As filed with the U.S. Securities and Exchange Commission on June 18, 2018

Registration No. 333-225390

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

Amendment No. 2
to
FORM S-1

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

FORTY SEVEN, INC.

(Exact Name of Registrant as Specified in its Charter)

Delaware	**2834**	**47-4065674**
(State or Other Jurisdiction of Incorporation or Organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

Forty Seven, Inc.
1490 O'Brien Drive, Suite A
Menlo Park, California 94025
(650) 352-4150
(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

Mark A. McCamish, M.D., Ph.D.
President and Chief Executive Officer
Forty Seven, Inc.
1490 O'Brien Drive, Suite A
Menlo Park, California 94025
(650) 352-4150
(Name, address, including zip code, and telephone number, including area code, of agent for service)

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

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

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

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

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

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

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☐ (Do not check if a smaller reporting company)	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	**Amount to be Registered(1)**	**Proposed Maximum Offering Price Per Share(2)**	**Proposed Maximum Aggregate Offering Price(1)(2)**	**Amount of Registration Fee(3)**
Class A common stock, par value $0.0001 per share	7,705,000	$16.00	$123,280,000	$15,349

(1) Includes 1,005,000 shares that the underwriters have the option to purchase.
(2) Estimated solely for the purpose of calculating the registration fee in accordance with Rule 457(a) of the Securities Act of 1933, as amended.
(3) The Registrant previously paid a registration fee of $14,318 in connection with the initial filing of this Registration Statement.

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

Table of Contents

Index to Financial Statements

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 we are not soliciting offers to buy these securities, in any jurisdiction where the offer or sale is not permitted.

PROSPECTUS (Subject To Completion)
Issued June 18, 2018

6,700,000 Shares

COMMON STOCK

Forty Seven, Inc. is offering 6,700,000 shares of its common stock. This is our initial public offering and no public market currently exists for our shares of common stock. We anticipate that the initial public offering price will be between $14.00 and $16.00 per share.

We have applied to list our common stock on The Nasdaq Global Market under the symbol "FTSV."

We are an "emerging growth company" as defined under the federal securities laws. Investing in our common stock involves risks. See "Risk Factors" beginning on page 11.

PRICE $ A SHARE

	Price to Public	***Underwriting Discounts and Commissions(1)***	***Proceeds to Forty Seven***
	$	*$*	*$*
Per share			
Total	*$*	*$*	*$*

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

We have granted the underwriters an option to purchase up to an additional 1,005,000 shares of common stock at the initial public offering price less underwriting discounts and commissions to cover over-allotments.

Certain of our existing stockholders or their affiliates, including entities affiliated with our directors, and certain other persons have indicated an interest in purchasing up to an aggregate of $30.0 million in shares of our common stock in this offering at the initial public offering price. However, because indications of interest are not binding agreements or commitments to purchase, the underwriters may determine to sell more, fewer or no shares in this offering to any or all of these entities, or any or all of these entities may determine to purchase more, fewer or no shares in this offering.

The Securities and Exchange Commission and state securities regulators have not approved or disapproved of these securities, or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the shares of common stock to purchasers on , 2018.

MORGAN STANLEY *CREDIT SUISSE*

CANACCORD GENUITY

BTIG *OPPENHEIMER & CO.*

, 2018

TABLE OF CONTENTS

Neither we nor the underwriters have authorized anyone to provide any information or to make any representations other than those contained in this prospectus or in any free writing prospectuses we have prepared. Neither we, nor any of the underwriters, take responsibility for, or can provide any assurance as to the reliability of, any information that others may give you. We and the underwriters are not offering to sell, or seeking offers to buy, shares of our common stock in any jurisdiction where such offer or sale is not permitted. The information in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this 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.

Persons in jurisdictions outside the United States who come into possession of this prospectus and any applicable free writing prospectus must inform themselves about, and observe any restrictions relating to, the offering of the shares of our common stock and the distribution of this prospectus and any applicable free writing prospectus applicable to such jurisdictions.

Until , 2018 (25 days after the date of this prospectus), all dealers that buy, sell, or trade shares of our common stock, whether or not participating in this offering, may be required to deliver a prospectus. This delivery requirement is in addition to the 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 in greater detail elsewhere in this prospectus. This summary is not complete and does not contain all of the information you should consider before investing in our common stock. You should read the entire prospectus carefully, especially the risks of investing in our common stock discussed under the heading "Risk Factors," and our financial statements and related notes included elsewhere in this prospectus. Unless the context otherwise requires, the terms "Forty Seven," "company," "our," "us," and "we" in this prospectus refer to Forty Seven, Inc.

FORTY SEVEN, INC.

Overview

We are a clinical-stage immuno-oncology company focused on developing novel checkpoint therapies to activate macrophages in the fight against cancer. We founded Forty Seven based on the insight that blocking CD47, a key signaling molecule that is overexpressed on cancer cells, renders tumors susceptible to macrophages. By harnessing macrophages, we believe that our lead product candidate, 5F9, dosed as a monotherapy or in combination with marketed cancer therapies, can transform the treatment of cancer. 5F9 has demonstrated promising activity in six Phase 1b/2 clinical trials in which we have treated over 190 relapsed or refractory cancer patients with solid or hematologic tumors. We hold worldwide rights to all of our product candidates.

We focus our efforts on targeting the CD47 pathway as a way to engage macrophages in fighting tumors. Macrophages function as first responders, swallowing foreign and abnormal cells, including cancer cells, and mobilizing other components of the immune system including T cells and antibodies. Cancer cells use CD47, a "don't eat me" signal, in order to evade detection by the immune system and subsequent destruction by macrophages. Overexpression of CD47 is common to nearly all types of tumors and is also correlated with poor prognosis in multiple cancers including acute myelogenous leukemia, or AML, colorectal cancer, or CRC, gastric cancer, lung cancer, Non-Hodgkin's lymphoma, or NHL, and ovarian cancer. Despite the central role of macrophages as cell-eating scavengers and first responders, the pharmaceutical industry is only beginning to bring this key group of cells into the fight against cancer.

Our company was founded by leading scientists at Stanford University who uncovered the fundamental role of CD47 in cancer evasion. Preclinical work performed in the laboratory of our co-founder, Irv Weissman, at Stanford University demonstrated that:

- Blocking the CD47 "don't eat me" signaling pathway leads to elimination of many types of tumors and increased survival;
- Boosting an "eat me" signal found on cancer cells using therapeutic antibodies results in a synergistic effect with blocking CD47; and
- Macrophages digest cancer cells in a process called phagocytosis and present tumor-specific antigens that can activate T cells against the cancer, thus creating the potential for synergy with T cell checkpoint inhibitors.

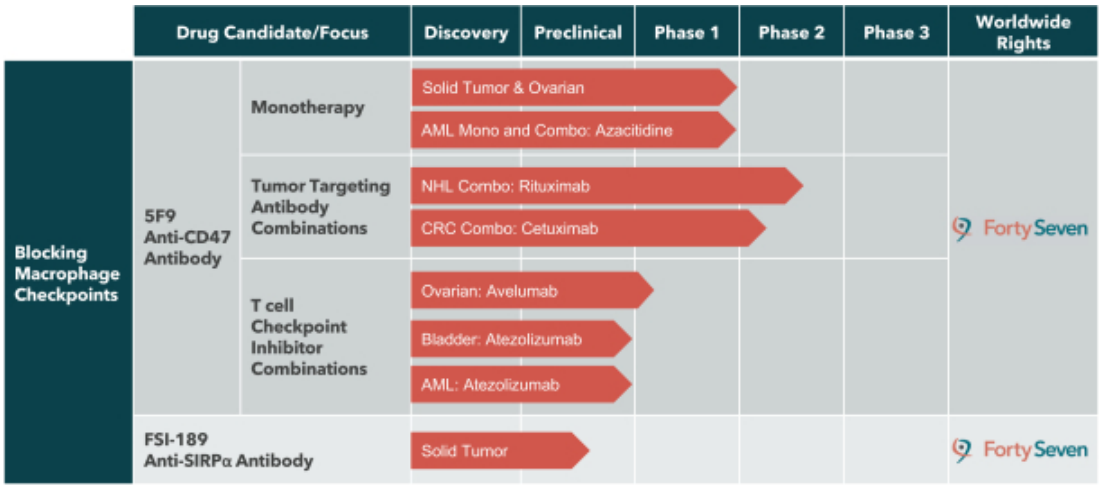
Our lead product candidate, 5F9, is a humanized IgG4 subclass monoclonal antibody against CD47 that is designed to interfere with recognition of CD47 by the SIRPa receptor on macrophages, thus blocking the "don't eat me" signal. The design of 5F9, combined with our proprietary dosing regimen, overcomes the toxicity limitations of previously tested anti-CD47 therapies developed by others. Across all study populations, 5F9 has been well tolerated with no maximum tolerated dose, or MTD, observed in any study despite dosing up to 45 mg/kg. The most common treatment-associated effects observed to date were the expected CD47-mechanism-

based effects on red blood cells, which led to a temporary and reversible anemia. Other reported treatment-related adverse events include infusion reactions, headache, fatigue, chills, fever and nausea. The majority of these adverse events were mild to moderate in severity and were generally easily managed. See "Business—Our Lead Product Candidate, 5F9—Safety Profile of 5F9."

To date, there are no approved therapies that target the CD47 checkpoint of the innate immune system. The targeting of CD47 to make cancer cells susceptible to macrophages, a component of the innate immune system, is analogous to the approach that has been applied with checkpoint inhibitors and T cells, a component of the adaptive immune system. In less than five years on the market, T cell checkpoint inhibitors have become frontline therapies for certain cancers and we estimate that they generated over $9 billion in sales in 2017. Despite the success of T cell checkpoint inhibitors, these therapies have been shown to be effective only in a subset of tumors, highlighting the need for additional therapies. Similar to the way cancer cells overexpress programmed death-ligand 1, or PD-L1, to avoid attack by T cells, cancer cells overexpress CD47 as a way to avoid destruction by macrophages. We believe targeting CD47 represents a compelling and analogous approach.

Our Development Pipeline

As summarized in the following figure, our clinical trials are investigating three types of CD47 therapy: as a monotherapy, in combination with therapeutic antibodies and in combination with T cell checkpoint inhibitors, in a wide variety of tumors, including both solid and hematological cancers. We have treated over 190 relapsed or refractory cancer patients with 5F9 both as a monotherapy and in combination with therapeutic antibodies such as rituximab and cetuximab. While the primary goal of our trials has been to demonstrate safety, we have also observed early signs of clinical activity in multiple tumor types. These signs include patients with partial and complete responses, as well as patients with "stable disease." We use standard clinical assessment criteria to evaluate the growth or reduction in existing tumor size, within set parameters, as well as growth of new tumors and metabolic activity. Broadly stated, "stable disease" indicates a growth or reduction in tumor size that is insufficient to meet the definitions of either progressive disease or partial or complete response. In contrast, patients with partial or complete responses have substantial reductions in tumor size.



5F9 Monotherapy

In our ongoing trials, 5F9 treatment has demonstrated biological responses and multiple cases of stable disease in Phase 1 as a monotherapy for patients with refractory AML. Reductions in the number of blast cells in patient bone marrow samples have been observed in 7 of the 18 patients (39%) treated with 5F9, as of May 2018. One of these patients had prolonged stable disease for 11.8 months on study before progressing, which is more than double the average life expectancy for this refractory patient population. In biologic responders, we confirmed the presence of macrophages in tumor tissues and we observed that other components of the immune system, including T cells, had been recruited. We have received orphan drug designation from U.S. and European regulatory authorities for AML.

We are also investigating 5F9 as a monotherapy in ovarian cancer and other solid tumors. In a Phase 1 trial of 5F9, we observed confirmed partial responses in 2 out of 21 evaluable patients in a cohort with ovarian cancer receiving either 20 mg/kg or higher doses of 5F9, as of April 2018. Both were heavily pre-treated patients failing seven or more previous treatment regimens. One of these patients had a durable partial response of more than six months in duration. We continue to investigate the potential of 5F9 in an expanded cohort of more than 15 patients with ovarian cancer.

5F9 in Combination with Therapeutic Cancer Antibodies

In addition to continuing our trials using 5F9 as a monotherapy, we are also conducting multiple trials of 5F9 in combination with therapeutic cancer antibodies in order to test the synergistic potency of these combinations. We believe that we can enhance the effect of 5F9 on cancer by using therapeutic antibodies that bind cancer cells to present an “eat me” signal to macrophages. Hence, we are combining 5F9 with cancer-cell-binding antibodies such as rituximab and cetuximab. Based on our preclinical research and on publications by academic groups, we believe that this combination of an “eat me” signal by these antibodies and the blocking of a “don’t eat me” signal by 5F9 could be highly effective.

Our most advanced ongoing clinical trial is an open-label, multi-site Phase 1b/2 combination trial using 5F9 and rituximab in patients with relapsed and refractory NHL. As of April 2018, we have obtained clinical response data from 30 patients receiving 10 mg/kg, 20 mg/kg or 30 mg/kg of 5F9 in this Phase 1b/2 trial. Of these Phase 1b/2 patients, progression of the disease was controlled in 17 patients (57%), and 14 patients (47%) displayed an objective response. Ten patients (33%) were reported to have a complete response and 4 patients (13%) were reported to have partial responses. Importantly, the rate of clinical response increased with the 5F9 dosage and as of April 2018, the median duration of response had not been reached for either Phase 1b DLBCL or FL patients while the median time on treatment was over six months and eight months for DLBCL and FL patients, respectively. Clinical activity was observed in both diffuse large B cell lymphoma, or DLBCL, and follicular lymphoma, or FL, patients. Clinical activity in these patients is notable because they all entered the trial after failing multiple lines of previously approved therapies, including rituximab. In April 2018, the U.S. Food and Drug Administration, or FDA, granted Fast Track designations to 5F9 for the treatment of both relapsed and/or refractory DLBCL and relapsed and/or refractory FL.

Our Phase 1b/2 combination clinical trial with cetuximab in patients with advanced relapsed or refractory solid tumors, including CRC, as of April 2018 had enrolled 37 patients at multiple sites in the United States. Data from the 10 mg/kg, 20 mg/kg and 30 mg/kg cohorts of the Phase 1b portion of the trial showed that of the 22 CRC patients, 2 (9%) had a partial response and 9 (41%) had stable disease as their best response. Importantly, at the time of data cutoff in April 2018, the initial responding patient had maintained a durable response over eight months that was ongoing. Of the 9 patients with stable disease responses, 2 remain on study at the time of data cutoff.

Planned Trials: 5F9 Combinations with Checkpoint Inhibitors

We believe there is a strong rationale to combine 5F9 and T cell checkpoint inhibitors and we plan to initiate combination clinical trials in both solid and hematological tumors. 5F9 induces a potent anti-tumor T cell response by enabling macrophages to ingest cancer cells and present antigens derived from these cancer cells to T cells. Thus, we believe the combination of a T cell checkpoint inhibitor with 5F9 is likely to further enhance an anti-tumor T cell response and to further mobilize both the innate and adaptive immune systems to eliminate cancer.

In early 2018, we announced clinical trial collaboration and supply agreements with two pharmaceutical companies to combine 5F9 with PD-L1 checkpoint inhibitors, while retaining full economic rights to our products. Pursuant to these agreements, we are conducting clinical trials with Merck KGaA on the combination of 5F9 with BAVENCIO (avelumab) in ovarian cancer patients; and with Genentech, Inc., a member of the Roche Group, on the combination of 5F9 and TECENTRIQ (atezolizumab) in patients with bladder cancer and in patients with AML. We will supply 5F9, and Merck KGaA and Genentech will supply their respective drug products for these trials.

Our Team

Our company was founded by leading scientists at Stanford University, including our co-founder, Irv Weissman, who uncovered the fundamental role of CD47 in immune regulation and applied these findings to the field of immuno-oncology. We have assembled a team of executives with broad industry experience in biologics and other therapeutics, as well as strong academic and clinical backgrounds. Our management team has worked for pharmaceutical companies such as Abbott Laboratories, Amgen, Inc., Genentech, Gilead Sciences, Inc., Janssen Global Services, LLC, PDL Biopharma, Inc. and Sandoz Inc. We have funded our operations to date primarily from the issuance and sale of our preferred stock to investors, including Lightspeed Venture Partners, Sutter Hill Ventures, Clarus, GV and Wellington Management Company, and from the receipt of government and private grants.

Our Strategy

Our strategy includes the following components:

- ***Maintain a focus on our core mission of helping patients defeat their cancer.*** By focusing on patients first, we believe we can realize the full potential of our therapies. Our initial efforts are directed at patients with high unmet medical needs, such as those diagnosed with AML, CRC, NHL or ovarian cancer. We believe there are patients with many other types of cancers that our product candidates can help.
- ***Maximize the therapeutic and commercial potential of 5F9 by exploring its treatment of both solid and hematological tumors.*** Based on our understanding of the CD47 SIRPa pathway and data from preclinical animal models, we believe 5F9 has the potential to benefit patients in a broad range of tumor types and in combination with other approved oncology therapeutics. We are currently evaluating 5F9 in six clinical trials and by early 2019, we expect to have seven clinical trials underway. These trials will read out in 2018 and 2019 and based on these data we expect to initiate additional trials with 5F9 to support regulatory approval and to explore the use of 5F9 in multiple cancer indications.
- ***Invest early to secure a clinical and commercial supply of 5F9 to mitigate risk and ensure a timely regulatory approval.*** Although 5F9 utilizes standard antibody manufacturing processes, we recognize that any regulatory approval requires experience and expertise in the commercial manufacturing of 5F9. We have completed strategic manufacturing agreements with Lonza Sales AG and Lonza Biologics Tuas Pte Ltd, or collectively, Lonza, a global leader in biologics manufacturing. The multi-

year arrangements help ensure sufficient clinical material for our existing trials and provide a path to generate the required manufacturing information that is part of a biologics license application, or BLA, submission and initial commercial supplies.

- ***Pursue collaborative relationships and in-licensing opportunities to help advance and expand our product candidate portfolio.*** In addition to our internal drug discovery and development efforts, we plan to identify and pursue strategic collaborative relationships, partnerships and in-licensing opportunities to enhance the development of our current programs and access additional novel product candidates. For example, in January 2018 we announced clinical trial collaboration and clinical supply agreements with both Merck KGaA and Genentech to explore the utility of 5F9 in combination with approved checkpoint inhibitors.
- ***Prepare for an active role in commercialization in the United States while considering opportunities to engage with partners to access commercialization capabilities outside the United States.*** We have worldwide rights to 5F9. If 5F9 receives marketing approval in the United States, we intend to commercialize it with our own focused, specialty sales and marketing organization. We may explore partnering with a third party to commercialize and market 5F9 in certain geographies.
- ***Leverage our knowledge and expertise in immune system and cancer biology to develop a pipeline of novel cancer therapeutics.*** We intend to utilize CD47 and its associated immune activation pathways to their fullest potential to help patients defeat their cancer. This includes the development of our existing programs and the pursuit of new programs in the future.

Risks Associated with Our Business

Our business is subject to numerous risks and uncertainties, including those highlighted in the section titled “Risk Factors” immediately following this prospectus summary. These risks include, among others, the following:

- We have incurred significant operating losses since our inception and anticipate that we will continue to incur substantial operating losses for the foreseeable future. We have not yet generated any revenue and had an accumulated deficit of $84.2 million as of March 31, 2018.
- Even if this offering is successful, we will need substantial additional funding and may be unable to raise capital when needed, which would force us to delay, reduce or terminate our product development programs or commercialization efforts.
- We depend primarily on the success of our lead product candidate, 5F9, which is in clinical development and which has not completed a pivotal trial, and we may not be successful in any future efforts to identify and develop additional product candidates.
- Clinical trials of our product candidates will be costly and time consuming, and if they fail to demonstrate safety and efficacy to the satisfaction of the FDA or other regulatory authorities, we will be unable to commercialize our product candidates.
- Failures or delays in the commencement or completion of our planned clinical trials could result in increased costs to us and could delay, prevent or limit our ability to generate revenue and continue our business.
- If serious adverse events or unexpected characteristics of our product candidates are identified during development, we may need to abandon or limit our development of some or all of our product candidates.
- If we experience delays or difficulties in the enrollment of patients in our clinical trials, our receipt of necessary regulatory approvals could be delayed or prevented.

- If we are unable to conduct our business without infringing, misappropriating or otherwise violating the intellectual property rights of third parties, we may not be able to commercialize our product candidates.
- If we are unable to obtain sufficient intellectual property protection for our product candidates and related intellectual property, or if the scope of such intellectual property protection is not sufficiently broad, our competitors could develop and commercialize products similar or identical to ours, and our ability to successfully commercialize our product candidates or our business may be harmed.
- Healthcare policy and regulatory oversight in the United States and internationally are subject to rapid change, and if we are unable to respond, our business may be harmed.
- We face substantial competition from major pharmaceutical companies, specialty pharmaceutical companies and biotechnology companies worldwide.

If we are unable to adequately address these and other risks we face, our business, financial condition, operating results and prospects may be adversely affected.

In addition, we are an "emerging growth company" as defined in the Jumpstart Our Business Startups Act, or the JOBS Act, and therefore we intend to take advantage of certain exemptions from various public company reporting requirements, including not being required to have our internal control over financial reporting audited by our independent registered public accounting firm pursuant to Section 404(b) of the Sarbanes-Oxley Act of 2002, or the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and any golden parachute payments not previously approved. We may take advantage of these exemptions for up to five years or until we are no longer an "emerging growth company," whichever is earlier. In addition, the JOBS Act provides that an "emerging growth company" can delay adopting new or revised accounting standards until those standards apply to private companies. We have not elected to avail ourselves of this exemption and, therefore, we will be subject to the same new or revised accounting standards as other public companies that are not "emerging growth companies."

Corporate Information

We were incorporated in Delaware in 2014 as CD47 Sciences, Inc. Our principal executive offices are located at 1490 O'Brien Drive, Suite A, Menlo Park, California 94025, and our telephone number is (650) 352-4150.

Our website address is www.fortyseveninc.com. Information contained on, or that can be accessed through, our website is not incorporated by reference into this prospectus, and you should not consider information on our website to be part of this prospectus.

"Forty Seven," the Forty Seven logo and other trademarks or service marks of Forty Seven appearing in this prospectus are our property. This prospectus contains additional trade names, trademarks, and service marks of other companies, which are the property of their respective owners. We do not intend our use or display of other companies' trade names, trademarks or service marks to imply a relationship with, or endorsement or sponsorship of us by, these other companies.

THE OFFERING

Common stock offered by us	6,700,000 shares
Over-allotment option	1,005,000 shares
Common stock to be outstanding after this offering	29,625,103 shares
Use of proceeds	We estimate that the net proceeds from the sale of shares of our common stock that we are selling in this offering will be approximately $90.0 million (or approximately $104.0 million if the underwriters' over-allotment option is exercised in full), based upon an assumed initial public offering price of $15.00 per share, the midpoint of the estimated offering price range set forth on the cover page of this prospectus, after deducting underwriting discounts and commissions and estimated offering expenses payable by us. We intend to use the net proceeds from this offering to conduct our clinical trials, to fund continued research and development of 5F9 in several applications, to fund other research and development activities, and for working capital and other general corporate purposes. We may also use a portion of the net proceeds to license intellectual property or to make acquisitions or investments, although we have no commitments or agreements to enter into such licenses, acquisitions or investments. See the section titled "Use of Proceeds" for additional information.
Risk factors	See "Risk Factors" and the other information included in this prospectus for a discussion of factors you should carefully consider before deciding to invest in our common stock.
Proposed Nasdaq trading symbol	"FTSV"

Certain of our existing stockholders or their affiliates, including entities affiliated with Lightspeed Venture Partners, Sutter Hill Ventures and Clarus, each a beneficial owner of more than 5% of our capital stock and an affiliate of one of our directors, and certain other persons have indicated an interest in purchasing up to an aggregate of $30.0 million in shares of our common stock in this offering at the initial public offering price. However, because indications of interest are not binding agreements or commitments to purchase, the underwriters may determine to sell more, fewer or no shares in this offering to any or all of these entities, or any or all of these entities may determine to purchase more, fewer or no shares in this offering. The underwriters will receive the same underwriting discount on any shares purchased by these entities as they will on any other shares sold to the public in this offering.

The number of shares of common stock that will be outstanding after this offering is based on 22,925,103 shares of common stock (including preferred stock on an as-converted basis) outstanding as of March 31, 2018, and excludes:

- 2,206,642 shares of common stock issuable upon the exercise of outstanding stock options as of March 31, 2018 with a weighted-average exercise price of $4.67 per share, plus 1,199,143 shares of common stock issuable upon the exercise of stock options granted subsequent to March 31, 2018, with a weighted-average exercise price of $8.91 per share;
- 166,856 additional shares of common stock reserved for future issuance under our 2015 Equity Incentive Plan as of March 31, 2018, plus an additional 1,677,419 shares of common stock reserved for future issuance under this plan subsequent to March 31, 2018, all of which shares will cease to be available for issuance at the time our 2018 Equity Incentive Plan becomes effective in connection with this offering;
- 3,000,000 shares of common stock reserved for future issuance under our 2018 Equity Incentive Plan, which will become effective upon the execution of the underwriting agreement for this offering, as well as any automatic increases in the number of shares of common stock reserved for future issuance under this plan; and
- 450,000 shares of common stock reserved for issuance under our 2018 Employee Stock Purchase Plan, which will become effective upon the execution of the underwriting agreement for this offering as well as any automatic increases in the number of shares of common stock reserved for future issuance under this plan.

In addition, unless we specifically state otherwise, all information in this prospectus assumes:

- a 1-for-7.75 reverse stock split of our common stock and preferred stock effected on June 14, 2018;
- that our amended and restated certificate of incorporation, which we will file in connection with the closing of this offering, and our amended and restated bylaws adopted in connection with this offering are effective;
- the conversion of all 16,215,896 outstanding shares of our preferred stock into an equal number of shares of common stock immediately upon the closing of this offering;
- no exercise of the outstanding options described above; and
- no exercise of the underwriters' over-allotment option.

SUMMARY FINANCIAL DATA

We have derived the summary statement of operations data for 2016 and 2017 from our audited financial statements included elsewhere in this prospectus. We derived the summary statement of operations data for the three months ended March 31, 2017 and 2018 and the summary balance sheet data as of March 31, 2018 from our unaudited interim condensed financial statements and related notes included elsewhere in this prospectus. Our unaudited interim condensed financial statements were prepared on the same basis as our audited financial statements and, in our opinion, reflect all adjustments, consisting only of normal recurring adjustments, that are necessary for the fair statement of our unaudited interim condensed financial statements. You should read the following summary financial data in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our financial statements and related notes included elsewhere in this prospectus. Our historical results are not necessarily indicative of the results to be expected for any other period in the future, and our interim results are not necessarily indicative of the results to be expected for the full year or any other period.

	Year Ended December 31,		Three Months Ended March 31,	
	2016	2017	2017	2018
			(Unaudited)	
	(In thousands, except share and per share data)			
Statement of Operations Data:				
Operating expenses:				
Research and development	$ 14,464	$ 37,174	$ 9,181	$ 11,153
General and administrative	5,153	8,130	1,761	3,843
Total operating expenses	19,617	45,304	10,942	14,996
Loss from operations	(19,617)	(45,304)	(10,942)	(14,996)
Interest and other income, net	78	406	34	221
Net loss	$ (19,539)	$ (44,898)	$ (10,908)	$ (14,775)
Net loss per share, basic and diluted(1)	$ (3.15)	$ (6.94)	$ (1.71)	$ (2.24)
Shares used in computing net loss per share, basic and diluted(1)	6,197,195	6,468,634	6,377,009	6,600,407
Pro forma net loss per share, basic and diluted (unaudited)(1)		$ (2.77)		$ (0.65)
Shares used in computing pro forma net loss per share, basic and diluted (unaudited)(1)		16,197,067		22,816,303

(1) See the statements of operations and Note 10 to our financial statements and Note 8 to our unaudited interim condensed financial statements for further details on the calculation of net loss per share and the unaudited pro forma net loss per share.

	As of March 31, 2018		
	Actual	Pro Forma(1)	Pro Forma As Adjusted(2)(3)
	(In thousands)		
Balance Sheet Data:			
Cash, cash equivalents and short-term investments	$ 78,432	$ 78,432	$ 168,397
Total assets	85,835	85,835	175,800
Working capital	65,835	65,835	155,800
Total liabilities	16,731	16,731	16,731
Convertible preferred stock	149,397	—	—
Accumulated deficit	(84,174)	(84,174)	(84,174)
Total stockholders' (deficit) equity	(80,293)	69,104	159,069

(1) The pro forma balance sheet data gives effect to (i) the conversion of all outstanding shares of preferred stock into 16,215,896 shares of common stock immediately upon the closing of this offering and (ii) the filing and effectiveness of our amended and restated certificate of incorporation that will be in effect upon the closing of this offering.

(2) The pro forma as adjusted balance sheet data further reflects our receipt of net proceeds from the sale of 6,700,000 shares of common stock at the assumed initial public offering price of $15.00 per share, the midpoint of the price range set forth on the cover page of this prospectus, after deducting underwriting discounts and commissions and estimated offering expenses payable by us.

(3) Each $1.00 increase or decrease in the assumed initial public offering price of $15.00 per share, the midpoint of the price range set forth on the cover page of this prospectus, would increase or decrease, respectively, the amount of cash, cash equivalents and short-term investments, working capital, total assets and total stockholders' equity by approximately $6.2 million, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting underwriting discounts and commissions and estimated offering expenses payable by us. We may also increase or decrease the number of shares we are offering. An increase or decrease of 1,000,000 in the number of shares we are offering would increase or decrease the amount of cash, cash equivalents and short-term investments, working capital, total assets and stockholders' equity by approximately $14.0 million, assuming the assumed initial public offering price per share, the midpoint of the price range set forth on the cover page of this prospectus, remains the same and after deducting underwriting discounts and commissions. The pro forma as adjusted information is illustrative only, and will be adjusted based on the actual initial public offering price and other terms of this offering determined at pricing.

RISK FACTORS

Investing in our common stock involves a high degree of risk. You should carefully consider the risks and uncertainties described below, together with all of the other information contained in this prospectus, including our financial statements and the related notes appearing at the end of this prospectus, before deciding to invest in our common stock. If any of the following risks actually occur, it could harm our business, prospects, operating results and financial condition. Unless otherwise indicated, references to our business being harmed in these risk factors will include harm to our business, reputation, financial condition, results of operations, revenue and future prospects. In such event, the trading price of our common stock could decline and you might lose all or part of your investment.

Risks Related to Our Financial Position and Need for Additional Capital

We have a limited operating history and have incurred significant losses since inception and we anticipate that we may continue to incur losses for the foreseeable future and may never achieve or maintain profitability.

We are an immuno-oncology company with a limited operating history. Since inception in 2014, we have not generated any revenue and have incurred significant operating losses. Our net loss was $19.5 million, $44.9 million and $14.8 million for 2016, 2017 and the three months ended March 31, 2018, respectively. As of March 31, 2018, we had an accumulated deficit of $84.2 million. We expect to continue to incur significant expenses and increasing operating losses for the foreseeable future. Since inception, we have devoted substantially all of our efforts to research and preclinical and clinical development of our product candidates, as well as to building out our management team and infrastructure. It could be several years, if ever, before we have a commercialized drug. The net losses we incur may fluctuate significantly from quarter to quarter and year to year. We anticipate that our expenses will increase substantially if, and as, we:

- continue to advance our research and clinical and preclinical development of our product candidates;
- scale up manufacturing to provide adequate drug substance for clinical trials and commercialization;
- initiate further clinical trials for our product candidates;
- seek to identify additional product candidates;
- seek marketing approvals for our product 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;
- maintain, expand, protect and enforce our intellectual property portfolio and obtain licenses to third-party intellectual property;
- attract, hire and retain additional administrative, clinical, regulatory and scientific personnel; and
- incur additional legal, accounting and other expenses in operating our business, including the additional costs associated with operating as a public company.

In addition, because of the numerous risks and uncertainties associated with pharmaceutical products and development, we are unable to accurately predict the timing or amount of increased expenses or when, or if, we will be able to achieve profitability. Our expenses could increase and profitability could be further delayed if we decide to or are required by the FDA or other regulatory authorities such as the European Medicines Agency, or EMA, or the U.K. Medicines & Healthcare Products Regulatory Agency, or MHRA, to perform studies or trials in addition to those currently expected, or if there are any delays in the development, or in the completion of any planned or future preclinical studies or clinical trials of our current and future product candidates. Even if we complete the development and regulatory processes described above, we anticipate incurring significant costs associated with launching and commercializing our current and future product candidates.

Even if we do achieve profitability, we may not be able to sustain or increase profitability on a quarterly or annual basis. Our failure to become and remain profitable would decrease the value of our company and could impair our ability to raise capital, maintain our research and development efforts, expand our business or continue our operations. A decline in the value of our company also could cause you to lose all or part of your investment.

Even if this offering is successful, we will need substantial additional funding to pursue our business objectives. If we are unable to raise capital when needed or on terms favorable to us, we could be forced to delay, reduce or terminate our product development, other operations or commercialization efforts.

Identifying potential product candidates and conducting preclinical 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 regulatory approval and begin selling any approved products. We expect our expenses to increase in connection with our ongoing activities, particularly as we continue to develop our product candidates. Our expenses could increase beyond our current expectations if the FDA requires us to perform clinical trials and other studies in addition to those that we currently anticipate. In addition, if we obtain marketing approval for any of our product candidates, we expect to incur significant commercialization expenses related to product sales, marketing, manufacturing and distribution. Accordingly, we will need to obtain substantial additional funding in connection with our continuing operations. If we are unable to raise capital when needed or on attractive terms, we would be forced to delay, reduce or terminate our research and development programs or future commercialization efforts.

