NOT RECEIVED A REPLACEMENT LETTER OF CREDIT WITHIN AT LEAST SIXTY (60) DAYS PRIOR TO THE PRESENT EXPIRATION DATE."

OR

"THE UNDERSIGNED HEREBY CERTIFIES THAT BENEFICIARY IS ENTITLED TO DRAW DOWN THE FULL AMOUNT OF LETTER OF CREDIT NO. AS THE RESULT OF THE FILING OF A VOLUNTARY PETITION UNDER THE U.S. BANKRUPTCY CODE OR A STATE BANKRUPTCY CODE BY THE TENANT UNDER THAT CERTAIN OFFICE LEASE DATED [Insert Lease Date], AS AMENDED (COLLECTIVELY, THE "**LEASE**"), WHICH FILING HAS NOT BEEN DISMISSED AT THE TIME OF THIS DRAWING."

OR

"THE UNDERSIGNED HEREBY CERTIFIES THAT BENEFICIARY IS ENTITLED TO DRAW DOWN THE FULL AMOUNT OF LETTER OF CREDIT NO. AS THE RESULT OF AN INVOLUNTARY PETITION HAVING BEEN FILED UNDER THE U.S. BANKRUPTCY CODE OR A STATE BANKRUPTCY CODE AGAINST THE TENANT UNDER THAT CERTAIN OFFICE LEASE DATED [Insert Lease Date], AS AMENDED (COLLECTIVELY, THE "**LEASE**"), WHICH FILING HAS NOT BEEN DISMISSED AT THE TIME OF THIS DRAWING."

OR

"THE UNDERSIGNED HEREBY CERTIFIES THAT BENEFICIARY IS ENTITLED TO DRAW DOWN THE FULL AMOUNT OF LETTER OF CREDIT NO. AS THE RESULT OF THE REJECTION, OR DEEMED REJECTION, OF THAT CERTAIN OFFICE LEASE DATED [Insert Lease Date], AS AMENDED, UNDER SECTION 365 OF THE U.S. BANKRUPTCY CODE."

SPECIAL CONDITIONS:

PARTIAL DRAWINGS AND MULTIPLE PRESENTATIONS MAY BE MADE UNDER THIS STANDBY LETTER OF CREDIT, PROVIDED, HOWEVER, THAT EACH SUCH DEMAND THAT IS PAID BY US SHALL REDUCE THE AMOUNT AVAILABLE UNDER THIS STANDBY LETTER OF CREDIT.

ALL INFORMATION REQUIRED WHETHER INDICATED BY BLANKS, BRACKETS OR OTHERWISE, MUST BE COMPLETED AT THE TIME OF DRAWING. [Please Provide The Required Forms For Review, And Attach As Schedules To The Letter Of Credit.]

ALL SIGNATURES MUST BE MANUALLY EXECUTED IN ORIGINALS.

ALL BANKING CHARGES ARE FOR THE APPLICANT'S ACCOUNT.

IT IS A CONDITION OF THIS STANDBY LETTER OF CREDIT THAT IT SHALL BE DEEMED AUTOMATICALLY EXTENDED WITHOUT AMENDMENT FOR A PERIOD OF ONE YEAR FROM THE PRESENT OR ANY FUTURE EXPIRATION DATE, UNLESS AT LEAST SIXTY (60) DAYS PRIOR TO THE EXPIRATION DATE WE SEND YOU NOTICE BY OVERNIGHT COURIER SERVICE SUCH AS UPS OR FED-EX THAT WE ELECT NOT TO EXTEND THIS LETTER OF CREDIT FOR ANY SUCH ADDITIONAL PERIOD. SAID NOTICE WILL BE SENT TO THE ADDRESS INDICATED ABOVE, UNLESS A CHANGE OF ADDRESS IS OTHERWISE NOTIFIED BY YOU TO US IN WRITING BY RECEIPTED MAIL OR COURIER AND AMENDED BY US. ANY NOTICE TO US WILL BE DEEMED EFFECTIVE ONLY UPON ACTUAL RECEIPT BY US AT OUR DESIGNATED OFFICE. IN NO EVENT, AND WITHOUT FURTHER NOTICE FROM OURSELVES, SHALL THE EXPIRATION DATE BE EXTENDED BEYOND A FINAL EXPIRATION DATE OF (120 days from the Lease Expiration Date).

THIS LETTER OF CREDIT MAY BE TRANSFERRED SUCCESSIVELY IN WHOLE AND NOT IN PART ONLY UP TO THE THEN AVAILABLE AMOUNT IN FAVOR OF A NOMINATED TRANSFEREE

("**TRANSFEREE**"), ASSUMING SUCH TRANSFER TO SUCH TRANSFEREE IS IN COMPLIANCE WITH ALL APPLICABLE U.S. LAWS AND REGULATIONS. AT THE TIME OF TRANSFER, THE ORIGINAL LETTER OF CREDIT AND ORIGINAL AMENDMENT(S) IF ANY, MUST BE SURRENDERED TO US TOGETHER WITH OUR TRANSFER FORM ATTACHED HERETO AS EXHIBIT "A" DULY EXECUTED AND PAYMENT OF OUR CUSTOMARY TRANSFER FEES, WHICH FEES SHALL BE PAYABLE BY APPLICANT. IN CASE OF ANY TRANSFER UNDER THIS LETTER OF CREDIT, THE DRAFT AND ANY REQUIRED STATEMENT MUST BE EXECUTED BY THE TRANSFEREE AND WHERE THE BENEFICIARY'S NAME APPEARS WITHIN THIS STANDBY LETTER OF CREDIT, THE TRANSFEREE'S NAME IS AUTOMATICALLY SUBSTITUTED THEREFOR.

ALL DRAFTS REQUIRED UNDER THIS STANDBY LETTER OF CREDIT MUST BE MARKED: ''DRAWN UNDER [Insert Bank Name] STANDBY LETTER OF CREDIT NO. ."

WE HEREBY AGREE WITH YOU THAT IF DRAFTS ARE PRESENTED TO [Insert Bank Name] UNDER THIS LETTER OF CREDIT AT OR PRIOR TO [Insert Time – (*e.g.*, 11:00 AM)], ON A BUSINESS DAY, AND PROVIDED THAT SUCH DRAFTS PRESENTED CONFORM TO THE TERMS AND CONDITIONS OF THIS LETTER OF CREDIT, PAYMENT SHALL BE INITIATED BY US IN IMMEDIATELY AVAILABLE FUNDS BY OUR CLOSE OF BUSINESS ON THE SUCCEEDING BUSINESS DAY. IF DRAFTS ARE PRESENTED TO [Insert Bank Name] UNDER THIS LETTER OF CREDIT AFTER [Insert Time – (*e.g.*, 11:00 AM)], CALIFORNIA TIME, ON A BUSINESS DAY, AND PROVIDED THAT SUCH DRAFTS CONFORM WITH THE TERMS AND CONDITIONS OF THIS LETTER OF CREDIT, PAYMENT SHALL BE INITIATED BY US IN IMMEDIATELY AVAILABLE FUNDS BY OUR CLOSE OF BUSINESS ON THE SECOND SUCCEEDING BUSINESS DAY. AS USED IN THIS LETTER OF CREDIT, "**BUSINESS DAY**" SHALL MEAN ANY DAY OTHER THAN A SATURDAY, SUNDAY OR A DAY ON WHICH BANKING INSTITUTIONS IN THE STATE OF CALIFORNIA ARE AUTHORIZED OR REQUIRED BY LAW TO CLOSE. IF THE EXPIRATION DATE FOR THIS LETTER OF CREDIT SHALL EVER FALL ON A DAY WHICH IS NOT A BUSINESS DAY THEN SUCH EXPIRATION DATE SHALL AUTOMATICALLY BE EXTENDED TO THE DATE WHICH IS THE NEXT BUSINESS DAY.

PRESENTATION OF A DRAWING UNDER THIS LETTER OF CREDIT MAY BE MADE ON OR PRIOR TO THE THEN CURRENT EXPIRATION DATE HEREOF BY HAND DELIVERY, COURIER SERVICE, OVERNIGHT MAIL, OR FACSIMILE. SHOULD BENEFICIARY WISH TO MAKE PRESENTATIONS UNDER THIS LETTER OF CREDIT ENTIRELY BY FACSIMILE TRANSMISSION IT NEED NOT TRANSMIT THIS LETTER OF CREDIT AND AMENDMENT(S), IF ANY. EACH FACSIMILE TRANSMISSION SHALL BE MADE AT [Insert Fax Number – ( ) -], ATTENTION: [Insert Appropriate Recipient], WITH TELEPHONIC CONFIRMATION OF OUR RECEIPT OF SUCH FACSIMILE TRANSMISSION AT OUR TELEPHONE NUMBER [Insert Telephone Number – ( ) -] OR TO SUCH OTHER FACSIMILE OR TELEPHONE NUMBERS, AS TO WHICH YOU HAVE RECEIVED WRITTEN NOTICE FROM US AS BEING THE APPLICABLE SUCH NUMBER. WE AGREE TO NOTIFY YOU IN WRITING, BY OVERNIGHT COURIER SERVICE SUCH AS UPS OR FED-EX, OF ANY CHANGE IN SUCH DIRECTION. IN CASE DEMAND FOR PAYMENT HEREUNDER IS PRESENTED BY FACSIMILE TRANSMISSION, PRESENTATION OF THE ORIGINAL OF SUCH DEMAND FOR PAYMENT IS NOT REQUIRED.

WE HEREBY ENGAGE WITH YOU THAT ALL DOCUMENT(S) DRAWN UNDER AND IN COMPLIANCE WITH THE TERMS OF THIS STANDBY LETTER OF CREDIT WILL BE DULY HONORED IF DRAWN AND PRESENTED FOR PAYMENT AT OUR OFFICE LOCATED AT [Insert Bank Name], [Insert Bank Address], ATTN: [Insert Appropriate Recipient], ON OR BEFORE THE EXPIRATION DATE OF THIS CREDIT, (Expiration Date).

IN THE EVENT THAT THE ORIGINAL OF THIS STANDBY LETTER OF CREDIT IS LOST, STOLEN, MUTILATED, OR OTHERWISE DESTROYED, WE HEREBY AGREE TO ISSUE A CERTIFIED TRUE COPY OF THIS STANDBY LETTER OF CREDIT UPON OUR RECEIPT OF YOUR INDEMNITY LETTER, WHICH FORM WILL BE SENT TO YOU UPON OUR RECEIPT OF YOUR WRITTEN REQUEST THAT THIS STANDBY LETTER OF CREDIT NO. IS LOST, STOLEN, OR DESTROYED.

IF ANY INSTRUCTIONS ACCOMPANYING A DRAWING UNDER THIS LETTER OF CREDIT REQUEST THAT PAYMENT IS TO BE MADE BY TRANSFER TO YOUR ACCOUNT WITH ANOTHER BANK. WE

WILL ONLY EFFECT SUCH PAYMENT BY FED WIRE TO A U.S. REGULATED BANK, AND WE AND/OR SUCH OTHER BANK MAY RELY ON AN ACCOUNT NUMBER SPECIFIED IN SUCH INSTRUCTIONS EVEN IF THE NUMBER IDENTIFIES A PERSON OR ENTITY DIFFERENT FROM THE INTENDED PAYEE.

EXCEPT SO FAR AS OTHERWISE EXPRESSLY STATED HEREIN, THIS STANDBY LETTER OF CREDIT IS SUBJECT TO THE "INTERNATIONAL STANDBY PRACTICES" (ISP 98) INTERNATIONAL CHAMBER OF COMMERCE (PUBLICATION NO. 590).

Very truly yours,

(Name of Issuing Bank)

By: _____

EXHIBIT "A"
TRANSFER FORM

DATE:

TO: SILICON VALLEY BANK
3003 TASMAN DRIVE
SANTA CLARA, CA 95054
ATTN:INTERNATIONAL DIVISION.
STANDBY LETTERS OF CREDIT

RE: IRREVOCABLE STANDBY LETTER OF CREDIT
NO. ISSUED BY
SILICON VALLEY BANK, SANTA CLARA
L/C AMOUNT:

GENTLEMEN:

FOR VALUE RECEIVED, THE UNDERSIGNED BENEFICIARY HEREBY IRREVOCABLY TRANSFERS TO:

_____
(NAME OF TRANSFEREE)

_____
(ADDRESS)

ALL RIGHTS OF THE UNDERSIGNED BENEFICIARY TO DRAW UNDER THE ABOVE LETTER OF CREDIT UP TO ITS AVAILABLE AMOUNT AS SHOWN ABOVE AS OF THE DATE OF THIS TRANSFER.

BY THIS TRANSFER, ALL RIGHTS OF THE UNDERSIGNED BENEFICIARY IN SUCH LETTER OF CREDIT ARE TRANSFERRED TO THE TRANSFEREE. TRANSFEREE SHALL HAVE THE SOLE RIGHTS AS BENEFICIARY THEREOF, INCLUDING SOLE RIGHTS RELATING TO ANY AMENDMENTS, WHETHER INCREASES OR EXTENSIONS OR OTHER AMENDMENTS, AND WHETHER NOW EXISTING OR HEREAFTER MADE. ALL AMENDMENTS ARE TO BE ADVISED DIRECTLY TO THE TRANSFEREE WITHOUT NECESSITY OF ANY CONSENT OF OR NOTICE TO THE UNDERSIGNED BENEFICIARY.

THE ORIGINAL OF SUCH LETTER OF CREDIT IS RETURNED HEREWITH, AND WE ASK YOU TO ENDORSE THE TRANSFER ON THE REVERSE THEREOF, AND FORWARD IT DIRECTLY TO THE TRANSFEREE WITH YOUR CUSTOMARY NOTICE OF TRANSFER.

SIGNATURE AUTHENTICATED

The names(s), title(s), and signature(s) conform to that/those on file with us for the company and the signature(s) is/are authorized to execute this instrument.

_____
(Name of Bank)

_____
(Address of Bank)

_____
(City, State, Zip Code)

_____
(Print Authorized Name and Title)

_____
(Authorized Signature)

_____
(Telephone Number)

_____
(BENEFICIARY'S NAME)
By:_____

Printed Name:_____

Title:_____

ALL THE DETAILS SET FORTH HEREIN IN THIS LETTER OF CREDIT DRAFT IS APPROVED BY APPLICANT. IF THERE IS ANY DISCREPANCY BETWEEN THE DETAILS OF THIS LETTER OF CREDIT DRAFT AND THE LETTER OF CREDIT APPLICATION, BETWEEN APPLICANT AND SILICON VALLEY BANK, THE DETAILS HEREOF SHALL PREVAIL.

_____Applicant's Authorized Signature_____DATE

EXHIBIT G

BRITANNIA GATEWAY BUSINESS PARK

LANDLORD WORK

warranty Plan: Aligos
One Corporate Drive
South San Francisco, CA

6/13/2018

Unit	Action*	Estimated Remaining Useful Life (Years)	By HCP	
			Prior to Rent Commencement	2-Year Warranty
Repairs for Mechanical Equipment	Repairs as detailed in Due Diligence Survey by WAM, dated 10/22/2017	N/A	X	
1 Chiller 1	None	10		X
2 Chiller 2	None	10		X
3 Chiller 3	None	10		X
4 Boiler 1	None	10		X
5 Boiler 2	None	10		X
6 Boiler 3	None	10		X
7 AHU-3 (Lab)	Replace, Size to Replace Prior AHU-3 & AHU-7	5	X	
8 AHU-4 (Lab)	None	10		X
9 AHU-5 (Office)	None	10		X
10 AHU-7 (Lab)	Remove; Upsize New AHU-3 to Replace Prior AHU-3 & AHU-7	0	X	
11 AHU-8 (Lab)	None	10		X
12 Exhaust Fan 4	None	5		X
13 Exhaust Fan 5	None	10		X
14 Exhaust Fan 6	Warranty	10		X
15 Exhaust Fan 8	Warranty	10		X
16 Exhaust Fan 9	None	5		X
17 Exhaust Fan 10	None	10		X
18 Controls	Upgrade to DDC	N/A	X	
19 Roof	Roof Repair and Overlay	5	X	

* Warranty: HCP, at its sole cost, to restore unit to good working condition via repair or replacement, as needed, if unit fails in first 2 years of lease term.

LEASE

BRITANNIA GATEWAY BUSINESS PARK

BRITANNIA GATEWAY LIMITED PARTNERSHIP,

a Delaware limited partnership,

as Landlord,

and

ALIGOS THERAPEUTICS, INC.,

a Delaware corporation,

as Tenant.

[Britannia Gateway Business Park]
[Aligos Thereapeutics, Inc.]

TABLE OF CONTENTS

		Page
1.	PREMISES, BUILDING, PROJECT, AND COMMON AREAS	4
2.	LEASE TERM; OPTION TERM	5
3.	BASE RENT	7
4.	ADDITIONAL RENT	7
5.	USE OF PREMISES	12
6.	SERVICES AND UTILITIES	17
7.	REPAIRS	18
8.	ADDITIONS AND ALTERATIONS	19
9.	COVENANT AGAINST LIENS	21
10.	INSURANCE	21
11.	DAMAGE AND DESTRUCTION	23
12.	NONWAIVER	25
13.	CONDEMNATION	25
14.	ASSIGNMENT AND SUBLETTING	25
15.	SURRENDER OF PREMISES; OWNERSHIP AND REMOVAL OF TRADE FIXTURES	28
16.	HOLDING OVER	29
17.	ESTOPPEL CERTIFICATES	29
18.	SUBORDINATION	30
19.	DEFAULTS; REMEDIES	30
20.	COVENANT OF QUIET ENJOYMENT	32
21.	LETTER OF CREDIT	33
22.	COMMUNICATIONS AND COMPUTER LINE	36
23.	SIGNS	36
24.	COMPLIANCE WITH LAW	37
25.	LATE CHARGES	37
26.	LANDLORD'S RIGHT TO CURE DEFAULT; PAYMENTS BY TENANT	37
27.	ENTRY BY LANDLORD	38
28.	TENANT PARKING	38
29.	MISCELLANEOUS PROVISIONS	38

EXHIBITS

A	OUTLINE OF PREMISES
B	TENANT WORK LETTER
C	FORM OF NOTICE OF LEASE TERM DATES
D	FORM OF TENANT'S ESTOPPEL CERTIFICATE
E	ENVIRONMENTAL QUESTIONNAIRE
F	FORM OF LETTER OF CREDIT

INDEX

	Page(s)
Abatement Event	32
Accountant	12
Additional Rent	8
Advocate Arbitrators	7
Aligos Therapeutics, Inc	37
Alterations	19
as built	20
Back-Up Generator	17
Bank	33
Bankruptcy Code	33
Base Rent	7
Brokers	42
Builder's All Risk	20
Building	1, 4
Building Systems	19
Clean-up	16
Closure Letter	16
Common Areas	5
Comparable Buildings	6
Comparable Transactions	6
Concessions	6
Contemplated Effective Date	27
Contemplated Transfer Space	27
Control	28
Direct Expenses	8
Early Occupancy Space	5
Eligibility Period	32
Energy Disclosure Information	18
Energy Disclosure Requirements	18
Environmental Assessment	16
Environmental Laws	14
Environmental Questionnaire	13
Estimate	12
Estimate Statement	12
Estimated Direct Expenses	11, 12
Existing Hazardous Materials	15
Expense Year	8
Fair Rental Value,	6
First Class Life Sciences Projects	3
Force Majeure	40
Hazardous Materials	13
Hazardous Materials Claims	14
Intention to Transfer Notice	27
Landlord	1, 39
Landlord Parties	22
Landlord Repair Notice	24
Landlord Repair Obligation	19
L-C	33
L-C Amount	33
L-C Draw Event	33

	Page(s)
Lease	1
Lease Commencement Date	5
Lease Expiration Date	5
Lease Term	5
Lease Year	5
Lines	36
Mail	41
Neutral Arbitrator	7
Nine Month Period	27
Notices	40
Objectionable Name	37
Operating Expenses	8
Option Rent	6
Option Term	5
Original Improvements	23
Original Tenant	5
Outside Agreement Date	6
PCBs	13
Permitted Assignee	5, 28
Premises	4
Preventative Maintenance Records	19
Project,	4
Release	13
Released	13
Releases	13
rent	31
Rent	8
SEC	42
Security Deposit Laws	35
Service Contract	19
Sign Specifications	36
special form	23
Statement	11
Subject Space	26
Summary	1
Tax Expenses	8, 10
Tenant	1, 39
Tenant Damage	4
Tenant Energy Use Disclosure	18
Tenant Improvements	23
Tenant Signage	36
Tenant Work Letter	4
Tenant’s Accountant	12
Tenant’s Agents	13
Tenant’s Repair Obligations	19
Tenant’s Share	8, 11
Transfer	28
Transfer Notice	26
Transfer Premium	26, 27
Transferee	26
Transfers	26
Triple Net	8