As of March 31, 2018, we had cash, cash equivalents and short-term investments of $78.4 million. Based upon our current operating plan, we believe that the net proceeds from this offering, together with our existing cash, cash equivalents and short-term investments, will enable us to fund our cash and capital expenditure requirements through at least the next 12 months from the date of this offering. This estimate is based on assumptions that may prove to be wrong, and we could use our available capital resources sooner than we expect. Changes may occur beyond our control that would cause us to consume our available capital before that time, including changes in and progress of our development activities and changes in regulation. Our future capital requirements will depend on many factors, including:

- the scope, rate of progress, results and costs of drug discovery, preclinical development, laboratory testing and clinical trials for our product candidates;
- the number and development requirements of other product candidates that we may pursue, and other indications for our current product candidates that we may pursue;
- the costs, timing and outcome of regulatory review of our product candidates;
- the scope and costs of manufacturing development and commercial manufacturing activities;
- the cost associated with commercializing any approved product candidates;
- the cost and timing of developing our ability to establish sales and marketing capabilities, if any;
- the costs of preparing, filing and prosecuting patent applications, maintaining and enforcing our intellectual property rights, defending intellectual property-related claims and obtaining licenses to third-party intellectual property;
- the timing and amount of milestone and royalty payments we are required to make under our license agreements;
- our ability to establish and maintain collaborations on favorable terms, if at all; and
- the extent to which we acquire or in-license other product candidates and technologies and associated intellectual property.

Even if this offering is successful, we will require additional capital to complete our planned clinical development programs for our current product candidates to obtain regulatory approval. Any additional capital

raising efforts may divert our management from their day-to-day activities, which may adversely affect our ability to develop and commercialize our current and future product candidates, if approved.

In addition, we cannot guarantee that future financing will be available on a timely basis, in sufficient amounts or on terms acceptable to us, if at all. Moreover, the terms of any financing may adversely affect the holdings or the rights of our stockholders and the issuance of additional securities by us, whether equity or debt, or the market perception that such issuances are likely to occur, could cause the market price of our common stock to decline. If we are unable to obtain funding on a timely basis on acceptable terms, we may be required to delay, reduce or terminate one or more of our research and development programs or the commercialization of any product candidates that may be approved.

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

Until such time, if ever, as we can generate substantial product revenues, we expect to finance our cash needs through a combination of equity offerings, debt financings, collaborations, strategic alliances and licensing arrangements. To the extent that we raise additional capital through the sale of equity or convertible debt securities, your ownership interest will be diluted and the terms of these securities may include liquidation or other preferences that adversely affect your rights as a common stockholder. Debt financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends.

If we raise additional funds through collaborations, strategic alliances or licensing arrangements with third parties, we may have to relinquish valuable rights to our technologies, future revenue streams, research programs or product candidates or to grant licenses on terms that may not be favorable to us. If we are unable to raise additional funds through equity or debt financings when needed, we may be required to delay, reduce or terminate our product development or future commercialization efforts or grant rights to third parties to develop and market product candidates that we would otherwise prefer to develop and market ourselves.

Risks Related to the Development of Our Product Candidates

We depend primarily on the success of our lead product candidate, 5F9, which is in clinical development and which has not completed a pivotal trial. If we do not obtain regulatory approval for and successfully commercialize our lead product candidate in one or more indications or we experience significant delays in doing so, we may never generate any revenue or become profitable.

We do not have any products that have received regulatory approval and may never be able to develop marketable product candidates. We expect that a substantial portion of our efforts and expenses over the next several years will be devoted to the development of our lead product candidate, 5F9, in our six ongoing clinical trials, including trials in monotherapy and in combination with anti-cancer antibodies such as rituximab and cetuximab. As a result, our business currently depends heavily on the successful development, regulatory approval and, if approved, commercialization of 5F9 in one or more of these indications. We cannot be certain that 5F9 will receive regulatory approval or will be successfully commercialized even if it receives regulatory approval. The research, testing, manufacturing, safety, efficacy, labeling, approval, sale, marketing and distribution of 5F9 is, and will remain, subject to comprehensive regulation by the FDA and similar foreign regulatory authorities. Before obtaining regulatory approvals for the commercial sale of any product candidate, we must demonstrate through preclinical studies and clinical trials that the product candidate is safe and effective for use in each target indication. Drug development is a long, expensive and uncertain process, and delay or failure can occur at any stage of any of our clinical trials. Failure to obtain regulatory approval for our product candidates in the United States will prevent us from commercializing and marketing our product candidates. The success of 5F9 and any other product candidates will depend on several additional factors, including:

- completing clinical trials that demonstrate their efficacy and safety;

- receiving marketing approvals from applicable regulatory authorities;
- completing any post-marketing studies required by applicable regulatory authorities;
- establishing commercial manufacturing capabilities;
- launching commercial sales, marketing and distribution operations;
- the prevalence and severity of adverse events experienced with our product candidates;
- acceptance of our product candidates by patients, the medical community and third-party payors;
- a continued acceptable safety profile following approval;
- obtaining and maintaining healthcare coverage and adequate reimbursement for our product candidates;
- competing effectively with other therapies, including with respect to the sales and marketing of our product candidates, if approved; and
- qualifying for, maintaining, enforcing and defending our intellectual property rights and claims and obtaining licenses to any third party intellectual property we deem necessary or desirable.

Many of these factors are beyond our control, including the time needed to adequately complete clinical testing, the regulatory submission process, potential threats to our intellectual property rights and changes in the competitive landscape. It is possible that none of our product candidates will ever obtain regulatory approval, even if we expend substantial time and resources seeking such approval. If we do not achieve one or more of these factors in a timely manner or at all, we could experience significant delays or an inability to successfully complete clinical trials, obtain regulatory approval or, if approved, commercialize our product candidates, which would materially harm our business, financial condition and results of operations.

In addition, the clinical trial requirements of the FDA, the EMA, the MHRA and other regulatory agencies and the criteria these regulators may use to determine the safety and efficacy of a product candidate vary substantially according to the type, complexity, novelty and intended use and market of the potential products. The regulatory approval process for novel product candidates such as ours can be more expensive and take longer than for other, better known or extensively studied pharmaceutical or other product candidates.

Our product candidates are based on a novel technology, which makes it difficult to predict the time and cost of product candidate development.

We have concentrated our product research and development efforts on our novel therapeutic approach, and our future success depends on the successful development of our lead product candidate, 5F9, and other product candidates. There can be no assurance that any development problems we experience in the future related to our novel therapy will not cause significant delays or unanticipated costs, or that such development problems can be solved. We may also experience delays in developing a sustainable, reproducible and scalable manufacturing process or transferring that process to commercial partners, which may prevent us from completing our clinical trials or commercializing our product candidates on a timely or profitable basis, if at all.

Clinical trials are very expensive, time-consuming and difficult to design and implement, and involve uncertain outcomes. Furthermore, results of earlier preclinical studies and clinical trials may not be predictive of results of future preclinical studies or clinical trials.

The risk of failure for our product candidates is high. It is impossible to predict when or if any of our product candidates will prove effective or safe in humans or will receive regulatory approval. To obtain the requisite regulatory approvals to market and sell any of our product candidates, we must demonstrate through extensive preclinical studies and clinical trials that our product candidates are safe and effective in humans for

use in each target indication. Clinical testing is expensive and can take many years to complete, and the outcome is inherently uncertain. Failure can occur at any time during the clinical trial process.

In addition, the results of preclinical studies and earlier clinical trials may not be predictive of the results of later-stage preclinical studies or clinical trials. The results generated to date in preclinical studies or clinical trials for our product candidates do not ensure that later preclinical studies or clinical trials will demonstrate similar results. We have limited clinical data for each of our product candidates. Product candidates in later stages of clinical trials may fail to show the desired safety and efficacy traits despite having progressed through preclinical and earlier stage clinical trials. For example, the favorable results of our ongoing trial of 5F9 in tumor targeting antibody combinations with rituximab may not be predictive of similar results in subsequent trials. In later-stage clinical trials, we will likely be subject to more rigorous statistical analyses than in completed earlier stage clinical trials. A number of companies in the pharmaceutical industry have suffered significant setbacks in later-stage clinical trials due to lack of efficacy or adverse safety profiles, notwithstanding promising results in earlier trials, and we cannot be certain that we will not face similar setbacks. Moreover, preclinical and clinical data are often susceptible to varying interpretations and analyses, and many companies that have believed their product candidates performed satisfactorily in preclinical studies and clinical trials have nonetheless failed to obtain marketing approval of their products.

In some instances, there can be significant variability in safety or efficacy results between different clinical trials of the same product candidate due to numerous factors, including changes in clinical trial procedures set forth in protocols, differences in the size and type of the patient populations, adherence to the dosing regimen and other clinical trial protocols, and the rate of dropout among clinical trial participants. If we fail to produce positive results in our planned preclinical studies or clinical trials of any of our product candidates, the development timeline and regulatory approval and commercialization prospects for our product candidates, and, correspondingly, our business and financial prospects, would be materially and adversely affected.

We may encounter substantial delays in our clinical trials or we may fail to demonstrate safety and efficacy to the satisfaction of applicable regulatory authorities.

Before obtaining marketing approval from regulatory authorities for the sale of our product candidates, we must conduct extensive clinical trials to demonstrate the safety and efficacy of the product candidate for its intended indications. Clinical trials are expensive, time-consuming and uncertain as to outcome. We cannot guarantee that any clinical trials will be conducted as planned or completed on schedule, if at all. A failure of one or more clinical trials can occur at any stage of testing. Events that may prevent successful or timely completion of clinical development include:

- delays in reaching a consensus with regulatory authorities on trial design;
- delays in reaching agreement or failing to agree on acceptable terms with prospective clinical research organizations, or CROs, and clinical trial sites;
- delays in opening sites and recruiting suitable patients to participate in our clinical trials;
- imposition of a clinical hold by regulatory authorities as a result of a serious adverse event, concerns with a class of product candidates or after an inspection of our clinical trial operations or trial sites;
- delays in having patients complete participation in a trial or return for post-treatment follow-up;
- occurrence of serious adverse events associated with the product candidate that are viewed to outweigh its potential benefits; or
- changes in regulatory requirements and guidance that require amending or submitting new clinical protocols.

Any inability to successfully complete preclinical and clinical development could result in additional costs to us or impair our ability to generate revenue from future drug sales and regulatory and commercialization

milestones. In addition, if we make manufacturing or formulation changes to our product candidates, we may need to conduct additional testing to bridge our modified product candidate to earlier versions. Clinical trial delays could also shorten any periods during which we may have the exclusive right to commercialize our product candidates, if approved, or allow our competitors to bring comparable drugs to market before we do, which could impair our ability to successfully commercialize our product candidates and may harm our business, financial condition, results of operations and prospects.

Additionally, if the results of our clinical trials are inconclusive or if there are safety concerns or serious adverse events associated with our product candidates, we may:

- be delayed in obtaining marketing approval, if at all;
- obtain approval for indications or patient populations that are not as broad as intended or desired;
- obtain approval with labeling that includes significant use or distribution restrictions or safety warnings;
- be subject to additional post-marketing testing requirements;
- be required to perform additional clinical trials to support approval or be subject to additional post-marketing testing requirements;
- have regulatory authorities withdraw, or suspend, their approval of the drug or impose restrictions on its distribution in the form of a modified risk evaluation and mitigation strategy, or REMS;
- be subject to the addition of labeling statements, such as warnings or contraindications;
- be sued; or
- experience damage to our reputation.

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

Further, we, the FDA or an institutional review board may suspend our clinical trials at any time if it appears that we or our collaborators are failing to conduct a trial in accordance with regulatory requirements, including the FDA's current Good Clinical Practice, or GCP, regulations, that we are exposing participants to unacceptable health risks, or if the FDA finds deficiencies in our investigational new drug applications or the conduct of these trials. Therefore, we cannot predict with any certainty the schedule for commencement and completion of future clinical trials. If we experience delays in the commencement or completion of our clinical trials, or if we terminate a clinical trial prior to completion, the commercial prospects of our product candidates could be negatively impacted, and our ability to generate revenues from our product candidates may be delayed or eliminated entirely.

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

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

If any of our product candidates receives marketing approval and we, or others, later discover that the drug is less effective than previously believed or causes undesirable side effects that were not previously identified, our ability to market the drug could be compromised.

Clinical trials of our product candidates are conducted in carefully defined subsets of patients who have agreed to enter into clinical trials. Consequently, it is possible that our clinical trials may indicate an apparent positive effect of a product candidate that is greater than the actual positive effect, if any, or alternatively fail to identify undesirable side effects. Other products focused on CD47 have had problems with toxicity. If one or more of our product candidates receives regulatory approval, and we, or others, later discover that they are less effective than previously believed, or cause undesirable side effects, a number of potentially significant negative consequences could result, including:

- withdrawal or limitation by regulatory authorities of approvals of such product;
- seizure of the product by regulatory authorities;
- recall of the product;
- restrictions on the marketing of the product or the manufacturing process for any component thereof;
- requirement by regulatory authorities of additional warnings on the label, such as a “black box” warning or contraindication;
- requirement that we implement a REMS or create a medication guide outlining the risks of such side effects for distribution to patients;
- commitment to expensive additional safety studies prior to approval or post-marketing studies required by regulatory authorities of such product;
- the product may become less competitive;
- initiation of regulatory investigations and government enforcement actions;
- initiation of legal action against us to hold us liable for harm caused to patients; and
- harm to our reputation and resulting harm to physician or patient acceptance of our products.

Any of these events could prevent us from achieving or maintaining market acceptance of the particular product candidate, if approved, and could significantly harm our business, financial condition and results of operations.

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

We may experience difficulties in patient enrollment in our clinical trials for a variety of reasons. The timely completion of clinical trials in accordance with their protocols depends, among other things, on our ability to enroll a sufficient number of patients who remain in the study 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 and health 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 product candidate being studied in relation to other available therapies, including any new drugs that may be approved for the indications we are investigating;
- our ability to obtain and maintain patient consents; and
- the risk that patients enrolled in clinical trials will drop out of the trials before completion.

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

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

We have received Fast Track designations for 5F9 for the treatment of both relapsed and/or refractory DLBCL and relapsed and/or refractory FL, but such designations may not actually lead to a faster development or regulatory review or approval process.

In April 2018, the FDA granted Fast Track designations to 5F9 for the treatment of both relapsed and/or refractory DLBCL and relapsed and/or refractory FL. If a drug is intended for the treatment of a serious condition and nonclinical or clinical data demonstrate the potential to address unmet medical need for such condition, a drug sponsor may apply for FDA Fast Track designation. Even though we received Fast Track designations for 5F9 for the treatment of both relapsed and/or refractory DLBCL and relapsed and/or refractory FL, Fast Track designation does not ensure that we will receive marketing approval or that approval will be granted within any particular timeframe. We may not experience a faster development or regulatory review or approval process with Fast Track designation compared to conventional FDA procedures. In addition, the FDA may withdraw Fast Track designation if it believes that the designation is no longer supported by data from our clinical development program. Fast Track designation alone does not guarantee qualification for the FDA's priority review procedures.

We may become exposed to costly and damaging liability claims, either when testing our product candidates in the clinic or at the commercial stage, and our product liability insurance may not cover all damages from such claims.

We are exposed to potential product liability and professional indemnity risks that are inherent in the research, development, manufacturing, marketing and use of pharmaceutical products. We currently have no products that have been approved for commercial sale. However, the current and future use of product candidates by us in clinical trials, and the sale of any approved products in the future, may expose us to liability claims. These claims might be made by patients that use the product, healthcare providers, pharmaceutical companies or others selling such products. In addition, we have agreed to indemnify the licensors of the intellectual property related to our product candidates against certain intellectual property infringement claims. Any claims against us, or with respect to which we are obligated to provide indemnification, regardless of their merit, could be difficult and costly to defend or settle, and could compromise the market acceptance of our product candidates or any prospects for commercialization of our product candidates, if approved.

Although the clinical trial process is designed to identify and assess potential side effects, it is always possible that a drug, even after regulatory approval, may exhibit unforeseen side effects. If any of our product candidates were to cause adverse side effects during clinical trials or after approval of the product candidate, we

may be exposed to substantial liabilities. Physicians and patients may not comply with any warnings that identify known potential adverse effects and patients who should not use our product candidates.

Although we maintain product liability insurance coverage, such insurance may not be adequate to cover all liabilities that we may incur. We may need to increase our insurance coverage each time we commence a clinical trial and if we successfully commercialize any product candidate. As the expense of insurance coverage is increasing, we may not be able to maintain insurance coverage at a reasonable cost or in an amount adequate to satisfy any liability that may arise. If a successful product liability claim or series of claims is brought against us for uninsured liabilities or in excess of insured liabilities, our assets may not be sufficient to cover such claims and our business operations could be impaired.

Risks Related to Commercialization of Our Product Candidates

We have never commercialized a product candidate and we may lack the necessary expertise, personnel and resources to successfully commercialize any of our products that receive regulatory approval on our own or together with collaborators.

We have never commercialized a product candidate. Our operations to date have been limited to organizing and staffing our company, business planning, raising capital, acquiring the rights to our product candidates and undertaking preclinical studies and clinical trials of our product candidates. We currently have no sales force, marketing or distribution capabilities. To achieve commercial success of our product candidates, if any are approved, we will have to develop our own sales, marketing and supply capabilities or outsource these activities to a third party.

Factors that may affect our ability to commercialize our product candidates on our own include recruiting and retaining adequate numbers of effective sales and marketing personnel, obtaining access to or persuading adequate numbers of physicians to prescribe our product candidates and other unforeseen costs associated with creating an independent sales and marketing organization. Developing a sales and marketing organization requires significant investment, is time-consuming and could delay the launch of our product candidates. We may not be able to build an effective sales and marketing organization in the United States, the European Union or other key global markets. If we are unable to build our own distribution and marketing capabilities or to find suitable partners for the commercialization of our product candidates, we may have difficulties generating revenue from them.

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

The development and commercialization of new drug products is highly competitive. We face competition with respect to our current product candidates, and will face competition with respect to any product candidates that we may seek to develop or commercialize in the future, from major pharmaceutical, specialty pharmaceutical and biotechnology companies among others. We compete in the segments of the pharmaceutical, biotechnology and other related markets that develop immunotherapies for the treatment of cancer. There are other companies working to develop immunotherapies for the treatment of cancer including divisions of large pharmaceutical and biotechnology companies of various sizes. Some of these competitive products and therapies are based on scientific approaches that are the same as or similar to our approach, and others are based on entirely different approaches. Potential competitors also include academic institutions, government agencies and other public and private research organizations that conduct research, seek patent protection and establish collaborative arrangements for research, development, manufacturing and commercialization.

We are developing our initial product candidates for the treatment of cancer and currently none of these therapies are approved. There are already a variety of available drug therapies marketed for cancer and some of the currently approved drug therapies are branded and subject to patent protection, and others are available on a generic basis. Many of these approved drugs are well established therapies and are widely accepted by

physicians, patients and third-party payors. Insurers and other third-party payors may also encourage the use of generic products. We expect that if our product candidates are approved, they will be priced at a significant premium over competitive generic products. This may make it difficult for us to achieve our business strategy of using our product candidates in combination with existing therapies or replacing existing therapies with our product candidates.

Competition may further increase as a result of advances in the commercial applicability of technologies and greater availability of capital for investment in these industries. We are aware that Celgene Corporation, Trillium Therapeutics Inc., Alexo Therapeutics Ltd, Arch Therapeutics, Inc., Surface Oncology, Inc., Novimmune SA, OSE Immunotherapeutics SA, Aurigene Discovery Technologies Ltd and others are developing drugs targeting the CD47 pathway that may have utility for the treatment of indications that we are targeting. Our competitors may succeed in developing, acquiring or licensing, on an exclusive basis, products that are more effective or less costly than any product candidate that we may develop.

Established pharmaceutical companies may invest heavily to accelerate discovery and development of novel compounds or to in-license novel compounds that could make our product candidates less competitive. In addition, any new product that competes with an approved product must demonstrate compelling advantages in efficacy, convenience, tolerability and safety in order to overcome price competition and to be commercially successful. Accordingly, our competitors may succeed in obtaining patent protection, discovering, developing, receiving FDA approval for or commercializing drugs before we do, which would have an adverse impact on our business and results of operations.

The availability of our competitors' products could limit the demand and the price we are able to charge for any product candidate we commercialize, if any. The inability to compete with existing or subsequently introduced drugs would harm our business, financial condition and results of operations.

Even if any of our product candidates receive marketing approval, they 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 5F9 and any other future product candidates receive marketing approval, whether as a single agent or in combination with other therapies, they may nonetheless fail to gain sufficient market acceptance by physicians, patients, third-party payors and others in the medical community. For example, current approved immunotherapies, and other cancer treatments like chemotherapy and radiation therapy, are well established in the medical community, and doctors may continue to rely on these therapies. If 5F9 and any other future product candidates 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 5F9 and any future products, 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;
- sufficient third-party coverage or reimbursement, including of combination therapies;
- adoption of a companion diagnostic and/or complementary diagnostic; and
- the prevalence and severity of any side effects.

The successful commercialization of certain of our product candidates will depend in part on the extent to which governmental authorities and health insurers establish adequate coverage, reimbursement levels and pricing policies. Failure to obtain or maintain adequate coverage and reimbursement for our product candidates, if approved, could limit our ability to market those products and decrease our ability to generate revenue.

The availability and adequacy of coverage and reimbursement by governmental healthcare programs such as Medicare and Medicaid, private health insurers and other third-party payors are essential for most patients to be able to afford products such as our product candidates, if approved. Our ability to achieve acceptable levels of coverage and reimbursement for products by governmental authorities, private health insurers and other organizations will have an effect on our ability to successfully commercialize our product candidates and attract additional collaboration partners to invest in the development of our product candidates. Coverage under certain government programs, such as Medicare, Medicaid and TRICARE, may not be available for certain of our product candidates. Assuming we obtain coverage for a given product by a third-party payor, the resulting reimbursement payment rates may not be adequate or may require co-payments that patients find unacceptably high. We cannot be sure that coverage and reimbursement in the United States, the European Union or elsewhere will be available for any product that we may develop, and any reimbursement that may become available may be decreased or eliminated in the future.

Third-party payors increasingly are challenging prices charged for pharmaceutical products and services, and many third-party payors may refuse to provide coverage and reimbursement for particular drugs when an equivalent generic drug, biosimilar or a less expensive therapy is available. It is possible that a third-party payor may consider our product candidates and other therapies as substitutable and only offer to reimburse patients for the less expensive product. Even if we show improved efficacy or improved convenience of administration with our product candidates, pricing of existing drugs may limit the amount we will be able to charge for our product candidates. These payors may deny or revoke the reimbursement status of a given product or establish prices for new or existing marketed products at levels that are too low to enable us to realize an appropriate return on our investment in product development. If reimbursement is not available or is available only at limited levels, we may not be able to successfully commercialize our product candidates, and may not be able to obtain a satisfactory financial return on products that we may develop.

There is significant uncertainty related to the insurance coverage and reimbursement of newly approved products. In the United States, third-party payors, including private and governmental payors, such as the Medicare and Medicaid programs, play an important role in determining the extent to which new drugs and biologics will be covered. The Medicare and Medicaid programs increasingly are used as models for how private payors and other governmental payors develop their coverage and reimbursement policies for drugs and biologics. Some third-party payors may require pre-approval of coverage for new or innovative devices or drug therapies before they will reimburse health care providers who use such therapies. It is difficult to predict at this time what third-party payors will decide with respect to the coverage and reimbursement for our product candidates.

Obtaining and maintaining reimbursement status is time-consuming and costly. No uniform policy for coverage and reimbursement for products exists among third-party payors in the United States. Therefore, coverage and reimbursement for products can differ significantly from payor to payor. As a result, the coverage determination process is often a time-consuming and costly process that will require us to provide scientific and clinical support for the use of our products to each payor separately, with no assurance that coverage and adequate reimbursement will be applied consistently or obtained in the first instance. Furthermore, rules and regulations regarding reimbursement change frequently, in some cases at short notice, and we believe that changes in these rules and regulations are likely.

Moreover, increasing efforts by governmental and third-party payors in the United States and abroad to cap or reduce healthcare costs may cause such organizations to limit both coverage and the level of reimbursement for newly approved products and, as a result, they may not cover or provide adequate payment for our product

candidates. We expect to experience pricing pressures in connection with the sale of any of our product candidates due to the trend toward managed healthcare, the increasing influence of health maintenance organizations, and additional legislative changes. The downward pressure on healthcare costs in general, particularly prescription drugs, has become very intense. As a result, increasingly high barriers are being erected to the entry of new products. The continuing efforts of the government, insurance companies, managed care organizations and other payors of health care services to contain or reduce costs of health care may adversely affect:

- the demand for any products for which we may obtain regulatory approval;
- our ability to set a price that we believe is fair for our products;
- our ability to obtain coverage and reimbursement approval for a product;
- our ability to generate revenues and achieve or maintain profitability; and
- the level of taxes that we are required to pay.

Even if we receive marketing approval for any of our product candidates, we may not achieve market acceptance, which would limit the revenue that we can generate from sales of any of our approved product candidates.

Even if the FDA approves the marketing of any product candidates that we develop, physicians, patients, third-party payors or the medical community may not accept or use them. Efforts to educate the medical community and third-party payors on the benefits of our product candidates may require significant resources and may not be successful. Market acceptance of 5F9 and our other product candidates, if any are approved, will depend on a number of factors, including, among others:

- the ability of 5F9 and our other product candidates to treat cancer, as compared with other available drugs, treatments or therapies;
- the prevalence and severity of any adverse side effects associated with 5F9 and our other product candidates;
- limitations or warnings contained in the labeling approved for 5F9 or our other product candidates by the FDA;
- availability of alternative treatments;
- the size of the target patient population, and 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 and timing of market introduction of competitive products;
- publicity for our product candidates and competing products and treatments;
- pricing and cost effectiveness;
- the effectiveness of our sales and marketing strategies;
- our ability to increase awareness of our product candidates through marketing efforts;
- our ability to obtain sufficient third-party coverage or reimbursement;
- the willingness of patients to pay out-of-pocket in the absence of third-party coverage; and
- the likelihood that the FDA may impose additional requirements that limit the promotion, advertising, distribution or sales of our product candidates.

The market acceptance of our product candidates also will depend in part on the market acceptance of other immunotherapies for the treatment of cancer. While a number of other cancer immunotherapies have received regulatory approval and are being commercialized, our approach to targeting the CD47 pathway is novel.

Adverse events in clinical trials for our product candidates or in clinical trials of others developing similar products and the resulting publicity, as well as any other adverse events in the field of immuno-oncology that may occur in the future, could result in a decrease in demand for 5F9 or any other product candidate that we may develop. If public perception is influenced by claims that the use of cancer immunotherapies is 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 immuno-oncology or the biopharmaceutical industry generally could also result in greater governmental regulation and stricter labeling requirements.

If any of our product candidates is approved but does not achieve an adequate level of acceptance by patients, physicians and third-party payors, we may not generate sufficient revenue to become or remain profitable and our business may be harmed.

Even if we obtain regulatory approval for our product candidates, they will remain subject to ongoing regulatory oversight.

Even if we obtain regulatory approval for any of our product candidates, they will be subject to extensive and ongoing regulatory requirements for manufacturing processes, labeling, packaging, distribution, adverse event reporting, storage, advertising, promotion, sampling and record-keeping. These requirements include submissions of safety and other post-marketing information and reports, registration, as well as continued compliance with current good manufacturing practices, or cGMP, regulations and GCPs, for any clinical trials that we conduct post-approval, all of which may result in significant expense and limit our ability to commercialize such products. In addition, any regulatory approvals that we receive for our product candidates may also be subject to limitations on the approved indicated uses for which the product may be marketed or to the conditions of approval, or contain requirements for potentially costly post-marketing testing, including Phase 4 clinical trials, and surveillance to monitor the safety and efficacy of the product candidate. The FDA may also require a REMS as a condition of approval of our product candidates, 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.

The FDA's and other regulatory authorities' policies may change and additional government regulations may be enacted that could prevent, limit or delay regulatory approval of our product candidates. We cannot predict the likelihood, nature or extent of government regulation that may arise from future legislation or administrative action, either in the United States or abroad. If we are slow or unable to adapt to changes in existing requirements or the adoption of new requirements or policies, or if we are not able to maintain regulatory compliance, we may lose any marketing approval that we may have obtained and we may not achieve or sustain profitability. Moreover, if there are changes in the application of legislation or regulatory policies, or if problems are discovered with a product or our manufacture of a product, or if we or one of our distributors, licensees or co-marketers fails to comply with regulatory requirements, the regulators could take various actions. These include:

- issuing warning or untitled letters;
- seeking an injunction or imposing civil or criminal penalties or monetary fines;
- suspension or imposition of restrictions on operations, including product manufacturing;
- seizure or detention of products, refusal to permit the import or export of products, or request that we initiate a product recall;
- suspension or withdrawal of our marketing authorizations;
- suspension of any ongoing clinical trials;
- refusal to approve pending applications or supplements to applications submitted by us; or
- requiring us to conduct additional clinical trials, change our product labeling or submit additional applications for marketing authorization.

If any of these events occurs, our ability to sell such product may be impaired, and we may incur substantial additional expense to comply with regulatory requirements, which could adversely affect our business, financial condition and results of operations.

If any of our product candidates are approved for marketing and commercialization and we are unable to establish sales and marketing capabilities or enter into agreements with third parties to sell and market our product candidates, we will be unable to successfully commercialize our product candidates if and when they are approved.

We have no sales, marketing or distribution capabilities or experience. To achieve commercial success for any approved product for which we retain sales and marketing responsibilities, we must either develop a sales and marketing organization, which would be expensive and time consuming, or outsource these functions to other third parties. In the future, we may choose to build a focused sales and marketing infrastructure to sell, or participate in sales activities with our collaborators for, some of our product candidates if and when they are approved.

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

Factors that may inhibit our efforts to commercialize our product candidates on our own include:

- our inability to recruit and retain adequate numbers of effective sales and marketing personnel;
- the inability of sales personnel to obtain access to physicians or persuade adequate numbers of physicians to prescribe any future product candidates;
- the lack of complementary products to be offered by sales personnel, which may put us at a competitive disadvantage relative to companies with more extensive product lines; and
- unforeseen costs and expenses associated with creating an independent sales and marketing organization.

If we enter into arrangements with third parties to perform sales, marketing and distribution services, our product revenues or the profitability of these product revenues to us are likely to be lower than if we were to market and sell any products that we develop ourselves. In addition, we may not be successful in entering into arrangements with third parties to sell and market our product candidates or may be unable to do so on terms that are favorable to us. In entering into third-party marketing or distribution arrangements, any revenue we receive will depend upon the efforts of the third parties and we cannot assure you that such third parties will establish adequate sales and distribution capabilities or devote the necessary resources and attention to sell and market our product candidates effectively. If we do not establish sales and marketing capabilities successfully, either on our own or in collaboration with third parties, we will not be successful in commercializing our product candidates.

Risks Related to Our Dependence on Third Parties

We do not have our own manufacturing capabilities and will rely on third parties to produce clinical and commercial supplies of 5F9 and any future product candidate.

We have limited experience in drug formulation and manufacturing and do not own or operate, and we do not expect to own or operate, facilities for drug manufacturing, storage, distribution, or testing. We have entered into a development and manufacturing agreement with Lonza, pursuant to which we agreed to purchase 5F9. Lonza is currently our sole supplier of 5F9. If Lonza is unable to supply us with sufficient clinical and commercial grade quantities of 5F9, and we are unable to timely establish an alternate supply from one or more third-party contract manufacturers, we could experience delays in our development efforts as we locate and qualify new manufacturers. Under such circumstances, we may be required to receive drug substance for use on a purchase order basis, and as such, there can be no assurance that we actually receive sufficient quantities.

Further, our reliance on third-party manufacturers exposes us to risks beyond our control, including the risk of:

- inability to meet our drug specifications and quality requirements consistently;
- delay or inability to procure or expand sufficient manufacturing capacity;
- manufacturing and drug quality issues, including related to scale-up of manufacturing;
- costs and validation of new equipment and facilities required for additional scale-up;
- failure to comply with cGMP and similar foreign standards;
- inability to negotiate manufacturing agreements with third parties under commercially reasonable terms;
- termination or nonrenewal of manufacturing agreements with third parties in a manner or at a time that is costly or damaging to us;
- reliance on a limited number of sources, and in some cases, single sources for drug components, such that if we are unable to secure a sufficient supply of these drug components, we will be unable to manufacture and sell 5F9 or any future product candidate in a timely fashion, in sufficient quantities or under acceptable terms;
- lack of qualified backup suppliers for those components that are currently purchased from a sole or single source supplier;
- operations of our third-party manufacturers or suppliers could be disrupted by conditions unrelated to our business or operations, including the bankruptcy of the manufacturer or supplier or the issuance of a FDA Form 483 notice or warning letter;
- carrier disruptions or increased costs that are beyond our control; and
- failure to deliver our drugs under specified storage conditions and in a timely manner.

Some of these events could be the basis for FDA action, including injunction, recall, seizure, or total or partial suspension of production. In addition, our third-party manufacturers and suppliers are subject to FDA inspection from time to time. Failure by our third-party manufacturers and suppliers to pass such inspections and otherwise satisfactorily complete the FDA approval regimen with respect to our product candidate may result in regulatory actions such as the issuance of FDA Form 483 notices of observations, warning letters or injunctions or the loss of operating licenses. In addition, our third-party manufacturers and suppliers are subject to numerous environmental, health and safety laws and regulations, including those governing the handling, use, storage, treatment and disposal of waste products, and failure to comply with such laws and regulations could result in significant costs associated with civil or criminal fines and penalties for such third parties. Based on the severity of the regulatory action, our clinical or commercial supply of drug and packaging and other services could be interrupted or limited, which could harm our business.

In addition, our contract manufacturers are or may be engaged with other companies to supply and manufacture materials or products for such companies, which also exposes our suppliers and manufacturers to regulatory risks for the production of such materials and products. As a result, failure to meet the regulatory requirements for the production of those materials and products may also affect the regulatory clearance of a contract supplier’s or manufacturer’s facility. If the FDA or a comparable foreign regulatory agency does not approve these facilities for the supply or manufacture of our product candidates, or if it withdraws its approval in the future, we may need to find alternative supply or manufacturing facilities, which would negatively impact our ability to develop, obtain regulatory approval of or market our product candidates, if approved.

As we prepare for later-stage clinical trials and potential commercialization, we will need to take steps to increase the scale of production of our product candidates, which may include transferring production to new

third-party suppliers or manufacturers. In order to conduct larger or late-stage scale clinical trials for our product candidates and supply sufficient commercial quantities of the resulting drug product and its components, if that product candidate is approved for sale, our contract manufacturers and suppliers will need to produce our product candidates in larger quantities, more cost effectively and, in certain cases, at higher yields than they currently achieve. These third-party contractors may not be able to successfully increase the manufacturing capacity for any such product candidates in a timely or cost-effective manner or at all. Significant scale up of manufacturing may require additional processes, technologies and validation studies, which are costly, may not be successful and which the FDA and foreign regulatory authorities must review and approve. In addition, quality issues may arise during those scale-up activities because of the inherent properties of a product candidate itself or of a product candidate in combination with other components added during the manufacturing and packaging process, or during shipping and storage of the active pharmaceutical ingredients or the finished product. If our third-party contractors are unable to successfully scale up the manufacture of any of our product candidates in sufficient quality and quantity and at commercially reasonable prices, and we are unable to find one or more replacement suppliers or manufacturers capable of production at a substantially equivalent cost in substantially equivalent volumes and quality, and we are unable to successfully transfer the processes on a timely basis, the development of that product candidate and regulatory approval or commercial launch for any resulting products may be delayed, or there may be a shortage in supply, either of which could significantly harm our business, financial condition, operating results and prospects.

Any of these events could lead to clinical trial delays, failure to obtain regulatory approval or impact our ability to successfully commercialize any potential future product candidates.

We rely on third parties to conduct our preclinical studies and clinical trials and if these third parties perform in an unsatisfactory manner, our business could be substantially harmed.

We intend to conduct our future clinical trials using our own clinical resources while also leveraging expertise and assistance from CROs as appropriate. We do not currently have the ability to independently conduct large-scale clinical trials, such as a Phase 3 clinical trial, without outside assistance.

We have relied upon and plan to continue to rely upon medical institutions, clinical investigators, contract laboratories and other third parties, such as CROs, to conduct or assist us in conducting GCP-compliant clinical trials on our product candidates properly and on time, and may not currently have all of the necessary contractual relationships in place to do so. Once we have established contractual relationships with such third-party CROs, we will have only limited control over their actual performance of these activities.

We and our CROs and other vendors are required to comply with cGMP, GCP and good laboratory practices, or GLP, which are regulations and guidelines enforced by the FDA, the Competent Authorities of the Member States of the European Union and any comparable foreign regulatory authorities for all of our product candidates in preclinical and clinical development. Regulatory authorities enforce these regulations through periodic inspections of trial sponsors, principal investigators, clinical trial sites and other contractors. Although we rely on CROs to conduct any current or planned GLP-compliant preclinical studies and GCP-compliant clinical trials and have limited influence over their actual performance, we remain responsible for ensuring that each of our preclinical studies and clinical trials is conducted in accordance with its investigational plan and protocol and applicable laws and regulations, and our reliance on the CROs does not relieve us of our regulatory responsibilities. If we or any of our CROs or vendors fail to comply with applicable regulations, the data generated in our preclinical studies and clinical trials may be deemed unreliable and the FDA, EMA, MHRA or any comparable foreign regulatory agency may require us to perform additional preclinical studies and clinical trials before approving our marketing applications. We cannot assure you that upon inspection by a given regulatory agency, such regulatory agency will determine that all of our clinical trials comply with GCP regulations. In addition, our clinical trials must be conducted with products produced under cGMP requirements. Our failure to comply with these requirements may require us to repeat clinical trials, which would delay the regulatory approval process.

While we will have agreements governing their activities, our CROs will not be our employees, and we will not be able to control whether or not they devote sufficient time and resources to our future preclinical and clinical programs. These CROs may also have relationships with other commercial entities, including our competitors, for whom they may also be conducting clinical trials, or other drug development activities which could harm our business. We face the risk of potential unauthorized disclosure or misappropriation of our intellectual property by CROs, which may reduce our trade secret protection and allow our potential competitors to access and exploit our proprietary technology. CROs also may use our proprietary information and intellectual property in such a way as to invite litigation or other intellectual property-related proceedings that could jeopardize or invalidate our proprietary information and intellectual property. If our CROs do not successfully carry out their contractual duties or obligations, fail to meet expected deadlines, or if the quality or accuracy of the clinical data they obtain is compromised due to the failure to adhere to our clinical protocols or regulatory requirements or for any other reason, our clinical trials may be extended, delayed or terminated, the clinical data generated in our clinical trials may be deemed unreliable, and we may not be able to obtain regulatory approval for, or successfully commercialize any product candidate that we develop. As a result, our financial results and the commercial prospects for any product candidate that we develop would be harmed, our costs could increase, and our ability to generate revenue could be delayed.

If our relationships with these CROs terminate, we may not be able to enter into arrangements with alternative CROs or do so on commercially reasonable terms. Switching or adding additional CROs involves substantial cost and requires management time and focus, and could delay development and commercialization of our product candidates. In addition, there is a natural transition period when a new CRO commences work. As a result, delays occur, which can negatively impact our ability to meet our desired clinical development timelines. Though we intend to carefully manage our relationships with our CROs, there can be no assurance that we will not encounter challenges or delays in the future or that these delays or challenges will not have a negative impact on our business and financial condition.

If we are not able to maintain our current collaborations and establish further collaborations, we may have to alter some of our future development and commercialization plans.

Our product development programs and the potential commercialization of our product candidates will require substantial additional capital to fund expenses. We have entered into collaboration agreements with pharmaceutical and biotechnology companies for certain combination therapies with 5F9 and may decide to collaborate for the future development and potential commercialization of other product candidates. For example, we have an ongoing combination clinical trial in ovarian cancer with Merck KGaA and combination clinical trials planned in in AML and bladder cancer with Genentech. Furthermore, we may find that our programs require the use of proprietary rights held by third parties, and the growth of our business may depend in part on our ability to acquire, in-license or use these proprietary rights. We will likely have limited control over the amount and timing of resources that our collaborators dedicate to the development or commercialization of any product candidates we may seek to develop with them. We cannot predict the success of any collaboration that we have entered into or will enter into.

We face significant competition in seeking appropriate collaborators, and a number of more established companies may also be pursuing strategies to license or acquire third-party intellectual property rights that we may consider attractive. These established companies may have a competitive advantage over us due to their size, financial 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. Whether we reach a definitive agreement for a collaboration will depend, among other things, upon our assessment of the collaborator’s resources and expertise, the terms and conditions of the proposed collaboration and the proposed collaborator’s evaluation of a number of factors. Those factors may include the design or results of clinical trials, the likelihood of approval by the FDA, EMA, MHRA or similar foreign regulatory authorities, the potential market for the subject product candidate, the costs and complexities of manufacturing and delivering such product candidate to patients, competing products, the existence of uncertainty with respect to our ownership of

technology, which can exist if there is a challenge to such ownership without regard to the merits of the challenge, and industry and market conditions generally. The collaborator may also consider alternative product candidates or technologies for similar indications that may be available to collaborate on and whether such a collaboration could be more attractive than the one with us for our product candidate. We may also be restricted under existing license agreements from entering into agreements on certain terms with potential collaborators. Collaborations are complex and time-consuming to negotiate and document. In addition, there have been a significant number of recent business combinations among large pharmaceutical companies that have resulted in a reduced number of potential future collaborators.

We may not be able to negotiate further collaborations on a timely basis, on acceptable terms, or at all. Even if we are able to obtain a license to intellectual property of interest, we may not be able to secure exclusive rights, in which case others could use the same rights and compete with us. Our existing collaboration partners may not prioritize our product candidates or otherwise not effectively pursue the development of our product candidates which may delay, reduce or terminate the development of such product candidate, reduce or delay its development program or delay its potential commercialization. Further if we are unable to successfully obtain rights to required third-party intellectual property rights or maintain the existing intellectual property rights we have, we may have to delay, reduce or terminate the development of such product candidate, reduce or delay its development program or one or more of our other development programs, delay its potential commercialization or reduce the scope of any sales or marketing activities, or increase our expenditures and undertake development or commercialization activities at our own expense. Doing so will likely harm our ability to execute our business plans. If we elect to increase our expenditures to fund development or commercialization activities on our own, we may need to obtain additional capital, which may not be available to us on acceptable terms or at all. If we do not have sufficient funds, we may not be able to further develop our product candidates or bring them to market and generate product revenue.

Our reliance on third parties requires us to share our trade secrets, which increases the possibility that a competitor will discover them or that our trade secrets will be misappropriated or disclosed.

Because we rely on third parties to develop and manufacture our product candidates, we must, at times, share trade secrets with them. We seek to protect our proprietary technology in part by entering into confidentiality agreements and, if applicable, material transfer agreements, collaborative research agreements, consulting agreements or other similar agreements with our collaborators, advisors, employees and consultants prior to beginning research or disclosing proprietary information. These agreements typically limit the rights of the third parties to use or disclose our confidential information, such as trade secrets. Despite these contractual agreements with third parties, sharing trade secrets and other confidential information increases the risk that such trade secrets become known by our competitors, are inadvertently incorporated into the technology of others, or are disclosed or used in violation of these agreements. Given that our proprietary position is based, in part, on our know-how and trade secrets, a competitor's discovery of our trade secrets or other unauthorized use or disclosure would impair our competitive position and may harm our business.

In addition, these agreements typically restrict the ability of our advisors, employees, third-party contractors and consultants to publish data potentially relating to our trade secrets, although our agreements may contain certain limited publication rights. Despite our efforts to protect our trade secrets, our competitors may discover our trade secrets, either through breach of our agreements with third parties, independent development or publication of information by any of our third-party collaborators. A competitor's discovery of our trade secrets would impair our competitive position and have an adverse impact on our business.

Risks Related to Regulatory Compliance

Enacted and future legislation may increase the difficulty and cost for us to obtain marketing approval of and commercialize our product candidates and affect the prices we may charge for such product candidates.

The United States and many foreign jurisdictions have enacted or proposed legislative and regulatory changes affecting the healthcare system that could prevent or delay marketing approval of our product

candidates, restrict or regulate post-approval activities and affect our ability to profitably sell any product for which we obtain marketing approval.

In March 2010, the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act of 2010, or collectively, the Affordable Care Act, was enacted, which includes measures that have significantly changed the way health care is financed by both governmental and private insurers. Some of the provisions of the Affordable Care Act have yet to be implemented, and there have been judicial and congressional challenges to certain aspects of the Affordable Care Act. In January 2017, President Trump signed an Executive Order directing federal agencies with authorities and responsibilities under the Affordable Care Act to waive, defer, grant exemptions from, or delay the implementation of any provision of the Affordable Care Act that would impose a fiscal or regulatory burden on states, individuals, healthcare providers, health insurers, or manufacturers of pharmaceuticals or medical devices. The U.S. House of Representatives passed legislation known as the American Health Care Act of 2017 in May 2017. More recently, the Senate Republicans introduced and then updated a bill to replace the Affordable Care Act known as the Better Care Reconciliation Act of 2017. The Senate Republicans also introduced legislation to repeal the Affordable Care Act without companion legislation to replace it, and a "skinny" version of the Better Care Reconciliation Act of 2017. Each of these measures was rejected by the full Senate. Congress will likely consider other legislation to replace elements of the Affordable Care Act. We continue to evaluate the effect that the ACA and its possible repeal and replacement has on our business.

In addition, other legislative changes have been proposed and adopted since the Affordable Care Act was enacted. For example, in August 2011, then-President Obama signed into law the Budget Control Act of 2011, which, among other things, created the Joint Select Committee on Deficit Reduction to recommend to Congress proposals in spending reductions. The Joint Select Committee on Deficit Reduction did not achieve a targeted deficit reduction, which triggered the legislation's automatic reduction to several government programs. This includes aggregate reductions to Medicare payments to providers of, on average, 2% per fiscal year through 2025 unless Congress takes additional action. Recently, 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 bills 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.

We expect that the healthcare reform measures that have been adopted and may be adopted in the future, may result in more rigorous coverage criteria and in additional downward pressure on the price that we receive for any approved product and could seriously harm our future revenues. Any reduction in reimbursement from Medicare or other government programs may result in a similar reduction in payments from private payors. The implementation of cost containment measures or other healthcare reforms may prevent us from being able to generate revenue, attain profitability or commercialize our products.

Our business operations and current and future relationships with investigators, health care professionals, consultants, third-party payors and customers will be subject, directly or indirectly, to federal and state healthcare fraud and abuse laws, false claims laws, health information privacy and security laws, and other healthcare laws and regulations. If we are unable to comply, or have not fully complied, with such laws, we could face substantial penalties.

Although we do not currently have any products on the market, if we obtain FDA approval for our product candidates, and begin commercializing those products in the United States, our operations may be directly, or indirectly through our prescribers, customers and third-party payors, subject to various U.S. federal and state healthcare laws and regulations, including, without limitation, the U.S. federal Anti-Kickback Statute, the U.S. federal civil and criminal false claims laws and the Physician Payments Sunshine Act and regulations. Healthcare providers, physicians and others play a primary role in the recommendation and prescription of any products for which we obtain marketing approval. These laws may impact, among other things, our current business

operations, including our clinical research activities, and proposed sales, marketing and education programs and constrain the business of financial arrangements and relationships with healthcare providers, physicians and other parties through which we market, sell and distribute our products for which we obtain marketing approval. In addition, we may be subject to patient data privacy and security regulation by both the U.S. federal government and the states in which we conduct our business. Finally, we may be subject to additional healthcare, statutory and regulatory requirements and enforcement by foreign regulatory authorities in jurisdictions in which we conduct our business. The laws that may affect our ability to operate include:

- the U.S. federal Anti-Kickback Statute, which prohibits, among other things, persons or entities from knowingly and willfully soliciting, offering, receiving or paying any remuneration (including any kickback, bribe, or certain rebates), directly or indirectly, overtly or covertly, in cash or in kind, to induce or reward either the referral of an individual for, 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 U.S. federal and state healthcare programs such as Medicare and Medicaid. A person or entity does not need to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation;
- the U.S. federal false claims and civil monetary penalties laws, including the civil False Claims Act, which, among other things, impose criminal and civil penalties, including through civil whistleblower or qui tam actions, against individuals or entities for knowingly presenting, or causing to be presented, to the U.S. federal government, claims for payment or approval that are false or fraudulent, knowingly making, using or causing to be made or used, a false record or statement material to a false or fraudulent claim, or from knowingly making a false statement to avoid, decrease or conceal an obligation to pay money to the U.S. federal government. In addition, the government may assert that a claim including items and services resulting from a violation of the U.S. federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the False Claims Act;
- the U.S. federal Health Insurance Portability and Accountability Act of 1996, or HIPAA, which imposes criminal and civil liability for, among other things, knowingly and willfully executing, or attempting to execute, a scheme to defraud any healthcare benefit program, or knowingly and willfully falsifying, concealing or covering up a material fact or making any materially false statement, in connection with the delivery of, or payment for, healthcare benefits, items or services; similar to the U.S. federal Anti-Kickback Statute, a person or entity does not need to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation;
- HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act of 2009, or HITECH, and its implementing regulations, and as amended again by the Modifications to the HIPAA Privacy, Security, Enforcement and Breach Notification Rules Under HITECH and the Genetic Information Nondiscrimination Act; Other Modifications to the HIPAA Rules, commonly referred to as the Final HIPAA Omnibus Rule, published in January 2013, which imposes certain obligations, including mandatory contractual terms, with respect to safeguarding the privacy, security and transmission of individually identifiable health information without appropriate authorization by covered entities subject to the Final HIPAA Omnibus Rule, i.e. health plans, healthcare clearinghouses and healthcare providers, as well as their business associates that perform certain services for or on their behalf involving the use or disclosure of individually identifiable health information;
- the U.S. Federal Food, Drug and Cosmetic Act, which prohibits, among other things, the adulteration or misbranding of drugs, biologics and medical devices;
- the U.S. federal legislation commonly referred to as Physician Payments Sunshine Act, enacted as part of the ACA, and its implementing regulations, which requires certain manufacturers of drugs, devices, biologics and medical supplies that are reimbursable under Medicare, Medicaid, or the Children’s Health Insurance Program to report annually to the CMS information related to certain payments and other transfers of value to physicians (defined to include doctors, dentists, optometrists, podiatrists and chiropractors) and teaching hospitals, as well as ownership and investment interests held by the physicians described above and their immediate family members;

- analogous state laws and regulations, including: state anti-kickback and false claims laws, which may apply to our business practices, including, but not limited to, research, distribution, sales and marketing arrangements and claims involving healthcare items or services reimbursed by any third-party payor, 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 U.S. federal government, or otherwise restrict payments that may be made to healthcare providers and other potential referral sources; state laws and regulations that require drug manufacturers to file reports relating to pricing and marketing information, which requires tracking gifts and other remuneration and items of value provided to healthcare professionals and entities; and state laws governing the privacy and security of health information in certain circumstances, many of which differ from each other in significant ways and often are not preempted by HIPAA, thus complicating compliance efforts; and
- European and other foreign law equivalents of each of the laws, including reporting requirements detailing interactions with and payments to healthcare providers.

Ensuring that our internal operations and future business arrangements with third parties comply with applicable healthcare laws and regulations will involve substantial costs. It is possible that governmental authorities will conclude that our business practices do not comply with current or future statutes, regulations, agency guidance or case law involving applicable fraud and abuse or other healthcare laws and regulations. If our operations are found to be in violation of any of the laws described above or any other governmental laws and regulations that may apply to us, we may be subject to significant penalties, including civil, criminal and administrative penalties, damages, fines, exclusion from U.S. government funded healthcare programs, such as Medicare and Medicaid, or similar programs in other countries or jurisdictions, disgorgement, individual imprisonment, contractual damages, reputational harm, diminished profits, additional reporting requirements and oversight if we become subject to a corporate integrity agreement or similar agreement to resolve allegations of non-compliance with these laws and the delay, reduction, termination or restructuring of our operations. Further, defending against any such actions can be costly and time-consuming, and may require significant financial and personnel resources. Therefore, even if we are successful in defending against any such actions that may be brought against us, our business may be impaired. If any of the physicians or other providers or entities with whom we expect to do business is found to not be in compliance with applicable laws, they may be subject to criminal, civil or administrative sanctions, including exclusions from government funded healthcare programs and imprisonment. If any of the above occur, it could adversely affect our ability to operate our business and our results of operations.

We may not be able to obtain or maintain orphan drug designation or exclusivity for our product candidates.

We have obtained orphan drug designation in the United States and Europe for use of 5F9 in treating AML. We may seek orphan drug designation for other product candidates in the future. Regulatory authorities in some jurisdictions, including the United States and the European Union, may designate drugs for relatively small patient populations as orphan drugs. Under the Orphan Drug Act, the FDA may designate a product 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 in the United States.

Our orphan drug exclusivity for the use of 5F9 in treating AML is contingent upon a showing that 5F9 is clinically superior to existing treatments of AML. Clinical superiority may be demonstrated by showing that a drug has greater effectiveness than the approved drug, greater safety in a substantial portion of the target population, or otherwise makes a major contribution to patient care. If we are unable to demonstrate that the use of 5F9 in treating AML is clinically superior to existing treatments, we will not be entitled to the benefits of orphan drug exclusivity, which could adversely affect our business and our ability to market and sell 5F9 if it is approved for sale.

Generally, if a product with an orphan drug designation subsequently receives the first marketing approval for the indication for which it has such designation, the product is entitled to a period of marketing exclusivity, which precludes the FDA or the EMA from approving another marketing application for the same drug for the same indication during that time period. The applicable period is seven years in the United States and ten years in the European Union. The European 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 so that market exclusivity is no longer justified. Orphan drug exclusivity may be lost if the FDA or the EMA 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.

We cannot assure you that any future application for orphan drug designation with respect to any other product candidate will be granted. If we are unable to obtain orphan drug designation with respect to other product candidates in the United States, we will not be eligible to obtain the period of market exclusivity that could result from orphan drug designation or be afforded the financial incentives associated with orphan drug designation. Even when we obtain orphan drug exclusivity for a product, that exclusivity may not effectively protect the product from competition because different drugs can be approved for the same condition. Even after an orphan drug is approved, the FDA can subsequently approve a later 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.

Risks Related to Our Intellectual Property

If we are unable to obtain and maintain sufficient patent and other intellectual property protection for our product candidates and technology, we may not be able to compete effectively in our market.

Our success depends in significant part on our ability and the ability of our licensors and collaborators to obtain, maintain, enforce and defend patents and other intellectual property rights with respect to our product candidates and technology and to operate our business without infringing, misappropriating, or otherwise violating the intellectual property rights of others. We have licensed a patent estate from The Board of Trustees of the Leland Stanford Junior University, or Stanford. For more information, see “Business—License and Collaboration Agreements.” In addition, we have filed our own patent applications, and as of March 31, 2018, the only patent applications solely owned by us are provisional patent applications, and we do not own any issued patents. 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. If we do not timely file any non-provisional patent applications, we may lose our priority date with respect to our provisional patent applications and any patent protection on the inventions disclosed in our provisional patent applications. While we intend to 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 that provide us with any competitive advantage.

We have also licensed patent and other intellectual property rights to and from our partners. Some of these licenses give us the right to prepare, file and prosecute patent applications and maintain and enforce patents we have licensed, whereas other licenses may not give us such rights. In some circumstances, we may not have the right to control the preparation, filing and prosecution of patent applications or to maintain the patents covering technology that we license to or from our partners, and we may have to rely on our partners to fulfill these responsibilities. Consequently, these patents and applications may not be prosecuted and enforced in a manner consistent with the best interests of our business. If our current or future licensors, licensees or collaborators fail to establish, maintain or protect such patents and other intellectual property rights, such rights may be reduced or eliminated. If our licensors, licensees or collaborators are not fully cooperative or disagree with us as to the prosecution, maintenance or enforcement of any patent rights, such patent rights could be compromised.

The patent prosecution process is expensive and time-consuming. We and our current or future licensors, licensees or collaborators may not be able to prepare, file and prosecute all necessary or desirable patent

applications at a reasonable cost or in a timely manner. It is also possible that we or our licensors will fail to file patent applications covering inventions made in the course of development and commercialization activities before a competitor or another third party files a patent application covering, or publishes information disclosing, a similar, independently-developed invention. Such competitor's patent application may pose obstacles to our ability to obtain or limit the scope of patent protection we may obtain. Although we enter into non-disclosure and 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 the agreements and disclose such output before a patent application is filed, thereby jeopardizing our ability to seek patent protection. In addition, 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 be certain that we or our licensors were the first to make the inventions claimed in our owned or licensed patents or pending patent applications, or were the first to file for patent protection of such inventions.

The patent position of biotechnology and pharmaceutical companies generally is uncertain, involves complex legal and factual questions and is the subject of much litigation. As a result, the issuance, scope, validity, enforceability and commercial value of our and our current or future licensors' patent rights are uncertain. Our and our licensors' pending and future patent applications may not result in patents being issued that protect our technology or products, in whole or in part, or which effectively exclude others from commercializing competitive technologies and products. The patent examination process may require us or our licensors to narrow the scope of the claims of our pending and future patent applications, and therefore, even if such patent applications issue as patents, they may not issue in a form that will provide us with any meaningful protection, prevent competitors or other third parties from competing with us, or otherwise provide us with any competitive advantage. Our and our licensors' patent applications cannot be enforced against third parties practicing the technology claimed in such applications unless and until a patent issues from such applications, and then only to the extent the issued claims cover such technology. Any of the foregoing could harm our competitive position, business, financial condition, results of operations and prospects.

The patent protection we obtain for our product candidates and technology may be challenged or not sufficient enough to provide us with any competitive advantage.

Even if our owned or licensed patent applications issue as patents, the issuance of any such patents is not conclusive as to their inventorship, scope, validity, or enforceability, and such patents may be challenged, invalidated or held to be unenforceable, including in the courts or patent offices in the United States and abroad, or circumvented. We may be subject to a third party preissuance submission of prior art to the United States Patent and Trademark Office, or USPTO, or equivalent foreign bodies, or become involved in opposition, derivation, revocation, re-examination, post-grant and *inter partes* review, or interference proceedings challenging our patent rights or the patent rights of others. An adverse determination in any such submission, proceeding or litigation could reduce the scope of, or invalidate, our patent rights, allow third parties to commercialize our technology or products and compete directly with us, without payment to us, or result in our inability to manufacture or commercialize products without infringing third-party patent rights. Moreover, we, or one of our licensors, may have to participate in interference proceedings declared by the USPTO to determine priority of invention or in post-grant challenge proceedings, such as oppositions in a foreign patent office, that challenge priority of invention or other features of patentability. For example, we are aware of an opposition proceeding filed in the European Patent Office, or the EPO, by different third parties against a European patent that we exclusively in-license from Stanford that relates to the treatment of cancer with certain anti-CD47 antibodies or anti-SIRPa antibodies. For more information regarding this proceeding, see "Business—Intellectual Property." We are also aware of an opposition proceeding filed in the EPO by a third party against a different European patent that we exclusively in-license from Stanford that relates to hematopoietic stem cell transplantation with anti-CKIT antibodies. One or more of the third parties that have filed oppositions against these patents or other third parties may file future oppositions or other challenges, in Europe or other

jurisdictions, against other patents that we in-license or own. Such proceedings and any other patent challenges may result in loss of patent rights, loss of exclusivity, loss of priority, or in patent claims being narrowed, invalidated, or held unenforceable, which could limit our ability to stop others from using or commercializing similar or identical technology and products, or limit the duration of the patent protection of our technology and product candidates. Such proceedings also may result in substantial cost and require significant time from our scientists and management, even if the eventual outcome is favorable to us. Any of the foregoing could harm our business, financial condition, results of operations and prospects.

Furthermore, given the amount of time required for the development, testing and regulatory review of new product candidates, patents protecting such candidates might expire before or shortly after such candidates are commercialized. As a result, our owned and licensed patent portfolios may not provide us with adequate protection against third parties seeking to commercialize products similar or identical to ours. We expect to request extensions of patent terms to the extent available in countries where we obtain issued patents. In the United States, the Drug Price Competition and Patent Term Restoration Act of 1984 permits a patent term extension of up to five years beyond the expiration of the patent. However, there are no assurances that the FDA or any comparable foreign regulatory authority or national patent office will grant such extensions, in whole or in part. In such case, our competitors may launch their products earlier than might otherwise be anticipated. Moreover, some of our owned or in-licensed patents and patent applications are, and may in the future be, co-owned with third parties. If we are unable to obtain an exclusive license 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.

In addition, our owned and in-licensed patents may be subject to a reservation of rights by one or more third parties. For example, our license to certain intellectual property owned by Stanford is subject to certain rights Stanford granted to third parties prior to our license agreement. In addition, the research resulting in certain of our owned and in-licensed patent rights and technology was funded in part by the U.S. federal or state governments, including our grants from the California Institute for Regenerative Medicine, or CIRM. 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 also exercise its march-in rights if it determines that action is necessary because we fail to achieve practical application of the government-funded technology, 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.

We are heavily dependent on licensed intellectual property. If we were to lose our rights to licensed intellectual property, we may not be able to continue developing or commercializing our product candidates, if approved. If we breach any of the agreements under which we license the use, development and commercialization rights to our product candidates or technology from third parties or, in certain cases, we fail to meet certain development deadlines, we could lose license rights that are important to our business.

We are heavily reliant upon licenses to certain patent rights and other intellectual property from third parties that are important or necessary to the development of our product candidates, including 5F9. For example, in November 2015 we entered into a license agreement with Stanford under which we are granted rights to intellectual property that are necessary to the development and commercialization of 5F9 and are otherwise important to our business. We may also need to obtain additional licenses to advance the development and commercialization of other product candidates we may develop. Our existing license agreement with Stanford imposes, and we expect that future license agreements will impose, upon us various development, regulatory and/

or commercial diligence obligations, payment of milestones and/or royalties and other obligations. If we fail to comply with our obligations under these agreements, or we are subject to a bankruptcy-related event, the licensor may have the right to terminate the license, in which event we would not be able to develop, market or otherwise commercialize products covered by the license, including 5F9 if any of the foregoing were to occur with respect to our license with Stanford. Our business could suffer, for example, if any current or future licenses terminate, if the licensors fail to abide by the terms of the license, if the licensed patents or other rights are found to be invalid or unenforceable, or if we are unable to enter into necessary licenses on acceptable terms. For more information regarding our license agreements, see "Business—License and Collaboration Agreements."

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 licensors regarding intellectual property subject to a license agreement, including:

- the scope of rights granted under the license agreement and other interpretation-related issues;
- whether and the extent to which our technology and processes infringe on intellectual property of the licensor that is not subject to the licensing agreement;
- our right to sublicense patent and other rights to third parties;
- our diligence obligations with respect to the use of the licensed technology in relation to our development and commercialization of our product candidates, and what activities satisfy those diligence obligations;
- the ownership of inventions and know-how resulting from the joint creation or use of intellectual property by our licensors and us and our partners;
- our right 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. Moreover, if disputes over intellectual property that we have licensed prevent or impair our ability to maintain our current licensing arrangements on acceptable terms, we may be unable to successfully develop and commercialize the affected product candidates.

We may enter into additional licenses to third-party intellectual property that are necessary or useful to our business. Our current licenses and any future licenses that we may enter into impose various royalty payment, milestone and other obligations on us. Under some license agreements, we may not control prosecution of the licensed intellectual property, or may not have the first right to enforce the intellectual property. In those cases, we may not be able to adequately influence patent prosecution or enforcement, or prevent inadvertent lapses of coverage due to failure to pay maintenance fees. If we fail to comply with any of our obligations under a current or future license agreement, the licensor may allege that we have breached our license agreement, and may accordingly seek to terminate our license. Termination of any of our current or future licenses could result in our loss of the right to use the licensed intellectual property, which could materially adversely affect our ability to develop and commercialize a product candidate or product, if approved, as well as harm our competitive business position and our business prospects. Under some license agreements, termination may also result in the transfer or granting of rights under certain of our intellectual property and information related to the product candidate being developed under the license, such as regulatory information.

In addition, if our licensors fail to abide by the terms of the license, if the licensors fail to prevent infringement by third parties, if the licensed patents or other rights are found to be invalid or unenforceable, or if we are unable to enter into necessary licenses on acceptable terms, our business, competitive position, financial condition, results of operations and prospects could be materially harmed.

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 covering our technology and product 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. In addition, our patents or the patents of our licensors may become involved in inventorship or priority disputes. 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. To counter infringement or other unauthorized use, we may be required to file infringement claims, which can be expensive and time-consuming. 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 product candidates, or one of our future product 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 re-examination, post-grant review, *inter partes* review, interference proceedings, derivation proceedings and equivalent proceedings in foreign jurisdictions (*e.g.*, opposition proceedings). Such proceedings could result in the revocation of, cancellation of, or amendment to our patents in such a way that they no longer cover our technology or any product 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 protection on the applicable product candidates or technology covered by the patent rendered invalid or unenforceable. Such a loss of patent protection 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.

Most 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 upon,

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 product 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.

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

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

Many companies have encountered significant problems in protecting and defending intellectual property rights in foreign jurisdictions. The legal systems of some countries do not favor the enforcement of patents and other intellectual property protection, which could make it difficult for us to stop the infringement of our patents generally. Proceedings to enforce our patent rights in foreign jurisdictions could result in substantial costs and divert our efforts and attention from other aspects of our business, could put our 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 countries, including European Union 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 those patents. This could 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.

We may not identify relevant third-party patents or may incorrectly interpret the relevance, scope or expiration of a third-party patent which might adversely affect our ability to develop and market our product 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 product 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. 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 product 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 product candidates or the use of our product 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 product candidates. We may incorrectly determine that our product 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 product candidates. Our failure to identify and correctly interpret relevant patents may negatively impact our ability to develop and market our product candidates.

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 product candidates that are held to be infringing. We might, if possible, also be forced to redesign product candidates so that we 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.

If we are unable to obtain licenses from third parties on commercially reasonable terms or fail to comply with our obligations under such agreements, 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, in which case we would be required to obtain a license from these third parties. 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 product candidates, which could materially harm our business, and the third parties owning such intellectual property rights could seek either an injunction prohibiting our sales, or, with respect to our sales, an obligation on our part to pay royalties and/or other forms of compensation. Even if we are able to obtain a license, it may be non-exclusive, thereby giving our competitors access to the same technologies licensed to us.

If we fail to comply with our obligations under our license agreements, our counterparties may have the right to terminate these agreements, in which event we might not be able to develop, manufacture or market, or may be forced to cease developing, manufacturing or marketing, any product that is covered by these agreements or may face other penalties under such agreements. Such an occurrence could materially adversely affect the value of the product candidate being developed under any such agreement. Termination of these agreements or reduction or elimination of our rights under these agreements may 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 product candidates that rely on such agreements.

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

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

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

Depending upon the timing, duration and conditions of any FDA marketing approval of our product candidates, one or more of our U.S. patents may be eligible for limited patent term extension under the Drug Price Competition and Patent Term Restoration Act of 1984, referred to as the Hatch-Waxman Amendments, and similar legislation in the European Union. The Hatch-Waxman Amendments permit 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 covering 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 product 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 preclinical 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.

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

Obtaining and enforcing patents in the pharmaceutical industry is inherently uncertain, due in part to ongoing changes in the patent laws. 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 licensors' or collaborators' ability to obtain new patents or to enforce existing or future patents. For example, the 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 licensors' or collaborators' ability to obtain patents in the future, as well as uncertainty with respect to the value of patents once obtained.

Recent patent reform legislation could increase the uncertainties and costs surrounding the prosecution of our and our licensors' or collaborators' patent applications and the enforcement or defense of our or our licensors' or collaborators' issued patents. 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, or 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 attack the validity of a patent by USPTO-administered post-grant proceedings, including post-grant review, *inter partes* review and derivation proceedings. The USPTO recently 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, all of which 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 protection could be reduced or eliminated if we fail to comply with these requirements.

Periodic maintenance and annuity fees on any issued patent 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 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. Noncompliance 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 many cases be cured by payment of a late fee or by other means in accordance with the applicable rules, there are situations in which 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 or collaborators fail to maintain the patents and patent applications covering our product 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.

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 product 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 biotechnology and pharmaceutical industries. We may become party to, or threatened with, future adversarial proceedings or litigation regarding intellectual property rights with respect to our drugs and technology, including re-examination, 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 product 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 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 product candidates we may develop and any other product 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 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 product 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 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.