	Page(s)
Underlying Documents	9
Warranty Period	4
worth at the time of award	31
Abatement Event	32
Accountant	12
Additional Rent	8
Advocate Arbitrators	6
Aligos Therapeutics, Inc	36
Alterations	19
as built	20
Back-Up Generator	17
Bank	33
Bankruptcy Code	33
Base Rent	7
Brokers	42
Builder's All Risk	20
Building	1, 4
Building Systems	19
Clean-up	16
Closure Letter	16
Common Areas	4
Comparable Buildings	6
Comparable Transactions	6
Concessions	6
Contemplated Effective Date	27
Contemplated Transfer Space	27
Control	28
Direct Expenses	8
Early Occupancy Space	5
Eligibility Period	32
Energy Disclosure Information	18
Energy Disclosure Requirements	18
Environmental Assessment	15
Environmental Laws	14
Environmental Questionnaire	13
Estimate	12
Estimate Statement	12
Estimated Direct Expenses	11, 12
Existing Hazardous Materials	15
Expense Year	8
Fair Rental Value,	5
First Class Life Sciences Projects	3
Force Majeure	40
Hazardous Materials	13
Hazardous Materials Claims	14
Intention to Transfer Notice	27
Landlord	1, 38
Landlord Parties	22
Landlord Repair Notice	23
Landlord Repair Obligation	19
L-C	33
L-C Amount	33

	Page(s)
L-C Draw Event	33
Lease	1
Lease Commencement Date	5
Lease Expiration Date	5
Lease Term	5
Lease Year	5
Lines	36
Mail	40
Neutral Arbitrator	7
Nine Month Period	27
Notices	40
Objectionable Name	36
Operating Expenses	8
Option Rent	5
Option Term	5
Original Improvements	23
Original Tenant	5
Outside Agreement Date	6
PCBs	13
Permitted Assignee	5, 28
Premises	4
Preventative Maintenance Records	19
Project,	4
Release	13
Released	13
Releases	13
rent	31
Rent	8
SEC	42
Security Deposit Laws	35
Service Contract	19
Sign Specifications	36
special form	23
Statement	11
Subject Space	26
Summary	1
Tax Expenses	8, 10
Tenant	1, 38
Tenant Damage	4
Tenant Energy Use Disclosure	18
Tenant Improvements	23
Tenant Signage	36
Tenant Work Letter	4
Tenant’s Accountant	12
Tenant’s Agents	13
Tenant’s Repair Obligations	18
Tenant’s Share	8, 11
Transfer	28
Transfer Notice	26
Transfer Premium	26, 27
Transferee	26
Transfers	26

	Page(s)
Triple Net	8
Underlying Documents	9
Warranty Period	4
worth at the time of award	31

ALIGOS THERAPEUTICS, INC.

2018 EQUITY INCENTIVE PLAN, AS AMENDED

1. **Purpose.** The purpose of the Plan is to advance the interests of the Company's stockholders by enhancing the Company's ability to attract, retain and motivate persons who make (or are expected to make) important contributions to the Company by providing such persons with equity ownership opportunities and thereby better aligning the interests of such persons with those of the Company's stockholders. Capitalized terms used in the Plan are defined in Section 11 below.

2. **Eligibility.** Service Providers are eligible to be granted Awards under the Plan, subject to the limitations described herein.

3. **Administration and Delegation.**

3.1 Administration. The Plan will be administered by the Administrator. The Administrator shall have authority to determine which Service Providers will receive Awards, to grant Awards and to set all terms and conditions of Awards (including, but not limited to, vesting, exercise and forfeiture provisions). In addition, the Administrator shall have the authority to take all actions and make all determinations contemplated by the Plan and to adopt, amend and repeal such administrative rules, guidelines and practices relating to the Plan as it shall deem advisable. The Administrator may correct any defect or ambiguity, supply any omission or reconcile any inconsistency in the Plan or any Award in the manner and to the extent it shall deem necessary or appropriate to carry the Plan and any Awards into effect, as determined by the Administrator. The Administrator shall make all determinations under the Plan in the Administrator's sole discretion and all such determinations shall be final and binding on all persons having or claiming any interest in the Plan or in any Award.

3.2 Appointment of Committees. To the extent permitted by Applicable Laws, the Board may delegate any or all of its powers under the Plan to one or more Committees. The Board may abolish any Committee at any time and re-vest in itself any previously delegated authority.

4. **Stock Available for Awards.**

4.1 Number of Shares. Subject to adjustment under Section 8 hereof, Awards may be made under the Plan covering up to 45,793,887 shares of Common Stock. If any Award expires or lapses or is terminated, surrendered or canceled without having been fully exercised or is forfeited in whole or in part (including as the result of shares of Common Stock subject to such Award being repurchased by the Company at or below the original issuance price), in any case in a manner that results in any shares of Common Stock covered by such Award not being issued or being so reacquired by the Company, the unused Common Stock covered by such Award shall again be available for the grant of Awards under the Plan. Further, shares of Common Stock delivered (either by actual delivery or attestation) to the Company by a Participant to satisfy the applicable exercise or purchase price of an Award and/or to satisfy any applicable tax withholding obligation (including shares retained by the Company from the Award being

exercised or purchased and/or creating the tax obligation) shall be added to the number of shares of Common Stock available for the grant of Awards under the Plan. However, in the case of Incentive Stock Options, the foregoing provisions shall be subject to any limitations under the Code. Shares of Common Stock issued under the Plan may consist in whole or in part of authorized but unissued shares, shares purchased on the open market or treasury shares.

4.2 Substitute Awards. In connection with a merger or consolidation of an entity with the Company or the acquisition by the Company of property or stock of an entity, the Administrator may grant Awards in substitution for any options or other stock or stock-based awards granted prior to such merger or consolidation by such entity or an affiliate thereof. Substitute Awards may be granted on such terms as the Administrator deems appropriate in the circumstances, notwithstanding any limitations on Awards contained in the Plan. Substitute Awards shall not count against the overall share limit set forth in Section 4.1 hereof, except as may be required by reason of Section 422 of the Code.

5. **Stock Options.**

5.1 General. The Administrator may grant Options to any Service Provider, subject to the limitations on Incentive Stock Options described below. The Administrator shall determine the number of shares of Common Stock to be covered by each Option, the exercise price of each Option and the conditions and limitations applicable to the exercise of each Option, including conditions relating to Applicable Laws, as it considers necessary or advisable.

5.2 Incentive Stock Options. The Administrator may grant Options intended to qualify as Incentive Stock Options only to employees of the Company, any of the Company's present or future "parent corporations" or "subsidiary corporations" as defined in Sections 424(e) or (f) of the Code, respectively, and any other entities the employees of which are eligible to receive Incentive Stock Options under the Code. All Options intended to qualify as Incentive Stock Options shall be subject to and shall be construed consistently with the requirements of Section 422 of the Code. Neither the Company nor the Administrator shall have any liability to a Participant, or any other party, (i) if an Option (or any part thereof) which is intended to qualify as an Incentive Stock Option fails to qualify as an Incentive Stock Option or (ii) for any action or omission by the Administrator that causes an Option not to qualify as an Incentive Stock Option, including without limitation, the conversion of an Incentive Stock Option to a Non-Qualified Stock Option or the grant of an Option intended as an Incentive Stock Option that fails to satisfy the requirements under the Code applicable to an Incentive Stock Option. Any Option that is intended to qualify as an Incentive Stock Option, but fails to so qualify for any reason, including without limitation, the portion of any Option becoming exercisable in excess of the $100,000 limitation described in Treasury Regulation Section 1.422-4, shall be treated as a Non-Qualified Stock Option for all purposes.

5.3 Exercise Price. The Administrator shall establish the exercise price of each Option and specify the exercise price in the applicable Award Agreement. The exercise price shall be not less than 100% of the Fair Market Value on the date the Option is granted. In the case of an Incentive Stock Option granted to an employee who, at the time of grant of the Option, owns (or is treated as owning under Section 424 of the Code) stock representing more than 10% of the voting power of all classes of stock of the Company (or a "parent corporation"

or "subsidiary corporation" thereof within the meaning of Sections 424(e) or 424(f) of the Code, respectively), the per share exercise price shall be no less than 110% of the Fair Market Value on the date the Option is granted.

5.4 Duration of Options. Each Option shall be exercisable at such times and subject to such terms and conditions as the Administrator may specify in the applicable Award Agreement, provided that the term of any Option shall not exceed ten years. In the case of an Incentive Stock Option granted to an employee who, at the time of grant of the Option, owns (or is treated as owning under Section 424 of the Code) stock representing more than 10% of the voting power of all classes of stock of the Company (or a "parent corporation" or "subsidiary corporation" thereof within the meaning of Sections 424(e) or 424(f) of the Code, respectively), the term of the Option shall not exceed five years.

5.5 Exercise of Option; Notification of Disposition. Options may be exercised by delivery to the Company of a written notice of exercise, in a form approved by the Administrator (which may be an electronic form), signed by the person authorized to exercise the Option, together with payment in full (i) as specified in Section 5.6 hereof for the number of shares for which the Option is exercised and (ii) as specified in Section 9.5 hereof for any applicable withholding taxes. Unless otherwise determined by the Administrator, an Option may not be exercised for a fraction of a share of Common Stock. If an Option is designated as an Incentive Stock Option, the Participant shall give prompt notice to the Company of any disposition or other transfer of any shares of Common Stock acquired from the Option if such disposition or transfer is made (i) within two years from the grant date with respect to such Option or (ii) within one year after the transfer of such shares to the Participant (other than any such disposition made in connection with a Change in Control). Such notice shall specify the date of such disposition or other transfer and the amount realized, in cash, other property, assumption of indebtedness or other consideration, by the Participant in such disposition or other transfer.

5.6 Payment Upon Exercise. Common Stock purchased upon the exercise of an Option granted under the Plan shall be paid for in cash or by check, payable to the order of the Company, or, to the extent permitted by the Administrator, by:

(a) (A) delivery of an irrevocable and unconditional undertaking by a broker acceptable to the Company to deliver promptly to the Company sufficient funds to pay the exercise price and any required tax withholding, or (B) delivery by the Participant to the Company of a copy of irrevocable and unconditional instructions to a broker acceptable to the Company to deliver promptly to the Company cash or a check sufficient to pay the exercise price and any required tax withholding;

(b) delivery (either by actual delivery or attestation) of shares of Common Stock owned by the Participant valued at their Fair Market Value, provided (A) such method of payment is then permitted under Applicable Laws, (B) such Common Stock, if acquired directly from the Company, was owned by the Participant for such minimum period of time, if any, as may be established by the Company at any time, and (C) such Common Stock is not subject to any repurchase, forfeiture, unfulfilled vesting or other similar requirements;

(c) surrendering shares of Common Stock then issuable upon exercise of the Option valued at their Fair Market Value on the date of exercise;

(d) delivery of a promissory note of the Participant to the Company on terms determined by the Administrator;

(e) delivery of property of any other kind which constitutes good and valuable consideration as determined by the Administrator; or

(f) any combination of the above permitted forms of payment (including cash or check).

5.7 Early Exercise of Options. The Administrator may provide in the terms of an Award Agreement that the Service Provider may exercise an Option in whole or in part prior to the full vesting of the Option in exchange for unvested shares of Restricted Stock with respect to any unvested portion of the Option so exercised. Shares of Restricted Stock acquired upon the exercise of any unvested portion of an Option shall be subject to such terms and conditions as the Administrator shall determine.

6. **Restricted Stock; Restricted Stock Units.**

6.1 General. The Administrator may grant Restricted Stock, or the right to purchase Restricted Stock, to any Service Provider, subject to the right of the Company to repurchase all or part of such shares at their issue price or other stated or formula price from the Participant (or to require forfeiture of such shares if issued at no cost) in the event that conditions specified by the Administrator in the applicable Award Agreement are not satisfied prior to the end of the applicable restriction period or periods established by the Administrator for such Award. In addition, the Administrator may grant to Service Providers Restricted Stock Units, which may be subject to vesting and forfeiture conditions during applicable restriction period or periods, as set forth in an applicable Award Agreement.

6.2 Terms and Conditions for All Restricted Stock and Restricted Stock Unit Awards. The Administrator shall determine and set forth in the applicable Award Agreement the terms and conditions applicable to each Restricted Stock and Restricted Stock Unit Award, including the conditions for vesting and repurchase (or forfeiture) and the issue price, in each case, if any.

6.3 Additional Provisions Relating to Restricted Stock.

(a) *Dividends*. Participants holding shares of Restricted Stock will be entitled to all ordinary cash dividends paid with respect to such shares to the extent such dividends have a record date that is on or after the date on which the Participant to whom such Restricted Shares are granted becomes the record holder of such Restricted Shares, unless otherwise provided by the Administrator in the applicable Award Agreement. In addition, unless otherwise provided by the Administrator, if any dividends or distributions are paid in shares, or consist of a dividend or distribution to holders of Common Stock of property other than an ordinary cash dividend, the shares or other property will be subject to the same restrictions on transferability and forfeitability as the shares of Restricted Stock with respect to which they were

paid. Each dividend payment will be made as provided in the applicable Award Agreement, but in no event later than the end of the calendar year in which the dividends are paid to stockholders of that class of stock or, if later, the 15th day of the third month following the later of (A) the date the dividends are paid to stockholders of that class of stock, and (B) the date the dividends are no longer subject to forfeiture.

(b) *Stock Certificates*. The Company may require that any stock certificates issued in respect of shares of Restricted Stock be deposited in escrow by the Participant, together with a stock power endorsed in blank, with the Company (or its designee).

6.4 Additional Provisions Relating to Restricted Stock Units.

(a) *Settlement*. Upon the vesting of a Restricted Stock Unit, the Participant shall be entitled to receive from the Company one share of Common Stock or an amount of cash or other property equal to the Fair Market Value of one share of Common Stock on the settlement date, as the Administrator shall determine and as provided in the applicable Award Agreement. The Administrator may provide that settlement of Restricted Stock Units shall occur upon or as soon as reasonably practicable after the vesting of the Restricted Stock Units or shall instead be deferred, on a mandatory basis or at the election of the Participant, in a manner that complies with Section 409A.

(b) *Voting Rights*. A Participant shall have no voting rights with respect to any Restricted Stock Units unless and until shares are delivered in settlement thereof.

(c) *Dividend Equivalents*. To the extent provided by the Administrator, a grant of Restricted Stock Units may provide a Participant with the right to receive Dividend Equivalents. Dividend Equivalents may be paid currently or credited to an account for the Participant, may be settled in cash and/or shares of Common Stock and may be subject to the same restrictions on transfer and forfeitability as the Restricted Stock Units with respect to which the Dividend Equivalents are paid, as determined by the Administrator, subject, in each case, to such terms and conditions as the Administrator shall establish and set forth in the applicable Award Agreement.

7. **Other Stock-Based Awards.**

Other Stock-Based Awards may be granted hereunder to Participants, including, without limitation, Awards entitling Participants to receive shares of Common Stock to be delivered in the future. Such Other Stock-Based Awards shall also be available as a form of payment in the settlement of other Awards granted under the Plan, as stand-alone payments and/or as payment in lieu of compensation to which a Participant is otherwise entitled. Other Stock-Based Awards may be paid in shares of Common Stock, cash or other property, as the Administrator shall determine. Subject to the provisions of the Plan, the Administrator shall determine the terms and conditions of each Other Stock-Based Award, including any purchase price, transfer restrictions, vesting conditions and other terms and conditions applicable thereto, which shall be set forth in the applicable Award Agreement.

8. **Adjustments for Changes in Common Stock and Certain Other Events.**

8.1 In the event that the Administrator determines that any dividend or other distribution (whether in the form of cash, Common Stock, other securities, or other property), reorganization, merger, consolidation, combination, repurchase, recapitalization, liquidation, dissolution, or sale, transfer, exchange or other disposition of all or substantially all of the assets of the Company, or sale or exchange of Common Stock or other securities of the Company, issuance of warrants or other rights to purchase Common Stock or other securities of the Company, or other similar corporate transaction or event, as determined by the Administrator, affects the Common Stock such that an adjustment is determined by the Administrator to be appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended by the Company to be made available under the Plan or with respect to any Award, then the Administrator may, in such manner as it may deem equitable, adjust any or all of:

(a) the number and kind of shares of Common Stock (or other securities or property) with respect to which Awards may be granted or awarded (including, but *not* limited to, adjustments of the limitations in Section 4 hereof on the maximum number and kind of shares which may be issued);

(b) the number and kind of shares of Common Stock (or other securities or property) subject to outstanding Awards;

(c) the grant or exercise price with respect to any Award; and

(d) the terms and conditions of any Awards (including, without limitation, any applicable financial or other performance "targets" specified in an Award Agreement).

8.2 In the event of any transaction or event described in Section 8.1 hereof (including without limitation any Change in Control) or any unusual or nonrecurring transaction or event affecting the Company or the financial statements of the Company, or any change in any Applicable Laws or accounting principles, the Administrator, on such terms and conditions as it deems appropriate, either by the terms of the Award or by action taken prior to the occurrence of such transaction or event and either automatically or upon the Participant's request, 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 (x) prevent dilution or enlargement of the benefits or potential benefits intended by the Company to be made available under the Plan or with respect to any Award granted or issued under the Plan, (y) to facilitate such transaction or event or (z) give effect to such changes in Applicable Laws or accounting principles:

(a) To provide for the cancellation of any such Award in exchange for either an amount of cash or other property with a value equal to the amount that could have been obtained upon the exercise or settlement of the vested portion of such Award or realization of the Participant's rights under the vested portion of such Award, as applicable; provided that, if the amount that could have been obtained upon the exercise or settlement of the vested portion of such Award or realization of the Participant's rights, in any case, is equal to or less than zero, then the vested portion of such Award may be terminated without payment;

(b) To provide that such Award shall vest and, to the extent applicable, be exercisable as to all shares covered thereby, notwithstanding anything to the contrary in the Plan or the provisions of such Award;

(c) To provide that such Award be assumed by the successor or survivor corporation, or a parent or subsidiary thereof, or shall be substituted for by awards covering the stock of the successor or survivor corporation, or a parent or subsidiary thereof, with appropriate adjustments as to the number and kind of shares and applicable exercise or purchase price, in all cases, as determined by the Administrator;

(d) To make adjustments in the number and type of shares of Common Stock (or other securities or property) subject to outstanding Awards, and/or in the terms and conditions of (including the grant or exercise price), and the criteria included in, outstanding Awards which may be granted in the future;

(e) To replace such Award with other rights or property selected by the Administrator; or

(f) To provide that the Award will terminate and cannot vest, be exercised or become payable after the applicable event.

8.3 Notwithstanding the provisions of Section 8.2 above, if a Change in Control occurs and a Participant's Awards are not continued, converted, assumed, or replaced with a substantially similar award by (i) the Company, or (ii) a successor entity or its parent or subsidiary (an "***Assumption***"), and provided that the Participant has not had a Termination of Service, then immediately prior to the Change in Control such Awards shall become fully vested, exercisable and/or payable, as applicable, and all forfeiture, repurchase and other restrictions on such Awards shall lapse, in which case, such Awards shall be canceled upon the consummation of the Change in Control in exchange for the right to receive the Change in Control consideration payable to other holders of Common Stock (A) which may be on such terms and conditions as apply generally to holders of Common Stock under the Change in Control documents (including, without limitation, any escrow, earn-out or other deferred consideration provisions) or such other terms and conditions as the Administrator may provide, and (B) determined by reference to the number of shares subject to such Awards and net of any applicable exercise price; provided that

to the extent that any Awards constitute "nonqualified deferred compensation" that may not be paid upon the Change in Control under Section 409A without the imposition of taxes thereon under Section 409A, the timing of such payments shall be governed by the applicable Award Agreement (subject to any deferred consideration provisions applicable under the Change in Control documents); and provided, further, that if the amount to which a Participant would be entitled upon the settlement or exercise of such Award at the time of the Change in Control is equal to or less than zero, then such Award may be terminated without payment. The Administrator shall determine whether an Assumption of an Award has occurred in connection with a Change in Control.

8.4 In connection with the occurrence of any Equity Restructuring, and notwithstanding anything to the contrary in this Section 8, the Administrator will equitably adjust each outstanding Award, which adjustments may include adjustments to the number and type of securities subject to each outstanding Award and/or the exercise price or grant price thereof, if applicable, the grant of new Awards to Participants, and/or the making of a cash payment to Participants, as the Administrator deems appropriate to reflect such Equity Restructuring. The adjustments provided under this Section 8.4 shall be nondiscretionary and shall be final and binding on the affected Participant and the Company; provided that whether an adjustment is equitable shall be determined by the Administrator.

8.5 In the event of any pending stock dividend, stock split, combination or exchange of shares, merger, consolidation or other distribution (other than normal cash dividends) of Company assets to stockholders, or any other change affecting the shares of Common Stock or the share price of the Common Stock, including any Equity Restructuring, for reasons of administrative convenience the Administrator may refuse to permit the exercise of any Award during a period of up to 30 days prior to the consummation of any such transaction.

8.6 Except as expressly provided in the Plan or pursuant to action of the Administrator under the Plan, no Participant shall have any rights by reason of any subdivision or consolidation of shares of stock of any class, the payment of any dividend, any increase or decrease in the number of shares of stock of any class or any dissolution, liquidation, merger, or consolidation of the Company or any other corporation. Except as expressly provided in the Plan or pursuant to action of the Administrator under the Plan, no issuance by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, shall affect, and no adjustment by reason thereof shall be made with respect to, the number of shares of Common Stock subject to an Award or the grant or exercise price of any Award. The existence of the Plan, any Award Agreements and the Awards granted hereunder shall not affect or restrict in any way the right or power of the Company to make or authorize (i) any adjustment, recapitalization, reorganization or other change in the Company's capital structure or its business, (ii) any merger, consolidation dissolution or liquidation of the Company or sale of Company assets or (iii) any sale or issuance of securities, including without limitation, securities with rights superior to those of the Common Stock or which are convertible into or exchangeable for Common Stock. The Administrator may treat Participants and Awards (or portions thereof) differently under this Section 8.

9. **General Provisions Applicable to Awards.**

9.1 Transferability. Except as the Administrator may otherwise determine or provide in an Award Agreement or otherwise, in any case in accordance with Applicable Laws, Awards shall not be sold, assigned, transferred, pledged or otherwise encumbered by the person to whom they are granted, either voluntarily or by operation of law, except by will or the laws of descent and distribution, and, during the life of the Participant, shall be exercisable only by the Participant. References to a Participant, to the extent relevant in the context, shall include references to authorized transferees.

9.2 Documentation. Each Award shall be evidenced in an Award Agreement, which may be in such form (written, electronic or otherwise) as the Administrator shall determine. Each Award may contain terms and conditions in addition to those set forth in the Plan.

9.3 Discretion. Except as otherwise provided by the Plan, each Award may be made alone or in addition or in relation to any other Award. The terms of each Award to a Participant need not be identical, and the Administrator need not treat Participants or Awards (or portions thereof) uniformly.

9.4 Termination of Status. The Administrator shall determine the effect on an Award of the disability, death, retirement, authorized leave of absence or any other change or purported change in a Participant's Service Provider status and the extent to which, and the period during which, the Participant, the Participant's legal representative, conservator, guardian or Designated Beneficiary may exercise rights under the Award, if applicable.

9.5 Withholding. Each Participant shall pay to the Company, or make provision satisfactory to the Administrator for payment of, any taxes required by law to be withheld in connection with Awards to such Participant no later than the date of the event creating the tax liability. Except as the Administrator may otherwise determine, all such payments shall be made in cash or by certified check. Notwithstanding the foregoing, to the extent permitted by the Administrator, Participants may satisfy such tax obligations in whole or in part by delivery of shares of Common Stock, including shares retained from the Award creating the tax obligation, valued at their Fair Market Value. The Company may, to the extent permitted by Applicable Laws, deduct any such tax obligations from any payment of any kind otherwise due to a Participant.

9.6 Amendment of Award. The Administrator may amend, modify or terminate any outstanding Award, including but not limited to, substituting therefor another Award of the same or a different type, changing the date of exercise or settlement, and converting an Incentive Stock Option to a Non-Qualified Stock Option. The Participant's consent to such action shall be required unless (i) the Administrator determines that the action, taking into account any related action, would not materially and adversely affect the Participant, or (ii) the change is permitted under Sections 8 and 10.6 hereof.

9.7 Conditions on Delivery of Stock. The Company will not be obligated to deliver any shares of Common Stock pursuant to the Plan or to remove restrictions from shares

previously delivered under the Plan until (i) all conditions of the Award have been met or removed to the satisfaction of the Company, (ii) in the opinion of the Company's counsel, all other legal matters in connection with the issuance and delivery of such shares have been satisfied, including any applicable securities laws and any applicable stock exchange or stock market rules and regulations, and (iii) the Participant has executed and delivered to the Company such representations or agreements as the Administrator deems necessary or appropriate to satisfy the requirements of any Applicable Laws. The inability of the Company to obtain authority from any regulatory body having jurisdiction, which authority is determined by the Administrator to be necessary to the lawful issuance and sale of any securities hereunder, shall relieve the Company of any liability in respect of the failure to issue or sell such shares as to which such requisite authority shall not have been obtained.

9.8 Acceleration. The Administrator may at any time provide that any Award shall become immediately vested and/or exercisable in full or in part, free of some or all restrictions or conditions, or otherwise realizable in full or in part, as the case may be.

10. **Miscellaneous.**

10.1 No Right To Employment or Other Status. No person shall have any claim or right to be granted an Award, and the grant of an Award shall not be construed as giving a Participant the right to continued employment or any other relationship with the Company. The Company expressly reserves the right at any time to dismiss or otherwise terminate its relationship with a Participant free from any liability or claim under the Plan or any Award, except as expressly provided in an applicable Award Agreement.

10.2 No Rights As Stockholder; Certificates. Subject to the provisions of the applicable Award Agreement, no Participant or Designated Beneficiary shall have any rights as a stockholder with respect to any shares of Common Stock to be distributed with respect to an Award until becoming the record holder of such shares. Notwithstanding any other provision of the Plan, unless otherwise determined by the Administrator or required by any Applicable Laws, the Company shall not be required to deliver to any Participant certificates evidencing shares of Common Stock issued in connection with any Award and instead such shares of Common Stock may be recorded in the books of the Company (or, as applicable, its transfer agent or stock plan administrator). The Company may place legends on any stock certificates issued under the Plan deemed necessary or appropriate by the Administrator in order to comply with Applicable Laws.

10.3 Effective Date and Term of Plan. The Plan shall become effective on the date on which it is adopted by the Board. No Awards shall be granted under the Plan after the completion of ten years from the earlier of (i) the date on which the Plan was adopted by the Board or (ii) the date the Plan was approved by the Company's stockholders, but Awards previously granted may extend beyond that date in accordance with the terms of the Plan.

10.4 Amendment of Plan. The Administrator may amend, suspend or terminate the Plan or any portion thereof at any time; provided that no amendment of the Plan shall materially and adversely affect any Award outstanding at the time of such amendment without the consent of the affected Participant. Awards outstanding under the Plan at the time of any suspension or termination of the Plan shall continue to be governed in accordance with the terms

of the Plan and the applicable Award Agreement, as in effect prior to such suspension or termination. The Board shall obtain stockholder approval of any Plan amendment to the extent necessary to comply with Applicable Laws.

10.5 Provisions for Foreign Participants. The Administrator may modify Awards granted to Participants who are foreign nationals or employed outside the United States or establish subplans or procedures under the Plan to address differences in laws, rules, regulations or customs of such foreign jurisdictions with respect to tax, securities, currency, employee benefit or other matters.

10.6 Section 409A.

(a) *General*. The Company intends that all Awards be structured in compliance with, or to satisfy an exemption from, Section 409A, such that no adverse tax consequences, interest, or penalties under Section 409A apply in connection with any Awards. Notwithstanding anything herein or in any Award Agreement to the contrary, the Administrator may, without a Participant's prior consent, amend this Plan and/or Awards, adopt policies and procedures, or take any other actions (including amendments, policies, procedures and actions with retroactive effect) as are necessary or appropriate to preserve the intended tax treatment of Awards under the Plan, including without limitation, any such actions intended to (A) exempt this Plan and/or any Award from the application of Section 409A, and/or (B) comply with the requirements of Section 409A, including without limitation any such regulations, guidance, compliance programs and other interpretative authority that may be issued after the date of grant of any Award. The Company makes no representations or warranties as to the tax treatment of any Award under Section 409A or otherwise. The Company shall have no obligation under this Section 10.6 or otherwise to take any action (whether or not described herein) to avoid the imposition of taxes, penalties or interest under Section 409A with respect to any Award and shall have no liability to any Participant or any other person if any Award, compensation or other benefits under the Plan are determined to constitute non-compliant, "nonqualified deferred compensation" subject to the imposition of taxes, penalties and/or interest under Section 409A.

(b) *Separation from Service*. With respect to any Award that constitutes "nonqualified deferred compensation" under Section 409A, any payment or settlement of such Award that is to be made upon a termination of a Participant's Service Provider relationship shall, to the extent necessary to avoid the imposition of taxes under Section 409A, be made only upon the Participant's "separation from service" (within the meaning of Section 409A), whether such "separation from service" occurs upon or subsequent to the termination of the Participant's Service Provider relationship. For purposes of any such provision of this Plan or any Award Agreement relating to any such payments or benefits, references to a "termination," "termination of employment" or like terms shall mean "separation from service."

(c) *Payments to Specified Employees*. Notwithstanding any contrary provision in the Plan or any Award Agreement, any payment(s) of "nonqualified deferred compensation" that are otherwise required to be made under an Award to a "specified employee" (as defined under Section 409A and determined by the Administrator) as a result of his or her "separation from service" shall, to the extent necessary to avoid the imposition of taxes under Code Section 409A(a)(2)(B)(i), be delayed until the expiration of the six-month period

immediately following such "separation from service" (or, if earlier, until the date of death of the specified employee) and shall instead be paid (in a manner set forth in the Award agreement) on the day that immediately follows the end of such six-month period or as soon as administratively practicable thereafter (without interest). Any payments of "nonqualified deferred compensation" under such Award that are, by their terms, payable more than six months following the Participant's "separation from service" shall be paid at the time or times such payments are otherwise scheduled to be made.

10.7 Limitations on Liability. Notwithstanding any other provisions of the Plan, no individual acting as a director, officer, other employee or agent of the Company will be liable to any Participant, former Participant, spouse, beneficiary, or any other person for any claim, loss, liability, or expense incurred in connection with the Plan or any Award, nor will such individual be personally liable with respect to the Plan because of any contract or other instrument he or she executes in his or her capacity as an Administrator, director, officer, other employee or agent of the Company. The Company will indemnify and hold harmless each director, officer, other employee and agent of the Company to whom any duty or power relating to the administration or interpretation of the Plan has been or will be granted or delegated, against any cost or expense (including attorneys' fees) or liability (including any sum paid in settlement of a claim with the Administrator's approval) arising out of any act or omission to act concerning this Plan unless arising out of such person's own fraud or bad faith.

10.8 Lock-Up Period. Participants shall not offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any Common Stock (or other securities) of the Company or enter into any swap, hedging or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of any Common Stock (or other securities) of the Company held by Participant (other than those included in the registration) for a period specified by the representative of the underwriters of Common Stock (or other securities) of the Company not to exceed 180 days following the effective date of any registration statement of the Company filed under the Securities Act (or such other period as may be requested by the Company or the underwriters to accommodate regulatory restrictions on (i) the publication or other distribution of research reports and (ii) analyst recommendations and opinions, including, but not limited to, the restrictions contained in FINRA Rule 2241, or any successor provisions or amendments thereto). Participants shall execute and deliver such other agreements as may be reasonably requested by the Company or the underwriter which are consistent with the foregoing or which are necessary to give further effect thereto. The obligations described in this Section 10.8 shall not apply to a registration relating solely to employee benefit plans on Form S-1 or Form S-8 or similar forms that may be promulgated in the future, or a registration relating solely to a Securities and Exchange Commission Rule 145 transaction on Form S-4 or similar forms that may be promulgated in the future. The Company may impose stop-transfer instructions with respect to the shares of Common Stock (or other securities) subject to the foregoing restriction until the end of such 180 day (or other) period.

10.9 Limitations on Transfer. A Participant shall not sell, assign, transfer, pledge, hypothecate or otherwise dispose of, by operation of law or otherwise (collectively "***Transfer***") any interest in any shares of Common Stock held by Participant except in

compliance with the provisions herein, in the Company's Bylaws and applicable securities laws. Furthermore, the shares of Common Stock shall be subject to a right of first refusal in favor of the Company or its assignees as set forth in the Company's Bylaws. Notwithstanding the foregoing, Participant may, subject to compliance with the transfer restrictions set forth in the Company's Bylaws, transfer shares of Common Stock to or for the benefit of any spouse, children, parents, uncles, aunts, siblings, grandchildren and any other relatives approved by the Board of Directors (collectively, "***Approved Relatives***") or to a trust established solely for the benefit of the Participant and/or Approved Relatives, provided that such shares of Common Stock shall remain subject to the provisions of this Plan and any other applicable agreements, and such permitted transferee shall, as a condition to such transfer, deliver to the Company a written instrument confirming that such transferee shall be bound by all of the terms and conditions of this Plan and any other applicable agreements. The Company shall not be required (a) to transfer on its books any of the shares of Common Stock that have been sold or otherwise transferred in violation of any of the provisions of this Plan, any other applicable agreement or the provisions of the Company's Bylaws or (b) to treat as owner of such shares of Common Stock or to accord the right to vote or pay dividends to any purchaser or other transferee to whom any such shares of Common Stock shall have been so sold or transferred.

10.10 Data Privacy. As a condition of receipt of any Award, each Participant explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of personal data as described in this paragraph by and among, as applicable, the Company and its subsidiaries and affiliates for the exclusive purpose of implementing, administering and managing the Participant's participation in the Plan. The Company and its subsidiaries and affiliates may hold certain personal information about a Participant, including but not limited to, the Participant's name, home address and telephone number, date of birth, social security or insurance number or other identification number, salary, nationality, job title(s), any shares of stock held in the Company or any of its subsidiaries and affiliates, details of all Awards, in each case, for the purpose of implementing, managing and administering the Plan and Awards (the "***Data***"). The Company and its subsidiaries and affiliates may transfer the Data amongst themselves as necessary for the purpose of implementation, administration and management of a Participant's participation in the Plan, and the Company and its subsidiaries and affiliates may each further transfer the Data to any third parties assisting the Company in the implementation, administration and management of the Plan. These recipients may be located in the Participant's country, or elsewhere, and the Participant's country may have different data privacy laws and protections than the recipients' country. Through acceptance of an Award, each Participant authorizes such recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing the Participant's participation in the Plan, including any requisite transfer of such Data as may be required to a broker or other third party with whom the Company or the Participant may elect to deposit any shares of Common Stock. The Data related to a Participant will be held only as long as is necessary to implement, administer, and manage the Participant's participation in the Plan. A Participant may, at any time, view the Data held by the Company with respect to such Participant, request additional information about the storage and processing of the Data with respect to such Participant, recommend any necessary corrections to the Data with respect to the Participant or refuse or withdraw the consents herein in writing, in any case without cost, by contacting his or her local human resources representative. The Company may cancel Participant's ability to participate in the Plan and, in the Administrator's discretion, the

Participant may forfeit any outstanding Awards if the Participant refuses or withdraws his or her consents as described herein. For more information on the consequences of refusal to consent or withdrawal of consent, Participants may contact their local human resources representative.

10.11 Severability. In the event any portion of the Plan or any action taken pursuant thereto shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of the Plan, and the Plan shall be construed and enforced as if the illegal or invalid provisions had not been included, and the illegal or invalid action shall be null and void.

10.12 Governing Documents. In the event of any contradiction between the Plan and any Award Agreement or any other written agreement between a Participant and the Company or any Subsidiary of the Company that has been approved by the Administrator, the terms of the Plan shall govern, unless it is expressly specified in such Award Agreement or other written document that a specific provision of the Plan shall not apply.

10.13 Submission to Jurisdiction; Waiver of Jury Trial. By accepting an Award, each Participant irrevocably and unconditionally consents to submit to the exclusive jurisdiction of the courts of the state of California and of the United States of America, in each case located in the state of California, for any action arising out of or relating to the Plan (and agrees not to commence any litigation relating thereto except in such courts), and further agrees that service of any process, summons, notice or document by U.S. registered mail to the address contained in the records of the Company shall be effective service of process for any litigation brought against it in any such court. By accepting an Award, each Participant irrevocably and unconditionally waives any objection to the laying of venue of any litigation arising out of Plan or Award hereunder in the courts of the state of California or the United States of America, in each case located in the state of California, and further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such litigation brought in any such court has been brought in an inconvenient forum. By accepting an Award, each Participant irrevocably and unconditionally waives, to the fullest extent permitted by applicable law, any and all rights to trial by jury in connection with any litigation arising out of or relating to the Plan or any Award hereunder.

10.14 Governing Law. The provisions of the Plan and all Awards made hereunder shall be governed by and interpreted in accordance with the laws of the state of California, disregarding choice-of-law principles of the law of any state that would require the application of the laws of a jurisdiction other than California.

10.15 Restrictions on Shares; Claw-back Provisions. Shares of Common Stock acquired in respect of Awards shall be subject to such terms and conditions as the Administrator shall determine, including, without limitation, restrictions on the transferability of shares of Common Stock, the right of the Company to repurchase shares of Common Stock, the right of the Company to require that shares of Common Stock be transferred in the event of certain transactions, tag-along rights, bring-along rights, redemption and co-sale rights and voting requirements. Such terms and conditions may be additional to those contained in the Plan and may, as determined by the Administrator, be contained in the applicable Award Agreement or in an exercise notice, stockholders' agreement or in such other agreement as the Administrator shall

determine, in each case in a form determined by the Administrator. The issuance of such shares of Common Stock shall be conditioned on the Participant's consent to such terms and conditions and the Participant's entering into such agreement or agreements. All Awards (including any proceeds, gains or other economic benefit actually or constructively received by Participant upon any receipt or exercise of any Award or upon the receipt or resale of any shares of Common Stock underlying the Award) shall be subject to the provisions of any claw-back policy implemented by the Company, including, without limitation, any claw-back policy adopted to comply with the requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act and any rules or regulations promulgated thereunder, to the extent set forth in such claw-back policy and/or in the applicable Award Agreement.

10.16 Titles and Headings. The titles and headings of the Sections in the Plan are for convenience of reference only and, in the event of any conflict, the text of the Plan, rather than such titles or headings, shall control.

10.17 Conformity to Securities Laws. Participant acknowledges that the Plan is intended to conform to the extent necessary with all provisions of the Securities Act and the Exchange Act and any and all regulations and rules promulgated by the Securities and Exchange Commission thereunder, and state securities laws and regulations. Notwithstanding anything herein to the contrary, the Plan and all Awards granted hereunder shall be administered only in such a manner as to conform to such laws, rules and regulations. To the extent permitted by Applicable Laws, the Plan and all Award Agreements shall be deemed amended to the extent necessary to conform to such laws, rules and regulations.

11. Definitions. As used in the Plan, the following words and phrases shall have the following meanings:

11.1 "***Administrator***" means the Board or a Committee to the extent that the Board's powers or authority under the Plan have been delegated to such Committee.

11.2 "***Applicable Laws***" means the requirements relating to the administration of equity incentive plans under U.S. federal and state securities, tax and other applicable laws, rules and regulations, the applicable rules of any stock exchange or quotation system on which the Common Stock is listed or quoted and the applicable laws and rules of any foreign country or other jurisdiction where Awards are granted or issued under the Plan.

11.3 "***Award***" means, individually or collectively, a grant under the Plan of Options, Restricted Stock, Restricted Stock Units or Other Stock-Based Awards.