For example, we have filed third party observations in an opposition proceeding in the EPO with respect to a European patent and a petition for *inter partes* review of a U.S. patent in the USPTO, each of which is related to the treatment of cancer with an anti-CD47 antibody or an anti-SIRPa antibody in combination with certain other antibodies, including rituximab or cetuximab. These patents are assigned to Stichting Sanquin Bloedvoorziening, or SSB, and SSB is reported to have licensed its rights in the patents to Synthon Biopharmaceuticals B.V., or Synthon. The opposition proceeding was rejected by the EPO and the opponent has appealed the decision. On June 4, 2018, we acquired the opposition against this European patent from the opponent. For more information regarding these proceedings and our acquisition of the opposition against this European patent, see "Business—Intellectual Property." It is possible that the EPO may not agree with our third party observations and the appeal filed by the opponent, and that the European patent being challenged may be maintained in the EPO. It is also possible that the USPTO may deny our petition for *inter partes* review. Even if the USPTO does grant our petition for *inter partes* review, it is possible that it will ultimately rule against us and maintain the claims of the U.S. patent we are challenging.

If the USPTO or EPO rules against us in any or all of these proceedings and maintains the claims of the patents being challenged we may need to obtain licenses to such patents for, or risk litigation in connection with, our commercialization of 5F9 or other anti-CD47 antibodies or anti-SIRPa antibodies in combination with antibodies, including cetuximab for treatment of CRC and rituximab for treatment of NHL, both of which, we are currently investigating in clinical trials. Such licenses may not be available at all or may not be available on commercially reasonable terms such that we may be required to pay significant fees and royalties to secure licenses to the applicable patents. Moreover, such licenses may only be non-exclusive, in which case our ability to stop others from using or commercializing technology and products similar or identical to ours may be limited. If we are unable to obtain and maintain such licenses, we may need to cease the commercialization of 5F9 and other anti-CD47 antibodies or anti-SIRPa antibodies in combination with antibodies, including rituximab and cetuximab. The existing and any potential future legal proceedings relating to these patents could cause us to incur significant expenses, and could distract our technical and management personnel from their normal responsibilities. If we are unsuccessful in our challenges to these patents and become subject to litigation or are unable to obtain a license on commercially reasonable terms with respect to these patents, it could 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 upon, 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. Litigation may be necessary to defend against these claims.

In addition, 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 or other intellectual property as an inventor or

co-inventor. 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 we may be forced to bring claims against third parties, or defend claims they may bring against us, to determine the ownership of what we regard as our intellectual property.

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 product candidates and be a distraction to management. Any of the foregoing events would harm 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. 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 product 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 trade secrets 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, 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. 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.

Intellectual property rights do not necessarily address all potential threats.

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

- others may be able to make products that are similar to any product 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 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 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 patents 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 covering such intellectual property.

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

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

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

We are highly dependent on the management, research and development, clinical, financial and business development expertise of our executive officers, as well as the other members of our scientific and clinical teams. Although we have employment offer letters with each of our executive officers, each of them may terminate their employment with us at any time. We do not maintain “key person” insurance for any of our executives or employees.

Recruiting and retaining qualified scientific and clinical personnel and, if we are successful in obtaining marketing approval for our product candidates, sales and marketing personnel, is critical to our success. The loss of the services of our executive officers or other key employees could impede the achievement of our research, development and commercialization objectives and seriously harm our ability to successfully implement our business strategy. Furthermore, replacing executive officers and key employees may be difficult and may take an extended period of time because of the limited number of individuals in our industry with the breadth of skills and experience required to successfully develop, gain regulatory approval for and commercialize our product candidates. Competition to hire qualified personnel in our industry is intense, and we may be unable to hire, train, retain or motivate these key personnel on acceptable terms given the competition among numerous pharmaceutical and biotechnology companies for similar personnel. Furthermore, to the extent we hire personnel

from competitors, we may be subject to allegations that they have been improperly solicited or that they have divulged proprietary or other confidential information, or that their former employers own their research output. We also experience competition for the hiring of scientific and clinical personnel from universities and research institutions. In addition, we rely on consultants and advisors, including scientific and clinical advisors, to assist us in formulating our research and development and commercialization strategy. Our consultants and advisors may be employed by employers other than us and may have commitments under consulting or advisory contracts with other entities that may limit their availability to us. If we are unable to continue to attract and retain high quality personnel, our ability to pursue our growth strategy will be limited, and could harm our business, prospects, financial condition and results of operations.

We expect to expand our development and regulatory capabilities and potentially implement sales, marketing and distribution capabilities, and as a result, we may encounter difficulties in managing our growth, which could disrupt our operations.

As of March 31, 2018, we had 46 employees. As our clinical development progresses, we expect to experience growth in the number of our employees and the scope of our operations, particularly in the areas of clinical operations, regulatory affairs and, if any of our product candidates receives marketing approval, sales, marketing and distribution. To manage our anticipated future growth, we must continue to implement and improve our managerial, operational and financial systems, expand our facilities and continue to recruit and train additional qualified personnel. Due to our limited financial resources and the limited experience of our management team in managing a company with such anticipated growth, we may not be able to effectively manage the expansion of our operations or recruit and train additional qualified personnel. The expansion of our operations may lead to significant costs and may divert our management and business development resources. Any inability to manage growth could delay the execution of our business plans or disrupt our operations.

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

We are exposed to the risk that our employees, independent contractors, consultants, commercial collaborators, principal investigators, CROs and vendors may engage in fraudulent conduct or other illegal activity. Misconduct by these parties could include intentional, reckless or negligent conduct or unauthorized activities that violates (1) the laws and regulations of the FDA, the EMA, the MHRA and other similar regulatory authorities, including those laws requiring the reporting of true, complete and accurate information to such authorities, (2) manufacturing standards, (3) federal and state data privacy, security, fraud and abuse and other healthcare laws and regulations in the United States and abroad and (4) laws that require the true, complete and accurate reporting of financial information or data. 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. Misconduct by these parties could also involve the improper use of individually identifiable information, including information obtained in the course of clinical trials, creating fraudulent data in our preclinical studies or clinical trials or illegal misappropriation of product candidates, which could result in regulatory sanctions and serious harm to our reputation.

Prior to the closing of this offering, we intend to adopt a code of business conduct and ethics, but 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 be in compliance with such laws or regulations. Additionally, we are subject to the risk that a person or government 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 significant civil, criminal and administrative penalties,

including damages, fines, disgorgement, imprisonment, exclusion from participation in government healthcare programs, such as Medicare and Medicaid, contractual damages, reputational harm and the delay, reduction, termination or restructuring of our operations.

Our international operations may expose us to business, regulatory, political, operational, financial, pricing and reimbursement risks associated with doing business outside of the United States.

Our business is subject to risks associated with conducting business internationally. Some of our suppliers, industry partners and clinical study centers are located outside of the United States. Furthermore, our business strategy incorporates potential international expansion as we seek to obtain regulatory approval for, and commercialize, our product candidates in patient populations outside the United States. If approved, we may hire sales representatives and conduct physician and patient association outreach activities outside of the United States. Doing business internationally involves a number of risks, including but not limited to:

- multiple, conflicting and changing laws and regulations such as privacy regulations, tax laws, export and import restrictions, employment laws, regulatory requirements, and other governmental approvals, permits and licenses;
- failure by us to obtain and maintain regulatory approvals for the use of our products in various countries;
- rejection or qualification of foreign clinical trial data by the competent authorities of other countries;
- additional potentially relevant third-party patent rights;
- complexities and difficulties in obtaining, maintaining, protecting and enforcing our intellectual property;
- difficulties in staffing and managing foreign operations;
- complexities associated with managing multiple payor reimbursement regimes, government payors or patient self-pay systems;
- limits in our ability to penetrate international markets;
- financial risks, such as longer payment cycles, difficulty collecting accounts receivable, the impact of local and regional financial crises on demand and payment for our products and exposure to foreign currency exchange rate fluctuations;
- natural disasters, political and economic instability, including wars, terrorism and political unrest, outbreak of disease, boycotts, curtailment of trade and other business restrictions;
- certain expenses including, among others, expenses for travel, translation and insurance; and
- regulatory and compliance risks that relate to anti-corruption compliance and record-keeping that may fall within the purview of the U.S. Foreign Corrupt Practices Act, its accounting provisions or its anti-bribery provisions or provisions of anti-corruption or anti-bribery laws in other countries.

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

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 third parties on which we rely, are vulnerable to damage from computer viruses and unauthorized access, malware, natural disasters, fire, terrorism, war and telecommunication, electrical failures, cyber-attacks or cyber-intrusions over the Internet, attachments to emails, persons inside our organization, or persons with access to systems inside our organization. The risk of a security breach or disruption, particularly through cyber-attacks or cyber intrusion, including by computer hackers, foreign governments, and cyber terrorists, has generally increased as the number, intensity and sophistication of attempted attacks and intrusions from around the world have increased. While we have not experienced any such material system failure or security breach to our

knowledge 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, ongoing or future clinical trials could result in delays in our regulatory approval efforts and significantly increase our costs to recover or reproduce the data. Likewise, we rely on third parties for the manufacture of our product 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 further development and commercialization of our future product candidates could be delayed.

Risks Related to This Offering and Our Common Stock

We have identified material weaknesses in our internal control over financial reporting. If our remediation of the material weaknesses is not effective, or if we experience additional material weaknesses in the future or otherwise fail to maintain an effective system of internal controls in the future, we may not be able to accurately or timely report our financial condition or results of operations, which may adversely affect investor confidence in us and, as a result, the value of our common stock.

Prior to the completion of this offering, we have been a private company with limited accounting personnel to adequately execute our accounting processes and other supervisory resources with which to address our internal control over financial reporting. In connection with the audit of our financial statements, we identified material weaknesses in our internal control over financial reporting. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our financial statements will not be prevented or detected on a timely basis. The material weaknesses related to our accounting for complex transactions and the timing of our recognition of research and development expenses. We are implementing measures designed to improve our internal control over financial reporting to remediate these material weaknesses including, the engagement of technical accounting consulting resources, plans to hire additional finance department employees and the implementation of more formal policies and procedures related to the accounting for our procurement and vendor payment process.

We cannot assure you that the measures we have taken to date, and are continuing to implement, will be sufficient to remediate the material weaknesses we have identified or avoid potential future material weaknesses. If the steps we take do not correct the material weaknesses in a timely manner, we will be unable to conclude that we maintain effective internal control over financial reporting. Accordingly, there could continue to be a reasonable possibility that a material misstatement of our financial statements would not be prevented or detected on a timely basis.

If we fail to remediate our existing material weaknesses or identify new material weaknesses in our internal controls over financial reporting, if we are unable to comply with the requirements of Section 404 of the Sarbanes-Oxley Act in a timely manner, if we are unable to conclude that our internal controls over financial reporting are effective, or if our independent registered public accounting firm is unable to express an opinion as to the effectiveness of our internal controls over financial reporting when we are no longer an emerging growth company, investors may lose confidence in the accuracy and completeness of our financial reports and the market price of our common stock could be negatively affected. As a result of such failures, we could also become subject to investigations by the stock exchange on which our securities are listed, the SEC, or other regulatory authorities, and become subject to litigation from investors and stockholders, which could harm our reputation and financial condition or divert financial and management resources from our regular business activities.

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

Prior to this offering, there has been no public market for our common stock. We cannot predict the extent to which an active market for our common stock will develop or be sustained after this offering, or how the

development of such a market might affect the market price for our common stock. The initial public offering price for our common stock will be determined through negotiations with the underwriters and may not be indicative of the price at which our common stock will trade after the closing of this offering. Although we have applied to list our common stock on The Nasdaq Global Market, an active trading market for our shares may never develop or be sustained following this offering. If an active market for our common stock does not develop or is not sustained, it may be difficult for you to sell shares you purchased in this offering at an attractive price or at all.

The trading price of the shares of our common stock may be volatile, and purchasers of our common stock could incur substantial losses.

Our stock price may be volatile. The stock market in general and the market for pharmaceutical companies in particular have experienced extreme volatility that has often been unrelated to the operating performance of particular companies. As a result of this volatility, investors may not be able to sell their common stock at or above the price paid for the shares. The market price for our common stock may be influenced by many factors, including:

- adverse regulatory decisions;
- any delay in our regulatory filings for our product candidates and any adverse development or perceived adverse development with respect to the applicable regulatory authority's review of such filings, including without limitation the FDA's issuance of a "refusal to file" letter or a request for additional information;
- the commencement, enrollment or results of any future clinical trials we may conduct, or changes in the development status of our product candidates;
- adverse results from, delays in or termination of clinical trials;
- unanticipated serious safety concerns related to the use of our product candidates;
- lower than expected market acceptance of our product candidates following approval for commercialization;
- changes in financial estimates by us or by any securities analysts who might cover our stock;
- conditions or trends in our industry;
- changes in the market valuations of similar companies;
- stock market price and volume fluctuations of comparable companies and, in particular, those that operate in the pharmaceutical industry;
- publication of research reports about us or our industry or positive or negative recommendations or withdrawal of research coverage by securities analysts;
- announcements by us or our competitors of significant acquisitions, strategic partnerships or divestitures;
- announcements of investigations or regulatory scrutiny of our operations or lawsuits filed against us;
- investors' general perception of our company and our business;
- recruitment or departure of key personnel;
- overall performance of the equity markets;
- trading volume of our common stock;
- disputes or other developments relating to proprietary rights, including patents, litigation matters and our ability to obtain patent protection for our technologies;
- significant lawsuits, including patent or stockholder litigation;
- proposed changes to healthcare laws in the United States or foreign jurisdictions, or speculation regarding such changes;

- general political and economic conditions; and
- other events or factors, many of which are beyond our control.

In addition, in the past, stockholders have initiated class action lawsuits against pharmaceutical and biotechnology companies following periods of volatility in the market prices of these companies' stock. Such litigation, if instituted against us, could cause us to incur substantial costs and divert management's attention and resources from our business.

If equity research analysts do not publish research or reports, or publish unfavorable research or reports, about us, our business or our market, our stock price and trading volume could decline.

The trading market for our common stock will be influenced by the research and reports that equity research analysts publish about us and our business. We do not currently have and may never obtain research coverage by equity research analysts. Equity research analysts may elect not to provide research coverage of our common stock after this offering, and such lack of research coverage may adversely affect the market price of our common stock. In the event we do have equity research analyst coverage, we will not have any control over the analysts or the content and opinions included in their reports. The price of our stock could decline if one or more equity research analysts downgrade our stock or issue other unfavorable commentary or research. If one or more equity research analysts ceases coverage of our company or fails to publish reports on us regularly, demand for our stock could decrease, which in turn could cause our stock price or trading volume to decline.

If you purchase shares of our common stock in this offering, you will suffer immediate dilution of your investment.

The assumed initial public offering price of our common stock is substantially higher than the pro forma as adjusted net tangible book value per share of our common stock. Therefore, if you purchase shares of our common stock in this offering, you will pay a price per share that substantially exceeds our pro forma as adjusted net tangible book value per share after this offering. Based on an assumed initial public offering price of $15.00 per share, the midpoint of the price range set forth on the cover page of this prospectus, you will experience immediate dilution of $9.63 per share, representing the difference between our pro forma as adjusted net tangible book value per share after this offering and the assumed initial public offering price. In addition, to the extent outstanding stock options are exercised, there will be further dilution to investors in this offering. In addition, if the underwriters exercise their over-allotment option or if we issued additional equity securities, you will experience additional dilution. See "Dilution" for a more detailed description of the dilution to investors in the offering.

A significant portion of our total outstanding shares are restricted from immediate resale but may be sold into the market in the near future. This could cause the market price of our common stock to drop significantly, even if our business is doing well.

Sales of a substantial number of shares of our common stock in the public market could occur at any time, subject to the restrictions and limitations described below. If our stockholders sell, or the market perceives that our stockholders intend to sell, substantial amounts of our common stock in the public market following this offering, the market price of our common stock could decline significantly.

Upon the closing of this offering, we will have 29,625,103 outstanding shares of common stock, after giving effect to the conversion of our preferred stock outstanding as of March 31, 2018 into 16,215,896 shares of our common stock, assuming no exercise of the underwriters' over-allotment option and no exercise of outstanding options. Of these shares, the shares sold in this offering will be freely tradable and the remaining shares of common stock will be available for sale in the public market beginning after the end of the 180th day after the date of this prospectus following the expiration of lock-up agreements between our stockholders and certain of the underwriters for this offering, subject, in the case of our affiliates, to the conditions of Rule 144 under the

Securities Act of 1933, as amended, or the Securities Act. Morgan Stanley & Co. LLC and Credit Suisse Securities (USA) LLC on behalf of the underwriters may release these stockholders from their lock-up agreements at any time and without notice, which would allow for earlier sales of shares in the public market subject to the conditions of Rule 144 under the Securities Act.

In addition, promptly following the closing of this offering, we intend to file one or more registration statements on Form S-8 registering the issuance of approximately 6.8 million shares of common stock subject to options or other equity awards issued or reserved for future issuance under our equity incentive plans. Shares registered under these registration statements on Form S-8 will be available for sale in the public market subject to vesting arrangements and exercise of options, the lock-up agreements described above and, in the case of our affiliates, the restrictions of Rule 144.

Additionally, after this offering, the holders of an aggregate of 16,215,896 shares of our common stock, or their transferees, will have rights, subject to some conditions, to require us to file one or more registration statements covering their shares or to include their shares in registration statements that we may file for ourselves or other stockholders. If we were to register the resale of these shares, they could be freely sold in the public market without limitation. If these additional shares are sold, or if it is perceived that they will be sold, in the public market, the trading price of our common stock could decline.

Provisions in our corporate charter documents and under Delaware law may prevent or frustrate attempts by our stockholders to change our management and hinder efforts to acquire a controlling interest in us, and the market price of our common stock may be lower as a result.

There are provisions in our certificate of incorporation and bylaws, as they will be in effect following this offering, that may make it difficult for a third-party to acquire, or attempt to acquire, control of our company, even if a change in control was considered favorable by our stockholders.

Our charter documents will also contain other provisions that could have an anti-takeover effect, such as:

- establishing a classified board of directors so that not all members of our board of directors are elected at one time;
- permitting the board of directors to establish the number of directors and fill any vacancies and newly created directorships;
- providing that directors may only be removed for cause and by a two-thirds majority vote of the stockholders;
- prohibiting cumulative voting for directors;
- requiring super-majority voting to amend some provisions in our certificate of incorporation and bylaws;
- authorizing the issuance of “blank check” preferred stock that our board of directors could use to implement a stockholder rights plan;
- eliminating the ability of stockholders to call special meetings of stockholders; and
- prohibiting stockholder action by written consent, which requires all stockholder actions to be taken at a meeting of our stockholders.

Moreover, because we are incorporated in Delaware, we are governed by the provisions of Section 203 of the Delaware General Corporation Law, which prohibit a person who owns 15% or more of our outstanding voting stock from merging or combining with us for a period of three years after the date of the transaction in which the person acquired in excess of 15% of our outstanding voting stock, unless the merger or combination is approved in a prescribed manner. Any provision in our certificate of incorporation or our bylaws or Delaware law that has the effect of delaying or deterring a change in control could limit the opportunity for our stockholders to receive a premium for their shares of our common stock, and could also affect the price that some investors are willing to pay for our common stock.

Concentration of ownership of our common stock among our existing executive officers, directors and principal stockholders may prevent new investors from influencing significant corporate decisions.

Based upon our common stock outstanding as of May 31, 2018 and including the 6,700,000 shares to be sold in this offering, upon the closing of this offering, our executive officers, directors and current beneficial owners of 5% or more of our common stock will, in the aggregate, beneficially own approximately 65.2% of our outstanding common stock (assuming no exercise of the underwriters' over-allotment option). These stockholders, acting together, will be able to significantly influence all matters requiring stockholder approval, including the election and removal of directors and any merger or other significant corporate transactions. The interests of this group of stockholders may not coincide with the interests of other stockholders. However, certain entities affiliated with Lightspeed Venture Partners, Sutter Hill Ventures or Clarus, each a beneficial owner of more than 5% of our capital stock and an affiliate of one of our directors, and certain other persons have indicated an interest in purchasing up to an aggregate of $30.0 million in shares of our common stock in this offering at the initial public offering price. However, because indications of interest are not binding agreements or commitments to purchase, the underwriters may determine to sell more, fewer or no shares in this offering to any or all of these entities, or any or all of these entities may determine to purchase more, fewer or no shares in this offering.

Some of these persons or entities may have interests different than yours. For example, because many of these stockholders purchased their shares at prices substantially below the price at which shares are being sold in this offering and have held their shares for a longer period, they may be more interested in selling our company to an acquirer than other investors, or they may want us to pursue strategies that deviate from the interests of other stockholders.

We will incur costs and demands upon our management as a result of complying with the laws and regulations affecting public companies in the United States, which may harm our business.

As a public company listed in the United States, we will incur significant additional legal, accounting and other expenses. In addition, changing laws, regulations and standards relating to corporate governance and public disclosure, including regulations implemented by the Securities and Exchange Commission, or SEC, and The Nasdaq Global Market may increase legal and financial compliance costs and make some activities more time consuming. These laws, regulations and standards are subject to varying interpretations and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. We intend to invest resources to comply with evolving laws, regulations and standards, and this investment may result in increased general and administrative expenses and a diversion of management's time and attention from regular business activities to compliance activities. If, notwithstanding our efforts, we fail to comply with new laws, regulations and standards, regulatory authorities may initiate legal proceedings against us and our business may be harmed.

Failure to comply with these rules might also make it more difficult for us to obtain certain types of insurance, including director and officer liability insurance, and we might be forced to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. The impact of these events could also make it more difficult for us to attract and retain qualified persons to serve on our board of directors, on committees of our board of directors or as members of senior management.

We are an "emerging growth company," and as a result of the reduced reporting requirements applicable to "emerging growth companies" our common stock may be less attractive to investors.

We are an "emerging growth company," as defined in the JOBS Act. For as long as we continue to be an "emerging growth company," we may take advantage of exemptions from various reporting requirements that are applicable to other public companies that are not "emerging growth companies," including not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any

golden parachute payments not previously approved. As an "emerging growth company," we are required to report only two years of financial results and selected financial data compared to three and five years, respectively, for comparable data reported by other public companies. We may take advantage of these exemptions until we are no longer an "emerging growth company." We could be an "emerging growth company" for up to five years, although circumstances could cause us to lose that status earlier, including if the aggregate market value of our common stock held by non-affiliates exceeds $700 million as of any June 30 (the end of our second quarter) before that time, in which case we would no longer be an "emerging growth company" as of the following December 31 (our year-end). We cannot predict if investors will find our common stock less attractive because we may rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and the price of our common stock may be more volatile.

If we fail to maintain proper and effective internal controls, our ability to produce accurate financial statements on a timely basis could be impaired.

After the closing of this offering, we will be subject to the reporting requirements of the Securities Exchange Act of 1934, as amended, or the Exchange Act, the Sarbanes-Oxley Act and the rules and regulations of The Nasdaq Global Market. Section 302 of the Sarbanes-Oxley Act requires, among other things, that we report on the effectiveness of our disclosure controls and procedures in our quarterly and annual reports and, beginning with our annual report for the year ending 2019, Section 404 of the Sarbanes-Oxley Act requires that we perform system and process evaluation and testing of our internal control over financial reporting to allow management to report on the effectiveness of our internal control over financial reporting in our Form 10-K filing for that year. This will require that we incur substantial additional professional fees and internal costs to expand our accounting and finance functions and that we expend significant management efforts. Prior to this offering, we have never been required to test our internal control within a specified period, and, as a result, we may experience difficulty in meeting these reporting requirements in a timely manner.

As a public company, we will be required to maintain internal control over financial reporting and to report any material weaknesses in those internal controls. We and our independent registered public accounting firm identified material weaknesses in our internal control over financial reporting, for the year ended December 31, 2016, related to the accounting for complex transactions and the timing of expense recognition for research and development expenses. During 2017 and 2018, management has hired key accounting personnel, created a formal month-end close process, and established more robust processes supporting internal controls over financial reporting, including accounting policies and procedures. Our remediation efforts are ongoing. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud will be detected.

If we are not able to comply with the requirements of Section 404 of the Sarbanes-Oxley Act in a timely manner, or if we are unable to maintain proper and effective internal controls, we may not be able to produce timely and accurate financial statements. If that were to happen, the market price of our stock could decline and we could be subject to sanctions or investigations by The Nasdaq Global Market, the SEC or other regulatory authorities. In addition, our common stock may not be able to remain listed on The Nasdaq Global Market or any other securities exchange.

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

Our management will have broad discretion in the application of the net proceeds from this offering and could spend the proceeds in ways that do not improve our results of operations or enhance the value of our

common stock. We intend to use the net proceeds from this offering to conduct our clinical trials, to fund continued research and development of 5F9 in several applications, to fund other research and development activities, and for working capital and other general corporate purposes. We may also use a portion of the net proceeds to license intellectual property or make acquisitions or investments, although we have no commitments or agreements to enter into such licenses, acquisitions or investments. See "Use of Proceeds." The failure by our management to apply these funds effectively could result in financial losses that could have an adverse effect on our business, cause the price of our common stock to decline and delay the development of our product candidates. Pending their use, we may invest the net proceeds from this offering in a manner that does not produce income or that loses value.

Because we do not anticipate paying any cash dividends on our common stock in the foreseeable future, capital appreciation, if any, will be your sole source of gains and you may never receive a return on your investment.

You should not rely on an investment in our common stock to provide dividend income. We have not declared or paid cash dividends on our common stock to date. We currently intend to retain our future earnings, if any, to fund the development and growth of our business. In addition, the terms of any existing or future debt agreements may preclude us from paying dividends. As a result, capital appreciation, if any, of our common stock will be your sole source of gain for the foreseeable future. Investors seeking cash dividends should not purchase our common stock.

Our amended and restated certificate of incorporation provides that the Court of Chancery of the State of Delaware and the federal district courts of the United States of America will be the exclusive forum for certain litigation that may be initiated by our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or employees.

Our amended and restated certificate of incorporation provides that the Court of Chancery of the State of Delaware is the exclusive forum for any derivative action or proceeding brought on our behalf; any action asserting a breach of a fiduciary duty; any action asserting a claim against us arising pursuant to the Delaware General Corporation Law, our amended and restated certificate of incorporation or our amended and restated bylaws; or any action asserting a claim against us that is governed by the internal affairs doctrine. Our amended and restated certificate of incorporation further provides that the federal district courts of the United States of America will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act. These choice of forum provisions may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers or other employees. Some companies that adopted a similar federal district court forum selection provision are currently subject to a suit in the Chancery Court of Delaware by stockholders who assert that the provision is not enforceable. If a court were to find either choice of forum provisions contained in our amended and restated certificate of incorporation to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our business.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements about us and our industry that involve substantial risks and uncertainties. All statements other than statements of historical facts contained in this prospectus, including statements regarding our future financial condition, results of operations, business strategy and plans, and objectives of management for future operations, as well as statements regarding industry trends, are forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “plan,” “potentially,” “predict,” “should,” “will” or the negative of these terms or other similar expressions.

We have based these forward-looking statements largely on our current expectations and projections about future events and trends that we believe may affect our financial condition, results of operations, business strategy and financial needs. These forward-looking statements are subject to a number of risks, uncertainties, factors and assumptions described under the section titled “Risk Factors” and elsewhere in this prospectus, regarding, among other things:

- the success, cost and timing of our product development activities and clinical trials;
- our expectations about the timing of achieving regulatory approval and the cost of our development programs;
- our ability to obtain funding for our operations, including funding necessary to complete further development and commercialization of our product candidates;
- the commercialization of our product candidates, if approved;
- our plans to research, develop and commercialize our product candidates;
- our ability to maintain, expand, protect and enforce our intellectual property portfolio;
- our ability to operate our business without infringing, misappropriating or otherwise violating the intellectual property rights of third parties;
- our ability to attract collaborators with development, regulatory and commercialization expertise;
- our expectations regarding our ability to obtain and maintain intellectual property protection for our product candidate;
- future agreements with third parties in connection with the commercialization of our product candidates;
- the size and growth potential of the markets for our product candidates, and our ability to serve those markets;
- the rate and degree of market acceptance of our product candidates;
- regulatory developments in the United States and foreign countries;
- our ability to contract with third-party suppliers and manufacturers and their ability to perform adequately;
- the success of competing therapies that are or may become available;
- our ability to attract and retain key scientific or management personnel;
- the accuracy of our estimates regarding expenses, future revenue, capital requirements and needs for additional financing;
- our expectations regarding the period during which we qualify as an emerging growth company under the JOBS Act;
- our use of the proceeds from this offering; and

- our ability to maintain proper and effective internal controls.

These risks are not exhaustive. Other sections of this prospectus may include additional factors that could harm our business and financial performance. New risk factors may emerge from time to time and it is not possible for our management to predict all risk factors, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in, or implied by, any forward-looking statements.

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

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

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

INDUSTRY AND MARKET DATA

This prospectus contains estimates, projections and other information concerning our industry and our business, including estimated market size, projected growth rates and the incidence of certain medical conditions. Unless otherwise expressly stated, we obtained this industry, business, market, medical and other information from reports, research surveys, studies and similar data prepared by 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 information is derived. In that regard, when we refer to one or more sources of this type of information in any paragraph, you should assume that other information 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, medical 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 medical 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 6,700,000 shares of common stock in this offering will be approximately $90.0 million at an assumed initial public offering price of $15.00 per share, the midpoint of the price range set forth on the cover page of this prospectus, after deducting underwriting discounts and commissions and estimated offering expenses payable by us. If the underwriters exercise their over-allotment option in full, we estimate that the net proceeds to us will be approximately $104.0 million, after deducting underwriting discounts and commissions and estimated offering expenses payable by us.

Each $1.00 increase or decrease in the assumed initial public offering price of $15.00 per share would increase or decrease, respectively, our net proceeds by $6.2 million, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting underwriting discounts and commissions and estimated offering expenses payable by us. We may also increase or decrease the number of shares we are offering. An increase or decrease of 1,000,000 in the number of shares we are offering would increase or decrease, respectively, the net proceeds from this offering, after deducting underwriting discounts and commissions by $14.0 million, assuming the assumed initial public offering price stays the same.

We currently expect to use our net proceeds from this offering as follows:

- approximately $23.0 to $25.0 million to further the clinical development of 5F9 through completion of our existing Phase 1 monotherapy and planned PD-L1 combination clinical trials;
- approximately $37.0 to $40.0 million to further the clinical development of 5F9 through completion of Phase 2 combination clinical trials in NHL and CRC or alternative Phase 2 indications if there are compelling clinical data;
- approximately $4.0 to $5.0 million to further the development of our anti-SIRPa antibody product candidate, FSI-189, through IND enabling studies;
- up to $6.0 million in upfront fees to license intellectual property, although we have no present commitments or agreements to license intellectual property; and
- the remaining proceeds for research and drug discovery activities related to additional product candidates, working capital and general corporate purposes.

However, due to the uncertainties inherent in the product development 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. Our management will have broad discretion over the use of the net proceeds from this offering. The amounts and timing of our expenditures will depend upon numerous factors including the results of our research and development efforts, the timing and success of preclinical studies and any ongoing clinical trials or clinical trials we may commence in the future, the timing of regulatory submissions and the amount of cash obtained through future collaborations, if any. Following this offering, we will require additional funding in order to complete clinical development and commercialize our lead product candidate, 5F9, and complete the clinical development of any additional product candidates.

We believe opportunities may exist from time to time to expand our current business through acquisitions or in-licenses of complementary companies, medicines or technologies. While we have no current agreements, commitments or understandings for any specific acquisitions or in-licenses at this time, we may use a portion of the net proceeds for these purposes.

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

DIVIDEND POLICY

We have never declared or paid cash dividends on our capital stock. We currently intend to retain all available funds and any future earnings, if any, to support operations and to finance the growth and development of our business. We do not intend to declare or pay cash dividends on common stock in the foreseeable future.

CAPITALIZATION

The following table sets forth our cash, cash equivalents and short-term investments and our capitalization as of March 31, 2018, on:

- an actual basis;
- a pro forma basis to reflect (i) the conversion of all the outstanding shares of preferred stock into 16,215,896 shares of common stock immediately upon the closing of this offering; and (ii) the filing and effectiveness of our amended and restated certificate of incorporation; and
- a pro forma as adjusted basis to further reflect the sale of 6,700,000 shares of common stock in this offering at an assumed initial public offering price of $15.00 per share, the midpoint of the price range set forth on the cover page of this prospectus, after deducting underwriting discounts and commissions and estimated offering expenses payable by us.

You should read this information together with the sections of this prospectus titled “Summary Financial Data,” “Selected Financial Data,” “Description of Capital Stock” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our financial statements and related notes included elsewhere in this prospectus.

	As of March 31, 2018		
	Actual	Pro Forma	Pro Forma As Adjusted(1)
	(In thousands, except share and per share data)		
Cash, cash equivalents and short-term investments	$ 78,432	$ 78,432	$ 168,397
Convertible preferred stock, $0.0001 par value per share. 16,215,944 shares authorized, 16,215,896 shares issued and outstanding, actual; no shares authorized, issued and outstanding, pro forma and pro forma as adjusted	$ 149,397	$ —	$ —
Stockholders’ equity (deficit):			
Preferred stock, $0.0001 par value per share. No shares authorized, issued and outstanding, actual; 10,000,000 shares authorized, and no shares issued and outstanding, pro forma and pro forma as adjusted	—	—	—
Common stock, $0.0001 par value: 200,000,000 shares authorized, 6,709,207 shares issued and outstanding, actual; 200,000,000 shares authorized, 22,925,103 shares issued and outstanding, pro forma; 200,000,000 shares authorized, 29,625,103 shares issued and outstanding pro forma as adjusted	1	2	3
Additional paid-in capital	3,951	153,347	243,311
Accumulated other comprehensive loss	(71)	(71)	(71)
Accumulated deficit	(84,174)	(84,174)	(84,174)
Total stockholders’ (deficit) equity	(80,293)	69,104	159,069
Total capitalization	$ 69,104	$ 69,104	$ 159,069

(1) Each $1.00 increase or decrease in the assumed initial public offering price of $15.00 per share, the midpoint of the price range set forth on the cover page of this prospectus, would increase or decrease, respectively, the amount of cash, cash equivalents and short-term investments, additional paid-in-capital, total stockholders’ equity and total capitalization by approximately $6.2 million, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same 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. An increase or decrease of 1,000,000 in the number of shares we are offering would increase or decrease, respectively, the amount of cash, cash equivalents and short-term investments, additional paid-in-capital, total stockholders' equity and total capitalization by approximately $14.0 million, assuming the assumed initial public offering price per share, as set forth on the cover page of this prospectus, remains the same and after deducting underwriting discounts and commissions. The pro forma as adjusted information is illustrative only, and will be adjusted based on the actual initial public offering price and other terms of this offering determined at pricing.

The outstanding share information in the table above excludes, as of March 31, 2018, the following shares:

- 2,206,642 shares of common stock issuable upon the exercise of stock options outstanding as of March 31, 2018, with a weighted-average exercise price of $4.67 per share, plus 1,199,143 shares of common stock issuable upon the exercise of stock options granted subsequent to March 31, 2018, with a weighted-average exercise price of $8.91 per share;
- 166,856 additional shares of common stock reserved for future issuance under our 2015 Equity Incentive Plan as of March 31, 2018, plus an additional 1,677,419 shares of common stock reserved for future issuance under this plan subsequent to March 31, 2018, all of which will cease to be available for issuance at the time our 2018 Equity Incentive Plan becomes effective in connection with this offering;
- 3,000,000 shares of common stock reserved for future issuance under our 2018 Equity Incentive Plan, which will become effective upon the execution of the underwriting agreement for this offering, as well as any automatic increases in the number of shares of common stock reserved for future issuance under this plan; and
- 450,000 shares of common stock reserved for issuance under our 2018 Employee Stock Purchase Plan, which will become effective upon the execution of the underwriting agreement for this offering, as well as any automatic increases in the number of shares of 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 diluted immediately to the extent of the difference between the initial public offering price per share of our common stock and the pro forma as adjusted net tangible book value per share of our common stock immediately after the closing of this offering.

Our pro forma net tangible book value of our common stock as of March 31, 2018 was $69.1 million, or $3.01 per share, based on the total number of shares of our common stock outstanding as of March 31, 2018. Pro forma net tangible book value per share represents our total tangible assets less our total liabilities, divided by the number of outstanding shares of common stock, after giving effect to the conversion of all outstanding shares of preferred stock into 16,215,896 shares of common stock immediately upon the closing of this offering.

After giving effect to the conversion of our outstanding preferred stock into common stock immediately upon the closing of this offering and the receipt of the net proceeds from our sale of 6,700,000 shares of common stock in this offering at an assumed initial public offering price of $15.00 per share, the midpoint of the price range set forth on the cover page of this prospectus, after deducting underwriting discounts and commissions and estimated offering expenses payable by us, our pro forma as adjusted net tangible book value as of March 31, 2018, would have been $159.1 million, or $5.37 per share. This represents an immediate increase in pro forma as adjusted net tangible book value of $2.36 per share to our existing stockholders and immediate dilution of $9.63 per share to investors purchasing common stock in this offering.

The following table illustrates this dilution on a per share basis to new investors:

Assumed initial public offering price per share		$15.00
Pro forma net tangible book value per share as of March 31, 2018	$3.01	
Increase in pro forma net tangible book value per share attributable to new investors purchasing shares in this offering	2.36	
Pro forma as adjusted net tangible book value per share after this offering		5.37
Dilution in net tangible book value per share to new investors in this offering		$ 9.63

Each $1.00 increase or decrease in the assumed initial public offering price of $15.00 per share would increase or decrease, respectively, our pro forma as adjusted net tangible book value per share after this offering by $0.21 per share and the dilution to new investors by $0.79 per share, 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. Each increase of 1,000,000 shares in the number of shares of common stock offered by us would increase the pro forma as adjusted net tangible book value by $0.28 per share and the dilution to new investors would decrease by $0.28 per share, assuming the assumed initial public offering price remains the same and after deducting underwriting discounts and commissions. Each decrease of 1,000,000 shares in the number of shares of common stock offered by us would decrease the pro forma as adjusted net tangible book value by $0.30 per share and the dilution to new investors would increase by $0.30 per share, assuming the assumed initial public offering price remains the same and after deducting underwriting discounts and commissions.

If the underwriters exercise their over-allotment option in full, the pro forma as adjusted net tangible book value per share after giving effect to this offering would be $5.65 per share, and the dilution in pro forma as adjusted net tangible book value per share to new investors in this offering would be $9.35 per share.

The following table summarizes, as of March 31, 2018:

- the total number of shares of common stock purchased from us by our existing stockholders and by new investors purchasing shares in this offering;

- the total consideration paid to us by our existing stockholders and by new investors purchasing shares in this offering, assuming an initial public offering price of $15.00 per share, the midpoint of the price range set forth on the cover page of this prospectus, before deducting the underwriting discounts and commissions and estimated offering expenses payable by us in connection with this offering; and
- the average price per share paid by existing stockholders and by new investors purchasing shares in this offering.

	Shares Purchased		Total Consideration		Average
	Number	Percent	Amount	Percent	Price Per Share
Existing stockholders	22,925,103	77%	$150,593,846	60%	$ 6.57
New investors	6,700,000	23	100,500,000	40	$ 15.00
Total	29,625,103	100%	$251,093,846	100%	

Except as otherwise indicated, the above discussion and tables assume no exercise of the underwriters' over-allotment option. If the underwriters exercise their over-allotment option in full, our existing stockholders would own 75% and our new investors would own 25% of the total number of shares of common stock outstanding upon the closing of this offering.

The number of shares of our common stock that will be outstanding after this offering is based on 22,925,103 shares of common stock outstanding as of March 31, 2018, and excludes:

- 2,206,642 shares of common stock issuable upon the exercise of stock options outstanding as of March 31, 2018, with a weighted-average exercise price of $4.67 per share, plus 1,199,143 shares of common stock issuable upon the exercise of stock options granted subsequent to March 31, 2018, with a weighted-average exercise price of $8.91 per share;
- 166,856 additional shares of common stock reserved for future issuance under our 2015 Equity Incentive Plan as of March 31, 2018, plus an additional 1,677,419 shares of common stock reserved for future issuance under this plan subsequent to March 31, 2018, all of which will cease to be available for issuance at the time our 2018 Equity Incentive Plan becomes effective in connection with this offering;
- 3,000,000 shares of common stock reserved for future issuance under our 2018 Equity Incentive Plan, which will become effective upon the execution of the underwriting agreement for this offering, as well as any automatic increases in the number of shares of common stock reserved for future issuance under this plan; and
- 450,000 shares of common stock reserved for issuance under our 2018 Employee Stock Purchase Plan, which will become effective upon the execution of the underwriting agreement for this offering, as well as any automatic increases in the number of shares of common stock reserved for future issuance under this plan.

Each $1.00 increase or decrease in the assumed initial public offering price of $15.00 per share, the midpoint of the estimated offering price range set forth on the cover page of this prospectus, would increase or decrease, respectively, the total consideration paid by new investors by $6.7 million and increase or decrease, respectively, the total consideration paid by new investors by 6.7%, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and before deducting underwriting discounts and commissions.

In addition, to the extent any outstanding options are exercised, new investors would experience further dilution.

SELECTED FINANCIAL DATA

You should read the selected financial data together with the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our financial statements and related notes included elsewhere in this prospectus. The selected financial data included in this section are not intended to replace the financial statements and related notes included elsewhere in this prospectus. We derived the statement of operations data for the years ended December 31, 2016 and December 31, 2017 and balance sheet data as of December 31, 2016 and December 31, 2017 from our audited financial statements included elsewhere in this prospectus. We derived the statement of operations data for the three months ended March 31, 2017 and 2018 and the balance sheet data as of March 31, 2018 from our unaudited interim condensed financial statements included elsewhere in this prospectus. Our unaudited interim condensed financial statements have been prepared on the same basis as our audited financial statements and, in our opinion, reflect all adjustments, consisting only of normal recurring adjustments, that are necessary for the fair statement of our unaudited interim condensed financial statements. Our historical results are not necessarily indicative of the results to be expected for any other period in the future, and our interim results are not necessarily indicative of the results to be expected for the full year or any other period.

	Year Ended December 31,		Three Months Ended March 31,	
	2016	2017	2017	2018
			(Unaudited)	
	(In thousands, except share and per share data)			
Statement of Operations Data:				
Operating expenses:				
Research and development	$ 14,464	$ 37,174	$ 9,181	$ 11,153
General and administrative	5,153	8,130	1,761	3,843
Total operating expenses	19,617	45,304	10,942	14,996
Loss from operations	(19,617)	(45,304)	(10,942)	(14,996)
Interest and other income, net	78	406	34	221
Net loss	$ (19,539)	$ (44,898)	$ (10,908)	$ (14,775)
Net loss per share, basic and diluted(1)	$ (3.15)	$ (6.94)	$ (1.71)	$ (2.24)
Shares used in computing net loss per share, basic and diluted	6,197,195	6,468,634	6,377,009	6,600,407
Pro forma net loss per share, basic and diluted (unaudited)(1)		$ (2.77)		$ (0.65)
Shares used in computing pro forma net loss per share, basic and diluted (unaudited)		16,197,067		22,816,303

(1) See Note 10 of the notes to our financial statements and Note 8 to our unaudited interim condensed financial statements included elsewhere in this prospectus for a description of how we compute basic and diluted net loss per share and unaudited pro forma net loss per share.

	As of December 31,		As of March 31,
	2016	2017	2018
			(Unaudited)
	(In thousands)		
Balance Sheet Data:			
Cash, cash equivalents and short-term investments	$ 9,742	$ 88,111	$ 78,432
Total assets	16,988	95,465	85,835
Working capital	9,692	81,289	65,835
Total liabilities	4,754	12,003	16,731
Convertible preferred stock	34,245	149,397	149,397
Accumulated deficit	(24,501)	(69,399)	(84,174)
Total stockholders' equity (deficit)	12,234	83,462	(80,293)

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

You should read the following discussion of our financial condition and results of operations in conjunction with the financial statements and the related notes 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 "Risk Factors" and elsewhere in this prospectus.

Overview

We are a clinical-stage immuno-oncology company focused on developing novel checkpoint therapies to activate macrophages in the fight against cancer. We founded Forty Seven based on the insight that blocking CD47, a key signaling molecule that is overexpressed on cancer cells, renders tumors susceptible to macrophages. By harnessing macrophages, we believe that our lead product candidate, 5F9, dosed as a monotherapy or in combination with marketed cancer therapies, can transform the treatment of cancer. 5F9 has demonstrated promising activity in six Phase 1b/2 clinical trials in which we have treated over 190 relapsed or refractory cancer patients with solid or hematologic tumors. We hold worldwide rights to all of our product candidates.

We focus our efforts on targeting the CD47 pathway as a way to engage macrophages in fighting tumors. Macrophages function as first responders, swallowing foreign and abnormal cells, including cancer cells, and mobilizing other components of the immune system including T cells and antibodies. Cancer cells use CD47, a "don't eat me" signal, in order to evade detection by the immune system and subsequent destruction by macrophages. Overexpression of CD47 is common to nearly all types of tumors and is also correlated with poor prognosis in multiple cancers including AML, CRC, gastric cancer, lung cancer, NHL and ovarian cancer. Despite the central role of macrophages as cell-eating scavengers and first responders, the pharmaceutical industry is only beginning to bring this key group of cells into the fight against cancer.

Since our inception in 2014, we have devoted substantially all of our resources to identifying and developing 5F9, advancing our preclinical programs, conducting clinical trials and providing general and administrative support for these operations. We have not recorded revenue from product sales or collaboration activities, or any other source. We have funded our operations to date primarily from the issuance and sale of our preferred stock and the receipt of government and private grants. We are eligible to receive up to $19.2 million in grants from CIRM and the Leukemia and Lymphoma Society, or LLS, of which $11.6 million has been received through March 31, 2018.

We have incurred net losses in each year since inception. Our net losses were $19.5 million and $44.9 million for 2016 and 2017, respectively. Our net loss was $10.9 million and $14.8 million for the three months ended March 31, 2017 and 2018, respectively. As of March 31, 2018, we had an accumulated deficit of $84.2 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. We expect our expenses will increase substantially in connection with our ongoing activities, as we:

- advance product candidates through clinical trials;
- pursue regulatory approval of product candidates;
- operate as a public company;
- continue our preclinical programs and clinical development efforts;

- continue research activities for the discovery of new product candidates; and
- manufacture supplies for our preclinical studies and clinical trials.

Components of Results of Operations

Research and Development Expenses

Research and development expenses consist primarily of costs incurred for the development of our lead product candidate, 5F9, which include:

- expenses incurred under agreements with third-party contract organizations, investigative clinical trial sites that conduct research and development activities on our behalf, and consultants;
- costs related to production of clinical materials, including fees paid to contract manufacturers;
- laboratory and vendor expenses related to the execution of preclinical and clinical trials;
- employee-related expenses, which include salaries, benefits and stock-based compensation; and
- facilities and other expenses, which include expenses for rent and maintenance of facilities, depreciation and amortization expense and other supplies.

We expense all research and development costs in the periods in which they are incurred. Costs for certain development activities are recognized based on an evaluation of the progress to completion of specific tasks using information and data provided to us by our vendors, collaborators and third-party service providers. Nonrefundable advance payments for goods or services to be received in future periods for use in research and development activities are deferred and capitalized. The capitalized amounts are then expensed as the related goods are delivered and as services are performed.

The largest component of our operating expenses has historically been our investment in research and development activities related to the clinical development of our lead product candidate, 5F9. We recognize the funds from research and development grants and collaboration funding as a reduction of research and development expense when the related eligible research costs are incurred. Research and development grants and collaboration funding received during 2017 and as of March 31, 2018 totaled $5.9 million and $11.6 million, respectively. No grants were received during 2016.

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

General and Administrative Expenses

General and administrative expenses consist primarily of personnel-related costs, facilities costs, depreciation and amortization expenses and professional services expenses, including legal, human resources, audit and accounting services. Personnel-related costs consist of salaries, benefits and stock-based compensation. Facilities costs consist of rent and maintenance of facilities. We expect our general and administrative expenses to increase for the foreseeable future due to anticipated increases in headcount to advance our product candidates and as a result of operating as a public company, including expenses related to compliance with the rules and regulations of the SEC, The Nasdaq Global Market, additional insurance expenses, investor relations activities and other administrative and professional services.

Interest and Other Income, Net

Interest and other income, net consists of interest earned on our cash equivalents and short-term investments and foreign currency transaction gains and losses incurred during the period.

Results of Operations

Three Months Ended March 31, 2017 and 2018

	Three Months Ended March 31,		Increase / (Decrease)
	2017	2018	
	(In thousands)		
Operating expenses:			
Research and development	$ 9,181	$ 11,153	$ 1,972
General administrative	1,761	3,843	2,082
Total operating expenses	10,942	14,996	4,054
Loss from operations	(10,942)	(14,996)	(4,054)
Interest and other income, net	34	221	187
Net loss	$(10,908)	$(14,775)	$ (3,867)

Research and Development Expenses

Research and development expenses increased by $2.0 million, or 21%, from $9.2 million for the three months ended March 31, 2017 to $11.2 million for the three months ended March 31, 2018. The increase was primarily due to a $2.6 million increase in third party costs related to advancing our current clinical programs focused on CRC and NHL with our lead product candidate, 5F9, and associated contract manufacturing costs, partially offset by a $1.1 million reduction in expenses related to grant and collaboration funding recognized under the CIRM and LLS grants and a collaboration during the three months ended March 31, 2018. In addition, personnel-related costs, including stock-based compensation, increased by $0.4 million due to increased headcount.

The following tables summarize the period-over-period changes in research and development expenses for the periods indicated:

	Three Months Ended March 31,		Increase / (Decrease)
	2017	2018	
	(In thousands)		
Product-specific costs:			
5F9	$7,451	$ 10,027	$ 2,576
Grant and collaboration funding	(610)	(1,706)	(1,096)
Non product-specific costs:			
Stock-based compensation	26	136	110
Personnel-related	1,329	1,663	334
Other preclinical programs	985	1,033	48
Total research and development expenses	$9,181	$ 11,153	$ 1,972

General and Administrative Expenses

General and administrative expenses increased by $2.1 million, or 118%, from $1.8 million for the three months ended March 31, 2017 to $3.8 million for the three months ended March 31, 2018. The increase was

primarily due to a $0.9 million increase in accounting and consulting expenses incurred in connection with our preparation to become a public company, a $0.7 million increase in personnel-related costs driven by an increase in headcount and a $0.1 million increase in rent expense.

Interest and Other Income, Net

Interest and other income, net increased by $0.2 million, from $34,000 for the three months ended March 31, 2017 to $0.2 million for the three months ended March 31, 2018. The increase was primarily due to interest income earned from higher average investment balances from the net proceeds from our preferred stock financings completed during 2017.

Years Ended December 31, 2016 and 2017

	Year Ended December 31, 2016	2017	Increase / (Decrease)
		(In thousands)	
Operating expenses:			
Research and development	$ 14,464	$ 37,174	$ 22,710
General and administrative	5,153	8,130	2,977
Total operating expenses	19,617	45,304	25,687
Loss from operations	(19,617)	(45,304)	(25,687)
Interest and other income, net	78	406	328
Net loss	$ (19,539)	$ (44,898)	$ (25,359)

Research and Development Expenses

Research and development expenses increased by $22.7 million, or 157%, from $14.5 million in 2016 to $37.2 million in 2017. The increase was primarily due to a $19.0 million increase in third party costs related to advancing our current clinical programs focused on CRC and NHL with our lead product candidate, 5F9, and associated contract manufacturing costs, partially offset by a $3.9 million reduction related to grant funding recognized under the CIRM and LLS grants during 2017. There was also a $4.5 million increase in our other preclinical and discovery programs costs as we expanded our immuno-oncology efforts. In addition, personnel-related costs, including stock-based compensation, increased by $3.0 million as a result of increased headcount.

The following tables summarize the period-over-period changes in research and development expenses for the periods indicated:

	Year Ended December 31, 2016	2017	Increase / (Decrease)
		(In thousands)	
Product-specific costs:			
5F9	$ 8,838	$ 27,873	$ 19,035
Grant funding reimbursement	—	(3,861)	(3,861)
Non product-specific costs:			
Stock-based compensation	93	206	113
Personnel-related	3,368	6,258	2,890
Other preclinical programs	2,165	6,698	4,533
Total research and development expenses	$ 14,464	$ 37,174	$ 22,710

General and Administrative Expenses

General and administrative expenses increased by $3.0 million, or 58%, from $5.2 million in 2016 to $8.1 million in 2017. The increase was primarily due to a $1.4 million increase in accounting and consulting expenses, and a $1.3 million increase in personnel-related costs driven by an increase in headcount.

Interest and Other Income, Net

Interest and other income, net increased by $0.3 million, from $0.1 million in 2016 to $0.4 million in 2017. The increase was primarily due to $0.3 million in interest income from the investment of the net proceeds from the issuance of our Series A-2 and Series B preferred stock financings completed during 2017.

Liquidity, Capital Resources and Plan of Operations

Since our inception through March 31, 2018, our operations have been financed primarily by net proceeds of $149.4 million from the sale of our preferred stock. As of March 31, 2018, we had $78.4 million in cash, cash equivalents and short-term investments, and an accumulated deficit of $84.2 million.

Our primary use of cash is to fund operating expenses, which consist primarily of research and development expenditures related to our lead product candidate, 5F9, and to a lesser extent, general and administrative expenditures. Cash used to fund operating expenses is impacted by the timing of when we pay these expenses, as reflected in the change in our outstanding accounts payable and accrued expenses.

Based upon our current operating plan, we believe that the net proceeds from this offering, together with our existing cash, cash equivalents and short-term investments, will enable us to fund our operating expenses and capital expenditure requirements through at least the next 12 months from the date of this offering. We have based this estimate on assumptions that may prove to be wrong, and we could utilize our available capital resources sooner than we currently expect. We will continue to require additional financing to advance our current product candidates through clinical development, to develop, acquire or in-license other potential product candidates and to fund operations for the foreseeable future. We will continue to seek funds through equity or debt financings, collaborative or other arrangements with corporate sources, or through other sources of financing. Adequate additional funding may not be available to us on acceptable terms, or at all. Any failure to raise capital as and when needed could have a negative impact on our financial condition and on our ability to pursue our business plans and strategies.

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

If we need to raise additional capital to fund our operations, funding may not be available to us on acceptable terms, or at all. If we are unable to obtain adequate financing when needed, we may have to delay, reduce the scope of or suspend one or more of our clinical trials, research and development programs or commercialization efforts. We may seek to raise any necessary additional capital through a combination of public or private equity offerings, debt financings and collaborations or licensing arrangements. If we do raise additional capital through public or private equity offerings, the ownership interest of our existing stockholders will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect our stockholders' rights. If we raise additional capital through debt financing, we may be subject to covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends. If we are unable to raise capital, we will need to delay, reduce or terminate planned activities to reduce costs. Doing so will likely harm our ability to execute our business plans.

Cash Flows

The following table summarizes our cash flows for the periods indicated:

	Year Ended December 31,		Three Months Ended March 31,	
	2016	2017	2017	2018
	(In thousands)		(In thousands)	
Cash used in operating activities	$(21,815)	$(36,937)	$ (2,348)	$(9,216)
Cash (used in) provided by investing activities	(1,103)	(63,852)	(20,029)	6,547
Cash provided by (used in) financing activities	5,026	115,464	40,377	(520)
Net (decrease) increase in cash and cash equivalents	$(17,892)	$ 14,675	$ 18,000	$(3,189)

Operating Activities

During the three months ended March 31, 2018, cash used in operating activities of $9.2 million was attributable to a net loss of $14.8 million, partially offset by a net change of $5.1 million in our net operating assets and liabilities and $0.4 million in non-cash charges. The non-cash charges consisted primarily of stock-based compensation of $0.4 million. The change in operating assets and liabilities was primarily due to a $3.0 million increase in deferred grant funding due to research grant award payments received, a $1.8 million increase in accounts payable and accrued liabilities driven by increased accrued professional fees and a $1.0 million decrease in prepaid expenses and other current assets resulting from the timing of prepayments made for research and development activities. This was partially offset by a $0.6 million increase in other assets primarily resulting from deferred offering costs incurred but not paid.

During the three months ended March 31, 2017, cash used in operating activities of $2.3 million was attributable to a net loss of $10.9 million, partially offset by a net change of $8.4 million in our net operating assets and liabilities and $0.1 million in non-cash charges, which consisted of depreciation and amortization and stock-based compensation. The change in operating assets and liabilities was primarily due to a $4.1 million increase in deferred grant funding due to research grant award payments received, a $3.5 million increase in accounts payable and accrued liabilities resulting primarily from increases in our research and development activities and a $1.3 million decrease in prepaid expenses and other current assets resulting from the timing of prepayments made for research and development activities, partially offset by a $0.4 million increase in other assets due to prepayments made for long-term research and development activities.

In 2017, cash used in operating activities of $36.9 million was attributable to a net loss of $44.9 million partially offset by $1.1 million in non-cash charges and a net change of $6.9 million in our net operating assets and liabilities. The non-cash charges consisted of stock-based compensation of $0.7 million and depreciation and amortization of $0.4 million. The change in operating assets and liabilities was primarily due to $4.6 million increase in accounts payable and accrued liabilities resulting from increases in our operating activities, primarily in research and development, and a $2.8 million increase in deferred grant funding due to research grant award payments received. This was partially offset by a $0.6 million decrease in prepaid expenses and other current assets resulting from the timing of prepayments made for research and development activities.

In 2016, cash used in operating activities of $21.8 million was attributable to a net loss of $19.5 million and a net change of $2.7 million in our net operating assets and liabilities, partially offset by $0.4 million in non-cash charges. The non-cash charges consisted of stock-based compensation of $0.3 million and depreciation and amortization of $0.1 million. The change in operating assets and liabilities was primarily due to a $3.9 million decrease in prepaid expenses and a $1.7 million decrease in other assets resulting from the timing of prepayments made for research and development activities, partially offset by a $2.8 million increase in accounts payable and accrued liabilities primarily driven by increases in accrued compensation and our research and development activities.

Investing Activities

During the three months ended March 31, 2018, cash provided by investing activities of $6.5 million was related to the maturity of investments of $20.9 million, partially offset by the purchase of short-term investments of $14.4 million.

During the three months ended March 31, 2017, cash used for investing activities of $20.0 million was related primarily to the purchase of short-term investments from the cash proceeds received from our preferred stock issuances.

In 2017, cash used for investing activities of $63.9 million was related primarily to the purchase of short-term investments of $79.7 million from the cash proceeds received from our preferred stock issuances, partially offset by the maturity of investments of $16.0 million.

In 2016, cash used for investing activities of $1.1 million was related to capital expenditures on the purchase of property and equipment.

Financing Activities

During the three months ended March 31, 2018, cash used in financing activities of $0.5 million was related to payments of deferred offering costs.

During the three months ended March 31, 2017, cash provided by financing activities of $40.4 million was related to the net proceeds from the issuance of preferred stock.

In 2017, cash provided by financing activities of $115.5 million was related to net proceeds of $115.2 million from the issuance of preferred stock and $0.3 million from the issuance of common stock in connection with stock option exercises.

In 2016, cash provided by financing activities of $5.0 million was related to net proceeds of $4.6 million from the issuance of preferred stock and $0.4 million from the issuance of common stock in connection with stock option exercises.

Contractual Obligations and Commitments

The following table summarizes our commitments and contractual obligations as of December 31, 2017:

	Payments Due By Period				
	Total	Less than 1 Year	1-3 Years	3-5 Years	More than 5 Years
	(In thousands)				
Operating lease obligations	$ 4,197	$ 1,101	$ 2,302	$ 794	$ —
Contract manufacturing obligations	37,187	9,688	27,499	—	—
Total	$ 41,384	$ 10,789	$ 29,801	$ 794	$ —

We enter into agreements in the normal course of business with contract research organizations for clinical trials and with vendors for preclinical studies and other services and products for operating purposes which are cancelable at any time by us, generally upon 30 days prior written notice. These payments are not included in this table of contractual obligations.

Contract Manufacturing Agreement

In August 2016 and December 2017, we entered into development and manufacturing agreements with Lonza relating to the manufacturing of 5F9-related products. The August 2016 agreement was amended in November 2017 to provide for the manufacturing of our other preclinical program related products.

Under the 2016 agreement, we are required to pay an annual suite reservation fee in each contract year along with the costs of ingredients, solvents and other components of 5F9 and our preclinical program-related products. The fees under the 2016 agreement are specified in British Pounds and are converted into U.S. Dollars based on the exchange rate as of December 31, 2017.

Our payment obligations under the 2017 agreement will begin in January 2019 and run through the expiration of the agreement, which is expected in December 2021, unless the agreement is extended for at least an additional year. Under the 2017 agreement, we must also pay the costs of ingredients, solvents and other components of 5F9-related products required for the performance of the manufacturing process or services. Collectively under the 2016 and 2017 agreements we could be required to pay up to an aggregate of $43.4 million in annual suite reservation fees through 2020. The potential payments due to Lonza under both the 2016 and 2017 agreements in 2021 are subject to our right to discontinue such manufacturing services and are excluded from the commitments and contractual obligations table above.

License and Collaboration Agreements

In November 2015, we entered into a technology license agreement with Stanford under which Stanford granted us exclusive licenses under certain patents and other intellectual property rights relating to our current product candidates, including 5F9 and non-exclusive licenses under certain other patents and other intellectual property rights to develop, manufacture and commercialize products for use in certain licensed fields, including oncology. We are required to make milestone payments up to $5.6 million in respect of the first three licensed products that successfully satisfy certain clinical and regulatory milestones in the United States, major European countries and Japan. The first such milestone payment of $75,000 was paid to Stanford in February 2018. In addition, we are required to pay Stanford a minimum annual fee and a royalty of a tiered single digit percentage on net sales of licensed products, reimburse patent-related expenses and share any non-royalty sublicensing income received related to the licensed technology. For more information, see “Business—License and Collaboration Agreements.”

In September 2016, we entered into a collaboration agreement with The University of Texas MD Anderson Cancer Center that grants us access to their immunotherapy platform. The platform provides instrumentation and technical support for cellular and molecular analysis of experimental therapies effects on the immune system in order to gain insight into mechanisms of action and to discover biomarkers to identify patients who are likely to respond to or develop adverse reactions to therapies. Pursuant to the terms of the collaboration agreement, we are required to make quarterly payments of $250,000 for three years.

In January 2017, we were awarded a research grant from CIRM supporting our CRC trial. The CIRM grant stipulates various milestone-based payments to us with the total award of $10.2 million over a period of four years. As of March 31, 2018, we had received $7.2 million under the award. In November 2017, we were awarded a second research grant from CIRM for a separate clinical trial study in AML. The total amount of the research grant awarded was $5.0 million in various milestone-based payments over a period of five years. As of March 31, 2018, we had received $2.1 million under the award. Under the terms of the CIRM grants, we are obligated to pay royalties and licensing fees based on a low single digit royalty percentage on net sales of CIRM-funded product candidates or CIRM-funded technology. We have the option to decline any and all amounts awarded by CIRM. As an alternative to revenue sharing, we have the option to convert each award to a loan, which option must be exercised on or before ten business days after the FDA notifies us that it has accepted our application for marketing authorization. In the event we exercise our right to convert an award to a loan, we will be obligated to repay the loan within ten business days of making such election, including interest at the rate equal to the three-month LIBOR rate (2.31% as of March 31, 2018) plus zero to 30% per annum that varies depending on the stage of the research and the stage of development at the time the election is made. In the event that we terminate a CIRM-funded clinical trial, we will be obligated to repay the remaining CIRM funds on hand.

In March 2017, we entered into an agreement with LLS regarding our NHL rituximab combination clinical trial. The LLS research grant stipulates various milestone-based payments with a total award of $4.0 million

through December 2019. As of March 31, 2018, we had received $2.3 million under the award. We are required to pay LLS certain development and regulatory approval milestone payments, as well as a low single digit percentage royalty on net sales, up to a maximum of $15 million in total.

We have not included these potential contingent payment obligations in the table above as the timing and likelihood of such payments is not known. These payments generally become due and payable only upon achievement of certain development, regulatory or commercial milestones.

In January 2018, we entered into a clinical trial collaboration and supply agreement with Merck, to evaluate 5F9 combined with Merck's cancer immunotherapy, avelumab, in a Phase 1b clinical trial in patients with ovarian cancer. Pursuant to the agreement, the parties will jointly pay for the cost of the study. As of March 31, 2018, we recorded a receivable of $0.2 million from Merck for reimbursement of research and development costs incurred.

Asset Purchase Agreement

In June 2018, we entered into an asset purchase agreement with BliNK Biomedical SAS, or BliNK, pursuant to which we acquired all of BliNK's assets relating to its research and development program for antibodies directed against CD47. These assets predominately consist of certain patents and patent applications of BliNK and BliNK's opposition at the EPO against the third-party patent European Patent No. EP 2 282 772 as an acquired business asset. We paid BliNK an initial upfront payment of $2 million and will pay BliNK an additional $1 million upon the completion of certain agreed activities by BliNK relating to the transfer of the assets to us. For each product incorporating a program antibody that satisfies certain clinical and commercial milestones in the United States, the European Union and Japan, we will be required to make milestone payments of up to $43 million. Until we receive marketing approval for the first product, or for so long as we continue development of product candidates related to the acquired intellectual property, we will pay BliNK a minimum annual fee of $0.3 million. In addition we will pay BliNK a royalty of a tiered single digit percentage on net sales of any approved products. We have the right to buy out our royalty obligations in full by paying BliNK an agreed lump sum amount prior to the occurrence of certain defined events. We have not included these potential contingent payment obligations in the table above as the timing and likelihood of such payments is not known.

Off-Balance Sheet Arrangements

During 2016, 2017 and the three months ended March 31, 2018, we did not have any off-balance sheet arrangements as defined in Item 303 of Regulation S-K.

Qualitative and Quantitative Disclosures about Market Risk

Interest Rate Risk

We are exposed to market risks in the ordinary course of our business. These risks primarily include interest rate sensitivities. We held cash, cash equivalents and short-term investments of $88.1 million and $78.4 million as of December 31, 2017 and March 31, 2018, respectively. which consist of bank deposits, money market funds and available-for-sale securities. Such interest-earning instruments carry a degree of interest rate risk; however, historical fluctuations in interest income have not been significant for us. Due to the short-term maturities of our cash equivalents and marketable securities, and the low risk profile of our marketable securities, an immediate 100 basis point change in interest rates would not have a material effect on the fair market value of our cash equivalents and marketable securities.

Foreign Currency Risk

Our expenses are generally denominated in U.S. dollars. However, we have entered into a limited number of contracts with vendors for research and development services with payments denominated in foreign currencies, including the British Pound. 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 results.

Critical Accounting Policies

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

Accrued Research and Development Expenditures

We record accrued expenses for estimated preclinical study and clinical trial expenses. Estimates are based on the services performed pursuant to contracts with research institutions and contract research organizations and clinical manufacturing organizations that conduct and manage preclinical studies and clinical trials on our behalf based on actual time and expenses incurred by them. Further, we accrue expenses related to clinical trials based on the level of patient enrollment and activity according to the related agreement. We monitor patient enrollment levels and related activity to the extent reasonably possible and make judgments and estimates in determining the accrued balance in each reporting period. If we underestimate or overestimate the level of services performed or the costs of these services, our actual expenses could differ from our estimates. To date, we have not experienced significant changes in our estimates of preclinical studies and clinical trial accruals.

Stock-Based Compensation

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

The Black-Scholes option-pricing model requires the use of highly subjective assumptions to determine the fair value of stock-based awards. These assumptions include:

- *Expected Term*—The expected term represents the period that stock-based awards are expected to be outstanding. The expected term for option grants is determined using the simplified method. The simplified method deems the expected term to be the midpoint between the vesting date and the contractual life of the stock-based awards.
- *Expected Volatility*—Since we have been privately held and do not have any trading history for our common stock, the expected volatility was estimated based on the average volatility for comparable publicly traded biotechnology companies over a period equal to the expected term of the stock option grants. The comparable companies were chosen based on their similar size, stage in the life cycle or area of specialty.
- *Risk-Free Interest Rate*—The risk-free interest rate is based on the U.S. Treasury zero coupon issues in effect at the time of grant for periods corresponding with the expected term of option.
- *Expected Dividend*—We have never paid dividends on our common stock and have no plans to pay dividends on our common stock. Therefore, we used an expected dividend yield of zero.

In 2016 and 2017, stock-based compensation was $0.2 million and $0.7 million, respectively. For the three months ended March 31, 2017 and 2018, stock-based compensation was $59,000 and $0.4 million, respectively.

As of March 31, 2018, we had $6.0 million of total unrecognized stock-based compensation which we expect to recognize over a weighted-average period of 3.4 years. Subsequent to March 31, 2018, we granted additional options to purchase 1,199,143 shares of common stock with a weighted-average exercise price of $8.91 per share and expect to recognize total stock-based compensation expense related to such grants of approximately $7.4 million over 3.7 years.