11.4 "***Award Agreement***" means a written agreement evidencing an Award, which agreements may be in electronic medium and shall contain such terms and conditions with respect to an Award as the Administrator shall determine, consistent with and subject to the terms and conditions of the Plan.

11.5 "***Board***" means the Board of Directors of the Company.

11.6 "***Change in Control***" means (i) a merger or consolidation of the Company with or into any other corporation or other entity or person, (ii) a sale, lease, exchange or other

transfer in one transaction or a series of related transactions of all or substantially all of the Company's assets, or (iii) any other transaction, including the sale by the Company of new shares of its capital stock or a transfer of existing shares of capital stock of the Company, the result of which is that a third party that is not an affiliate of the Company or its stockholders (or a group of third parties not affiliated with the Company or its stockholders) immediately prior to such transaction acquires or holds capital stock of the Company representing a majority of the Company's outstanding voting power immediately following such transaction; provided that the following events shall not constitute a "Change in Control": (A) a transaction (other than a sale of all or substantially all of the Company's assets) in which the holders of the voting securities of the Company immediately prior to the merger or consolidation hold, directly or indirectly, at least a majority of the voting securities in the successor corporation or its parent immediately after the merger or consolidation; (B) a sale, lease, exchange or other transaction in one transaction or a series of related transactions of all or substantially all of the Company's assets to an affiliate of the Company; (C) an initial public offering of any of the Company's securities; (D) a reincorporation of the Company solely to change its jurisdiction; or (E) 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. Notwithstanding the foregoing, if a Change in Control would give rise to a payment or settlement event with respect to any Award that constitutes "nonqualified deferred compensation," the transaction or event constituting the Change in Control must also constitute a "change in control event" (as defined in Treasury Regulation Section 1.409A-3(i)(5)) in order to give rise to the payment or settlement event for such Award, to the extent required to avoid the imposition of any taxes under Section 409A.

11.7 "***Code***" means the Internal Revenue Code of 1986, as amended, and the regulations issued thereunder.

11.8 "***Committee***" means one or more committees or subcommittees of the Board, which may be comprised of one or more directors and/or executive officers of the Company, in either case, to the extent permitted in accordance with Applicable Laws.

11.9 "***Common Stock***" means the common stock of the Company.

11.10 "***Company***" means Aligos Therapeutics, Inc., a Delaware corporation, or any successor thereto. Except where the context otherwise requires, the term "Company" includes any of the Company's present or future parent or subsidiary corporations as defined in Sections 424(e) or (f) of the Code and any other business venture (including, without limitation, joint venture or limited liability company) in which the Company has a significant interest, as determined by the Administrator.

11.11 "***Consultant***" means any person, including any advisor, engaged by the Company or a parent or subsidiary of the Company to render services to such entity if: (i) the consultant or adviser renders *bona fide* services to the Company; (ii) 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 (iii) the consultant or advisor is a natural person, or such other advisor or consultant as is approved by the Administrator.

11.12 "***Designated Beneficiary***" means the beneficiary or beneficiaries designated, in a manner determined by the Administrator, by a Participant to receive amounts due or exercise rights of the Participant in the event of the Participant's death or incapacity In the absence of an effective designation by a Participant, "Designated Beneficiary" shall mean the Participant's estate.

11.13 "***Director***" means a member of the Board.

11.14 "***Disability***" means a permanent and total disability within the meaning of Section 22(e)(3) of the Code.

11.15 "***Dividend Equivalents***" means a right granted to a Participant pursuant to Section 6.4(c) hereof to receive the equivalent value (in cash or shares of Common Stock) of dividends paid on shares of Common Stock.

11.16 "***Employee***" means any person, including officers and Directors, employed by the Company (within the meaning of Section 3401(c) of the Code) or any parent or subsidiary of the Company.

11.17 "***Equity Restructuring***" means, as determined by the Administrator, a non-reciprocal transaction between the Company and its stockholders, such as a stock dividend, stock split, spin-off or recapitalization through a large, nonrecurring cash dividend, that affects the shares of Common Stock (or other securities of the Company) or the share price of Common Stock (or other securities of the Company) and causes a change in the per share value of the Common Stock underlying outstanding Awards.

11.18 "***Exchange Act***" means the Securities Exchange Act of 1934, as amended.

11.19 "***Fair Market Value***" means, as of any date, the value of Common Stock determined as follows: (i) if the Common Stock is listed on any established stock exchange, its Fair Market Value shall be the closing sales price for such Common Stock as quoted on such exchange for such date, or if no sale occurred on such date, the first market trading day immediately prior to such date during which a sale occurred, as reported in *The Wall Street Journal* or such other source as the Administrator deems reliable; (ii) if the Common Stock is not traded on a stock exchange but is quoted on a national market or other quotation system, the last sales price on such date, or if no sales occurred on such date, then on the date immediately prior to such date on which sales prices are reported, as reported in *The Wall Street Journal* or such other source as the Administrator deems reliable; or (iii) in the absence of an established market for the Common Stock, the Fair Market Value thereof shall be determined by the Administrator in its sole discretion.

11.20 "***Incentive Stock Option***" means an "incentive stock option" as defined in Section 422 of the Code.

11.21 "***Non-Qualified Stock Option***" means an Option that is not intended to be or otherwise does not qualify as an Incentive Stock Option.

11.22 "***Option***" means an option to purchase Common Stock.

11.23 "***Other Stock-Based Awards***" means other Awards of shares of Common Stock, and other Awards that are valued in whole or in part by reference to, or are otherwise based on, shares of Common Stock or other property.

11.24 "***Participant***" means a Service Provider who has been granted an Award under the Plan.

11.25 "***Plan***" means this 2018 Equity Incentive Plan.

11.26 "***Publicly Listed Company***" means that the Company or its successor (i) is required to file periodic reports pursuant to Section 12 of the Exchange Act and (ii) the Common Stock is listed on one or more National Securities Exchanges (within the meaning of the Exchange Act) or is quoted on Nasdaq or a successor quotation system.

11.27 "***Restricted Stock***" means Common Stock awarded to a Participant pursuant to Section 6 hereof that is subject to certain vesting conditions and other restrictions.

11.28 "***Restricted Stock Unit***" means an unfunded, unsecured right to receive, on the applicable settlement date, one share of Common Stock or an amount in cash or other consideration determined by the Administrator equal to the value thereof as of such payment date, which right may be subject to certain vesting conditions and other restrictions.

11.29 "***Section 409A***" means Section 409A of the Code and all regulations, guidance, compliance programs and other interpretative authority thereunder.

11.30 "***Securities Act***" means the Securities Act of 1933, as amended from time to time.

11.31 "***Service Provider***" means an Employee, Consultant or Director.

11.32 "***Termination of Service***" means the date the Participant ceases to be a Service Provider.

* * * * *

ALIGOS THERAPEUTICS, INC.

2018 EQUITY INCENTIVE PLAN

California Supplement

This supplement is intended to satisfy the requirements of Section 25102(o) of the California Corporations Code and the regulations issued thereunder ("***Section 25102(o)***"). Notwithstanding anything to the contrary contained in the Plan and except as otherwise determined by the Administrator, the provisions set forth in this supplement shall apply to all Awards granted under the Plan to a Participant who is a resident of the state of California on the date of grant (a "***California Participant***") and which are intended to be exempt from registration in California pursuant to Section 25102(o), and otherwise to the extent required to comply with applicable law (but only to such extent). Definitions in the Plan apply to this supplement.

1. Limitation On Securities Issuable Under Plan. The amount of securities issued pursuant to the Plan shall not exceed the amounts permitted under Section 260.140.45 of the California code of regulations to the extent applicable.

2. Additional Limitations For Grants. The terms of all Awards shall comply, to the extent applicable, with Sections 260.140.41 and 260.140.42 of the California Code of Regulations.

3. Additional Requirement To Provide Information To California Participants. The Company shall provide to each California Participant, not less frequently than annually, copies of annual financial statements (which need not be audited). The Company shall not be required to provide such statements to key persons whose duties in connection with the Company assure their access to equivalent information. In addition, this information requirement shall not apply to any plan or agreement that complies with all conditions of Rule 701 of the Securities Act ("***Rule 701***"); provided that for purposes of determining such compliance, any registered domestic partner shall be considered a "family member" as that term is defined in Rule 701.

* * * * *

ALIGOS THERAPEUTICS, INC.

2018 EQUITY INCENTIVE PLAN

Stock Option Grant Notice

Aligos Therapeutics, Inc. (the "***Company***"), pursuant to its 2018 Equity Incentive Plan (the "***Plan***"), hereby grants to the participant set forth below ("***Participant***"), an option (the "***Option***") to purchase the number of shares of the Company's Common Stock (referred to herein as "***Shares***") set forth below. This Option is subject to all of the terms and conditions as set forth herein and in the Stock Option Agreement attached hereto as **Exhibit A** (the "***Stock Option Agreement***") and the Plan, each of which is incorporated herein by reference. Unless otherwise defined herein, the terms defined in the Plan shall have the same defined meanings in this Stock Option Grant Notice (this "***Grant Notice***") and the Stock Option Agreement.

Participant: _____

Grant Date: _____

Vesting Start Date: _____

Exercise Price per Share: $ _____

Total Exercise Price: $ _____

Total Number of Shares Subject to Option: _____

Expiration Date: _____

Type of Option: ☐ Incentive Stock Option ☐ Non-Qualified Stock Option

Vesting Schedule: [The Option shall vest and become exercisable as to 25% of the total number of Shares subject to the Option on the first anniversary of the Vesting Start Date and as to 1/48th of the total number of Shares subject to the Option on each monthly anniversary thereafter, so that all of the Shares subject to the Option shall be fully vested and exercisable on the fourth anniversary of the Vesting Start Date, subject to Participant not experiencing a Termination of Service through each such vesting date.]

By his or her signature below, Participant agrees to be bound by the terms and conditions of the Plan, the Stock Option Agreement and this Grant Notice. Participant has reviewed the Plan, the Stock Option Agreement and this Grant Notice in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Grant Notice and fully understands all provisions of the Plan, the Stock Option Agreement and this Grant Notice. Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator of the Plan upon any questions arising under the Plan or the Option.

ALIGOS THERAPEUTICS, INC.:

By:_____
Name:_____
Title:_____

PARTICIPANT:

By:_____
Name:_____

EXHIBIT A

TO STOCK OPTION GRANT NOTICE

Stock Option Agreement

Pursuant to the Stock Option Grant Notice (the "***Grant Notice***") to which this Stock Option Agreement (this "***Agreement***") is attached, Aligos Therapeutics, Inc. (the "***Company***") has granted to Participant an Option under the Company's 2018 Equity Incentive Plan (the "***Plan***") to purchase the number of Shares indicated in the Grant Notice.

1. ***General***.

1.1 Defined Terms. Capitalized terms not specifically defined herein shall have the meanings specified in the Plan and the Grant Notice.

1.2 Incorporation of Terms of Plan. The Option is subject to the terms and conditions of the Plan which are incorporated herein by reference. In the event of a conflict between the terms of the Agreement and the Plan, the terms of the Plan shall control.

1.3 Grant of Option. In consideration of Participant's past and/or continued employment with or service to the Company or a parent or subsidiary of the Company and for other good and valuable consideration, effective as of the grant date set forth in the Grant Notice (the "***Grant Date***"), the Company irrevocably grants to Participant an Option to purchase any part or all of an aggregate of the number of Shares set forth in the Grant Notice, upon the terms and conditions set forth in the Plan and this Agreement. Unless designated as a Non-Qualified Stock Option in the Grant Notice, the Option shall be an Incentive Stock Option to the maximum extent permitted by law.

2. **Period of Exercisability**.

2.1 Vesting; Commencement of Exercisability.

(a) Subject to Sections 2.1(b) and 2.3 below, the Option shall become vested and exercisable in such amounts and at such times as are set forth in the vesting schedule in the Grant Notice (the "***Vesting Schedule***").

(b) Unless otherwise determined by the Administrator, any portion of the Option that has not become vested and exercisable on or prior to the date of Participant's Termination of Service shall be forfeited on the date of Participant's Termination of Service and shall not thereafter become vested or exercisable.

2.2 Duration of Exercisability. The installments provided for in the Vesting Schedule are cumulative. Each such installment which becomes vested and exercisable pursuant to the Vesting Schedule shall remain vested and exercisable until it becomes unexercisable under Section 2.3 below or pursuant to the terms of the Plan. Once the Option becomes unexercisable, it shall be forfeited immediately.

2.3 Expiration of Option. The Option may not be exercised to any extent by anyone after the first to occur of the following events:

(a) The Expiration Date set forth in the Grant Notice;

(b) The expiration of three months following the date of Participant's Termination of Service, unless such Termination of Service occurs by reason of Participant's death or Disability or for cause;

(c) The expiration of one year following the date of Participant's Termination of Service by reason of Participant's death or Disability; or

(d) The date of Participant's Termination of Service for cause.

Participant acknowledges that an Incentive Stock Option exercised more than three months after Participant's Termination of Service as an Employee, other than by reason of death or Disability, will be taxed as a Non-Qualified Stock Option.

2.4 Special Tax Consequences. Participant acknowledges that, to the extent that the aggregate Fair Market Value (determined as of the time the Option is granted) of all Shares with respect to which Incentive Stock Options, including the Option, are first exercisable for the first time by Participant in any calendar year exceeds $100,000 (or such other limitation as imposed by Section 422(d) of the Code), the Option and such other options shall be treated as not qualifying under Section 422 of the Code but rather shall be considered Non-Qualified Stock Options. Participant further acknowledges that the rule set forth in the preceding sentence shall be applied by taking Options and other "incentive stock options" into account in the order in which they were granted.

3. **Exercise of Option**.

3.1 Person Eligible to Exercise. Except as may be otherwise provided by the Administrator, during the lifetime of Participant, only Participant may exercise the Option or any portion thereof. After the death of Participant, any exercisable portion of the Option may, prior to the time when the Option becomes unexercisable under Section 2.3, be exercised by Participant's personal representative or by any person empowered to do so under the deceased Participant's will or under the then applicable laws of descent and distribution.

3.2 Partial Exercise. Any exercisable portion of the Option or the entire Option, if then wholly exercisable, may be exercised in whole or in part at any time prior to the time when the Option or portion thereof becomes unexercisable under Section 2.3.

3.3 Manner of Exercise. The Option, or any exercisable portion thereof, may be exercised solely by delivery to the Secretary of the Company or the Secretary's office, or such other place as may be determined by the Administrator, of all of the following prior to the time when the Option or such portion thereof becomes unexercisable under Section 2.3 above:

(a) An exercise notice in substantially in the form attached as **Exhibit B** to the Grant Notice (or such other form as is prescribed by the Administrator) (the

"***Exercise Notice***") in writing signed by Participant or any other person then entitled to exercise the Option or portion thereof, stating that the Option or portion thereof is thereby exercised, such notice complying with all Applicable Laws established by the Administrator;

(b) Subject to Section 5.6 of the Plan:

(i) Full payment (in cash or by check) for the Shares with respect to which the Option or portion thereof is exercised; or

(ii) With the consent of the Administrator, by delivery of Shares then issuable upon exercise of the Option having a Fair Market Value on the date of delivery equal to the aggregate exercise price of the Option or exercised portion thereof; or

(iii) On and after the date the Company becomes a Publicly Listed Company, through the (A) delivery by Participant to the Company of an irrevocable and unconditional undertaking by a broker acceptable to the Company to deliver promptly to the Company sufficient funds to pay the exercise price or (B) delivery by Participant to the Company of a copy of irrevocable and unconditional instructions to a broker acceptable to the Company to deliver promptly to the Company cash or a check sufficient to pay the exercise price; provided that payment is then made to the Company at such time as may be required by the Administrator; or

(iv) With the consent of the Administrator, any other method of payment permitted under the terms of the Plan; or

(v) Subject to any Applicable Laws, any combination of the consideration allowed under the foregoing paragraphs;

(c) The receipt by the Company of full payment for any applicable withholding tax in cash or by check or in the form of consideration permitted by the Administrator, which, following the date the Company becomes a Publicly Listed Company shall include the method provided for in Section 5.6(a) of the Plan;

(d) If the Company is a not a Publicly Listed Company, the Investment Representation Statement in the form attached as **Exhibit B-1** to the Exercise Notice executed by Participant; and

(e) In the event the Option or portion thereof shall be exercised pursuant to Section 3.1 above by any person or persons other than Participant, appropriate proof of the right of such person or persons to exercise the Option.

4. **Other Provisions**.

4.1 Restrictive Legends and Stop-Transfer Orders.

(a) Participant agrees that, in order to ensure compliance with the restrictions referred to herein, the Company may issue appropriate "stop transfer" instructions to its transfer agent, if any, and that, if the Company transfers its own securities, it may make appropriate notations to the same effect in its own records.

(b) The Company shall not be required: (i) to transfer on its books any Shares that have been sold or otherwise transferred in violation of any of the provisions of this Agreement, or (ii) to treat as owner of such Shares or to accord the right to vote or pay dividends to any purchaser or other transferee to whom such shares shall have been so transferred.

4.2 Notices. Any notice to be given under the terms of this Agreement to the Company shall be addressed to the Company at its principal executive offices in care of the Secretary of the Company, and any notice to be given to Participant shall be addressed to Participant at the most recent address for Participant shown in the Company's records. By a notice given pursuant to this Section 4.2, either party may hereafter designate a different address for notices to be given to that party. Any notice which is required to be given to Participant shall, if Participant is then deceased, be given to the person entitled to exercise his or her Option by written notice under this Section 4.2. Any notice shall be deemed duly given when sent via email or when sent by certified mail (return receipt requested) and deposited (with postage prepaid) in a post office or branch post office regularly maintained by the United States Postal Service.

4.3 Titles. Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

4.4 Submission to Jurisdiction; Waiver of Jury Trial. By accepting this Option, Participant irrevocably and unconditionally consents to submit to the exclusive jurisdiction of the courts of the state of California and of the United States of America, in each case located in the state of California, for any action arising out of or relating to the Plan and this Option (and agrees not to commence any litigation relating thereto except in such courts), and further agrees that service of any process, summons, notice or document by U.S. registered mail to the address contained in the records of the Company shall be effective service of process for any litigation brought against it in any such court. By accepting this Option, Participant irrevocably and unconditionally waives any objection to the laying of venue of any litigation arising out of Plan or the Option in the courts of the state of California or the United States of America, in each case located in the state of California, and further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such litigation brought in any such court has been brought in an inconvenient forum. By accepting this Option, Participant irrevocably and unconditionally waives, to the fullest extent permitted by applicable law, any and all rights to trial by jury in connection with any litigation arising out of or relating to the Plan or the Option.

4.5 Governing Law; Severability. This Agreement and the Exercise Notice shall be administered, interpreted and enforced under the laws of the state of California, without regard to the conflicts of law principles thereof. Should any provision of this Agreement be determined by a court of law to be illegal or unenforceable, the other provisions shall nevertheless remain effective and shall remain enforceable.

4.6 Conformity to Securities Laws. Participant acknowledges that the Plan is intended to conform to the extent necessary with all provisions of the Securities Act and the

Exchange Act and any and all regulations and rules promulgated by the Securities and Exchange Commission thereunder, and state securities laws and regulations. Notwithstanding anything herein to the contrary, the Plan shall be administered, and the Option is granted and may be exercised, only in such a manner as to conform to such laws, rules and regulations. To the extent permitted by Applicable Laws, the Plan and this Agreement shall be deemed amended to the extent necessary to conform to such laws, rules and regulations.

4.7 Successors and Assigns. The Company may assign any of its rights under this Agreement and the Exercise Notice to single or multiple assignees, and this Agreement shall inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer herein set forth, this Agreement shall be binding upon Participant and his or her heirs, executors, administrators, successors and assigns.

4.8 Entire Agreement. The Plan, this Agreement (including all Exhibits hereto) and any written employment agreement (including an offer letter) between Participant and the Company providing for acceleration of vesting of equity awards upon certain events constitute the entire agreement of the parties and supersede in their entirety all prior undertakings and agreements of the Company and Participant with respect to the subject matter hereof.