Historically, for all periods prior to this initial public offering, the fair values of the shares of common stock underlying our share-based awards were estimated on each grant date by our board of directors. In order to determine the fair value of our common stock underlying option grants, our board of directors considered, among other things, valuations of our common stock prepared by an unrelated third-party valuation firm in accordance with the guidance provided by the American Institute of Certified Public Accountants Practice Guide, *Valuation of Privately-Held-Company Equity Securities Issued as Compensation.*

For our valuations performed prior to December 31, 2017, we used the OPM Backsolve method. In an option pricing method, or OPM, framework, the backsolve method for inferring the equity value implied by a recent financing transaction involves making assumptions for the expected time to liquidity, volatility and risk-free rate and then solving for the value of equity such that value for the most recent financing equals the amount paid. This method was selected as management concluded that the contemporaneous financing transaction was an arm's-length transaction. Furthermore, as of each of the valuation dates prior to December 31, 2017, we were at an early stage of development and future liquidity events were difficult to forecast.

For our valuations performed starting January 1, 2018, equity value was allocated using the OPM and the Probability Weighted Expected Return Method, or PWERM, or the hybrid method. The hybrid method applied the PWERM utilizing the probability of going public and the OPM was utilized in the remaining private scenario. The hybrid method was used commencing January 1, 2018 because of a near-term potential IPO scenario that also factored in the inherent uncertainty associated with being able to complete an IPO.

Given the absence of a public trading market for our common stock, our board of directors exercised their judgment and considered a number of objective and subjective factors to determine the best estimate of the fair value of our common stock, including important developments in our operations, valuations performed by an independent third party, sales of preferred stock, actual operating results and financial performance, the conditions in the biotechnology industry and the economy in general, the stock price performance and volatility of comparable public companies, and the lack of liquidity of our common stock, among other factors. After the closing of this offering, our board of directors will determine the fair value of each share of underlying common stock based on the closing price of our common stock as reported on the date of the grant. Our board of directors intended all options granted to be exercisable at a price per share not less than the per share fair value of our common stock underlying those options on the grant date.

Based upon the assumed initial public offering price of $15.00 per share, the midpoint of the price range set forth on the cover of this prospectus, the aggregate intrinsic value of options outstanding as of March 31, 2018 was $22.8 million, of which $3.1 million related to vested options and $19.7 million related to unvested options. The aggregate intrinsic value of options granted subsequent to March 31, 2018 was $7.3 million, all of which options are unvested as of the date of this prospectus.

Emerging Growth Company Status

In April 2012, the JOBS Act was enacted. Section 107 of the JOBS Act provides that an "emerging growth company" may take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards. Therefore, an emerging growth company can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We have irrevocably elected not to avail ourselves of this exemption from new or revised accounting standards, and, therefore, will be subject to the same new or revised accounting standards as other public companies that are not emerging growth companies.

Recent Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board issued Accounting Standards Update No. 2016-02, *Leases* (ASU 2016-02) which provides accounting guidance for both lessee and lessor accounting models. The principle of ASU 2016-02 is that a lessee should recognize the assets and liabilities that arise from leases. Lessees will need to recognize a right-of-use asset and a lease liability for virtually all of their leases (other than leases that meet the definition of a short-term lease). The liability will be equal to the present value of lease payments. The asset will be based on the liability. For income statement purposes, ASU 2016-02 requires leases to be classified as either operating or finance. Operating leases will result in straight-line expense while finance leases will result in a front-loaded expense pattern. ASU 2016-02 is effective for years beginning after December 15, 2019. Early adoption is permitted. The new standard must be adopted using a modified-retrospective transition and provides for certain practical expedients. We are currently evaluating the effects of the adoption of this ASU on our financial statements.

BUSINESS

Overview

We are a clinical-stage immuno-oncology company focused on developing novel checkpoint therapies to activate macrophages in the fight against cancer. We founded Forty Seven based on the insight that blocking CD47, a key signaling molecule that is overexpressed on cancer cells, renders tumors susceptible to macrophages. By harnessing macrophages, we believe that our lead product candidate, 5F9, dosed as a monotherapy or in combination with marketed cancer therapies, can transform the treatment of cancer. 5F9 has demonstrated promising activity in six Phase 1b/2 clinical trials in which we have treated over 190 relapsed or refractory cancer patients with solid or hematologic tumors. We hold worldwide rights to all of our product candidates.

We focus our efforts on targeting the CD47 pathway as a way to engage macrophages in fighting tumors. Macrophages function as first responders, swallowing foreign and abnormal cells, including cancer cells, and mobilizing other components of the immune system including T cells and antibodies. Cancer cells use CD47, a “don’t eat me,” signal, in order to evade detection by the immune system and subsequent destruction by macrophages. Overexpression of CD47 is common to nearly all types of tumors and is also correlated with poor prognosis in multiple cancers including AML, CRC, gastric cancer, lung cancer, NHL and ovarian cancer. Despite the central role of macrophages as cell-eating scavengers and first responders, the pharmaceutical industry is only beginning to bring this key group of cells into the fight against cancer.

Our company was founded by leading scientists at Stanford University who uncovered the fundamental role of CD47 in cancer evasion. They discovered that CD47 sends out a “don’t eat me” signal to macrophages. This has been supported by multiple lines of evidence, including elevated levels of CD47 in a wide range of cancer cells and an observed correlation of a decrease in survival in patients with high levels of CD47.

Preclinical work performed in the laboratory of our co-founder, Irv Weissman, at Stanford University demonstrated that:

- Blocking the CD47 “don’t eat me” signaling pathway leads to elimination of many types of tumors and increased survival;
- Boosting an “eat me” signal found on cancer cells using therapeutic antibodies results in a synergistic effect with blocking CD47; and
- Macrophages digest cancer cells in a process called phagocytosis and present tumor-specific antigens that can activate T cells against the cancer, thus creating the potential for synergy with T cell checkpoint inhibitors.

Our clinical trials are investigating three types of CD47 therapy: as a monotherapy, in combination with therapeutic antibodies, and in combination with checkpoint inhibitors, in a wide variety of tumors, including both solid and hematological cancers.

The targeting of CD47 to make cancer cells susceptible to macrophages, a component of the innate immune system, is analogous to the approach that has been applied with checkpoint inhibitors and T cells, a component of the adaptive immune system. In less than five years on the market, T cell checkpoint inhibitors have become frontline therapies for certain cancers and we estimate that they generated over $9 billion in sales in 2017. Despite the success of T cell checkpoint inhibitors, these therapies have been shown to be effective only in a subset of tumors, highlighting the need for additional therapies. Similar to the way cancer cells overexpress PD-L1 to avoid attack by T cells, cancer cells overexpress CD47 as a way to avoid destruction by macrophages. We believe targeting CD47 represents a compelling and analogous approach.

Our lead product candidate, 5F9, is a humanized IgG4 subclass monoclonal antibody against CD47 that is designed to interfere with recognition of CD47 by the SIRPa receptor on macrophages, thus blocking the “don’t

eat me" signal. The design of 5F9 combined with our proprietary dosing regimen overcomes the toxicity limitations of previously tested anti-CD47 therapies developed by others. Across all study populations, 5F9 has been well tolerated with no MTD observed in any study despite dosing up to 45 mg/kg. The most common treatment-associated effects observed to date were the expected CD47-mechanism-based effects on red blood cells which led to a temporary and reversible anemia. Other reported treatment related adverse events include infusion reactions, headache, fatigue, chills, fever and nausea. The majority of these adverse events were mild to moderate severity and were generally easily managed. See "Business—Our Lead Product Candidate, 5F9—Safety Profile of 5F9."

We have treated over 190 relapsed or refractory cancer patients with 5F9 both as a monotherapy and in combination with therapeutic antibodies such as rituximab and cetuximab. While the primary goal of our trials has been to demonstrate safety, we also observed early signs of clinical activity in multiple tumor types.

In our ongoing trials, 5F9 treatment has demonstrated biological responses and multiple cases of stable disease in Phase 1 as a monotherapy for patients with refractory AML. In biologic responders, we confirmed the presence of macrophages in tumor tissues and we observed that other components of the immune system, including T cells, had been recruited. In our studies of 5F9 as a monotherapy in solid tumors, such as CRC and ovarian cancer, we observed stable disease and, in some cases, tumor shrinkage leading to objective responses.

We are also investigating 5F9 as a monotherapy in ovarian cancer and other solid tumors. In a Phase 1 trial of 5F9, we observed confirmed partial responses in 2 out of 21 evaluable patients in a cohort with ovarian cancer receiving either 20 mg/kg or higher doses of 5F9, as of April 2018. Both were heavily pre-treated patients failing seven or more previous treatment regimens. One of these patients had a durable partial response of more than six months in duration. Results of this trial are expected in the first half of 2019.

In addition to continuing our trials using 5F9 as a monotherapy, we are also pursuing multiple trials of 5F9 in combination with therapeutic cancer antibodies in order to test the synergistic potency of these combinations. We believe that we can enhance the effect of 5F9 on cancer by using therapeutic antibodies that bind cancer cells to present an "eat me" signal to macrophages. Hence, we are combining 5F9 with cancer-cell-binding antibodies such as rituximab and cetuximab. Based on our preclinical research and on publications by academic groups, we believe that this combination of an "eat me" signal by these antibodies and the blocking of a "don't eat me" signal by 5F9 could be highly effective. We are conducting a Phase 1b/2 combination trial using 5F9 and rituximab in patients with relapsed and refractory NHL. As of April 2018, 30 patients with refractory NHL have been evaluated in Phase 1b/2 and 14 (47%) have had an objective response during the dose finding study of 5F9 in combination with rituximab. In 10 (33%) of these patients, we observed a complete response, an uncommon therapeutic finding for such a heavily pre-treated population. Based on our application summarizing the early NHL trial data, the FDA granted Fast Track designations to 5F9 for the treatment of both relapsed and/or refractory DLBCL and relapsed and/or refractory FL in April 2018. Having obtained Fast Track status, we have scheduled an end of Phase 1 meeting with the FDA in July 2018 to further discuss our NHL trials. Final results from this trial are expected in early 2019. We are also conducting a Phase 1b/2 combination clinical trial using 5F9 and cetuximab in patients with CRC. Results from this trial are expected in the first half of 2019.

We believe there is a strong rationale to combine 5F9 and T cell checkpoint inhibitors and we plan to initiate combination clinical trials in both solid and hematological tumors. 5F9 induces a potent anti-tumor T cell response by enabling macrophages to ingest cancer cells and present antigens derived from these cancer cells to T cells. Thus, we believe the combination of a T cell checkpoint inhibitor with 5F9 is likely to further enhance an anti-tumor T cell response and to further mobilize both the innate and adaptive immune systems to eliminate cancer.

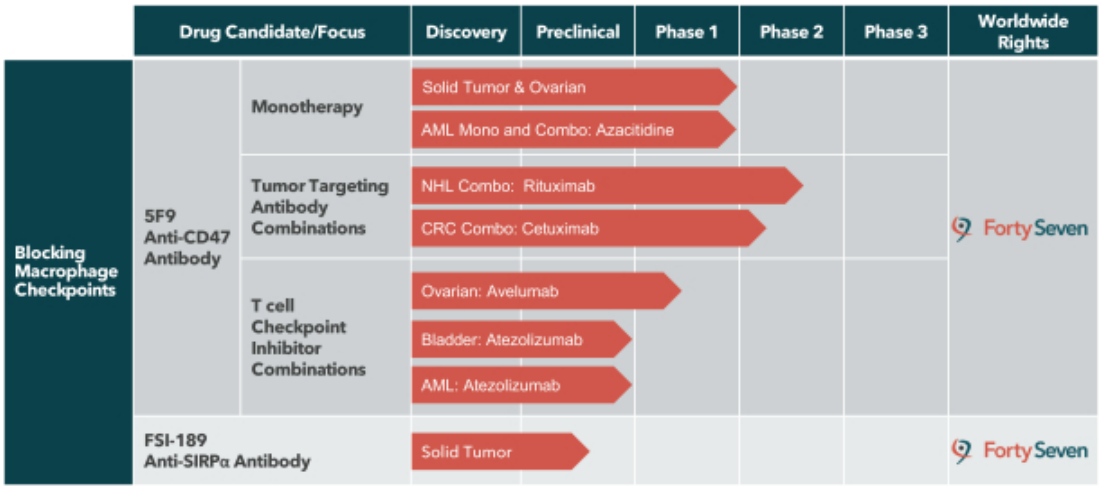
In early 2018, we announced clinical trial collaboration and supply agreements with two pharmaceutical companies to combine 5F9 with PD-L1 checkpoint inhibitors, while retaining full economic rights to our products. Pursuant to these agreements, we are conducting clinical trials with Merck KGaA on the combination of 5F9 with BAVENCIO (avelumab) in ovarian cancer patients; and with Genentech, a member of the Roche Group, on the combination of 5F9 and TECENTRIQ (atezolizumab) in patients with bladder cancer and in

patients with AML. The avelumab combination trial has started and we dosed the first patient in June 2018. We believe the combination trials with atezolizumab will be initiated in early 2019. We will supply 5F9, and Merck KGaA and Genentech will supply their respective drug products for these trials.

Our company was founded by leading scientists at Stanford University who uncovered the fundamental role of CD47 in immune regulation and applied these findings to the field of immuno-oncology. We have an exclusive license to this technology and to our lead product candidate, 5F9, from Stanford. Our goal is to accelerate regulatory approval of 5F9 through execution of multiple clinical trials in parallel to identify areas of highest efficacy. We have assembled a team of executives with broad industry experience in biologics and other therapeutics, as well as strong academic and clinical backgrounds. Our management team has worked for pharmaceutical companies such as Abbott Laboratories, Amgen, Genentech, Gilead, Janssen Global Services, LLC, PDL Biopharma, Inc. and Sandoz Inc. We have funded our operations to date primarily from the issuance and sale of our preferred stock to investors, including Lightspeed Venture Partners, Sutter Hill Ventures, Clarus, GV and Wellington Management Company, and from the receipt of government and private grants. We are eligible to receive up to $19.2 million in grants from CIRM and LLS as financial support for our clinical trials in AML, CRC and NHL, of which $11.6 million has been received through March 31, 2018.

Our Development Pipeline

The following table summarizes our development programs, target indications and current stages of development.



Strategy

Our goal is to transform the treatment of cancer by leveraging our scientific expertise and lead product candidate to engage macrophages to help patients defeat their cancer.

Our strategy includes the following components:

- ***Maintain a focus on our core mission of helping patients defeat their cancer.*** By focusing on patients first, we believe we can realize the full potential of our therapies. Our initial efforts are directed at patients with high unmet medical needs, such as those diagnosed with AML, CRC, NHL or ovarian cancer. We believe there are patients with many other types of cancers that our product candidates can help.
- ***Maximize the therapeutic and commercial potential of 5F9 by exploring its treatment of both solid and hematological tumors.*** Based on our understanding of the CD47 SIRPa pathway and data from

preclinical animal models, we believe 5F9 has the potential to benefit patients in a broad range of tumor types and in combination with other approved oncology therapeutics. We are currently evaluating 5F9 in six clinical trials and by early 2019, we expect to have seven clinical trials underway. These trials will read out in 2018 and 2019 and based on these data we expect to initiate additional trials with 5F9 to support regulatory approval and to explore the use of 5F9 in multiple cancer indications.

- ***Invest early to secure a clinical and commercial supply of 5F9 to mitigate risk and ensure a timely regulatory approval.*** Although 5F9 utilizes standard antibody manufacturing processes, we recognize that any regulatory approval requires experience and expertise in the commercial manufacturing of 5F9. In 2016, we completed a strategic manufacturing agreement with Lonza, a global leader in biologics manufacturing. The multi-year arrangement helps ensure sufficient clinical material for our existing trials and provides a path to generate the required manufacturing information that is part of a BLA and initial commercial supplies.
- ***Pursue collaborative relationships and in-licensing opportunities to help advance and expand our product candidate portfolio.*** In addition to our internal drug discovery and development efforts, we plan to identify and pursue strategic collaborative relationships, partnerships and in-licensing opportunities to enhance the development of our current programs and access additional novel product candidates. As examples, in January 2018 we announced clinical trial collaboration and supply agreements with both Merck KGaA and Genentech to explore the utility of 5F9 in combination with approved checkpoint inhibitors.
- ***Prepare for an active role in commercialization in the United States while considering opportunities to engage with partners to access commercialization capabilities outside the United States.*** We have worldwide rights to 5F9. If 5F9 receives marketing approval in the United States, we intend to commercialize it with our own focused, specialty sales and marketing organization. We may explore partnering with a third party to commercialize and market 5F9 in certain geographies.
- ***Leverage our knowledge and expertise in immune system and cancer biology to develop a pipeline of novel cancer therapeutics.*** We intend to utilize CD47 and its associated immune activation pathways to their fullest potential to help patients defeat their cancer. This includes the development of our existing programs and the pursuit of new programs in the future.

Scientific Background

The Role of Macrophages in the Treatment of Cancer

The innate and adaptive components of the human immune system form a complex organization of tissues, cells and proteins that serve to protect the body from invading pathogens. For the body to mount an effective response to a foreign cell or a cancer cell, the innate and adaptive immune systems must generally work in concert.

Macrophages, a key component of the innate immune system, serve as a first line of immune defense and initiate an immune response based on non-specific signals of foreign or abnormal cells. Macrophages also play a key role in alerting cells of the adaptive immune system to the presence of potential targets such as cancer cells. By making cancer cells susceptible to macrophages, we believe that our therapeutic candidates can be effective both as a monotherapy and in combination with other immunotherapies, such as the PD-1/PD-L1-directed and CTLA-4-directed checkpoint inhibitors.

The Role of Macrophages in the Innate and Adaptive Immune Response

The innate immune system, of which macrophages are a key component, serves as the first line of immune defense. Macrophages specialize in engulfing and digesting cellular debris, foreign substances, invading microorganisms and other cells. Macrophages determine what to attack by recognizing certain “eat me” signals common to pathogens or cancer cells.

Macrophages also play a key role in alerting highly-specialized cells of the adaptive immune system of the presence of potential targets, including cancer cells. Although these highly specialized adaptive immune cells take longer to mobilize, they are capable of providing long-term, effective protection against specific antigens and, importantly, can recall antigens to which they have previously been exposed. As first responders, macrophages swallow the abnormal cells in a process called phagocytosis, digest them and recruit and activate the second line of defense, the adaptive immune system.

Interfering with Suppression of Immune Signaling Pathways

A critical capability of both the innate and adaptive immune systems is the ability to distinguish cells that are normally found in the body from foreign invaders. Components of both immune systems rely on the presence of certain surface proteins on cells that serve as markers for normal cells to prevent immune attacks. For the innate immune system, CD47 is expressed on cells throughout the body and functions as a "don't eat me" signal to prevent attack by macrophages. Similarly, for the adaptive immune system, PD-L1 expression prevents attack by T cells.

Recent developments in the field of immuno-oncology have demonstrated that interfering in the PD-L1-based immune suppression system allows the adaptive immune system to attack cancer cells, resulting in significant reduction in tumor burden and increasing overall survival in some cancers. These therapies are generally referred to as checkpoint inhibitors and include both therapies that target PD-1 or PD-L1 such as nivolumab, pembrolizumab, atezolizumab, durvalumab and avelumab as well as therapies such as ipilimumab that target another checkpoint known as CTLA-4. These agents, all of which target the adaptive immune system, have resulted in remarkable efficacy in some patients and are the focus of over 1,300 active clinical trials.

To date, there have been no therapies approved that target the CD47 checkpoint of the innate immune system. Preclinical data have demonstrated that binding by a CD47 antibody increases antigen presentation by macrophages and stimulates the development of anti-tumor cytotoxic T cell responses. We believe that by targeting CD47 and activating the macrophage and other components of the innate and adaptive immune system, we can create a new class of therapies with the potential to treat multiple types of solid and hematological tumors.

The below table outlines our macrophage-focused approach targeting the innate immune system as compared to T cell checkpoint inhibitors targeting the adaptive immune system.

	T cells	Macrophages
Immune System Targeted	Adaptive immune system	Innate immune system
Percentage of Tumor Infiltrating Immune Cells	10-20%	20-40%
Cell-Surface Checkpoints and Their Receptors	PD-1/PD-L1, CTLA-4	CD47/SIRPα
Applicability to Tumor Targets	Target limited	Not target limited
Dependency	Requires antigen presentation by innate immune cells	Works independently and can recruit adaptive immune cells

The Role of CD47 in the Treatment of Cancer

There are two opposing mechanisms that macrophages rely on to determine whether to attack a cell: one set of markers found on some cells, including bound IgG and calreticulin, triggers an "eat me" signal; the other, centered around CD47, found on both healthy cells as well as many cancer cells, sends a "don't eat me" signal. This "don't eat me" signal is essential to prevent macrophages from attacking. Macrophages recognize CD47 through a receptor, SIRPa, that can specifically bind to CD47. Binding of SIRPa receptors on macrophages to CD47 on cancer cells prevents macrophages from attacking and digesting these cancer cells. Macrophages only remove cells whose balance of "eat me" signals outweigh the CD47 "don't eat me" signals.

Nearly all types of tumors overexpress CD47 as a way to avoid the innate immune system. Sending this “don’t eat me” signal prevents the initial attack by macrophages and other phagocytic cells. Because these cancer cells are not digested, the macrophages cannot present components of the cancer cells to the adaptive immune system thereby preventing the activation of T cells that could specifically target them. Expression of CD47 by cancer cells can thus render these cells invisible to innate immune recognition. Interfering with CD47 binding to SIRPa has the potential to activate an immune response to cancer cells that is upstream of current checkpoint inhibitors that target PD-1/PD-L1 or CTLA-4. As shown in the following figure the overexpression of CD47 in many types of cancer has been demonstrated by a variety of scientific techniques.

CD47 Overexpression in Cancer Compared to Normal Tissue

	RNA	Protein Immuno-histochemistry	Protein Western Blot	Protein Flow Cytometry
Pancreatic Cancer	✓	✓		
Lung Cancer	✓		✓	✓
Ovarian Cancer	✓	✓	✓	
Laryngeal Cancer	✓	✓	✓	
Stomach Cancer				✓
Kidney Cancer				✓
Colon Cancer				✓
Acute Myeloid Leukemia				✓
Non-Hodgkin’s Lymphoma				✓
Acute Lymphoblastic Leukemia				✓

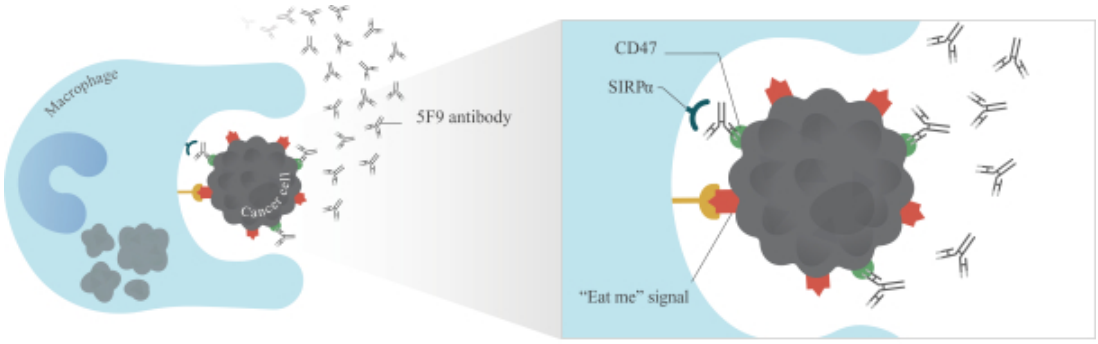
Overexpression of CD47 is associated with poor prognosis in multiple cancers including AML, gastric cancer, lung cancer, NHL and ovarian cancer. In CRC patients with tumors containing high levels of macrophages and low levels of CD47 have increased long-term survival.

The progression from normal cell to cancer cell involves changes in genes and/or gene expression that can subvert normal cellular control mechanisms, and overexpression of CD47 represents an important checkpoint allowing the cancer cells to survive. In animal models, CD47-blocking antibodies have been shown to inhibit human cancer growth and metastasis by enabling the phagocytosis of cancer cells. CD47-blocking antibodies have been shown to exhibit potent synergy with tumor-specific monoclonal antibodies, such as rituximab, cetuximab and trastuzumab. Thus, we believe CD47 has a strong potential as a therapeutic target for the treatment of a variety of cancers.

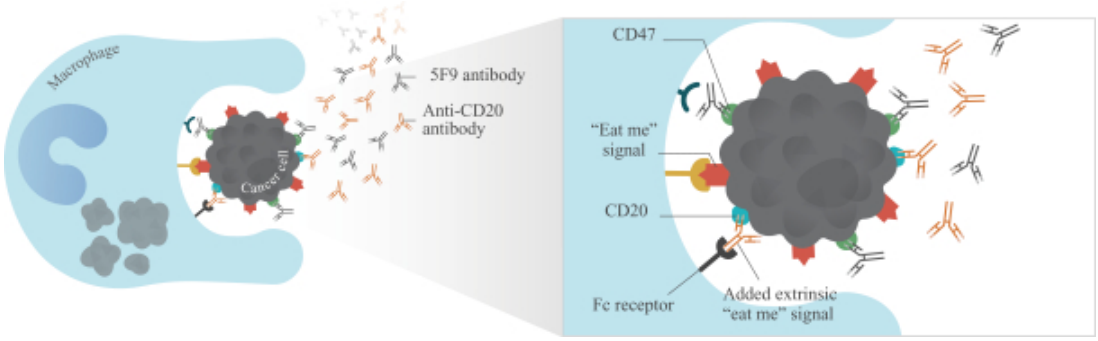
Our Lead Product Candidate, 5F9

Our lead product candidate, 5F9, is a humanized IgG4 subclass monoclonal antibody against CD47 that is designed to interfere with recognition of CD47 by the SIRPa receptor on macrophages. By blocking this recognition, 5F9 removes a key self-recognition or “don’t eat me” signal, which allows the innate immune system to attack and dispose of cancer cells. We are currently investigating 5F9 in multiple Phase 1 and Phase 2 trials in various cancers including AML, CRC, NHL and ovarian cancer, as both a monotherapy and in combination with other therapies such as rituximab and cetuximab.

The following figure shows the mechanism of action of 5F9.



5F9 activation of macrophages to attack cancer cells can be further stimulated in combination therapies by supplying a therapeutic antibody that can specifically recognize tumor-specific antigens. By binding to cancer cells, these antibodies become an "eat me" signal to macrophages. There are many tumor-specific antibodies in current clinical practice in oncology, including rituximab, approved for various lymphomas and some types of leukemia, and cetuximab, approved in CRC and certain head and neck cancers. The following figure shows the mechanism of action of 5F9 in combination with a CD20 therapeutic antibody, such as rituximab.



Importantly, most normal cells lack an "eat me" signal and are therefore unaffected by the blocking of CD47.

5F9 Clinical Trials

5F9 monotherapy trials started in 2014 at a clinical trial center at Stanford University and in 2015 at a clinical trial center at Oxford University. The clinical trials with 5F9 and tumor targeting antibody combinations started in 2016 at multiple trial centers in the United States and United Kingdom. We currently have trials taking place in over 20 clinical centers in the US and the UK. We have treated over 190 relapsed or refractory cancer patients in the Phase 1 trials with 5F9 both as a monotherapy and in combination with therapeutic antibodies such as rituximab and cetuximab. The primary endpoint of these trials was to determine the MTD and dose limiting toxicities, or DLTs, in addition to objective anti-tumor responses. No MTD has been achieved in any trial despite maximum tested doses of 45 mg/kg weekly. The MTD for our trials was defined using the standard Phase 1 trial definition of being the highest dose level tested that generated a DLT rate of less than 33% in at least 6 evaluable patients. Secondary endpoints of these trials include evaluation of the serum concentrations of 5F9 and measures of clinical activity including how long patients responded to 5F9 and combination therapies, and their overall survival. Because these trials are ongoing, formal statistical analyses have not been conducted.

Our reported results use clinical assessment criteria that are in broad use as standard endpoints in solid tumor and lymphoma trials. In brief, patient tumor size is assessed by at approximately eight week intervals by CT or MRI scan while on treatment and the greatest reduction or smallest increase in tumor size are reported as the "best response" per the criteria below. Patients who withdrew from the trial after receiving drug are reported by their best assessment if they completed an assessment or as "progressive disease" if they did not. The specific response measurements are RECIST 1.1 for ovarian and CRC trials, and the Lugano classification for NHL trials. Per RECIST criteria, a "partial response" is a result in which the tumor shrinks at least 30% without the growth of new tumors and a "complete response" is the abolishment of tumor mass without new tumor growth. Per Lugano criteria, a "partial response" is a result in which the tumor shrinks at least 50% or in which the metabolic activity of the tumor has reduced activity compared to baseline, without the growth of new tumors. A "complete response" is a result with the abolishment of tumor mass or tumor metabolic activity without new tumor growth. Patients with "objective responses" are those with either a partial or a complete response. Per RECIST criteria, a patient with "stable disease" has a tumor size that is between a less than 30% reduction and less than 20% growth without growth of new tumors. Per Lugano criteria, "stable disease" is defined as less than a 50% reduction in tumor size and less than 50% growth or no increase in metabolic tumor activity, without growth of new tumors. In our AML trials, response assessment criteria were per ELN 2017 recommendations. Using these criteria, the best responses we observed were cases of "stable disease," which are defined as patients who lack a partial or complete response yet did not exhibit disease progression. Progression in AML is defined by increases in blast (or cancer) cells and in partial and complete responses there is a substantial reduction in blast cells. In addition, we report "biological responses" that indicate notable biological changes in the bone marrow that were associated with 5F9 therapy but did not meet the definition of a partial or complete response.

5F9 in B-cell Non-Hodgkin's Lymphoma

Combination Trial and Early Signs of Clinical Activity

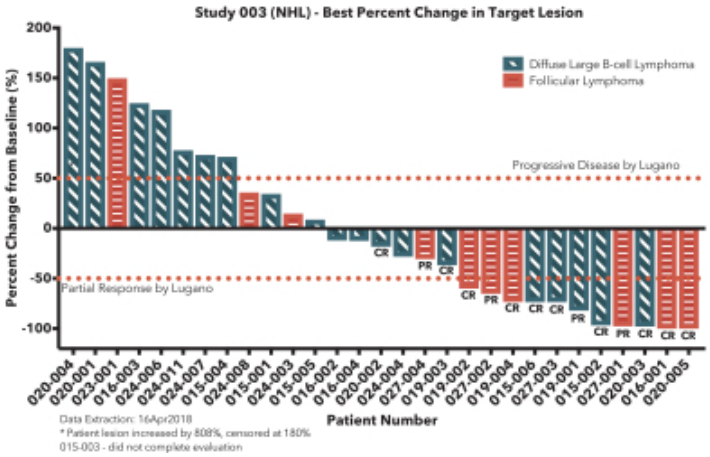
Our most advanced ongoing clinical trial is an open-label, multi-site Phase 1b/2 trial of 5F9 in combination with rituximab in patients with relapsed or refractory NHL. The rationale behind this combination trial is to release the CD47 inhibition of the innate immune system, thus eliminating the "don't eat me" signal, and use rituximab to provide the "eat me" signal through its binding to CD20 on the surface of NHL cells. We began recruitment in November 2016 and, as of April 2018, we have evaluated 30 patients in the Phase 1b/2 trial and continue to enroll patients in the Phase 2 portion. We anticipate enrolling up to 72 patients in this trial. In the Phase 1b portion of this trial, patients received full doses of rituximab with cohorts evaluating escalating doses of 5F9. The Phase 2 portion of this trial has separate treatment arms for relapsed or refractory patients with non-aggressive, or indolent FL, and those with aggressive DLBCL.

As of April 2018, we have obtained clinical response data from 30 patients in this Phase 1b/2 trial receiving 10 mg/kg, 20 mg/kg or 30 mg/kg 5F9. Progression of the disease was controlled in 17 patients (57%), and 14 patients (47%) displayed an objective response. Ten patients (33%) were reported to have a complete response and 4 patients (13%) were reported to have partial responses. Importantly, the rate of clinical response increased with the 5F9 dosage. Clinical activity was observed in both DLBCL and FL patients. This is notable because these patients all entered the trial after failing multiple lines of previously approved therapies, including rituximab. Particularly, multiple complete remissions have been observed in both DLBCL and FL patients, which are uncommon given the heavily pre-treated nature of these patients. For example, one DLBCL patient had failed four lines of prior therapy and entered the trial with extensive disease that was rapidly progressing. After treatment for eight weeks, this patient achieved a complete response, with no evidence of lymphoma lesions or bone marrow disease.

The figure below shows the preliminary results as of April 2018 from a Phase 1b/2 trial of 5F9 in combination with rituximab in relapsed or refractory NHL. Complete and partial response were evaluated by the Lugano criteria, which measures tumor size and metabolic activity.

Response	All patients n=30	DLBCL n=20	Follicular Lymphoma n=10
Objective Response Rate (ORR)	47% (14)	35% (7)	70% (7)
Partial Response (PR)	13% (4)	5% (1)	30% (3)
Complete Response (CR)	33% (10)	30% (6)	40% (4)
Disease control rate (CR+PR+SD)	57% (17)	50% (10)	70% (7)

Data extraction April 2018



A full 90% of responders had been considered rituximab refractory before dosing. Failure of prior therapies containing rituximab did not prevent patients from responding to the combination of 5F9 and rituximab in this trial. In addition, approximately 90% of the patients who had an initial response continue to respond, suggesting durability. The duration of response is the time between initial response and subsequent disease progression or relapse. A common measure of durability is the midpoint of all responding patients' response durations (the median duration of response). When the median duration of response is reached, 50% of patients will have relapsed and 50% will still be in response. As of April 2018, the median duration of response had not been reached for either Phase 1b DLBCL or FL patients and the median time on treatment was over six months and eight months for DLBCL and FL patients, respectively. We have observed some patients with extended responses or improving responses. For example, 1 patient continued in complete remission for over 14 months on treatment. Furthermore, 2 DLBCL patients converted to complete responses in follow-up assessments after an initial assessment of stable disease and partial response, respectively. While these results represent early data from a limited number of patients, the clinical activity reported is comparable to the durable response rates (responses of greater than eight months duration) seen with other approved therapies such as the CAR-T product YESCARTA (axicabtagene ciloleucel) in DLBCL and the kinase inhibitor ALIQOPA (copanlisib), in FL. Furthermore, 5F9 has been well tolerated to date with no MTD observed, is easy to administer and in the majority of responding patients begins to show clinical activity at the first assessment made at eight weeks. The

most common treatment-associated effects observed to date were the expected CD47-mechanism-based effects on red blood cells, which led to a temporary and reversible anemia. Other reported treatment-related adverse events include infusion reactions, headache, fatigue, chills, fever and nausea. The majority of these adverse events were mild to moderate in severity and were generally easily managed. See "Safety Profile of 5F9." These attributes may make 5F9 suitable for a broad range of patients. Based on our application summarizing the early NHL trial data, the FDA granted Fast Track designations to 5F9 for the treatment of both relapsed and/or refractory DLBCL and relapsed and/or refractory FL in April 2018.