* * * * *

EXHIBIT B

TO STOCK OPTION GRANT NOTICE

Form of Exercise Notice

Effective as of today, , , the undersigned *(*"***Participant***") hereby elects to exercise Participant's option to purchase Shares of Aligos Therapeutics, Inc. (the "***Company***") under and pursuant to the Company's 2018 Equity Incentive Plan (the "***Plan***") and the Stock Option Grant Notice and Stock Option Agreement dated , (the "***Option Agreement***"). Capitalized terms used herein without definition shall have the meanings given in the Option Agreement.

Grant Date: _____

Number of Shares as to which Option is Exercised: _____

Exercise Price per Share: $_____

Total Exercise Price: $_____

Certificate to be issued or book entry to be made in name of: _____

Cash Payment delivered herewith: $_____ (representing the full Exercise Price for the Shares, as well as any applicable withholding tax)

Type of Option: ☐ Incentive Stock Option ☐ Non-Qualified Stock Option

1. **Representations of Participant**. Participant acknowledges that Participant has received, read and understood the Plan and the Option Agreement. Participant agrees to abide by and be bound by their terms and conditions. To the extent the Shares are issued in uncertificated form, Participant also acknowledges and agrees that this Exercise Notice constitutes the notice required by Section 151(f) of the Delaware General Corporation Law.

2. **Tax Consultation**. Participant understands that Participant may suffer adverse tax consequences as a result of Participant's purchase or disposition of the Shares. Participant represents that Participant has consulted with any tax consultants Participant deems advisable in connection with the purchase or disposition of the Shares and that Participant is not relying on the Company for any tax advice. Participant is relying solely on such advisors and not on any statements or representations of the Company or any of its agents. Participant understands that Participant (and not the Company) shall be responsible for Participant's tax liability that may arise as a result of this investment or the transactions contemplated by this Agreement.

3. **Restrictive Legends and Stop-Transfer Orders**.

3.1 Legends. Participant understands and agrees that the Company shall cause any certificates issued evidencing the Shares to have the legends set forth below or legends

substantially equivalent thereto, together with any other legends that may be required by state or federal securities laws:

> THE SHARES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED ("ACT"), NOR HAVE THEY BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE. NO TRANSFER OF SUCH SECURITIES WILL BE PERMITTED UNLESS A REGISTRATION STATEMENT UNDER THE ACT IS IN EFFECT AS TO SUCH TRANSFER, THE TRANSFER IS MADE IN ACCORDANCE WITH RULE 144 UNDER THE ACT, OR IN THE OPINION OF COUNSEL (WHICH MAY BE COUNSEL FOR THE COMPANY) REGISTRATION UNDER THE ACT IS UNNECESSARY IN ORDER FOR SUCH TRANSFER TO COMPLY WITH THE ACT AND WITH APPLICABLE STATE SECURITIES LAWS.
>
> THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO CERTAIN RESTRICTIONS ON TRANSFER AND A RIGHT OF FIRST REFUSAL HELD BY THE ISSUER OR ITS ASSIGNEE(S) AS SET FORTH IN THE PLAN PURSUANT TO WHICH THESE SHARES WERE ISSUED, A COPY OF WHICH MAY BE OBTAINED AT THE PRINCIPAL OFFICE OF THE ISSUER. SUCH TRANSFER RESTRICTIONS AND RIGHT OF FIRST REFUSAL ARE BINDING ON TRANSFEREES OF THESE SHARES.

3.2 Participant agrees that, in order to ensure compliance with the restrictions referred to herein, the Company may issue appropriate "stop transfer" instructions to its transfer agent, if any, and that, if the Company transfers its own securities, it may make appropriate notations to the same effect in its own records.

3.3 The Company shall not be required (i) to transfer on its books any Shares that have been sold or otherwise transferred in violation of any of the provisions of this Agreement or (ii) to treat as owner of such Shares or to accord the right to vote or pay dividends to any purchaser or other transferee to whom such Shares shall have been so transferred.

3.4 To the extent the Shares are issued in uncertificated form, this Section 3 provides Participant with notice that the Shares are subject to the aforementioned restrictions in satisfaction of the notice requirement set forth in Section 151(f) of the Delaware General Corporation Law.

4. **Notices**. Any notice required or permitted hereunder shall be given in accordance with the provisions set forth in Section 4.2 of the Option Agreement.

5. **Lock-Up Period**. Participant shall not offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any Common Stock (or other securities) of the Company or enter into any swap, hedging or other arrangement

that transfers to another, in whole or in part, any of the economic consequences of ownership of any Common Stock (or other securities) of the Company held by Participant (other than those included in the registration) for a period specified by the representative of the underwriters of Common Stock (or other securities) of the Company not to exceed 180 days following the effective date of any registration statement of the Company filed under the Securities Act (or such other period as may be requested by the Company or the underwriters to accommodate regulatory restrictions on (i) the publication or other distribution of research reports and (ii) analyst recommendations and opinions, including, but not limited to, the restrictions contained in FINRA Rule 2241, or any successor provisions or amendments thereto).

Participant agrees to execute and deliver such other agreements as may be reasonably requested by the Company or the underwriter which are consistent with the foregoing or which are necessary to give further effect thereto. In addition, if requested by the Company or the representative of the underwriters of Common Stock (or other securities) of the Company, Participant shall provide, within ten days of such request, such information as may be required by the Company or such representative in connection with the completion of any public offering of the Company's securities pursuant to a registration statement filed under the Securities Act. The obligations described in this Section 5 shall not apply to a registration relating solely to employee benefit plans on Form S-1 or Form S-8 or similar forms that may be promulgated in the future, or a registration relating solely to a Securities and Exchange Commission Rule 145 transaction on Form S-4 or similar forms that may be promulgated in the future. The Company may impose stop-transfer instructions with respect to the shares of Common Stock (or other securities) subject to the foregoing restriction until the end of the 180 day (or other) period. Participant agrees that any transferee of the Option or shares acquired pursuant to the Option shall be bound by this Section 5.

6. **Further Instruments**. Participant hereby agrees to execute such further instruments, including, without limitation, the Investment Representation Statement in the form attached hereto as **Exhibit B-1**, and to take such further action as the Company determines are reasonably necessary to carry out the purposes and intent of this Agreement.

7. **Entire Agreement**. The Plan, the Investment Representation Statement in the form attached hereto as **Exhibit B-1**, the Option Agreement and any written employment agreement (including an offer letter) between Participant and the Company providing for acceleration of vesting of equity awards upon certain events are incorporated herein by reference. This Agreement, the Plan, the Investment Representation Statement in the form attached hereto as **Exhibit B-1**, the Option Agreement and any written employment agreement (including an offer letter) between Participant and the Company providing for acceleration of vesting of equity awards upon certain events constitute the entire agreement of the parties and supersede in their entirety all prior undertakings and agreements of the Company and Participant with respect to the subject matter hereof.

ACCEPTED BY: **ALIGOS THERAPEUTICS, INC.**	**SUBMITTED BY** **PARTICIPANT:**
By:_____ Print Name:_____	By:_____ Print Name:_____ Address:

EXHIBIT B-1

TO EXERCISE NOTICE

Investment Representation Statement

PARTICIPANT:

COMPANY : Aligos Therapeutics, Inc.

SECURITY : Common Stock

AMOUNT :

DATE :

In connection with the purchase of the above-listed shares of Common Stock (the "***Securities***") of Aligos Therapeutics, Inc. (the "***Company***"), the undersigned ("***Participant***") represents to the Company the following:

1. Participant is aware of the Company's business affairs and financial condition and has acquired sufficient information about the Company to reach an informed and knowledgeable decision to acquire the Securities. Participant is acquiring these Securities for investment for Participant's own account only and not with a view to, or for resale in connection with, any "distribution" thereof within the meaning of the United States Securities Act of 1933, as amended (the "***Securities Act***").

2. Participant acknowledges and understands that the Securities constitute "restricted securities" under the Securities Act and have not been registered under the Securities Act in reliance upon a specific exemption therefrom, which exemption depends upon, among other things, the bona fide nature of Participant's investment intent as expressed herein. In this connection, Participant understands that, in the view of the United States Securities and Exchange Commission, the statutory basis for such exemption may be unavailable if Participant's representation was predicated solely upon a present intention to hold these Securities for the minimum capital gains period specified under tax statutes, for a deferred sale, for or until an increase or decrease in the market price of the Securities, or for a period of one year or any other fixed period in the future. Participant further understands that the Securities must be held indefinitely unless they are subsequently registered under the Securities Act or an exemption from such registration is available. Participant further acknowledges and understands that the Company is under no obligation to register the Securities. Participant understands that any certificate evidencing the Securities will be imprinted with a legend which prohibits the transfer of the Securities unless they are registered or such registration is not required in the opinion of counsel satisfactory to the Company and any other legend required under applicable securities laws or agreements.

3. Participant is familiar with the provisions of Rule 701 and Rule 144, each promulgated under the Securities Act, which, in substance, permit limited public resale of

"restricted securities" acquired, directly or indirectly from the issuer thereof, in a non-public offering subject to the satisfaction of certain conditions. Rule 701 provides that if the issuer qualifies under Rule 701 at the time of the grant of the Option to Participant, the exercise will be exempt from registration under the Securities Act. In the event the Company becomes subject to the reporting requirements of Section 13 or 15(d) of the United States Securities Exchange Act of 1934, as amended (the "***Exchange Act***"), 90 days thereafter (or such longer period as any market stand-off agreement may require) the Securities exempt under Rule 701 may under present law be resold, subject to the satisfaction of certain of the conditions specified by Rule 144, including: (1) the resale being made through a broker in an unsolicited "broker's transaction" or in transactions directly with a market maker (as such term is defined under the Exchange Act); and, in the case of an affiliate, (2) the availability of certain public information about the Company, (3) the amount of Securities being sold during any three-month period not exceeding the limitations specified in Rule 144(e), and (4) the timely filing of a Form 144, if applicable.

In the event that the Company does not qualify under Rule 701 at the time of grant of the Option, then the Securities may be resold in certain limited circumstances subject to the provisions of Rule 144, which, effective as of February 15, 2008, requires the resale to occur not less than six months, or, in the event the Company is not subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act, not less than one year, after the later of the date the Securities were sold by the Company or the date the Securities were sold by an affiliate of the Company, within the meaning of Rule 144; and, in the case of acquisition of the Securities by an affiliate, the satisfaction of the conditions set forth in sections (1), (2), (3) and (4) of the paragraph immediately above or, in the case of a non-affiliate who subsequently hold the Securities less than one year, the satisfaction of the conditions set forth in section (2) of the paragraph immediately above.

4. Participant further understands that in the event all of the applicable requirements of Rule 701 or 144 are not satisfied, registration under the Securities Act, compliance with Regulation A, or some other registration exemption will be required; and that, notwithstanding the fact that Rules 144 and 701 are not exclusive, the Staff of the United States Securities and Exchange Commission has expressed its opinion that persons proposing to sell private placement securities other than in a registered offering and otherwise than pursuant to Rules 144 or 701 will have a substantial burden of proof in establishing that an exemption from registration is available for such offers or sales, and that such persons and their respective brokers who participate in such transactions do so at their own risk. Participant understands that no assurances can be given that any such other registration exemption will be available in such event.

Signature of Participant:

_____

Date: _____, _____

ALIGOS THERAPEUTICS, INC.

2018 EQUITY INCENTIVE PLAN

Early Exercise Stock Option Grant Notice

Aligos Therapeutics, Inc. (the "***Company***"), pursuant to its 2018 Equity Incentive Plan (the "***Plan***"), hereby grants to the participant set forth below ("***Participant***"), an option (the "***Option***") to purchase the number of shares of the Company's Common Stock (referred to herein as "***Shares***") set forth below. This Option is subject to all of the terms and conditions as set forth herein and in the Stock Option Agreement attached hereto as **Exhibit A** (the "***Stock Option Agreement***") and the Plan, each of which is incorporated herein by reference. Unless otherwise defined herein, the terms defined in the Plan shall have the same defined meanings in this Stock Option Grant Notice (this "***Grant Notice***") and the Stock Option Agreement.

Participant: _____

Grant Date: _____

Vesting Start Date: _____

Exercise Price per Share: $_____

Total Exercise Price: $_____

Total Number of Shares Subject to Option: _____

Expiration Date: _____

Type of Option: Non-Qualified Stock Option

Vesting Schedule: _____

By his or her signature below, Participant agrees to be bound by the terms and conditions of the Plan, the Stock Option Agreement and this Grant Notice. Participant has reviewed the Plan, the Stock Option Agreement and this Grant Notice in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Grant Notice and fully understands all provisions of the Plan, the Stock Option Agreement and this Grant Notice. Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator of the Plan upon any questions arising under the Plan or the Option.

ALIGOS THERAPEUTICS, INC.:	**PARTICIPANT:**
By: _____	By: _____
Name: _____	Name: _____
Title: _____	

EXHIBIT A

TO STOCK OPTION GRANT NOTICE

Stock Option Agreement

Pursuant to the Stock Option Grant Notice (the "***Grant Notice***") to which this Stock Option Agreement (this "***Agreement***") is attached, Aligos Therapeutics, Inc. (the "***Company***") has granted to Participant an Option under the Company's 2018 Equity Incentive Plan (the "***Plan***") to purchase the number of Shares indicated in the Grant Notice.

1. **General**.

1.1 Defined Terms. Capitalized terms not specifically defined herein shall have the meanings specified in the Plan and the Grant Notice.

1.2 Incorporation of Terms of Plan. The Option is subject to the terms and conditions of the Plan which are incorporated herein by reference. In the event of a conflict between the terms of the Agreement and the Plan, the terms of the Plan shall control.

1.3 Grant of Option. In consideration of Participant's past and/or continued employment with or service to the Company or a parent or subsidiary of the Company and for other good and valuable consideration, effective as of the grant date set forth in the Grant Notice (the "***Grant Date***"), the Company irrevocably grants to Participant an Option to purchase any part or all of an aggregate of the number of Shares set forth in the Grant Notice, upon the terms and conditions set forth in the Plan and this Agreement.

2. **Period of Exercisability**.

2.1 Vesting; Exercisability.

(a) Subject to Sections 2.1(b) below, the Option shall become vested in such amounts and at such times as are set forth in the vesting schedule in the Grant Notice (the "***Vesting Schedule***"). The installments provided for in the Vesting Schedule are cumulative.

(b) Unless otherwise determined by the Administrator, any portion of the Option that has not become vested on or prior to the date of Participant's Termination of Service shall be forfeited on the date of Participant's Termination of Service and shall not thereafter become vested.

(c) Any portion of the Option or the entire Option may be exercised in whole or in part at any time prior to the time when the Option or portion thereof becomes unexercisable under Section 2.2, provided that each unvested Share with respect to which the Option is exercised (a "***Restricted Share***") shall be subject to the Company Repurchase Right (as defined below) for so long as the Option shall remain unvested with respect to such Share under the terms of this Agreement. The Restricted Shares shall be released from the Company Repurchase Right as set forth in Section 4.1(d). For the avoidance of doubt, all Shares with respect to which the Option is exercised shall at all times be assumed to be unvested Shares to the fullest extent possible under the terms of this Agreement, unless otherwise provided by the Administrator.

2.2 Expiration of Option. The Option may not be exercised to any extent by anyone after the first to occur of the following events:

(a) The Expiration Date set forth in the Grant Notice;

(b) The expiration of three months following the date of Participant's Termination of Service, unless such Termination of Service occurs by reason of Participant's death or Disability or for cause;

(c) The expiration of one year following the date of Participant's Termination of Service by reason of Participant's death or Disability;

(d) The date of Participant's Termination of Service for cause; or

(e) With respect to any unvested portion of the Option, the date of Participant's Termination of Service for any reason.

3. **Exercise of Option**.

3.1 Person Eligible to Exercise. Except as may be otherwise provided by the Administrator, during the lifetime of Participant, only Participant may exercise the Option or any portion thereof. After the death of Participant, any exercisable portion of the Option may, prior to the time when the Option becomes unexercisable under Section 2.2, be exercised by Participant's personal representative or by any person empowered to do so under the deceased Participant's will or under the then applicable laws of descent and distribution.

3.2 Manner of Exercise. The Option, or any portion thereof, may be exercised solely by delivery to the Secretary of the Company or the Secretary's office, or such other place as may be determined by the Administrator, of all of the following prior to the time when the Option or such portion thereof becomes unexercisable under Section 2.2 above:

(a) An exercise notice in substantially in the form attached as **Exhibit B** to the Grant Notice (or such other form as is prescribed by the Administrator) (the "***Exercise Notice***") in writing signed by Participant or any other person then entitled to exercise the Option or portion thereof, stating that the Option or portion thereof is thereby exercised, such notice complying with all Applicable Laws established by the Administrator;

(b) Subject to Section 5.6 of the Plan:

(i) Full payment (in cash or by check) for the Shares with respect to which the Option or portion thereof is exercised; or

(ii) With the consent of the Administrator, by delivery of Shares then issuable upon exercise of the Option having a Fair Market Value on the date of delivery equal to the aggregate exercise price of the Option or exercised portion thereof; or

(iii) On and after the date the Company becomes a Publicly Listed Company, through the (A) delivery by Participant to the Company of an irrevocable and unconditional undertaking by a broker acceptable to the Company to deliver promptly to the Company sufficient funds to pay the exercise price or (B) delivery by Participant to the Company of a copy of irrevocable and unconditional instructions to a broker acceptable to the Company to deliver promptly to the Company cash or a check sufficient to pay the exercise price; provided that payment is then made to the Company at such time as may be required by the Administrator; or

(iv) With the consent of the Administrator, any other method of payment permitted under the terms of the Plan; or

(v) Subject to any Applicable Laws, any combination of the consideration allowed under the foregoing paragraphs;

(c) The receipt by the Company of full payment for any applicable withholding tax in cash or by check or in the form of consideration permitted by the Administrator, which, following the date the Company becomes a Publicly Listed Company shall include the method provided for in Section 5.6(a) of the Plan;

(d) If the Company is a not a Publicly Listed Company, the Investment Representation Statement in the form attached as **Exhibit B-1** to the Exercise Notice executed by Participant;

(e) In the event the Option or portion thereof shall be exercised pursuant to Section 3.1 above by any person or persons other than Participant, appropriate proof of the right of such person or persons to exercise the Option; and

(f) In the event the Option or portion thereof shall be exercised as to Restricted Shares the following (collectively, the "***Additional Documents***"):

(i) any share certificate(s) representing such Restricted Shares;

(ii) the stock assignment duly endorsed in blank, attached as **Exhibit C** to the Grant Notice (the "***Stock Assignment***"), executed by Participant; and

(iii) the Joint Escrow Instructions of the Company and Participant attached as **Exhibit D** to the Grant Notice (the "***Joint Escrow Instructions***"), executed by Participant; and

(iv) if Participant has a spouse or registered domestic partner, the Consent of Spouse or Registered Domestic Partner attached as **Exhibit E** to the Grant Notice, executed by Participant's spouse or registered domestic partner.

4. **Restricted Shares**.

4.1 Company Repurchase Right.

(a) Upon Participant's Termination of Service for any reason, the Company shall have the right and option to repurchase all of the Restricted Shares from Participant, or Participant's transferee or legal representative, as the case may be, for a purchase price equal to the price per Share paid for such Restricted Shares (the "***Company Repurchase Right***").

(b) The Company may exercise the Company Repurchase Right by delivering, personally or by registered mail, to Participant (or his or her transferee or legal representative, as the case may be), within 90 days of the date of Participant's Termination of Service, a notice in writing indicating the Company's intention to exercise the Company Repurchase Right and setting forth a date for closing not later than 30 days from the mailing of such notice. The closing shall take place at the Company's office. At the closing, the holder of any certificates for the Restricted Shares shall deliver the stock certificate or certificates evidencing the Restricted Shares, and the Company shall deliver the purchase price therefore. At its option, the Company may elect to make payment for the Restricted Shares to a bank selected by the Company. The Company shall avail itself of this option by a notice in writing to Participant stating the name and address of the bank, date of closing, and waiving the closing at the Company's office.

(c) If the Company does not elect to exercise the Company Repurchase Right by giving the requisite notice within 90 days following the date of Participant's Termination of Service, the Company Repurchase Right shall terminate.