Market Opportunity

We believe there is a broad market opportunity for 5F9 in the treatment of NHL. B-cell NHL is a diverse group of cancers derived from B cells. The American Cancer Society estimates that 74,680 people will be diagnosed with NHL in the United States in 2018. The natural progression of NHL varies widely across multiple forms, including aggressive forms such as DLBCL and more slowly growing or indolent forms such as FL, which according to a publication in Frontiers in Oncology in 2013, account for 31% and 22% of all NHL cases, respectively. Without treatment, survival of aggressive NHL, such as DLBCL, is only a few months in duration.

As with other B cell lymphomas, FL and DLBCL cells express CD20 on the cell surface. Monoclonal antibodies targeting CD20 are a key component of current therapy for B cell lymphomas. Rituximab was the first anti-CD20 monoclonal antibody developed and approved for the treatment of B cell NHL. The addition of rituximab to combination chemotherapy could result in an approximately 10-15% overall increase in survival at one year in patients of all ages. Unfortunately not all patients respond to rituximab and of those that initially responded after treatment with rituximab as a monotherapy, but subsequently relapsed, a study has shown that approximately 60% are resistant to rituximab.

In 2017, a new approach to treating DLBCL known as CAR-T cell therapy was approved. This therapy requires removing blood stem cells from patients, genetically modifying them in the lab to attack DLBCL cells and transplanting them back into the patient, a process which can take several weeks. Although this approach has had some success, there remain significant safety limitations. This therapy is not available to patients who have highly proliferative disease, who cannot wait for treatment, or who cannot tolerate the transplantation procedure. We believe that 5F9 will not have these limitations.

5F9 in Ovarian Cancer

Monotherapy Trial and Early Signs of Clinical Activity

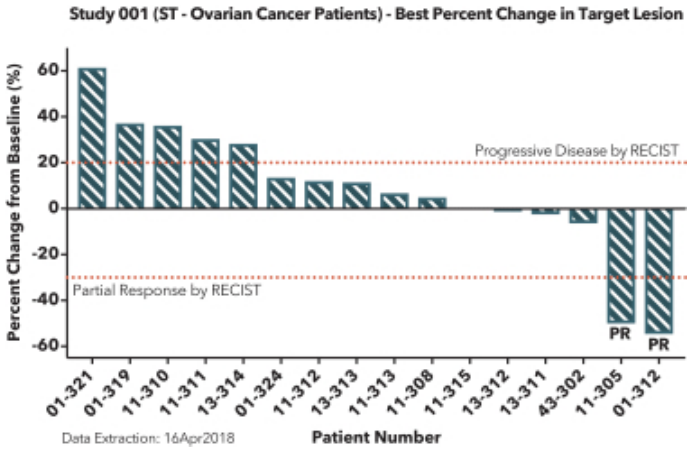
The first in human trial of 5F9 as a monotherapy was a multi-arm trial designed to test the safety and tolerability and to determine dosing in patients with advanced solid tumors. The trial began in August 2014, and since then we have observed confirmed partial responses in 2 out of 21 evaluable patients in a cohort with ovarian cancer receiving either 20 mg/kg or higher doses of 5F9, as of April 2018. Both were heavily pre-treated patients failing seven or more previous treatment regimens. One of these patients had a durable partial response of more than six months in duration. We continue to investigate the potential of 5F9 in an expanded cohort of more than 15 patients with ovarian cancer from which we anticipate having data by the first half of 2019.

The following figure shows responses in a Phase 1 trial of 5F9 as a monotherapy in ovarian cancer.

Best Response	Ovarian Patients (n=21)*
Objective Response Rate (ORR)	10% (2)
Partial Response (PR)	10% (2)
Complete Response (CR)	0% (0)
Stable Disease (SD)	48% (10)
Disease Control Rate (CR+PR+SD)	57% (12)
Fall in CA125 >25%	24% (5)

Data cut 16 April 2018

*Includes five patients that came off study without completing a tumor assessment



In January 2018, we announced a clinical trial collaboration with Merck KGaA to test 5F9 in combination with the T cell checkpoint inhibitor avelumab in ovarian cancer patients. The rationale for the collaboration is based on these data and additional preclinical work showing that avelumab enhances cancer cell phagocytosis *in vitro*. We believe this enhancement is due to avelumab binding PD-L1 on the cancer cells and stimulating phagocytosis via binding of the IgG1 isotype antibody to macrophage receptors.

Market Opportunity

The Centers for Disease Control and Prevention, or CDC, estimates that ovarian cancer is the fifth leading cause of cancer death in women in the United States with over 20,000 women in the United States diagnosed with ovarian cancer and approximately 14,000 die from this disease each year. The International Agency for Research on Cancer estimates that, worldwide, there were approximately 225,000 cases of ovarian cancer leading to 140,000 deaths yearly.

Surgery and cytotoxic chemotherapies are widely used to treat ovarian cancer; however, the outcomes have changed little over the last several decades. According to the National Cancer Institute, the relative five-year

survival rate has improved only marginally from 43.8%, observed from 2001 to 2007, to 46.5%, observed from 2007 to 2013. Treatment of patients with advanced, relapsed ovarian cancer with a combination of gemcitabine and carboplatin increased the progression free survival to 8.6 months from 5.8 months with carboplatin alone but has had no significant effect on overall survival. Recently a number of products that target poly ADP ribose polymerase, or PARP, a specific component of a DNA repair pathway, have been approved for use in ovarian cancers. These products include olaparib, rucaparib and niraparib. Research published in Molecular Oncology has demonstrated that the efficacy of these products is greatly enhanced in the subset of 5-15% of ovarian cancers with mutations in the BRCA1 and BRCA2 genes. Given the historical lack of improvement in survival rates and limitations of PARP therapies for the majority of cancer patients, we believe 5F9 has the potential to deliver an effective new class of therapy to address this unmet medical need.

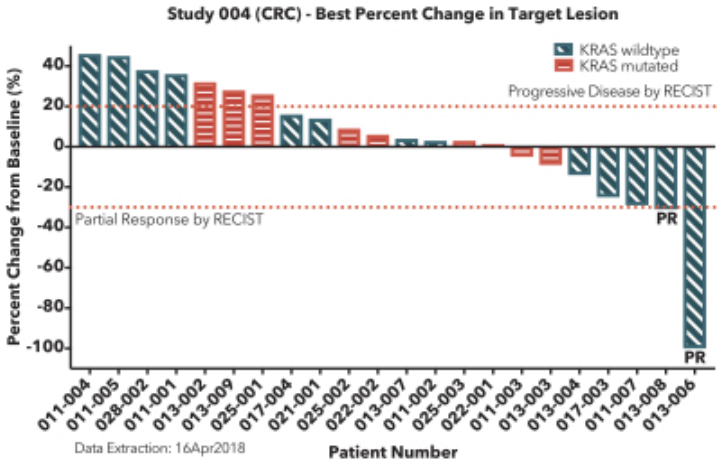
5F9 in Colorectal Cancer

Combination Trial and Early Signs of Clinical Activity

We are investigating the combination of 5F9 and cetuximab in an open-label Phase 1b/2 trial in patients with advanced relapsed or refractory solid tumors, including CRC. The trial began in December 2016, and as of April 2018, we have enrolled 37 patients at multiple sites in the United States. The first arm of this trial is a dose escalation stage with doses of cetuximab increasing up to the standard approved dose level combined with increasing doses of 5F9. Data from the 10 mg/kg, 20 mg/kg and 30 mg/kg cohorts of the Phase 1b portion of the trial is available for 22 patients with CRC. Of these 22 patients, 2 (9%) had a partial response and 9 (41%) had stable disease as their best response. Importantly, at time of data cutoff in April 2018, the initial responding patient had maintained a durable response over eight months that was ongoing. This trial is ongoing and we expect data from patients in the Phase 2 arm of this trial to become available in the first half of 2019. The following figure shows the responses in patients from this trial.

Best Response	CRC Patients n= 22
Objective Response Rate (ORR)	9% (2)
Partial Response (PR)	9% (2)
Complete Response (CR)	0%
Stable Disease (SD)	41% (9)
Disease control rate (CR+PR+SD)	50% (11)

Data cut April 2018



Market Opportunity

According to CDC estimates, CRC is the second leading cause of cancer deaths in the United States. The National Cancer Institute estimates that there were 135,430 new cases of CRC and 50,260 CRC related deaths in the United States in 2017. Almost 35% of the patients with a new diagnosis of CRC will die within five years. The risk of CRC increases with age, with 90% of cases diagnosed in individuals 50 years of age or older. Despite effective screening, leading to a reduction in the mortality from CRC, the number of cases remains high and is expected to increase worldwide to 2.2 million by the year 2030.

Treatment of CRC typically involves the use of cytotoxic chemotherapy and radiation. Treatment with anti-epidermal growth factor receptor or EGFR antibodies as a monotherapy or in combination with chemotherapy has been shown to be effective in a subset of CRC patients, however according to a publication in Current Oncology in 2010, over 40% of patients do not respond to anti-EGFR antibody therapies and of those that do, resistance often develops. Specifically, cetuximab is ineffective in patients who have a mutation in the RAS gene, which represents approximately 40% of all patients. In addition, after initial treatments, the currently approved therapies for advanced CRC patients, such as regorafenib and trifluridine/tipiracil (TAS-102), have significant toxicities, negligible response rates (less than 2%) and only a minimal survival benefit, increasing median survival by 1.4 to 1.8 months. We believe that there is an unmet medical need for a treatment option that improves outcomes for patients with CRC.

5F9 in Acute Myeloid Leukemia

Monotherapy Trial with Signs of Biologic Activity

We are conducting a Phase 1 monotherapy trial in patients with relapsed or refractory AML in collaboration with the University of Oxford at multiple sites in the United Kingdom. Leukemic cells, called blasts or blast precursors, are the main driver and indicator of disease burden in AML. The trial began in November 2015, and reductions in the number of blast cells in patient bone marrow samples have been observed in 7 of the 18 patients (39%) in cohorts receiving 10 mg/kg or higher doses of 5F9, as of April 2018. One of these patients had prolonged stable disease for 11.8 months on study before progressing, which is more than double the average life expectancy for this refractory patient population. This patient had a significant increase in T cells in the bone marrow during treatment, suggesting that 5F9 may have activated the adaptive immune system. Based in part on these data and similar observations in preclinical models, in January 2018, we announced a clinical collaboration with Genentech to initiate a clinical trial exploring a combination of 5F9 with atezolizumab in patients with AML. Based on additional preclinical data supporting treatment using 5F9 in combination with azacitidine, in February 2018, we also initiated an azacitidine co-treatment arm to our AML monotherapy trials. Data from these follow-on trials are expected in 2019. We have received orphan drug designation from both the FDA and the EMA for AML.

Market Opportunity

AML is a hematologic cancer characterized by excessive proliferation of myeloid stem cells and their failure to properly differentiate into mature blood cells. AML is the second most common subtype of leukemia in adults. The American Cancer Society estimates an incidence of approximately 19,500 new cases in the United States in 2018. AML is generally a disease of elderly people, with more than 60% of diagnosed patients being older than 60 years. According to Cancer Research UK, the average five-year survival rate for patients with AML is 20%, but there are significant differences in prognosis depending on several factors, including the age of the patient and the presence of co-morbidities at the time of diagnosis. For patients under the age of 45, the five-year survival rate is approximately 57%, while for those over the age of 65 it is only 6%. There are likely multiple reasons for this difference, including the ability of younger patients to tolerate more aggressive therapy.

Current first-line treatments in AML typically involve aggressive chemotherapy, including alkylating agents and cytarabine potentially followed by stem cell transplantation, for younger patients with the aim to induce and then maintain long-term remission. This therapy is not recommended for older patients or patients with comorbidities, who are often not treated at all or are treated with low dose cytarabine or azacitidine. There is a single biologic, MYLOTARG (gemtuzumab ozogamicin), approved by the FDA for AML. Mean survival in AML patients over 75 years of age treated with gemtuzumab ozogamacin as a monotherapy was 4.9 months versus 3.6 months for those treated with the best supportive care. Significant myeloid and liver toxicities have also complicated the use of gemtuzumab ozogamacin in patients. Other more recently approved therapeutics for AML target subsets of patients with tumors containing specific mutations such as RYDAPT (midostaurin) by Novartis for those with FLT3 mutations and IDHIFA (enasidenib) by Celgene for those with mutations in IDH2. Despite these advancements, we believe there is a significant need for a safe, broadly effective AML treatment. CD47 is expressed to a higher degree in AML cells, including leukemia stem cells, than in normal blood cells, making AML an attractive potential indication for 5F9.

In Progress and Planned Trials: Combinations with Checkpoint Inhibitors

We believe there is a strong rationale to combine 5F9 with T cell checkpoint inhibitors. 5F9 induces a potent anti-cancer T cell response by enabling macrophages to ingest cancer cells and present antigens derived from these cancer cells to T cells. Thus, the combination of a T cell checkpoint inhibitor with 5F9 is likely to further enhance an anti-cancer T cell response and to further mobilize both the innate and adaptive immune systems to eliminate cancer. In this context, we partner with Merck KGaA to test the safety and clinical activity of 5F9 in combination with avelumab, an antibody targeting PD-L1 in patients with ovarian cancer. The combination of 5F9 and avelumab was selected based on the unique dual ability for avelumab to enhance both a T cell response as a checkpoint inhibitor and serve as a tumor-targeted antibody. Since PD-L1 is expressed on cancer cells, antibodies that target PD-L1 could serve as a tumor-targeting antibody, similar to rituximab and cetuximab in NHL and CRC, respectively. However, an active Fc receptor capable of inducing antibody-dependent cellular phagocytosis is required. Avelumab is the only FDA approved T cell checkpoint inhibitor targeting PD-L1 that has an active IgG1 Fc receptor. Thus, the combination of 5F9 and avelumab may be a key competitive differentiator for combination strategies of CD47 blocking agents and checkpoint inhibitors. Indeed, our preclinical studies demonstrate that the addition of avelumab to 5F9 significantly enhances macrophage phagocytosis of cancer cells. The combination of 5F9 and avelumab is being explored in ovarian cancer patients based on preclinical data as well as initial clinical data demonstrating monotherapy activity for both 5F9 and avelumab in this indication.

We and our partner Genentech are planning to test the safety and clinical activity of 5F9 in combination with atezolizumab, a monoclonal antibody targeting PD-L1, an adaptive immunity checkpoint, in bladder cancer. We believe that this trial will help us test a key hypothesis by determining whether 5F9 can further enhance the anti-tumor activity of checkpoint inhibitors that already have activity as a monotherapy. In addition, 5F9 will be combined with atezolizumab in AML patients. Our rationale for this combination is the observed increase in T cells in the bone marrow of an AML patient during 5F9 monotherapy treatment. We believe the presence of

increased T cells may indicate an activation of the adaptive immune system which is the target of T cell checkpoint inhibitors. Atezolizumab has received regulatory approval for the treatment of advanced urothelial carcinoma and non-small cell lung cancer.

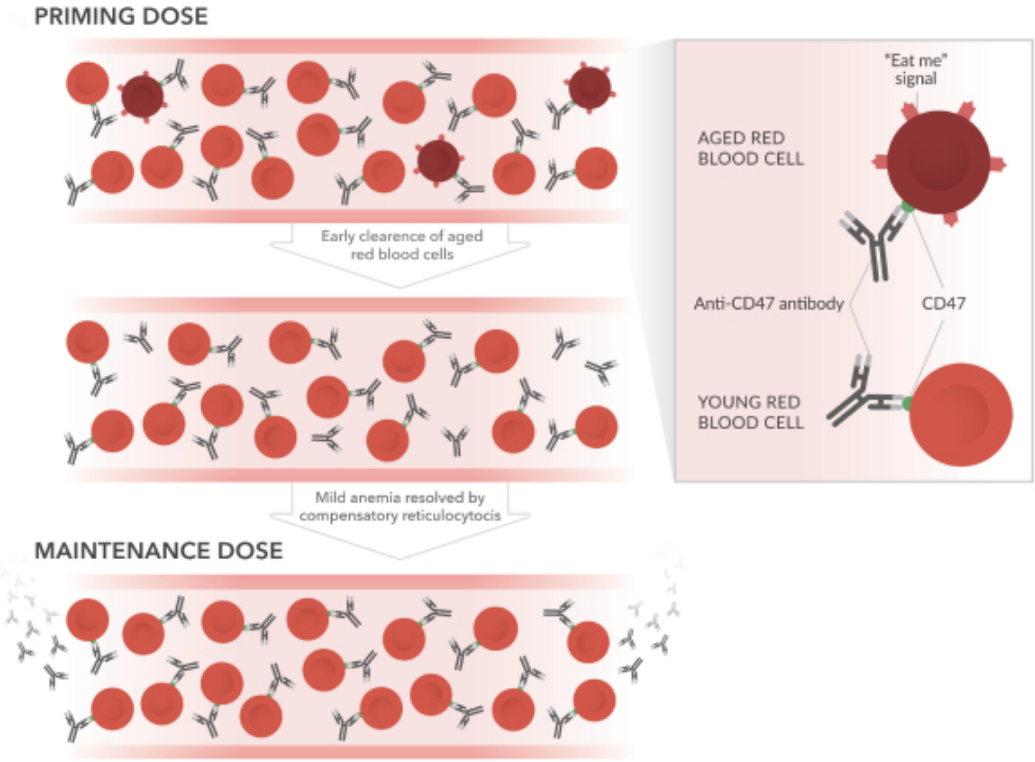
Safety Profile of 5F9

In each of our clinical studies, 5F9 has demonstrated signs of early clinical activity while being generally well-tolerated. The design of 5F9, combined with our proprietary dosing regimen, overcomes the toxicity limitations of previously tested anti-CD47 therapies. Across all study populations, 5F9 has been well tolerated with no MTD observed in any study despite dosing up to 45 mg/kg. The most common treatment-associated effects observed to date were the expected CD47-mechanism-based effects on red blood cells which led to a temporary and reversible anemia. Other reported treatment-related adverse events include infusion reactions, headache, fatigue, chills, fever and nausea. The majority of these adverse events were mild to moderate in severity and were generally easily managed.

Minimizing the Effects on Red Blood Cells

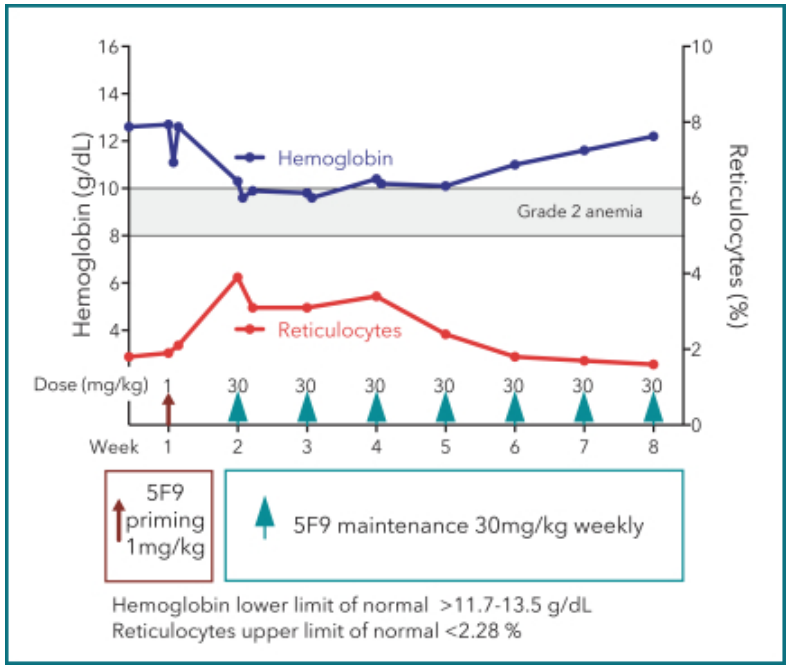
Red blood cells, like other cells in the body, express CD47 as a “don’t eat me” signal to prevent phagocytosis by macrophages. As red blood cells age, the levels of CD47 gradually decrease and the levels of “eat me” signals such as phosphatidylserine or IgG increase such that at some point aged red blood cells are engulfed by macrophages and removed from circulation. The levels of red blood cells in the body, however, are tightly regulated and the removal of aged or damaged red blood cells stimulates the production of new red blood cells. The administration of CD47 antibodies, such as 5F9, would be expected to block the “don’t eat me” signal on red blood cells resulting in premature loss of those aged red blood cells that bear sufficiently high levels of “eat me” signals. Indeed, this predicted loss of red blood cells and the associated anemia has been observed in preclinical studies and clinical trials of 5F9 but it is generally temporary and reversible in nature. The loss of red blood cells is compensated for by reticulocytosis, which is the synthesis of new red blood cells that leads to the gradual resolution of the anemia. Eventually the red blood cell level stabilizes as the average age of red blood cells shifts toward younger cells.

To address this expected anemia, we designed a proprietary dosing regimen into our clinical trials in which clinicians administer a priming dose of 1 mg/kg of 5F9 that is sufficient to eliminate the aged red blood cells and trigger the process of reticulocytosis. A mild anemia with the first priming dose is therefore expected. This priming dose then enables administration of much higher and more efficacious maintenance doses of 30 mg/kg in subsequent weeks that do not induce further clearance of red blood cells. We believe our approach of administering a priming dose followed by maintenance doses is an important element in mitigating the known on-target effect of anemia that results from therapeutic blocking of CD47. The figure below illustrates this sequence.



The initial first-in-human Phase 1 clinical trial of 5F9 was initiated by researchers at Stanford University in 24 patients with relapsed or refractory solid tumors. Eleven patients were treated in Part A of the trial, which was designed as a dose escalation trial with the goal of establishing a priming dose of 5F9 that would be tolerable while also still fully saturating CD47 on red blood cells. After a single dose of 1 mg/kg of 5F9, approximately 90% of CD47 molecules on red blood cells were blocked, whereas at doses of 0.1 mg/kg and 0.3 mg/kg approximately 50% of CD47 molecules were blocked. The 1 mg/kg dose was well tolerated with no drug-limiting toxicities.

Part B of the trial investigated the safety and tolerability of weekly maintenance dosing of 5F9 in 14 patients treated at 1, 10, 20, 30 and 45 mg/kg, each following a single priming dose of 1 mg/kg. The study showed that this dosing regimen results in an early, temporary decline in hemoglobin levels corresponding to mild to moderate anemia during the first two weeks of starting therapy. In many patients, hemoglobin levels return to baseline by week four or later, even with continued treatment with 5F9 at significantly higher doses. The figure below illustrates the physiological response associated with the priming dose in a solid tumor patient.



An additional common treatment-associated effect related to red blood cells is hemagglutination, or the clumping of red blood cells, which we believe is driven by the direct interaction of 5F9 with CD47 on red blood cells. We observe hemagglutination by microscopic examination of a blood sample typically in conjunction with the initial priming or maintenance doses. In the over 190 patients treated with 5F9 across indications, hemagglutination has not been correlated with significant adverse events or other clinical symptoms.

In order to evaluate the clinical risk of hemagglutination and to monitor for any effects this might have on the microvasculature, our Phase 1 monotherapy trial of 5F9 in solid tumor patients included baseline and weekly high resolution retinal imaging studies during the trial. The 163 scans obtained in solid tumor patients did not reveal any treatment related pathology, outside of a solitary, asymptomatic transient abnormal finding on the retina known as a cotton wool spot in a single patient who did not exhibit hemagglutination. We removed the requirement for retinal imaging due to the lack of significant retinal findings in a protocol amendment, which was accepted by the FDA without any related issues being raised.

Patients with AML do not have the bone marrow capacity to stimulate reticulocytosis due to their disease and thus have to rely on blood transfusions to replace aged red blood cells that are eliminated by 5F9 treatment. Hemagglutination continues to be observed in these patients beyond the first or second dose of 5F9 as the transfused blood contains a substantial population of untreated red blood cells. These transfusions have been well tolerated. Similar to solid tumor patients, to date, no clinical consequences have been correlated with hemagglutination.

Other Safety Observations

5F9 has been dosed in over 190 patients with both solid and hematological tumors as of May 2018. Across all study populations, 5F9 has been well tolerated with no MTD observed in any study including in doses of up to 45 mg/kg. The most common treatment-associated effects observed were CD47-mechanism-based effects on red blood cells such as anemia. Other reported treatment-related adverse events include infusion reactions, headache, fatigue, chills, fever and nausea. Common drug-related abnormal laboratory observations have included transient hyperbilirubinemia, transient reticulocytosis and spherocytosis, all of which are consistent with the on-target effect of aged red blood cell clearance by 5F9. Lymphopenia was also observed but not associated with any clinical consequences including infections. These findings were more frequent following the first or second infusion, with substantially fewer drug-related events reported beyond the first 28-day treatment cycle. Infusion-associated reactions including fevers, chills, headache, chest/abdominal/back pain and infusion/hypersensitivity reactions are observed in patients with solid tumors and lymphoma during the initial two doses with 5F9 and generally not with subsequent doses. No consistent adverse events were observed at high or extended exposure and there were no consistent overlapping toxicities with other antitumor antibodies. In addition, no significant immune-mediated toxicities found in other T cell checkpoint inhibitors have been observed. Patients have been treated over six months without increases in safety signals.

Summaries of reported adverse events from the solid tumor and NHL combination trials are presented in the figures below.

Solid Tumor Summary* (n = 48)

Adverse Event Term Patients Treated at 20 (37 patients), 30 (8 patients), or 45 (3 patients) mg/kg weekly	AE Grade				
	Any	1	2	3	4
Anemia	27 (56%)	8 (17%)	14 (29%)	5 (10%)	0
Hemagglutination	20 (42%)	14 (29%)	5 (10%)	1 (2%)	0
Blood Bilirubin Increased/ Hyperbilirubinemia	12 (25%)	3 (6%)	5 (10%)	4 (8%)	0
Thrombocytopenia	6 (13%)	4 (8%)	2 (4%)	0	0
Neutropenia	2 (4%)	1 (2%)	1 (2%)	0	0
Lymphocyte count decreased	10 (21%)	1 (2%)	0	7 (15%)	2 (4%)
Non-cardiac Chest Pain/Chest Pain	1 (2%)	1 (2%)	0	0	0
Headache	24 (50%)	16 (33%)	7 (15%)	1 (2%)	0
Nausea	12 (25%)	10 (21%)	2 (4%)	0	0
Fatigue	30 (63%)	26 (54%)	4 (8%)	0	0
Pyrexia	23 (48%)	20 (42%)	3 (6%)	0	0
Chills	22 (46%)	21 (44%)	1 (2%)	0	0
Photopsia	5 (10%)	5 (10%)	0	0	0
Infusion-related reaction	5 (10%)	2 (4%)	3 (6%)	0	0
AST elevation	2 (4%)	0	0	1 (2%)	1 (2%)
ALT elevation	2 (4%)	0	1 (2%)	0	1 (2%)

* Ovarian expansion cohort not included in analysis

Data cutoff 06 Feb 2018

Phase 1b: 5F9 + Rituximab Summary (n = 22)					
Adverse Event (AE) Term All Phase 1b patients (5F9 10 mg/kg to 30 mg/kg weekly + rituximab)	AE Grade related to 5F9 and/or rituximab				
	Any	1	2	3	4
Chills	9 (41%)	4 (18%)	4 (18%)	1 (4.5%)	0 (0%)
Headache	9 (41%)	6 (27%)	3 (14%)	0 (0%)	0 (0%)
Anemia	9 (41%)	2 (9%)	3 (14%)	4 (18%)	0 (0%)
Infusion related reaction	8 (36%)	0 (0%)	7 (32%)	1 (4.5%)	0 (0%)
Pyrexia	7 (32%)	5 (23%)	1 (4.5%)	1 (4.5%)	0 (0%)
Fatigue	5 (23%)	1 (4.5%)	4 (18%)	0 (0%)	0 (0%)
Nausea	5 (23%)	4 (18%)	1 (4.5%)	0 (0%)	0 (0%)
Back pain	4 (18%)	0 (0%)	4 (18%)	0 (0%)	0 (0%)
Myalgia	3 (14%)	3 (14%)	0 (0%)	0 (0%)	0 (0%)
Neutropenia	3 (14%)	2 (9%)	0 (0%)	0 (0%)	1 (4.5%)*
Thrombocytopenia	3 (14%)	1 (4.5%)	1 (4.5%)	0 (0%)	1 (4.5%)
Vomiting	3 (14%)	1 (4.5%)	2 (9%)	0 (0%)	0 (0%)
Immune thrombocytopenic purpura	1 (4.5%)	0 (0%)	0 (0%)	0 (0%)	1 (4.5%)*
Pulmonary embolism	1 (4.5%)	0 (0%)	0 (0%)	1 (4.5%)*	0 (0%)

AEs>10% and DLTs regardless of frequency are shown. *DLT
Data extraction April 2018

We further analyzed the consistency of the 5F9 safety profile over doses ranging from 20 to 45 mg/kg in solid tumor patients with the results summarized in the figure below.

Adverse Event (AE) Term*	20 mg/kg (n = 29)			30 mg/kg (n = 9)			45 mg/kg (n = 6)		
	All Grades	Grade 3	Grade 4	All Grades	Grade 3	Grade 4	All Grades	Grade 3	Grade 4
Anemia	19 (66%)	5 (17%)	0	3 (33%)	0	0	3 (50%)	1 (17%)	0
Hemagglutination	12 (41%)	1 (3%)	0	2 (22%)	0	0	2 (33%)	0	0
Hyperbilirubinemia**	11 (38%)	3 (10%)	0	0	0	0	1 (17%)	0	0
Thrombocytopenia	5 (17%)	0	0	0	0	0	0	0	0
Lymphocyte count decreased	4 (14%)	4 (14%)	0	3 (33%)	2 (22%)	1 (11%)	1 (17%)	1 (17%)	0
Arthralgia/myalgia	5 (17%)	0	0	2 (22%)	0	0	1 (17%)	0	0
Headache	11 (38%)	0	0	6 (67%)	1 (11%)	0	4 (67%)	0	0
Nausea	3 (10%)	0	0	2 (22%)	0	0	3 (50%)	0	0
Fatigue	18 (62%)	0	0	6 (67%)	0	0	4 (67%)	0	0
Pyrexia	14 (48%)	0	0	4 (44%)	0	0	2 (33%)	0	0
Chills	12 (41%)	0	0	5 (56%)	0	0	3 (50%)	0	0
Infusion-related reaction	7 (24%)	2 (7%)	0	2 (22%)	1 (11%)	0	2 (33%)	1 (17%)	0

*AEs occurring in >15% of patients across all three cohorts listed (n = 44) and selected AEs of interest
**Includes Bilirubin conjugated increased/Blood bilirubin increased/Blood bilirubin unconjugated increased
Data extraction April 2018, ovarian expansion and cutaneous T cell lymphoma cohorts not included in analysis

Pharmacokinetics of 5F9

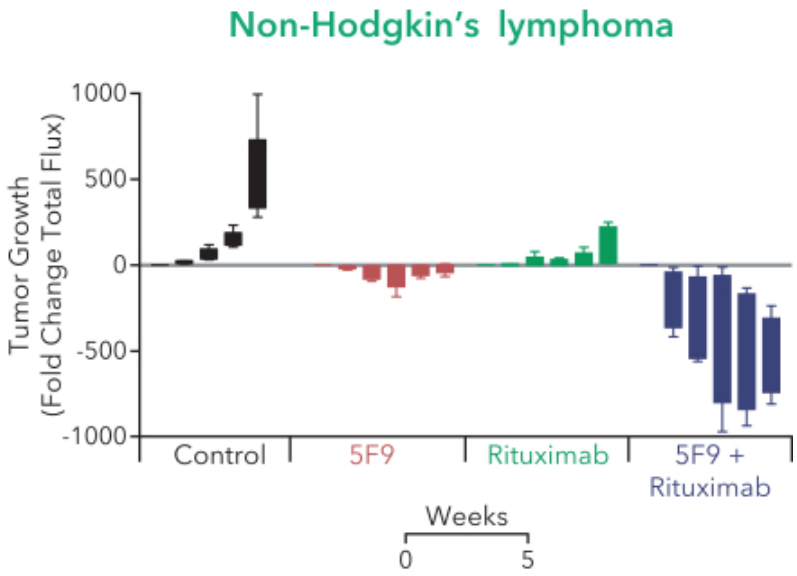
As part of the Phase 1 solid tumor trial design we measured the concentration of 5F9 in the serum of treated patients at various doses. At doses of 10 mg/kg and above the half-life of 5F9 is approximately two weeks. When dosed weekly at 10 mg/kg and higher the serum concentrations of 5F9 exceeded concentrations associated with activity in preclinical models. Our initial signs of clinical activity in patients with AML, CRC, NHL or ovarian cancers were all observed at doses of 10 mg/kg weekly or higher suggesting our preclinical model results are consistent with our clinical observations. Anti-drug antibodies were detected in 2 of 58 evaluable patients in the solid tumor trial; however, the presence of such antibodies were not associated with changes in 5F9 pharmacokinetics or clinical consequences. The anti-drug antibody rate for 5F9 (3%) is similar to other humanized antibodies.