(d) The Restricted Shares shall be released from the Company Repurchase Right upon vesting of the Option with respect to such Shares in accordance with the terms of this Agreement. For the avoidance of doubt, all Restricted Shares shall at all times be assumed to be unvested Shares to the fullest extent possible under the terms of this Agreement, unless otherwise provided by the Administrator. Fractional Shares shall be rounded down to the nearest whole share.

4.2 Escrow.

(a) Participant hereby authorizes and directs the Secretary of the Company, or such other person designated by the Administrator from time to time, to transfer the Restricted Shares as to which the Company Repurchase Right has been exercised from Participant (or his or her transferee or legal representative, as the case may be) to the Company.

(b) To insure the availability for delivery of the Restricted Shares upon repurchase by the Company pursuant to the Company Repurchase Right, Participant appoints the Secretary of the Company, or such other person designated by the Administrator from time to time as escrow agent, as its attorney-in-fact to sell, assign and transfer unto the Company, such Restricted Shares, if any, repurchased by the Company pursuant to the Company Repurchase Right and shall, upon execution of the applicable Exercise Notice, deliver and deposit with the Secretary of the Company, or such other person designated by the Administrator from time to time, any share certificate(s) representing the Restricted Shares, together with the Stock Assignment. The Restricted Shares and Stock Assignment shall be held by the Secretary, or such other person designated by the Administrator from time to time, in escrow, pursuant to the Joint

Escrow Instructions, until the Company exercises the Company Repurchase Right, until such Restricted Shares are released from the Company Repurchase Right as set forth in Section 4.1(d) or until such time as this Agreement no longer is in effect. Upon release of the Restricted Shares from the Company's Repurchase Right, the escrow agent shall as soon as reasonably practicable deliver to Participant any certificate or certificates representing such Shares in the escrow agent's possession belonging to Participant, and the escrow agent shall be discharged of all further obligations hereunder.

(c) The Company, or its designee, shall not be liable for any act it may do or omit to do with respect to holding the Restricted Shares in escrow and while acting in good faith and in the exercise of its judgment.

4.3 Transferability of Restricted Shares. The Restricted Shares may not be sold, assigned, transferred, pledged or otherwise encumbered, either voluntarily or by operation of law, except by will or the laws of descent and distribution. Any transferee of the Restricted Shares shall hold such Shares subject to all of the provisions hereof and the Exercise Notice and Additional Documents executed by Purchaser with respect to such Shares. Any transfer or attempted transfer of any of the Restricted Shares not in accordance with the terms of this Agreement shall be void and the Company may enforce the terms of this Agreement by stop transfer instructions or similar actions by the Company and its agents or designees.

4.4 Rights as a Stockholder. Except as otherwise provided herein, upon exercise of the Option, Participant shall have all the rights of a stockholder with respect to the Restricted Shares, including the right to receive any cash or stock dividends or other distributions paid to or made with respect to the Restricted Shares, subject to the restrictions described in the following sentence, which restrictions shall lapse when the Restricted Shares are released from the Company Repurchase Right as set forth in Section 4.1(d). Unless otherwise provided by the Administrator, if any dividends or distributions are paid in shares, or consist of a dividend or distribution to holders of Common Stock of property other than an ordinary cash dividend, the shares or other property will be subject to same restrictions on transferability as the Restricted Shares with respect to which they were paid and shall automatically be forfeited to the Company for no consideration in the event the Company exercises the Company Repurchase Right for the Restricted Shares with respect to which they were paid. In no event shall a dividend or distribution be paid with respect to Restricted Shares later than the end of the calendar year in which the dividends are paid to holders of Common Stock or, if later, the 15th day of the third month following the later of (i) the date the dividends are paid to holders of Common Stock and (ii) the date the Restricted Shares with respect to which the dividends are paid vest.

4.5 Section 83(b) Election for Restricted Shares. Participant acknowledges that, with respect to the exercise of the Option for Restricted Shares, unless an election is filed by Participant with the Internal Revenue Service and, if necessary, the proper state taxing authorities, within 30 days of the purchase of the Shares, electing pursuant to Section 83(b) of the Code (and similar state tax provisions if applicable) to be taxed currently on any difference between the purchase price of the Shares and their fair market value on the date of purchase, there will be a recognition of taxable income to the Purchaser, measured by the excess, if any, of the fair market value of the Shares, at the time the Company Repurchase Right lapses over the purchase price for the Shares. Participant represents that Participant has consulted any tax consultant(s) Participant deems advisable in connection with the purchase of the Shares or the filing of the election under Section 83(b) of the Code and similar tax provisions.

PARTICIPANT ACKNOWLEDGES THAT IT IS PARTICIPANT'S SOLE RESPONSIBILITY AND NOT THE COMPANY'S TO FILE TIMELY THE ELECTION UNDER SECTION 83(b) OF THE CODE, EVEN IF PARTICIPANT REQUESTS THE COMPANY OR ITS REPRESENTATIVE TO MAKE THIS FILING ON PARTICIPANT'S BEHALF.

5. **Other Provisions.**

5.1 Restrictive Legends and Stop-Transfer Orders.

(a) Any share certificate or certificates evidencing the Shares purchased hereunder shall be endorsed with any legends that may be required by state or federal securities laws and, with regard to Restricted Shares, shall bear such other legends as shall be determined by the Administrator.

(b) Participant agrees that, in order to ensure compliance with the restrictions referred to herein, the Company may issue appropriate "stop transfer" instructions to its transfer agent, if any, and that, if the Company transfers its own securities, it may make appropriate notations to the same effect in its own records.

(c) The Company shall not be required: (i) to transfer on its books any Shares that have been sold or otherwise transferred in violation of any of the provisions of this Agreement, or (ii) to treat as owner of such Shares or to accord the right to vote or pay dividends to any purchaser or other transferee to whom such shares shall have been so transferred.

5.2 Notices. Any notice to be given under the terms of this Agreement to the Company shall be addressed to the Company at its principal executive offices in care of the Secretary of the Company, and any notice to be given to Participant shall be addressed to Participant at the most recent address for Participant shown in the Company's records. By a notice given pursuant to this Section 5.2, either party may hereafter designate a different address for notices to be given to that party. Any notice which is required to be given to Participant shall, if Participant is then deceased, be given to the person entitled to exercise his or her Option by written notice under this Section 5.2. Any notice shall be deemed duly given when sent via email or when sent by certified mail (return receipt requested) and deposited (with postage prepaid) in a post office or branch post office regularly maintained by the United States Postal Service.

5.3 Titles. Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

5.4 Submission to Jurisdiction; Waiver of Jury Trial. By accepting this Option, Participant irrevocably and unconditionally consents to submit to the exclusive jurisdiction of the courts of the state of California and of the United States of America, in each case located in the state of California, for any action arising out of or relating to the Plan and this Option (and agrees not to commence any litigation relating thereto except in such courts), and further agrees that service of any process, summons, notice or document by U.S. registered mail to the address contained in the records of the Company shall be effective service of process for

any litigation brought against it in any such court. By accepting this Option, Participant irrevocably and unconditionally waives any objection to the laying of venue of any litigation arising out of Plan or the Option in the courts of the state of California or the United States of America, in each case located in the state of California, and further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such litigation brought in any such court has been brought in an inconvenient forum. By accepting this Option, Participant irrevocably and unconditionally waives, to the fullest extent permitted by applicable law, any and all rights to trial by jury in connection with any litigation arising out of or relating to the Plan or the Option.

5.5 Governing Law; Severability. This Agreement and the Exercise Notice shall be administered, interpreted and enforced under the laws of the state of California, without regard to the conflicts of law principles thereof. Should any provision of this Agreement be determined by a court of law to be illegal or unenforceable, the other provisions shall nevertheless remain effective and shall remain enforceable.

5.6 Conformity to Securities Laws. Participant acknowledges that the Plan is intended to conform to the extent necessary with all provisions of the Securities Act and the Exchange Act and any and all regulations and rules promulgated by the Securities and Exchange Commission thereunder, and state securities laws and regulations. Notwithstanding anything herein to the contrary, the Plan shall be administered, and the Option is granted and may be exercised, only in such a manner as to conform to such laws, rules and regulations. To the extent permitted by Applicable Laws, the Plan and this Agreement shall be deemed amended to the extent necessary to conform to such laws, rules and regulations.

5.7 Successors and Assigns. The Company may assign any of its rights under this Agreement and the Exercise Notice to single or multiple assignees, and this Agreement shall inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer herein set forth, this Agreement shall be binding upon Participant and his or her heirs, executors, administrators, successors and assigns.

5.8 Entire Agreement. The Plan, this Agreement (including all Exhibits hereto) and any written employment agreement (including an offer letter) between Participant and the Company providing for acceleration of vesting of equity awards upon certain events constitute the entire agreement of the parties and supersede in their entirety all prior undertakings and agreements of the Company and Participant with respect to the subject matter hereof.

* * * * *

EXHIBIT B

TO STOCK OPTION GRANT NOTICE

Form of Exercise Notice

Effective as of today, , , the undersigned *(*"***Participant***") hereby elects to exercise Participant's option to purchase Shares of Aligos Therapeutics, Inc. (the "***Company***") under and pursuant to the Company's 2018 Equity Incentive Plan (the "***Plan***") and the Stock Option Grant Notice and Stock Option Agreement dated , (the "***Option Agreement***"). Capitalized terms used herein without definition shall have the meanings given in the Option Agreement.

Grant Date: _____

Number of Shares as to which Option is Exercised: _____

Exercise Price per Share: $_____

Total Exercise Price: $_____

Certificate to be issued or book entry to be made in name of: _____

Cash Payment delivered herewith: $_____ (representing the full Exercise Price for the Shares, as well as any applicable withholding tax)

Type of Option: Non-Qualified Stock Option

1. **Representations of Participant**. Participant acknowledges that Participant has received, read and understood the Plan and the Option Agreement. Participant agrees to abide by and be bound by their terms and conditions. To the extent the Shares are issued in uncertificated form, Participant also acknowledges and agrees that this Exercise Notice constitutes the notice required by Section 151(f) of the Delaware General Corporation Law.

2. **Tax Consultation**. Participant understands that Participant may suffer adverse tax consequences as a result of Participant's purchase or disposition of the Shares. Participant represents that Participant has consulted with any tax consultants Participant deems advisable in connection with the purchase or disposition of the Shares and that Participant is not relying on the Company for any tax advice. Participant is relying solely on such advisors and not on any statements or representations of the Company or any of its agents. Participant understands that Participant (and not the Company) shall be responsible for Participant's tax liability that may arise as a result of this investment or the transactions contemplated by this Agreement.

3. **Restrictive Legends and Stop-Transfer Orders**.

3.1 Legends. Participant understands and agrees that the Company shall cause any certificates issued evidencing the Shares to have the legends set forth below or legends substantially equivalent thereto, together with any other legends that may be required by state or federal securities laws:

THE SHARES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED ("ACT"), NOR HAVE THEY BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE. NO TRANSFER OF SUCH SECURITIES WILL BE PERMITTED UNLESS A REGISTRATION STATEMENT UNDER THE ACT IS IN EFFECT AS TO SUCH TRANSFER, THE TRANSFER IS MADE IN ACCORDANCE WITH RULE 144 UNDER THE ACT, OR IN THE OPINION OF COUNSEL (WHICH MAY BE COUNSEL FOR THE COMPANY) REGISTRATION UNDER THE ACT IS UNNECESSARY IN ORDER FOR SUCH TRANSFER TO COMPLY WITH THE ACT AND WITH APPLICABLE STATE SECURITIES LAWS.

THE SHARES REPRESENTED BY THIS CERTIFICATE MAY BE SUBJECT TO REPURCHASE PURSUANT TO, AND MAY BE TRANSFERRED ONLY IN ACCORDANCE WITH, THE TERMS OF AN AGREEMENT BETWEEN THE COMPANY AND THE STOCKHOLDER, A COPY OF WHICH IS ON FILE WITH THE SECRETARY OF THE COMPANY. SUCH REPURCHASE AND/OR TRANSFER RESTRICTIONS ARE BINDING ON TRANSFEREES OF THESE SHARES.

3.2 Participant agrees that, in order to ensure compliance with the restrictions referred to herein, the Company may issue appropriate "stop transfer" instructions to its transfer agent, if any, and that, if the Company transfers its own securities, it may make appropriate notations to the same effect in its own records.

3.3 The Company shall not be required (i) to transfer on its books any Shares that have been sold or otherwise transferred in violation of any of the provisions of this Agreement or (ii) to treat as owner of such Shares or to accord the right to vote or pay dividends to any purchaser or other transferee to whom such Shares shall have been so transferred.

3.4 To the extent the Shares are issued in uncertificated form, this Section 3 provides Participant with notice that the Shares are subject to the aforementioned restrictions in satisfaction of the notice requirement set forth in Section 151(f) of the Delaware General Corporation Law.

4. **Notices**. Any notice required or permitted hereunder shall be given in accordance with the provisions set forth in Section 5.2 of the Option Agreement.

5. **Lock-Up Period**. Participant shall not offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any Common Stock (or other securities) of the Company or enter into any swap, hedging or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of

any Common Stock (or other securities) of the Company held by Participant (other than those included in the registration) for a period specified by the representative of the underwriters of Common Stock (or other securities) of the Company not to exceed 180 days following the effective date of any registration statement of the Company filed under the Securities Act (or such other period as may be requested by the Company or the underwriters to accommodate regulatory restrictions on (i) the publication or other distribution of research reports and (ii) analyst recommendations and opinions, including, but not limited to, the restrictions contained in FINRA Rule 2241, or any successor provisions or amendments thereto).

Participant agrees to execute and deliver such other agreements as may be reasonably requested by the Company or the underwriter which are consistent with the foregoing or which are necessary to give further effect thereto. In addition, if requested by the Company or the representative of the underwriters of Common Stock (or other securities) of the Company, Participant shall provide, within ten days of such request, such information as may be required by the Company or such representative in connection with the completion of any public offering of the Company's securities pursuant to a registration statement filed under the Securities Act. The obligations described in this Section 5 shall not apply to a registration relating solely to employee benefit plans on Form S-1 or Form S-8 or similar forms that may be promulgated in the future, or a registration relating solely to a Securities and Exchange Commission Rule 145 transaction on Form S-4 or similar forms that may be promulgated in the future. The Company may impose stop-transfer instructions with respect to the shares of Common Stock (or other securities) subject to the foregoing restriction until the end of the 180 day (or other) period. Participant agrees that any transferee of the Option or shares acquired pursuant to the Option shall be bound by this Section 5.

6. **Further Instruments**. Participant hereby agrees to execute such further instruments, including, without limitation, the Investment Representation Statement in the form attached hereto as **Exhibit B-1**, and to take such further action as the Company determines are reasonably necessary to carry out the purposes and intent of this Agreement.

7. **Entire Agreement**. The Plan, the Investment Representation Statement in the form attached hereto as **Exhibit B-1**, the Option Agreement and any written employment agreement (including an offer letter) between Participant and the Company providing for acceleration of vesting of equity awards upon certain events are incorporated herein by reference. This Agreement, the Plan, the Investment Representation Statement in the form attached hereto as **Exhibit B-1**, the Option Agreement and any written employment agreement (including an offer letter) between Participant and the Company providing for acceleration of vesting of equity awards upon certain events constitute the entire agreement of the parties and supersede in their entirety all prior undertakings and agreements of the Company and Participant with respect to the subject matter hereof.

ACCEPTED BY:
ALIGOS THERAPEUTICS, INC.

By:_____
Print Name:_____

SUBMITTED BY
PARTICIPANT:

By:_____
Print Name:_____
Address:_____

EXHIBIT B-1

TO EXERCISE NOTICE

Investment Representation Statement

PARTICIPANT	:	
COMPANY	:	Aligos Therapeutics, Inc.
SECURITY	:	Common Stock
AMOUNT	:	
DATE	:	

In connection with the purchase of the above-listed shares of Common Stock (the "***Securities***") of Aligos Therapeutics, Inc. (the "***Company***"), the undersigned ("***Participant***") represents to the Company the following:

1. Participant is aware of the Company's business affairs and financial condition and has acquired sufficient information about the Company to reach an informed and knowledgeable decision to acquire the Securities. Participant is acquiring these Securities for investment for Participant's own account only and not with a view to, or for resale in connection with, any "distribution" thereof within the meaning of the United States Securities Act of 1933, as amended (the "***Securities Act***").

2. Participant acknowledges and understands that the Securities constitute "restricted securities" under the Securities Act and have not been registered under the Securities Act in reliance upon a specific exemption therefrom, which exemption depends upon, among other things, the bona fide nature of Participant's investment intent as expressed herein. In this connection, Participant understands that, in the view of the United States Securities and Exchange Commission, the statutory basis for such exemption may be unavailable if Participant's representation was predicated solely upon a present intention to hold these Securities for the minimum capital gains period specified under tax statutes, for a deferred sale, for or until an increase or decrease in the market price of the Securities, or for a period of one year or any other fixed period in the future. Participant further understands that the Securities must be held indefinitely unless they are subsequently registered under the Securities Act or an exemption from such registration is available. Participant further acknowledges and understands that the Company is under no obligation to register the Securities. Participant understands that any certificate evidencing the Securities will be imprinted with a legend which prohibits the transfer of the Securities unless they are registered or such registration is not required in the opinion of counsel satisfactory to the Company and any other legend required under applicable securities laws or agreements.

3. Participant is familiar with the provisions of Rule 701 and Rule 144, each promulgated under the Securities Act, which, in substance, permit limited public resale of

"restricted securities" acquired, directly or indirectly from the issuer thereof, in a non-public offering subject to the satisfaction of certain conditions. Rule 701 provides that if the issuer qualifies under Rule 701 at the time of the grant of the Option to Participant, the exercise will be exempt from registration under the Securities Act. In the event the Company becomes subject to the reporting requirements of Section 13 or 15(d) of the United States Securities Exchange Act of 1934, as amended (the "***Exchange Act***"), 90 days thereafter (or such longer period as any market stand-off agreement may require) the Securities exempt under Rule 701 may under present law be resold, subject to the satisfaction of certain of the conditions specified by Rule 144, including: (1) the resale being made through a broker in an unsolicited "broker's transaction" or in transactions directly with a market maker (as such term is defined under the Exchange Act); and, in the case of an affiliate, (2) the availability of certain public information about the Company, (3) the amount of Securities being sold during any three-month period not exceeding the limitations specified in Rule 144(e), and (4) the timely filing of a Form 144, if applicable.

In the event that the Company does not qualify under Rule 701 at the time of grant of the Option, then the Securities may be resold in certain limited circumstances subject to the provisions of Rule 144, which, effective as of February 15, 2008, requires the resale to occur not less than six months, or, in the event the Company is not subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act, not less than one year, after the later of the date the Securities were sold by the Company or the date the Securities were sold by an affiliate of the Company, within the meaning of Rule 144; and, in the case of acquisition of the Securities by an affiliate, the satisfaction of the conditions set forth in sections (1), (2), (3) and (4) of the paragraph immediately above or, in the case of a non-affiliate who subsequently hold the Securities less than one year, the satisfaction of the conditions set forth in section (2) of the paragraph immediately above.

4. Participant further understands that in the event all of the applicable requirements of Rule 701 or 144 are not satisfied, registration under the Securities Act, compliance with Regulation A, or some other registration exemption will be required; and that, notwithstanding the fact that Rules 144 and 701 are not exclusive, the Staff of the United States Securities and Exchange Commission has expressed its opinion that persons proposing to sell private placement securities other than in a registered offering and otherwise than pursuant to Rules 144 or 701 will have a substantial burden of proof in establishing that an exemption from registration is available for such offers or sales, and that such persons and their respective brokers who participate in such transactions do so at their own risk. Participant understands that no assurances can be given that any such other registration exemption will be available in such event.

Signature of Participant:

_____

Date: ,

EXHIBIT C

TO STOCK OPTION GRANT NOTICE

Stock Assignment

[*See instructions below*]

FOR VALUE RECEIVED I, , hereby sell, assign and transfer unto the shares of the Common Stock of Aligos Therapeutics, Inc. registered in my name on the books of said corporation [represented by Certificate No.] and do hereby irrevocably constitute and appoint to transfer the said stock on the books of the within named corporation with full power of substitution in the premises.

This Stock Assignment may be used only in accordance with the Stock Option Grant Notice and Stock Option Agreement between Aligos Therapeutics, Inc. and the undersigned dated , .

Dated: ,

Signature:_____

INSTRUCTIONS: *Please do not fill in any blanks other than the signature line. The purpose of this assignment is to enable the Company to exercise the Company Repurchase Right, as set forth in the Stock Option Grant Notice and Stock Option Agreement, without requiring additional signatures on the part of Purchaser.*

EXHIBIT D

TO STOCK OPTION GRANT NOTICE

Joint Escrow Instructions

,

Secretary
Aligos Therapeutics, Inc.

As Escrow Agent for both Aligos Therapeutics, Inc. (the "***Company***") and the undersigned purchaser of stock of the Company (the "***Participant***"), you are hereby authorized and directed to hold the documents delivered to you pursuant to the terms of that certain Stock Option Grant Notice and Stock Option Agreement (the "***Agreement***") between the Company and the undersigned, in accordance with the following instructions:

1. In the event the Company or any entitled parties (referred to collectively for convenience herein as the "***Company***") exercises the Company Repurchase Right set forth in the Agreement, the Company shall give to Participant and you a written notice specifying the number of shares of stock to be purchased, the purchase price, and the time for a closing hereunder at the principal office of the Company. Participant and the Company hereby irrevocably authorize and direct you to close the transaction contemplated by such notice in accordance with the terms of said notice.

2. At the closing, you are directed (a) to date the stock assignments necessary for the transfer in question, (b) to fill in the number of shares being transferred, and (c) to deliver the same, together with any certificate evidencing the shares of stock to be transferred, to the Company or its assignee, against the simultaneous delivery to you of the purchase price (by cash, a check, or a combination thereof) for the number of shares of stock being purchased pursuant to the exercise of the Company Repurchase Right.

3. Participant irrevocably authorizes the Company to deposit with you any certificates evidencing shares of stock to be held by you hereunder and any additions and substitutions to said shares as defined in the Agreement. Participant hereby irrevocably constitutes and appoints you as Participant's attorney-in-fact and agent for the term of this escrow to execute, with respect to such securities, all documents necessary or appropriate to make such securities negotiable and to complete any transaction herein contemplated, including but not limited to the filing with any applicable state blue sky authority of any required applications for consent to, or notice of transfer of, the securities. Subject to the provisions of this Section 3 and to the terms of the Agreement, Participant shall exercise all rights and privileges of a stockholder of the Company while the stock is held by you.

4. Upon written request of Participant, but no more than once per calendar year, unless the Company Repurchase Right has been exercised, you will deliver to Participant a certificate or certificates representing the number of shares of stock as are not then subject to the Company Repurchase Right or will provide Participant evidence that such shares have been duly entered into the records of the Company. Within 120 days after Participant's Termination of

Service (within the meaning of the Agreement), you will deliver to Participant a certificate or certificates representing the aggregate number of shares held or issued pursuant to the Agreement and not purchased by the Company or any other entitled parties pursuant to exercise of the Company Repurchase Right or will provide Participant evidence that such shares have been duly entered into the records of the Company.

5. If at the time of termination of this escrow you should have in your possession any documents, securities, or other property belonging to Participant, you shall deliver all of the same to Participant and shall be discharged of all further obligations hereunder.

6. Your duties hereunder may be altered, amended, modified or revoked only by a writing signed by all of the parties hereto.

7. You shall be obligated only for the performance of such duties as are specifically set forth herein and may rely and shall be protected in relying or refraining from acting on any instrument reasonably believed by you to be genuine and to have been signed or presented by the proper party or parties. You shall not be personally liable for any act you may do or omit to do hereunder as escrow agent or as attorney-in-fact for Participant while acting in good faith, and any act done or omitted by you pursuant to the advice of your own attorneys shall be conclusive evidence of such good faith.

8. You are hereby expressly authorized to disregard any and all warnings given by any of the parties hereto or by any other person or corporation, excepting only orders or process of courts of law and are hereby expressly authorized to comply with and obey orders, judgments or decrees of any court. In case you obey or comply with any such order, judgment or decree, you shall not be liable to any of the parties hereto or to any other person, firm or corporation by reason of such compliance, notwithstanding any such order, judgment or decree being subsequently reversed, modified, annulled, set aside, vacated or found to have been entered without jurisdiction.

9. You shall not be liable in any respect on account of the identity, authorities or rights of the parties executing or delivering or purporting to execute or deliver the Agreement or any documents or papers deposited or called for hereunder.

10. You shall not be liable for the expiration of any rights under any applicable state, federal or local statute of limitations or similar statute or regulation with respect to these Joint Escrow Instructions or any documents deposited with you.

11. You shall be entitled to employ such legal counsel and other experts as you may deem necessary properly to advise you in connection with your obligations hereunder, may rely upon the advice of such counsel, and may pay such counsel reasonable compensation therefor.

12. Your responsibilities as escrow agent hereunder shall terminate if you shall cease to be an officer or agent of the Company or if you shall resign by written notice to each party. In the event of any such termination, the Company shall appoint a successor escrow agent.

13. If you reasonably require other or further instruments in connection with these Joint Escrow Instructions or obligations in respect hereto, the necessary parties hereto shall join in furnishing such instruments.

14. It is understood and agreed that should any dispute arise with respect to the delivery and/or ownership or right of possession of the securities held by you hereunder, you are authorized and directed to retain in your possession without liability to anyone all or any part of said securities until such disputes shall have been settled either by mutual written agreement of the parties concerned or by a final order, decree or judgment of a court of competent jurisdiction after the time for appeal has expired and no appeal has been perfected, but you shall be under no duty whatsoever to institute or defend any such proceedings.

15. Any notice required or permitted hereunder shall be given in writing and shall be deemed effectively given upon personal delivery or upon deposit in the United States Post Office, by registered or certified mail with postage and fees prepaid, addressed to each of the other parties thereunto entitled at such addresses as a party may designate by written notice to each of the other parties hereto.

16. By signing these Joint Escrow Instructions, you become a party hereto only for the purpose of the Joint Escrow Instructions; you do not become a party to the Agreement.

17. This instrument shall be binding upon and inure to the benefit of the parties hereto, and their respective successors and permitted assigns.

18. These Joint Escrow Instructions shall be governed by, and construed and enforced in accordance with, the laws of the state of California, excluding that body of law pertaining to conflicts of law.

[*Signature Page Follows*]

These Joint Escrow Instructions shall be effective as of the date first set forth above.

ALIGOS THERAPEUTICS, INC.

By: _____
Name: _____
Title: _____

PARTICIPANT

By: _____
Name: _____
Address: _____

_____

ESCROW AGENT

By: _____
Name: _____
Title: _____

EXHIBIT E

TO STOCK OPTION GRANT NOTICE

Consent of Spouse or Registered Domestic Partner

I, , spouse or registered domestic partner of , have read and approve the Stock Option Grant Notice and Stock Option Agreement dated , between my spouse and Aligos Therapeutics, Inc. In consideration of granting the right to my spouse or registered domestic partner to purchase shares of Aligos Therapeutics set forth in the Stock Option Grant Notice and Stock Option Agreement, I hereby appoint my spouse or registered domestic partner as my attorney-in-fact in respect to the exercise of any rights under the Stock Option Grant Notice and Stock Option Agreement and agree to be bound by the provisions of the Stock Option Grant Notice and Stock Option Agreement insofar as I may have any rights in the Stock Option Grant Notice and Stock Option Agreement or any shares issued pursuant thereto under the community property laws or similar laws relating to marital property in effect in the state of our residence as of the date of the signing of the foregoing Stock Option Grant Notice and Stock Option Agreement.

Dated: ,

Signature of Spouse or Registered Domestic Partner

ALIGOS THERAPEUTICS, INC.

2018 EQUITY INCENTIVE PLAN

Stock Option Grant Notice

Aligos Therapeutics, Inc. (the "***Company***"), pursuant to its 2018 Equity Incentive Plan (the "***Plan***"), hereby grants to the participant set forth below ("***Participant***"), an option (the "***Option***") to purchase the number of shares of the Company's Common Stock (referred to herein as "***Shares***") set forth below. This Option is subject to all of the terms and conditions as set forth herein and in the Stock Option Agreement attached hereto as **Exhibit A** (the "***Stock Option Agreement***") and the Plan, each of which is incorporated herein by reference. Unless otherwise defined herein, the terms defined in the Plan shall have the same defined meanings in this Stock Option Grant Notice (this "***Grant Notice***") and the Stock Option Agreement.

Participant: _____

Grant Date: _____

Vesting Start Date: _____

Exercise Price per Share: $_____

Total Exercise Price: $_____

Total Number of Shares Subject to Option: _____

Expiration Date: _____

Type of Option: ☐ Incentive Stock Option ☐ Non-Qualified Stock Option

Vesting Schedule: [The Option shall vest and become exercisable as to 25% of the total number of Shares subject to the Option on the first anniversary of the Vesting Start Date and as to 1/48th of the total number of Shares subject to the Option on each monthly anniversary thereafter, so that all of the Shares subject to the Option shall be fully vested and exercisable on the fourth anniversary of the Vesting Start Date, subject to Participant not experiencing a Termination of Service through each such vesting date.]

By his or her signature below, Participant agrees to be bound by the terms and conditions of the Plan, the Stock Option Agreement, the special provisions for Participant's country of residence, if any, attached to this Stock Option Agreement as **Exhibit A-1** (the "***Non-U.S. Provisions***") and this Grant Notice. Participant has reviewed the Plan, the Stock Option Agreement, the Non-U.S. Provisions, if applicable, and this Grant Notice in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Grant Notice and fully understands all provisions of the Plan, the Stock Option Agreement, the Non-U.S. Provisions, if applicable, and this Grant Notice. Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator of the Plan upon any questions arising under the Plan or the Option.

ALIGOS THERAPEUTICS, INC.:

By:_____

Name:_____

Title:_____

PARTICIPANT:

By:_____

Name:_____

EXHIBIT A

TO STOCK OPTION GRANT NOTICE

Stock Option Agreement

Pursuant to the Stock Option Grant Notice (the "***Grant Notice***") to which this Stock Option Agreement (this "***Agreement***") is attached, Aligos Therapeutics, Inc. (the "***Company***") has granted to Participant an Option under the Company's 2018 Equity Incentive Plan (the "***Plan***") to purchase the number of Shares indicated in the Grant Notice.

1. ***General***.

1.1 Defined Terms. Capitalized terms not specifically defined herein shall have the meanings specified in the Plan and the Grant Notice.

1.2 Incorporation of Terms of the Plan. The Option is subject to the terms and conditions of the Plan, the Non-U.S. Provisions, if applicable, and the Grant Notice, each of which are incorporated herein by reference. In the event of a conflict between the terms of the Agreement or the Grant Notice and the Plan, the terms of the Plan shall control. If the Non-U.S. Provisions apply to Participant, in the event of a conflict between the terms of this Option Agreement, the Grant Notice or the Plan and the Non-U.S. Provisions, the terms of the Non-U.S. Provisions shall control.

1.3 Grant of Option. In consideration of Participant's past and/or continued employment with or service to the Company or a parent or subsidiary of the Company and for other good and valuable consideration, effective as of the grant date set forth in the Grant Notice (the "***Grant Date***"), the Company irrevocably grants to Participant an Option to purchase any part or all of an aggregate of the number of Shares set forth in the Grant Notice, upon the terms and conditions set forth in the Plan, the Non-U.S. Provisions, if applicable, and this Agreement. Unless designated as a Non-Qualified Stock Option in the Grant Notice, the Option shall be an Incentive Stock Option to the maximum extent permitted by law.

2. **Period of Exercisability**.

2.1 Vesting; Commencement of Exercisability.

(a) Subject to Sections 2.1(b) and 2.3 below, the Option shall become vested and exercisable in such amounts and at such times as are set forth in the vesting schedule in the Grant Notice (the "***Vesting Schedule***").

(b) Unless otherwise determined by the Administrator, any portion of the Option that has not become vested and exercisable on or prior to the date of Participant's Termination of Service shall be forfeited on the date of Participant's Termination of Service and shall not thereafter become vested or exercisable.

2.2 Duration of Exercisability. The installments provided for in the Vesting Schedule are cumulative. Each such installment which becomes vested and exercisable pursuant

to the Vesting Schedule shall remain vested and exercisable until it becomes unexercisable under Section 2.3 below or pursuant to the terms of the Plan. Once the Option becomes unexercisable, it shall be forfeited immediately.

2.3 Expiration of Option. The Option may not be exercised to any extent by anyone after the first to occur of the following events:

(a) The Expiration Date set forth in the Grant Notice;

(b) The expiration of three months following the date of Participant's Termination of Service, unless such Termination of Service occurs by reason of Participant's death or Disability or for cause;

(c) The expiration of one year following the date of Participant's Termination of Service by reason of Participant's death or Disability; or

(d) The date of Participant's Termination of Service for cause.

Participant acknowledges that an Incentive Stock Option exercised more than three months after Participant's Termination of Service as an Employee, other than by reason of death or Disability, will be taxed as a Non-Qualified Stock Option.

2.4 Special Tax Consequences. Participant acknowledges that, to the extent that the aggregate Fair Market Value (determined as of the time the Option is granted) of all Shares with respect to which Incentive Stock Options, including the Option, are first exercisable for the first time by Participant in any calendar year exceeds $100,000 (or such other limitation as imposed by Section 422(d) of the Code), the Option and such other options shall be treated as not qualifying under Section 422 of the Code but rather shall be considered Non-Qualified Stock Options. Participant further acknowledges that the rule set forth in the preceding sentence shall be applied by taking Options and other "incentive stock options" into account in the order in which they were granted.

3. **Exercise of Option**.

3.1 Person Eligible to Exercise. Except as may be otherwise provided by the Administrator, during the lifetime of Participant, only Participant may exercise the Option or any portion thereof. After the death of Participant, any exercisable portion of the Option may, prior to the time when the Option becomes unexercisable under Section 2.3, be exercised by Participant's personal representative or by any person empowered to do so under the deceased Participant's will or under the then applicable laws of descent and distribution.

3.2 Partial Exercise. Any exercisable portion of the Option or the entire Option, if then wholly exercisable, may be exercised in whole or in part at any time prior to the time when the Option or portion thereof becomes unexercisable under Section 2.3.

3.3 Manner of Exercise. The Option, or any exercisable portion thereof, may be exercised solely by delivery to the Secretary of the Company or the Secretary's office, or such

other place as may be determined by the Administrator, of all of the following prior to the time when the Option or such portion thereof becomes unexercisable under Section 2.3 above:

(a) An exercise notice in substantially in the form attached as **Exhibit B** to the Grant Notice (or such other form as is prescribed by the Administrator) (the "*Exercise Notice*") in writing signed by Participant or any other person then entitled to exercise the Option or portion thereof, stating that the Option or portion thereof is thereby exercised, such notice complying with all Applicable Laws established by the Administrator;

(b) Subject to Section 5.6 of the Plan:

(i) Full payment (in cash or by check) for the Shares with respect to which the Option or portion thereof is exercised; or

(ii) With the consent of the Administrator, by delivery of Shares then issuable upon exercise of the Option having a Fair Market Value on the date of delivery equal to the aggregate exercise price of the Option or exercised portion thereof; or

(iii) On and after the date the Company becomes a Publicly Listed Company, through the (A) delivery by Participant to the Company of an irrevocable and unconditional undertaking by a broker acceptable to the Company to deliver promptly to the Company sufficient funds to pay the exercise price or (B) delivery by Participant to the Company of a copy of irrevocable and unconditional instructions to a broker acceptable to the Company to deliver promptly to the Company cash or a check sufficient to pay the exercise price; provided that payment is then made to the Company at such time as may be required by the Administrator; or

(iv) With the consent of the Administrator, any other method of payment permitted under the terms of the Plan; or

(v) Subject to any Applicable Laws, any combination of the consideration allowed under the foregoing paragraphs;

(c) The receipt by the Company of full payment for any applicable withholding tax and/or social insurance contributions in cash or by check or in the form of consideration permitted by the Administrator, which, following the date the Company becomes a Publicly Listed Company shall include the method provided for in Section 5.6(a) of the Plan;

(d) If the Company is a not a Publicly Listed Company, the Investment Representation Statement in the form attached as **Exhibit B-1** to the Exercise Notice executed by Participant; and

(e) In the event the Option or portion thereof shall be exercised pursuant to Section 3.1 above by any person or persons other than Participant, appropriate proof of the right of such person or persons to exercise the Option.

4. **Other Provisions**.

4.1 Restrictive Legends and Stop-Transfer Orders.

(a) Participant agrees that, in order to ensure compliance with the restrictions referred to herein, the Company may issue appropriate "stop transfer" instructions to its transfer agent, if any, and that, if the Company transfers its own securities, it may make appropriate notations to the same effect in its own records.

(b) The Company shall not be required: (i) to transfer on its books any Shares that have been sold or otherwise transferred in violation of any of the provisions of this Agreement, or (ii) to treat as owner of such Shares or to accord the right to vote or pay dividends to any purchaser or other transferee to whom such shares shall have been so transferred.

4.2 Notices. Any notice to be given under the terms of this Agreement to the Company shall be addressed to the Company at its principal executive offices in care of the Secretary of the Company, and any notice to be given to Participant shall be addressed to Participant at the most recent address for Participant shown in the Company's records. By a notice given pursuant to this Section 4.2, either party may hereafter designate a different address for notices to be given to that party. Any notice which is required to be given to Participant shall, if Participant is then deceased, be given to the person entitled to exercise his or her Option by written notice under this Section 4.2. Any notice shall be deemed duly given when sent via email or when sent by certified mail (return receipt requested) and deposited (with postage prepaid) in a post office or branch post office regularly maintained by the United States Postal Service (or similar foreign body).

4.3 Titles. Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

4.4 Submission to Jurisdiction; Waiver of Jury Trial. By accepting this Option, Participant irrevocably and unconditionally consents to submit to the exclusive jurisdiction of the courts of the state of California and of the United States of America, in each case located in the state of California, for any action arising out of or relating to the Plan and this Option (and agrees not to commence any litigation relating thereto except in such courts), and further agrees that service of any process, summons, notice or document by U.S. registered mail (or similar foreign equivalent) to the address contained in the records of the Company shall be effective service of process for any litigation brought against it in any such court. By accepting this Option, Participant irrevocably and unconditionally waives any objection to the laying of venue of any litigation arising out of Plan or the Option in the courts of the state of California or the United States of America, in each case located in the state of California, and further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such litigation brought in any such court has been brought in an inconvenient forum. By accepting this Option, Participant irrevocably and unconditionally waives, to the fullest extent permitted by applicable law, any and all rights to trial by jury in connection with any litigation arising out of or relating to the Plan or the Option.

4.5 Governing Law; Severability. This Agreement and the Exercise Notice shall be administered, interpreted and enforced under the laws of the state of California, without regard to the conflicts of law principles thereof. Should any provision of this Agreement be determined by a court of law to be illegal or unenforceable, the other provisions shall nevertheless remain effective and shall remain enforceable.

4.6 Conformity to Securities Laws. Participant acknowledges that the Plan is intended to conform to the extent necessary with all provisions of the Securities Act and the Exchange Act and any and all regulations and rules promulgated by the Securities and Exchange Commission thereunder, and foreign and state securities laws and regulations. Notwithstanding anything herein to the contrary, the Plan shall be administered, and the Option is granted and may be exercised, only in such a manner as to conform to such laws, rules and regulations. To the extent permitted by Applicable Laws, the Plan and this Agreement shall be deemed amended to the extent necessary to conform to such laws, rules and regulations.

4.7 Successors and Assigns. The Company may assign any of its rights under this Agreement and the Exercise Notice to single or multiple assignees, and this Agreement shall inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer herein set forth, this Agreement shall be binding upon Participant and his or her heirs, executors, administrators, successors and assigns.

4.8 Entire Agreement. The Plan, the Grant Notice, this Agreement (including all Exhibits hereto) and any written employment agreement (including an offer letter) between Participant and Participant's employing or service entity providing for acceleration of vesting of equity awards upon certain events constitute the entire agreement of the parties and supersede in their entirety all prior undertakings and agreements of the Company, Participant's employing or service entity and Participant with respect to the subject matter hereof.

4.9 Rules Particular To Specific Countries.

(a) *Generally*. Participant shall, if required by the Administrator, enter into an election with the Company or a Subsidiary (in a form approved by the Company) under which any liability to the Company's (or a Subsidiary's) Tax Liability (as defined below), including, but not limited to, National Insurance Contributions ("***NICs***") and the Fringe Benefit Tax ("***FBT***"), is transferred to and met by Participant. For purposes of this Section 4.9, "***Tax Liability***" shall mean any and all liability under applicable non-U.S. laws, rules, or regulations from any income tax, the Company's (or a subsidiary's) NICs, FBT, or similar liability under non-U.S. laws, and Participant's NICs, FBT, or similar liability that are attributable to: (A) the grant or exercise of, or any other benefit derived by Participant from the Option; (B) the acquisition by Participant of the Shares on exercise of the Option; or (C) the disposal of any Shares acquired upon exercise of the Option.

(b) *Tax Indemnity*. Participant shall indemnify and keep indemnified the Company and any of its Subsidiaries from and against any Tax Liability.

4.10 Consent to Personal Data Processing and Transfer. By acceptance of this Option, Participant acknowledges and consents to the collection, use, processing and transfer of

personal data as described below. The Company, its parents, its Subsidiaries and Participant's employer (all together, the "***Company Entities***"), hold certain personal information, including Participant's name, home address and telephone number, date of birth, social security number or other employee tax identification number, employment history and status, salary, nationality, job title, and any equity compensation grants or Shares awarded, cancelled, purchased, vested, unvested or outstanding in Participant's favor, for the purpose of managing and administering the Plan ("***Data***"). The Company Entities will transfer Data to any third parties assisting the Company in the implementation, administration and management of the Plan. The Company Entities may also make the Data available to public authorities where required under locally applicable law. These recipients may be located in Participant's country or elsewhere, which Participant separately and expressly consents to, accepting that outside Participant's location, data protection laws may not be as protective as within. Such third parties are currently assisting the Company in the implementation, administration and management of the Plan. From time to time and without notice, the Company Entities may retain additional or different third parties for any of the purposes mentioned. Participant hereby authorizes the Company Entities and all such third parties to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing participation in the Plan, including any requisite transfer of such Data as may be required for the administration of the Plan on behalf of Participant to a third party with whom Participant may have elected to have payment made pursuant to the Plan. Participant may, at any time, review Data, require any necessary amendments to it or withdraw the consent herein in writing by contacting the Company through its local H.R. Director; however, withdrawing the consent may affect Participant's ability to participate in the Plan and receive the benefits intended by this Option. Data will only be held as long as necessary to implement, administer and manage Participant's participation in the Plan and any subsequent claims or rights.

If Participant resides in the UK or the European Union, the Company Entities will hold, collect and otherwise process certain data as set out in the applicable Company's GDPR-compliant data privacy notice, which will be or has been provided to you separately. All personal data will be treated in accordance with applicable data protection laws and regulations.

4.11 Special Provisions for Options Granted to Participants Outside the U.S. If Participant performs services for the Company outside of the United States, this Option shall be subject to the special provisions, if any, for Participant's country of residence, as set forth in the Non-U.S. Provisions. If Participant relocates to one of the countries included in the Non-U.S. Provisions during the life of this Option, the special provisions for such country shall apply to Participant, to the extent the Company determines that the application of such provisions is necessary or advisable in order to comply with local law or facilitate the administration of the Plan. The Company reserves the right to impose other requirements on this Option and the Shares purchased upon exercise of this Option, to the extent the Company determines it is necessary or advisable in order to comply with local laws or facilitate the administration of the Plan, and to require Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

4.12 Acknowledgment of Nature of Plan and Option. In accepting this Option, Participant acknowledges that:

(a) for labor law purposes, the Option and the Shares subject to the Option are an extraordinary item that does not constitute wages of any kind for services of any kind rendered to the Company or to Participant's service entity, and the award of the Option is outside the scope of Participant's service contract, if any;

(b) for labor law purposes, the Option and the Shares subject to the Option are not part of normal or expected wages or salary for any purposes, including, but not limited to, calculation of any severance, resignation, termination, redundancy, dismissal, end of service payments, bonuses, holiday pay, long-service awards, pension or retirement benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Company, the employer, its parent, or any subsidiary or affiliate of the Company;

(c) the Option and the Shares subject to the Option are not intended to replace any pension rights or compensation;

(d) neither the Option nor any provision of this Agreement, the Plan or the policies adopted pursuant to the Plan confer upon Participant any right with respect to service or continuation of current service and shall not be interpreted to form a service contract or relationship with the Company or any subsidiary or affiliate;

(e) the future value of the underlying Shares is unknown and cannot be predicted with certainty;

(f) if the underlying Shares do not increase in value, the Option will have no value; and

(g) if Participant exercises the Option and acquires Shares, the value of the Shares acquired upon exercise may increase or decrease in value, even below the exercise price of the Option.

* * * * *

EXHIBIT A-1

TO STOCK OPTION AGREEMENT

Special Provisions for Options for Participants Outside the U.S.

This **Exhibit A-1** (this "***Appendix***") includes special terms and conditions applicable to Participants in the countries below. These terms and conditions are in addition to those set forth in the Stock Option Agreement (the "***Agreement***") and the Plan and to the extent there are any inconsistencies between these terms and conditions and those set forth in the Agreement, these terms and conditions shall prevail. Any capitalized term used in this **Exhibit A-1** without definition shall have the meaning ascribed to such term in the Plan or the Agreement, as applicable.

This Appendix also includes information relating to exchange control and other issues of which Participant should be aware with respect to his/her participation in the Plan. The information is based on the exchange control, securities and other laws in effect in the respective countries as of April 2020. Such laws are often complex and change frequently. As a result, the Company strongly recommends that Participant not rely on the information herein as the only source of information relating to the consequences of participation in the Plan because the information may be out of date at the time the Option is exercised or Shares acquired under the Plan are sold.

In addition, the information is general in nature and may not apply to the particular situation of Participant, and the Company is not in a position to assure Participant of any particular result. Accordingly, Participant is advised to seek appropriate professional advice as to how the relevant laws in his/her country may apply to his/her situation. Finally, if Participant is a citizen or resident of a country other than the one in which he or she is currently working, the information contained herein may not be applicable to Participant.

BELGIUM

The following section is added as Section 4.13 of the Agreement:

4.13 Special Terms and Conditions for Belgium. The following shall only apply if Participant is based in Belgium:

(a) Tax Considerations. The Option must be accepted within sixty (60) days from receipt of this Agreement. Participant should also consult a personal tax advisor with respect to accepting the Option and completing the additional forms.

(b) Tax Reporting Information. Participant is required to report any taxable income attributable to the Option on his or her annual tax return. Participant is required to report any security or bank account (including brokerage accounts) he or she maintains outside of Belgium on his or her annual tax return.

* * * * *

EXHIBIT B

TO STOCK OPTION GRANT NOTICE

Form of Exercise Notice

Effective as of today, , , the undersigned *(*"***Participant***") hereby elects to exercise Participant's option to purchase Shares of Aligos Therapeutics, Inc. (the "***Company***") under and pursuant to the Company's 2018 Equity Incentive Plan (the "***Plan***") and the Stock Option Grant Notice and Stock Option Agreement dated , , (the "***Option Agreement***"). Capitalized terms used herein without definition shall have the meanings given in the Option Agreement.

Grant Date:	_____
Number of Shares as to which Option is Exercised:	_____
Exercise Price per Share:	$_____
Total Exercise Price:	$_____
Certificate to be issued or book entry to be made in name of:	_____
Cash Payment delivered herewith:	$_____(representing the full Exercise Price for the Shares, as well as any applicable withholding tax)

Type of Option: ☐ Incentive Stock Option ☐ Non-Qualified Stock Option

1. **Representations of Participant**. Participant acknowledges that Participant has received, read and understood the Plan, the Grant Notice and the Option Agreement (including all attachments and exhibits thereto, if applicable). Participant agrees to abide by and be bound by their terms and conditions. To the extent the Shares are issued in uncertificated form, Participant also acknowledges and agrees that this Exercise Notice constitutes the notice required by Section 151(f) of the Delaware General Corporation Law.

2. **Tax Consultation**. Participant understands that Participant may suffer adverse tax consequences as a result of Participant's purchase or disposition of the Shares. Participant represents that Participant has consulted with any tax consultants Participant deems advisable in connection with the purchase or disposition of the Shares and that Participant is not relying on the Company for any tax advice. Participant is relying solely on such advisors and not on any statements or representations of the Company or any of its agents. Participant understands that Participant (and not the Company) shall be responsible for Participant's tax liability that may arise as a result of this investment or the transactions contemplated by this Agreement.

3. **Restrictive Legends and Stop-Transfer Orders**.

3.1 Legends. Participant understands and agrees that the Company shall cause any certificates issued evidencing the Shares to have the legends set forth below or legends

substantially equivalent thereto, together with any other legends that may be required by foreign, state or federal securities laws:

> THE SHARES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED ("ACT"), NOR HAVE THEY BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE. NO TRANSFER OF SUCH SECURITIES WILL BE PERMITTED UNLESS A REGISTRATION STATEMENT UNDER THE ACT IS IN EFFECT AS TO SUCH TRANSFER, THE TRANSFER IS MADE IN ACCORDANCE WITH RULE 144 UNDER THE ACT OR REGULATION S UNDER THE ACT (AS APPLICABLE), OR IN THE OPINION OF COUNSEL (WHICH MAY BE COUNSEL FOR THE COMPANY) REGISTRATION UNDER THE ACT IS UNNECESSARY IN ORDER FOR SUCH TRANSFER TO COMPLY WITH THE ACT AND WITH APPLICABLE STATE SECURITIES LAWS.
>
> THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO CERTAIN RESTRICTIONS ON TRANSFER AND A RIGHT OF FIRST REFUSAL HELD BY THE ISSUER OR ITS ASSIGNEE(S) AS SET FORTH IN THE PLAN PURSUANT TO WHICH THESE SHARES WERE ISSUED, A COPY OF WHICH MAY BE OBTAINED AT THE PRINCIPAL OFFICE OF THE ISSUER. SUCH TRANSFER RESTRICTIONS AND RIGHT OF FIRST REFUSAL ARE BINDING ON TRANSFEREES OF THESE SHARES.

3.2 Participant agrees that, in order to ensure compliance with the restrictions referred to herein, the Company may issue appropriate "stop transfer" instructions to its transfer agent, if any, and that, if the Company transfers its own securities, it may make appropriate notations to the same effect in its own records.

3.3 The Company shall not be required (i) to transfer on its books any Shares that have been sold or otherwise transferred in violation of any of the provisions of this Agreement or (ii) to treat as owner of such Shares or to accord the right to vote or pay dividends to any purchaser or other transferee to whom such Shares shall have been so transferred.

3.4 To the extent the Shares are issued in uncertificated form, this Section 3 provides Participant with notice that the Shares are subject to the aforementioned restrictions in satisfaction of the notice requirement set forth in Section 151(f) of the Delaware General Corporation Law.

4. **Notices**. Any notice required or permitted hereunder shall be given in accordance with the provisions set forth in Section 4.2 of the Option Agreement.

5. **Lock-Up Period**. Participant shall not offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any Common

Stock (or other securities) of the Company or enter into any swap, hedging or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of any Common Stock (or other securities) of the Company held by Participant (other than those included in the registration) for a period specified by the representative of the underwriters of Common Stock (or other securities) of the Company not to exceed 180 days following the effective date of any registration statement of the Company filed under the Securities Act (or such other period as may be requested by the Company or the underwriters to accommodate regulatory restrictions on (i) the publication or other distribution of research reports and (ii) analyst recommendations and opinions, including, but not limited to, the restrictions contained in FINRA Rule 2241, or any successor provisions or amendments thereto).

Participant agrees to execute and deliver such other agreements as may be reasonably requested by the Company or the underwriter which are consistent with the foregoing or which are necessary to give further effect thereto. In addition, if requested by the Company or the representative of the underwriters of Common Stock (or other securities) of the Company, Participant shall provide, within ten days of such request, such information as may be required by the Company or such representative in connection with the completion of any public offering of the Company's securities pursuant to a registration statement filed under the Securities Act. The obligations described in this Section 5 shall not apply to a registration relating solely to employee benefit plans on Form S-1 or Form S-8 or similar forms that may be promulgated in the future, or a registration relating solely to a Securities and Exchange Commission Rule 145 transaction on Form S-4 or similar forms that may be promulgated in the future. The Company may impose stop-transfer instructions with respect to the shares of Common Stock (or other securities) subject to the foregoing restriction until the end of the 180 day (or other) period. Participant agrees that any transferee of the Option or shares acquired pursuant to the Option shall be bound by this Section 5.

6. **Further Instruments**. Participant hereby agrees to execute such further instruments, including, without limitation, the Investment Representation Statement in the form attached hereto as **Exhibit B-1**, and to take such further action as the Company determines are reasonably necessary to carry out the purposes and intent of this Agreement.

7. **Entire Agreement**. The Plan, the Grant Notice, the Investment Representation Statement in the form attached hereto as **Exhibit B-1**, the Option Agreement (including all attachments and exhibits thereto, if applicable) and any written employment agreement (including an offer letter) between Participant and Participant's employing or service entity providing for acceleration of vesting of equity awards upon certain events are incorporated herein by reference. This Agreement, the Grant Notice, the Plan, the Investment Representation Statement in the form attached hereto as **Exhibit B-1**, the Option Agreement (including all attachments and exhibits thereto, if applicable) and any written employment agreement (including an offer letter) between Participant and Participant's employing or service entity providing for acceleration of vesting of equity awards upon certain events constitute the entire agreement of the parties and supersede in their entirety all prior undertakings and agreements of the Company and Participant with respect to the subject matter hereof.

ACCEPTED BY:	**SUBMITTED BY**
ALIGOS THERAPEUTICS, INC.	**PARTICIPANT:**

By:_____

Print Name:_____

By:_____

Print Name:_____

Address:

_____

_____

EXHIBIT B-1

TO EXERCISE NOTICE

Investment Representation Statement

PARTICIPANT:

COMPANY : Aligos Therapeutics, Inc.

SECURITY : Common Stock

AMOUNT :

DATE :

In connection with the purchase of the above-listed shares of Common Stock (the "***Securities***") of Aligos Therapeutics, Inc. (the "***Company***"), the undersigned ("***Participant***") represents to the Company the following:

1. Participant is aware of the Company's business affairs and financial condition and has acquired sufficient information about the Company to reach an informed and knowledgeable decision to acquire the Securities. Participant is acquiring these Securities for investment for Participant's own account only and not with a view to, or for resale in connection with, any "distribution" thereof within the meaning of the United States Securities Act of 1933, as amended (the "***Securities Act***").

2. Participant acknowledges and understands that the Securities constitute "restricted securities" under the Securities Act and have not been registered under the Securities Act in reliance upon a specific exemption therefrom, which exemption depends upon, among other things, the bona fide nature of Participant's investment intent as expressed herein. In this connection, Participant understands that, in the view of the United States Securities and Exchange Commission, the statutory basis for such exemption may be unavailable if Participant's representation was predicated solely upon a present intention to hold these Securities for the minimum capital gains period specified under tax statutes, for a deferred sale, for or until an increase or decrease in the market price of the Securities, or for a period of one year or any other fixed period in the future. Participant further understands that the Securities must be held indefinitely unless they are subsequently registered under the Securities Act or an exemption from such registration is available. Participant further acknowledges and understands that the Company is under no obligation to register the Securities. Participant understands that any certificate evidencing the Securities will be imprinted with a legend which prohibits the transfer of the Securities unless they are registered or such registration is not required in the opinion of counsel satisfactory to the Company and any other legend required under applicable securities laws or agreements.

3. Participant is familiar with the provisions of Rule 701 and Rule 144, each promulgated under the Securities Act, which, in substance, permit limited public resale of

"restricted securities" acquired, directly or indirectly from the issuer thereof, in a non-public offering subject to the satisfaction of certain conditions. Rule 701 provides that if the issuer qualifies under Rule 701 at the time of the grant of the Option to Participant, the exercise will be exempt from registration under the Securities Act. In the event the Company becomes subject to the reporting requirements of Section 13 or 15(d) of the United States Securities Exchange Act of 1934, as amended (the "***Exchange Act***"), 90 days thereafter (or such longer period as any market stand-off agreement may require) the Securities exempt under Rule 701 may under present law be resold, subject to the satisfaction of certain of the conditions specified by Rule 144, including: (1) the resale being made through a broker in an unsolicited "broker's transaction" or in transactions directly with a market maker (as such term is defined under the Exchange Act); and, in the case of an affiliate, (2) the availability of certain public information about the Company, (3) the amount of Securities being sold during any three-month period not exceeding the limitations specified in Rule 144(e), and (4) the timely filing of a Form 144, if applicable.

In the event that the Company does not qualify under Rule 701 at the time of grant of the Option, then the Securities may be resold in certain limited circumstances subject to the provisions of Rule 144, which, effective as of February 15, 2008, requires the resale to occur not less than six months, or, in the event the Company is not subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act, not less than one year, after the later of the date the Securities were sold by the Company or the date the Securities were sold by an affiliate of the Company, within the meaning of Rule 144; and, in the case of acquisition of the Securities by an affiliate, the satisfaction of the conditions set forth in sections (1), (2), (3) and (4) of the paragraph immediately above or, in the case of a non-affiliate who subsequently hold the Securities less than one year, the satisfaction of the conditions set forth in section (2) of the paragraph immediately above.

4. Participant further understands that in the event all of the applicable requirements of Rule 701 or 144 are not satisfied, registration under the Securities Act, compliance with Regulation A, Regulation S, or some other registration exemption will be required; and that, notwithstanding the fact that Rules 144 and 701 are not exclusive, the Staff of the United States Securities and Exchange Commission has expressed its opinion that persons proposing to sell private placement securities other than in a registered offering and otherwise than pursuant to Rules 144 or 701 will have a substantial burden of proof in establishing that an exemption from registration is available for such offers or sales, and that such persons and their respective brokers who participate in such transactions do so at their own risk. Participant understands that no assurances can be given that any such other registration exemption will be available in such event.

5. If Participant is not a U.S. person as defined in Rule 902 under the Securities Act, Participant understands that the issuance of the Securities may be made in reliance upon Participant's representation to the Company, and by execution of this Investment Representation Statement, Participant hereby confirms, that: (i) Participant is not a U.S. person as such term is defined in Rule 902 under the Securities Act; (ii) the Securities will be acquired for investment for Participant's own account, not as a nominee or agent, and not with a view to the resale or distribution of any part thereof in the United States or to a United States resident, and that such Participant has no present intention of selling, granting any participation in, or otherwise

distributing the same; and (iii) Participant agrees to resell the Securities only in accordance with the provisions of Regulation S, pursuant to registration under the Securities Act, or pursuant to an available exemption from registration, and agrees not to engage in hedging transactions with regard to the Securities unless in compliance with the Securities Act. By executing this Investment Representation Statement, Participant further represents that Participant does not have any contract, undertaking, agreement or arrangement with any person to sell, transfer or grant participations to such person or to any third person in the United States or to a United States resident, with respect to any of the Securities. If Participant is not a United States person (as defined by Section 7701(a)(30) of the Internal Revenue Code of 1986, as amended), Participant hereby represents that he/she has satisfied himself/herself as to the full observance of the laws of its jurisdiction in connection with any invitation to subscribe for the Securities, including (i) the legal requirements within its jurisdiction for the purchase of the Securities, (ii) any foreign exchange restrictions applicable to such purchase, (iii) any government or other consents that may need to be obtained, and (iv) the income tax and other tax consequences, if any, that may be relevant to the purchase, holding, redemption, sale or transfer of the Securities. Participant's subscription and payment for and continued beneficial ownership of the Securities will not violate any applicable securities or other laws of Participant's jurisdiction.

Signature of Participant:

_____

Date: _____, _____

Exhibit 21.1

List of Significant Subsidiaries of
Aligos Therapeutics, Inc.

Name	Jurisdiction of Incorporation or Organization
Aligos Belgium BV	Belgium
Aligos Australia Pty LTD	Australia

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the reference to our firm under the caption "Experts" and to the use of our report dated August 25, 2020, in the Registration Statement (Form S-1) and related Prospectus of Aligos Therapeutics, Inc. for the registration of shares of its common stock.

/s/ Ernst & Young LLP

Redwood City, California
September 25, 2020