Preclinical Data

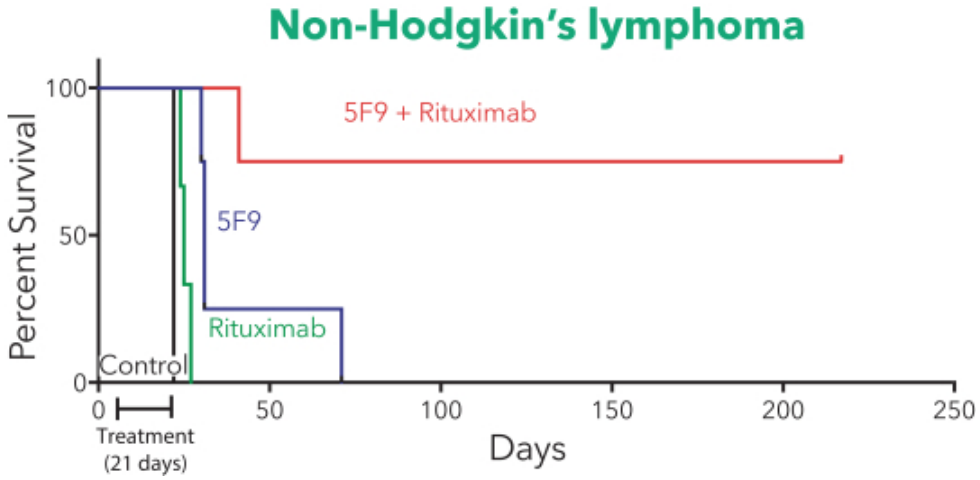
The role of CD47 as a key component of self-recognition in the innate immune system and its potential role as an immuno-oncology target has been well-published by our founders at Stanford University. These findings have been validated by independent publications from multiple academic groups. Some key findings of this preclinical research:

- CD47 is overexpressed in a majority of tumor types;
- Expression levels of CD47 are correlated with evasion of phagocytosis by macrophages;
- High expression of CD47 is associated with poor prognosis in patients with hematologic cancer and solid tumors;
- Antibodies against CD47 promote antitumor activity in over 25 types of tumors including AML, CRC, NHL, ovarian cancer and others;
- The therapeutic cancer treatment azacitidine can synergize with 5F9 in animal models of AML;
- Addition of therapeutic cancer antibodies can synergize with CD47 antibodies in animal models including rituximab, cetuximab, trastuzumab and others; and
- CD47 antibody-mediated phagocytosis of cancer cells enables macrophages to present tumor antigens to recruit and activate anti-tumor T cells and therefore can synergize with T cell checkpoint therapies.

An example of the anti-tumor potential of combining inhibition of the CD47 “don’t eat me” signal by 5F9 and the “eat me” signal from rituximab was observed in a mouse models of NHL. In these models, a highly aggressive human NHL cell line is used to introduce tumors into mice. When given as a monotherapy, 5F9 or rituximab monotherapy was only able to keep the tumor from growing larger. However, when 5F9 and rituximab were dosed together, significant shrinkage of tumors was observed within two to five weeks, as shown in the figure below.



This reduction in tumor burden was associated with a significant improvement in overall survival with the majority of the mice exhibiting the disappearance or near-disappearance of their tumors, as shown in the figure below. This preclinical data and similar preclinical data in other animal models serve as the basis for our ongoing and future clinical trials.

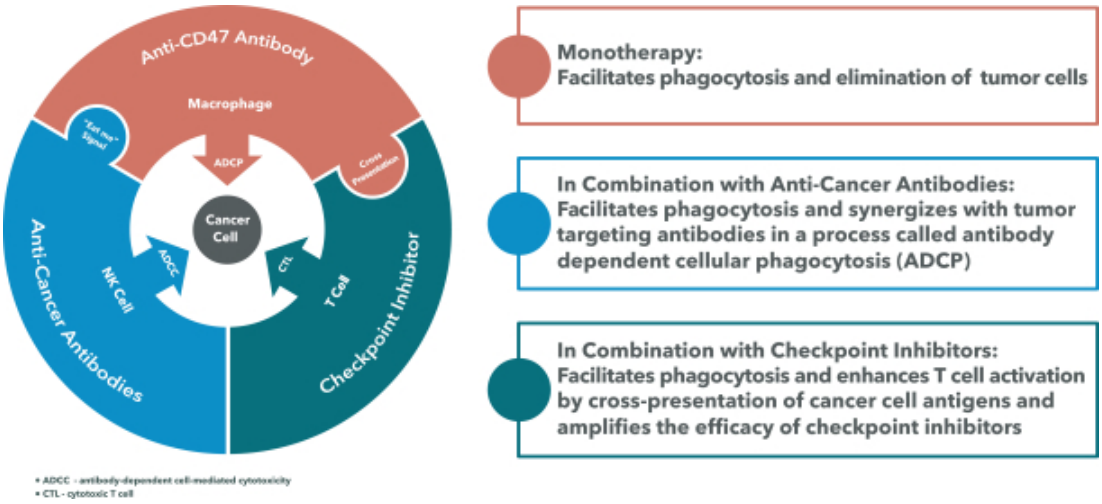


Importance of 5F9 in a Multipronged Approach to Treating Cancer

5F9 has the potential to be an important therapeutic contributing to a multipronged approach to oncology treatment. While the field of immuno-oncology is a growing area of scientific focus, macrophage activation is missing from the current repertoire of biological oncology agents. Agents that target the CD47-SIRPa interaction can address this missing component.

- ***Anti-CD47***. Direct blockage of the CD47-SIRPa interaction enables macrophages to recognize cancer cells via endogenous "eat me" signals such as calreticulin as well as by antibodies to surface expressed antigens. Antibodies that are present endogenously or are provided therapeutically bind to surface antigens on cancer cells leading to their capturing and engulfing by macrophages in a process called antibody dependent cellular phagocytosis or ADCP. To date, no therapies have been approved that release macrophages from CD47-dependent inhibition.
- ***Anti-Cancer Antibodies***. Antibodies, such as rituximab, that recognize cancer cells trigger activation of natural killer or NK cells which result in antibody dependent cellular cytotoxicity or ADCC. Over twenty antibody products have been approved as therapeutics in oncology. These include antibodies that target antigens such as CD20 (rituximab, obinutuzumab, ofatumumab), epidermal growth factor receptor or EGFR (cetuximab, panitumumab), human epidermal growth factor receptor 2 (HER2) (trastuzumab, pertuzumab), among others. These therapeutics represent a mainstay of cancer therapy, but have limited efficacy as monotherapies. Binding of these antibodies to cancer cells can also provide strong "eat me" signal triggering attack by macrophages.
- ***Checkpoint Inhibitors***. Cytotoxic T cells are components of the adaptive immune system that are specialized for specific antigens on cancer cells. These may include naturally derived T cells that target tumor-specific antigens including neoantigens or antigens that arise from mutations within tumors. T cell agents also include a new class of cellular therapeutics such as CAR-T cells that are generated by genetic engineering, such as KYMRIAH (tisagenlecleucel) and YESCARTA (axicabtagene ciloleucel). A series of pharmacological agents known as checkpoint inhibitors have been approved as cancer therapeutics that function by relieving the active suppression of cytotoxic T cell activity. These agents include antibodies against PD-1, such as nivolumab and pembrolizumab, and PD-L1, such as

atezolizumab and avelumab, as well as CTLA-4, such as ipilimumab. Similar to other biologics in oncology, these agents have limited efficacy when used as a monotherapy, and are currently the subject of over 1,300 clinical trials investigating their efficacy when used in combination. Phagocytosis of cancer cells by macrophages results in processing and presentation of tumor antigens to T cells, potentially increasing their efficacy.



Benefit of Macrophage Activation in Viral Infections

Macrophages are the first line of defense against pathogens and the expression of CD47 on patient cells may prevent recognition of some viral infections such as Human Immunodeficiency Virus, or HIV. We are in discussions to provide 5F9 to University of California, San Francisco, or UCSF, for their work with Gilead, a leader in the development and commercialization of HIV therapies, in the investigation of the potential of 5F9 to help eradicate reservoirs of cells that contain residual HIV infections. Researchers at UCSF, together with Gilead, will test the potential of 5F9 as a monotherapy and in combination with a TLR7 agonist, a compound designed to stimulate macrophage recognition of viral RNA, in non-human primates and other animal models. We have worldwide rights to 5F9 in all indications.

Other Preclinical Programs

We are working to develop additional products aimed at enhancing anti-cancer phagocytosis. This includes, but is not limited to the addition or enhancement of pro-phagocytic signals and further inhibition of anti-phagocytic signals. This development pipeline is balanced with preclinical agents at various stages of development, including a mix of both clinically validated and novel targets.

Other Potential Ways to Interfere with CD47-SIRP*a *Interaction

There are multiple types of pharmaceutical interventions that have been used to inhibit receptor-target interactions such as CD47-SIRPa. These have included antibodies that block the interaction by binding to either of the partners; small molecules and peptides that prevent the target from binding to the receptor or block downstream signaling events; and soluble decoy molecules that bind to one of the partners thereby preventing the other partner from binding productively. In addition to the 5F9, which is an antibody that binds to CD47 blocking its binding to SIRPa, we have also explored the potential of interfering with CD47 activity through other modalities. Our next product candidate, FSI-189, is an antibody that binds to SIRPa. We plan to initiate Phase 1 solid tumor trials for FSI-189 in 2020. In June 2018, we entered into an asset purchase agreement with BliNK,

pursuant to which we acquired all of BliNK's assets relating to its research and development program for antibodies directed against CD47, including an anti-CD47 monoclonal antibody. We are assessing the compound's utility as an anti-CD47 antibody for non-oncology indications.

Each of the different modalities has advantages and disadvantages and we believe that the central role of the CD47-SIRPa in regulating self-recognition in the innate immune system provides opportunities for multiple products to have therapeutic benefit in specific indications. Some SIRPa decoy molecules have a lower affinity for CD47 and thereby reduce the risk of red blood cell attack and subsequent anemia. However, these product candidates exhibited dose limiting toxicities at less than 1 mg/kg due to their toxicities on platelets. Antibodies that target SIRPa would be expected to be effective without targeting red blood cells, but, depending on their specific properties, these antibodies may not have any monotherapy activity. Specific variants of all of these modalities, such as whether antibodies are of the IgG1 subtype versus the IgG4 subclass, are expected to have different profiles based on interactions with other components of the immune system.

CKIT Discovery Program

CKIT is expressed on numerous cancers including leukemia, melanoma and gastrointestinal stroma tumors, or GIST, and on hematopoietic (blood) stem cells, or HSC. Anti-CKIT antibodies binding to these cells can provide an additional "eat me" signal to macrophages and have been shown to exhibit anti-cancer efficacy in both *in vitro* and *in vivo* GIST mouse models. In addition, preclinical mouse studies have shown that anti-CKIT antibodies, in conjunction with anti-CD47 antibodies, can deplete endogenous HSCs to facilitate transplantation of donor HSCs, which may serve as a less toxic bone marrow transplant conditioning regimen than therapies such as chemotherapy or radiation. We are developing anti-CKIT antibodies for cancer treatment and as a chemo and radiation free conditioning regimen for HSC transplant.

License and Collaboration Agreements

Exclusive (Equity) Agreement with The Board of Trustees of the Leland Stanford Junior University

In November 2015, we entered into a license agreement with Stanford under which we obtained a worldwide, royalty-bearing, sublicenseable license under certain patents, know-how and other intellectual property, including rights associated with the composition of matter of 5F9, to develop, manufacture and commercialize products for use in certain licensed fields, the scope of which would include the application of the licensed intellectual property in oncology. The license granted to us in the agreement is exclusive, subject to certain pre-existing non-exclusive or exclusive rights that Stanford granted to third parties with respect to certain categories of the licensed patents in certain fields of use and retained rights by Stanford and all other non-profit institutions to use and practice the licensed patents and technology for internal research and other non-profit purposes.

In consideration for the rights granted to us under the agreement, we paid Stanford non-refundable license fees totaling $200,000, reimbursed Stanford for past patent expenses totaling approximately $933,000 and in November 2016 we issued to Stanford 1,000,160 shares of our common stock. In addition, we are obligated to pay Stanford ongoing patent expenses and an annual license maintenance fee ranging from $20,000 to $70,000, depending on the year, which will be creditable against any royalties payable to Stanford in any such year following the first commercial sale of licensed products under the agreement. We are required to make milestone payments up to $5.6 million in respect of the first three licensed products that successfully satisfy certain clinical and regulatory milestones in the United States, major European countries and Japan. The first clinical milestone payment of $75,000 was paid to Stanford in February 2018, recognizing the initiation of the Phase 2 trial of 5F9 in NHL. We also agreed to pay Stanford tiered royalties on a specified percentage of net sales made by us, our affiliates and our sublicensees of licensed products at rates ranging from a low-to-high single digit percentage, subject to certain reductions and offsets, with the royalty rate on 5F9 reaching a high single digit percentage when its net sales exceed $3 billion. To the extent we enter into any sublicensing agreements granting rights to

any of the licensed patents to a third party, other than the right to make, have made, use or sell licensed products on behalf of us or our affiliates, we will be required to pay Stanford a low-to-mid double digit percentage of all non-royalty income received from such sublicensees, which decreases based on our level of investment in the licensed products or licensed services and their stage of development. Our license, on a product-by-product and country-by country basis, shall become royalty-free and fully paid-up upon the later of (i) the date on which the last valid claim included in the licensed patents expires and (ii) the ten year anniversary of the first commercial sale of the licensed product.

We are obligated to use commercially reasonable efforts to commercialize the inventions covered by the licensed patent rights. We are also required to achieve certain specified milestones by specified times, provided that an extension of such timelines can be obtained upon mutual agreement by the parties.

Stanford retains sole responsibility for the prosecution and maintenance of certain patents relating to SIRPa, upon consultation with us. We are responsible for the prosecution and maintenance of the other licensed patents, at our expense and using commercially reasonable efforts, but Stanford retains final approval of such matters. Except for the patents prosecuted and maintained by Stanford, we have the first right to enforce the licensed patents, at our expense.

We may terminate the license at any time for any reason with at least 30 days' written notice to Stanford. Stanford may terminate the license if we enter into an insolvency-related event or in the event of our material breach of the agreement or other specified obligations therein, in each case, that remains uncured for 30 days after the date that we are provided with written notice of such breach by Stanford. In addition, if we fail to achieve any specified diligence milestone by the specified time, Stanford has the right to terminate our license solely with respect to the applicable licensed products for which the milestone was not achieved, which could include 5F9. Our obligations to pay royalties that are accrued or accruable will survive any termination.

Clinical Trial Collaboration and Supply Agreement with Merck KGaA

In January 2018, we entered into a clinical trial collaboration agreement with Ares Trading S.A., a subsidiary of Merck KGaA, to evaluate the safety, tolerability and clinical activity of 5F9 combined with Merck KGaA's cancer immunotherapy, avelumab, a fully humanized monoclonal antibody targeting PD-L1, in a Phase 1b clinical trial in patients with ovarian cancer. Pursuant to the agreement, we will act as the sponsor of the study and will hold the regulatory filings relating to the study. We will supply 5F9 and Merck KGaA will supply avelumab for the study, and we and Merck KGaA will jointly pay for the cost of the study. We will conduct the study under the supervision of a joint combination study committee comprised of an equal number of representatives from each of Merck KGaA and us.

Under the terms of the agreement, we own the rights to any inventions or discoveries arising from the study that relate solely to 5F9. Merck KGaA owns the rights to any inventions or discoveries arising from the study that relate solely to avelumab. Both parties will jointly own the rights to inventions or discoveries relating to 5F9 and avelumab in combination. Each party has the sole right to prosecute and maintain patents relating to its solely owned inventions or discoveries, and we will be primarily responsible for, upon consultation with Merck KGaA, the prosecution, maintenance and defense of patents relating to jointly owned inventions or discoveries. We and Merck KGaA each have the first right to initiate legal action to enforce patents relating to jointly owned discoveries where the alleged infringement or misappropriation results from the development or sale of 5F9 or avelumab, respectively.

During the course of the agreement and for 90 days after our delivery of the final clinical study report to Merck KGaA, we agreed to work exclusively with Merck KGaA for any trials testing 5F9 in combination with an anti-PD-1 or anti-PD-L1 antibody in the specific field of ovarian cancer. In addition we have an option to initiate an additional study under the agreement to evaluate 5F9 and avelumab in combination in patients with a different cancer indication or another indication that may be agreed by the parties, which Merck may elect to co-fund at its discretion.

The agreement will expire after 90 days following our provision of the final clinical study report to Merck KGaA. We and Merck KGaA each have the right to terminate the agreement in the event of an uncured material breach of the agreement by the other party. In addition, each party may terminate the agreement upon its own reasonable good faith determination (i) that the study presents a safety risk or (ii) that it is required to be terminated for medical, scientific, legal or regulatory reasons, or if an applicable regulatory authority takes any action that prevents the supply of its respective compound for use in the study. If Merck KGaA terminates the agreement for medical, scientific, legal or regulatory reasons relating to avelumab, we will be able to continue any study that is ongoing as of the effective date of termination.

Master Combination Study Agreement with Genentech, Inc.

In November 2017, we entered into a master clinical trial collaboration agreement with Genentech to evaluate the safety, tolerability and clinical activity of 5F9 combined with Genentech's cancer immunotherapy, atezolizumab, a fully humanized monoclonal antibody targeting PD-L1, in two separate Phase 1b clinical trials (in patients with bladder cancer and AML, respectively). Pursuant to the agreement, we will supply 5F9 for the studies and will partially reimburse Genentech for its costs in connection with the bladder cancer study, and Genentech will supply atezolizumab for the studies and be solely responsible for all of its costs in connection with the AML study. Genentech will conduct the studies under the supervision of a joint development committee comprised of representatives of both parties.

Under the terms of the agreement, we own the rights to any inventions or discoveries arising from the study that relate solely to 5F9. Genentech owns the rights to any inventions or discoveries arising from the study that relate solely to atezolizumab. Both parties will jointly own the rights to inventions or discoveries relating to 5F9 and atezolizumab in combination, without the right to assign or license any patents that relate to such jointly owned rights to third parties unless necessary for the research, development or commercialization of products utilizing the combination of 5F9 and atezolizumab. Additionally, each party grants the other a non-exclusive, worldwide, fully-paid, perpetual, sublicenseable license to research, develop and commercialize combinations of 5F9 and atezolizumab. Genentech does not receive any rights from us to research, develop or commercialize 5F9 except in combination with atezolizumab and we do not receive any rights from Genentech to research, develop or commercialize atezolizumab except in combination with 5F9. Each party has the sole right to prosecute, maintain and enforce patents relating to its solely owned inventions or discoveries, and we and Genentech shall jointly prosecute, maintain and enforce patents relating to jointly owned inventions or discoveries.

As part of the agreement, we agreed to notify Genentech if we intend to commence discussions with a third party regarding an agreement to commercialize 5F9 in combination with a PD-L1 or PD-1 antagonist. Following such notice, we may not execute any such agreement until the earlier of 30 days following the date of such notice and Genentech's written confirmation that it does not intend to discuss with us a similar commercial arrangement.

The agreement shall expire after the later of (i) five years after its effective date and (ii) the expiration, termination or completion of all studies being performed under the agreement. We and Genentech each have the right to terminate the agreement in the event of a material breach of the agreement by the other party that remains uncured for 30 days after the date that such party is provided with written notice of such breach. In addition, subject to certain discussion obligations and limitations, each party may suspend or terminate a study under the agreement if, based on its review of the study data and other related information, such party determines that the study presents a safety risk or if an applicable regulatory authority withdraws authorization to conduct such study or takes any action that prevents the supply of 5F9 or atezolizumab for use in the study.

Clinical Trial Collaboration and Supply Agreement with Eli Lilly and Company

In August 2016, we entered into a clinical trial collaboration agreement with Eli Lilly and Company and its subsidiary ImClone LLC, collectively Lilly, to evaluate the safety, tolerability and clinical activity of 5F9

combined with Lilly's cancer immunotherapy, cetuximab, a chimeric monoclonal antibody targeting the epidermal growth factor receptor, in a Phase 1b/2 clinical trial in patients with solid tumors and CRC. Pursuant to the agreement, we will act as the sponsor of the study and will hold the applicable regulatory filings relating to the study. Lilly will supply cetuximab for the study at no cost to us, and we will supply 5F9 and bear all other costs of the study.

Under the terms of the agreement, we own the rights to any inventions or discoveries arising from the study that relate solely to 5F9. Lilly owns the rights to any inventions or discoveries arising from the study that relate solely to cetuximab. Both parties will jointly own the rights to inventions or discoveries relating to 5F9 and cetuximab in combination. Pursuant to the agreement, the prosecution, maintenance and defense of patents relating to jointly owned inventions or discoveries will be managed jointly by the parties. Each party has the first right to initiate legal action to enforce patents relating to jointly owned discoveries depending on whether the alleged infringement or misappropriation results from the development or sale of a biosimilar or interchangeable version of 5F9, in which case we will have the first right, or cetuximab, in which case Lilly will have the first right. Each party has the sole right to prosecute, maintain and enforce patents relating to its solely owned inventions or discoveries.

Unless earlier terminated, the agreement will expire after each party completes all of its obligations under the agreement. Each party may terminate the agreement for an uncured material breach by the other party, for certain violations of anti-corruption and other applicable laws by the other party, if such party determines in good faith that the continuation of the study presents an unreasonable safety risk to patients, or if an applicable regulatory authority takes any action that prevents the supply of its respective compound for use in the study. In addition, we can terminate the agreement if we discontinue the development of 5F9, and Lilly can terminate the agreement if cetuximab is no longer commercially available.

Sales and Marketing

Given our stage of development, we have not yet established a commercial organization or distribution capabilities. We plan to build focused capabilities in the United States and European Union to commercialize our development programs focused on NHL, where we believe the patient populations and medical specialists for the indications we are targeting are sufficiently concentrated to allow us to effectively promote our product, if approved for commercial sale, with a targeted sales team. In other markets for which commercialization may be less capital efficient for us, we may selectively pursue strategic collaborations with third parties in order to maximize the commercial potential of our drug candidates.

Manufacturing and Supply

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

We have engaged Lonza to manufacture 5F9 for preclinical and clinical use. Additional CMOs are used to label, package and distribute 5F9 for preclinical and clinical use. We obtain our supplies from these CMOs on a purchase order basis and do not have any long-term supply arrangements in place. We do not currently have arrangements in place for redundant supply. For all of our product candidates, we intend to identify and qualify additional manufacturers to provide the active pharmaceutical ingredient and fill-and-finish services prior to seeking regulatory approval.

In August 2016 and December 2017, we entered into development and manufacturing agreements with Lonza relating to the manufacturing of 5F9-related products. The August 2016 agreement was amended in November 2017 to provide for the manufacturing of our other preclinical program related products.

Under the 2016 agreement, we are required to pay an annual suite reservation fee in each contract year along with the costs of ingredients, solvents and other components of 5F9-related and our preclinical program-related products.

Our payment obligations under the 2017 agreement will begin in January 2019 and run through the expiration of the agreement, which is expected in December 2021, unless the agreement is extended for at least an additional year. Under the 2017 agreement, we must also pay the costs of ingredients, solvents and other components of 5F9-related products required for the performance of the manufacturing process or services.

Competition

The pharmaceutical industry and the immuno-oncology subsector are characterized by rapidly advancing technologies, intense competition and a strong emphasis on proprietary drugs. We face potential competition from many different sources, including major pharmaceutical, specialty pharmaceutical and biotechnology companies, academic institutions, governmental agencies and public and private research institutions. Any drug candidates that we successfully develop and commercialize will compete with existing treatments and new treatments that may become available in the future.

The key competitive factors affecting the success of 5F9, if approved, are likely to be its efficacy, safety, convenience, pricing and durability.

We are aware that Celgene Corporation, Trillium Therapeutics, Alexo Therapeutics, Arch Therapeutics, Surface Oncology, Novimmune, OSE Immunotherapeutics and Aurigene Discovery Technologies and others are developing drugs targeting the CD47 pathway that may have utility for the treatment of indications that we are targeting.

As noted above, there are existing treatment alternatives in each of the indications we are targeting, and we will face competition from the incumbent drug therapies in each of those markets.

Our commercial opportunity could be reduced or eliminated if our competitors develop and commercialize drugs that are safer, more effective, more convenient, less expensive or with a more favorable label than 5F9 or any other drug that we may develop. Our competitors also may obtain FDA or other regulatory approvals for their drugs more rapidly than we may obtain approval for our drug, which could result in our competitors establishing a strong market position before we are able to enter the market. Many of the companies against which we are competing, or against which we may compete in the future, have significantly greater financial resources and expertise in research and development, manufacturing, preclinical testing, conducting clinical trials, obtaining regulatory approvals and marketing approved drugs than we do. Mergers and acquisitions in the pharmaceutical and biotechnology industries may result in even more resources being concentrated among a smaller number of our competitors. Smaller or early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. These competitors will also compete with us in recruiting and retaining qualified scientific and management personnel and establishing clinical trial sites and subject registration for clinical trials, as well as in acquiring technologies complementary to, or that may be necessary for, our programs.

Intellectual Property

Our commercial success depends in part on our ability to obtain and maintain proprietary protection for our current and future product candidates, novel discoveries, product development technologies and know-how, to operate without infringing on the proprietary rights of others and to prevent others from infringing our

proprietary rights. We seek to protect our proprietary position by, among other methods, filing or in-licensing U.S. and foreign patents and patent applications related to technology, inventions and improvements that are important to the development and implementation of our business. We also rely on trademarks, trade secrets, copyright protection, know-how, continuing technological innovation and confidential information to develop and maintain our proprietary position.

Regardless of the coverage we seek under our existing patent applications, there is always a risk that an alteration to the product or process may provide sufficient basis for a competitor to avoid infringement claims. In addition, the coverage claimed in a patent application can be significantly reduced before a patent is issued and courts can reinterpret patent scope after issuance. Moreover, many jurisdictions, including the United States, permit third parties to challenge issued patents in administrative proceedings, which may result in further narrowing or even cancellation of patent claims. Moreover, we cannot provide any assurance that any patents will be issued from our pending or any future applications or that any current or future issued patents will adequately protect our intellectual property.

As of March 31, 2018, we own four U.S. provisional patent applications, and our portfolio of licensed patents, which we license from Stanford, includes approximately 91 issued patents (18 of which are in the United States) and approximately 98 pending patent applications (23 of which are in the United States). These licensed patents are expected to expire between 2029 and 2034 excluding any extension of patent term that may be available. For more information regarding our license agreement with Stanford, please see “Business—License and Collaboration Agreements.”

Our patent portfolio licensed from Stanford contains patent families directed to the 5F9 composition of matter and methods of using 5F9 as a monotherapy and in combination with certain other therapeutic compounds, which are comprised of 11 U.S. issued patents, four U.S. patent applications and two granted European patents which have each been validated as national patents in 12 different European countries. These patents are subject to retained rights by Stanford to allow academic and non-profit research institutions to practice the licensed technology and patents for non-commercial purposes. In addition, some of these patents are subject to certain pre-existing non-exclusive rights that Stanford has granted to two third parties. In particular, a non-exclusive license to certain patents was granted to a third party in the field of research product sales and diagnostics for use in a flow cytometry platform. Another non-exclusive license to certain patents was granted to a different third party for the use of certain SIRPa proteins, SIRPa fragments and SIRPa fusion proteins as therapeutic agents for use in the therapeutics field. For clarity, we believe that these pre-existing non-exclusive licenses do not relate to 5F9 or our other product candidates or their use in the therapeutic field. These patents are expected to expire between 2029 and 2034 excluding any extension of patent term that may be available.

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. If we do not timely file any non-provisional patent applications, we may lose our priority date with respect to our provisional patent applications and any patent protection on the inventions disclosed in our provisional patent applications. While we intend to 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 that provide us with any competitive advantage.

Individual patents extend for varying periods depending on the date of filing of the patent application or the date of patent issuance and the legal term of patents in the countries in which they are obtained. Generally, utility patents issued for applications filed in the United States are granted a term of 20 years from the earliest effective filing date of a non-provisional patent application. In addition, in certain instances, a patent term can be extended to recapture a portion of the delay by the USPTO, in issuing the patent as well as a portion of the term effectively lost as a result of the FDA regulatory review period. However, as to the FDA component, the restoration period cannot be longer than five years, the total patent term including the restoration period must not exceed 14 years following FDA approval, only one patent applicable to each regulatory review period may be extended and only

those claims covering the approved drug or a method for using it may be extended. The duration of foreign patents varies in accordance with provisions of applicable local law, but typically is also 20 years from the earliest effective filing date. The actual protection afforded by a patent may vary on a product-by-product basis and from country to country and can depend upon many factors, including the type of patent, the scope of its coverage, the availability of regulatory-related extensions, the availability of legal remedies in a particular country and the validity and enforceability of the patent.

Furthermore, we rely upon trade secrets and know-how and continuing technological innovation to develop and maintain our competitive position. We seek to protect our proprietary information, in part, using confidentiality agreements with our employees and consultants and any potential commercial partners and collaborators and invention assignment agreements with our employees. We also have implemented or intend to implement confidentiality agreements or invention assignment agreements with our selected consultants and any potential commercial partners. These agreements are designed to protect our proprietary information and, in the case of the invention assignment agreements, to grant us ownership of technologies that are developed through a relationship with a third party. These agreements may be breached, and we may not have adequate remedies for any breach. In addition, our trade secrets may otherwise become known or be independently discovered by competitors. To the extent that our commercial partners, collaborators, employees and consultants use intellectual property owned by others in their work for us, disputes may arise as to the rights in related or resulting know-how and inventions.

Our commercial success will also depend in part on not infringing upon, misappropriating or otherwise violating the intellectual or proprietary rights of third parties. The issuance of third-party patents could require us to alter our development or commercial strategies, change our products or processes, obtain licenses to additional third-party patents or other intellectual property or cease certain activities. Our breach of any license agreements or failure to obtain a license to proprietary rights that we may require to develop or commercialize our future products may have an adverse impact on us. Given that patent applications in the United States and certain other jurisdictions are maintained in secrecy for 18 months or potentially longer, and since publication of discoveries in the scientific or patent literature often lags behind actual discoveries, we cannot be certain of the priority of inventions covered by pending patent applications. Moreover, we may have to participate in interference, revocation, derivation, re-examination, post-grant review, *inter partes* review, or opposition proceedings brought by third parties or declared by the USPTO or an equivalent foreign body.

We are aware of a family of patents and patent applications owned by SSB and reportedly licensed to Synthon that may encompass certain combination therapies for the treatment of cancer using anti-CD47 antibodies. This family of U.S. and foreign patents includes U.S. Patent No. 9,352,037, or the U.S. ‘037 Patent, the related European Patent No. EP 2 282 772, or the EP ’772 Patent, and its UK counterpart EP (UK) 2 282 772, or the UK ’772 Patent. These patents relate to the treatment of cancer with an anti-CD47 antibody or an anti-SIRPa antibody in combination with certain other antibodies, including rituximab or cetuximab. We believe that the priority dates for the family of related patents filed by Stanford and exclusively licensed to us overlap and pre-date the priority dates for this family of patents. We have initiated three challenges to the SSB family of patents:

- In January 2018, we petitioned the USPTO for *inter partes* review, or IPR, of the U.S. ’037 Patent. The IPR petition is pending and seeks to have all claims of the U.S. ’037 Patent invalidated. The USPTO is expected to decide whether or not to institute the IPR in July 2018. It is possible that the USPTO may deny our petition and refuse to institute the IPR proceedings against the U.S. ’037 Patent. Even if the USPTO does institute the IPR, it is possible that it will ultimately rule against us and maintain the claims of the U.S. ’037 Patent. If we are unsuccessful in our challenge to the U.S. ’037 Patent and become subject to litigation or are unable to obtain a license on commercially reasonable terms with respect to such patent, it could harm our business, financial condition, results of operations and prospects.
- In December 2016 and April 2017, we filed third party observations in the EPO in an opposition against the EP ’772 Patent. The opposition was rejected by the EPO and the original opponent, BliNK

Biomedical SAS, or BliNK, has appealed the decision. We cannot predict the outcome of the opposition proceeding and any party may appeal the opposition decision to the Technical Boards of Appeal at the EPO. On June 4, 2018, we signed an agreement with BliNK to acquire its anti-CD47 antibody program, including certain intellectual property and its opposition against the EP ’772 Patent. If we are unsuccessful in our challenge to the EP ’772 Patent and become subject to litigation or are unable to obtain a license on commercially reasonable terms with respect to such patent, it could harm our business, financial condition, results of operations and prospects. For more information regarding the agreement with BliNK, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Contractual Obligations and Commitments—License and Collaboration Agreements.”

- In December 2016, we initiated a claim in the United Kingdom High Court of Justice to revoke the UK ’772 Patent. On May 22, 2018, we and the defendant, SSB, filed a Joint Consent Order with the High Court of Justice to revoke the UK ’772 Patent and to vacate the revocation action. On May 23, 2018, the High Court of Justice sealed the Joint Consent Order, revoking the UK ’772 Patent and vacating the case, and specifying SSB to pay us assessed trial costs.

We are also aware of an opposition filed by different third parties against European patent number EP 2 242 512, or the EP ’512 Patent, a European patent that we exclusively in-license from Stanford. The EPO opposition proceeding may involve issues including, but not limited to, procedural formalities related to filing the European patent application, priority, and the patentability of the involved claims. We cannot predict the outcome of the opposition proceeding and any party may appeal the opposition decision to the Technical Boards of Appeal at the EPO. One or more of the third parties that have filed oppositions against the EP ’512 Patent or other third parties may file future oppositions or other challenges, in Europe or other jurisdictions, against other patents that we in-license or own. The loss of priority for, or the loss of, the EP ’512 Patent or our other patents could harm our business, financial condition, results of operations and prospects.

For more information regarding the risks related to our intellectual property, including the above referenced intellectual property proceedings, see “Risk Factors—Risks Related to Our Intellectual Property.”

Government Regulation

The FDA and comparable regulatory authorities in state and local jurisdictions and in other countries impose substantial and burdensome requirements upon companies involved in the clinical development, manufacture, marketing and distribution of products, such as those we are developing. These agencies and other federal, state and local entities regulate, among other things, the research and development, testing, manufacture, quality control, safety, effectiveness, labeling, storage, record keeping, approval, advertising and promotion, distribution, post-approval monitoring and reporting, sampling and export and import of our product candidates.

United States Government Regulation

In the United States, the FDA regulates pharmaceuticals under the Federal Food, Drug, and Cosmetic Act, or FDCA, the Public Health Service Act, or PHSA, and their implementing regulations. The process of obtaining regulatory approvals and the subsequent compliance with applicable federal, state, local and foreign statutes and regulations requires the expenditure of substantial time and financial resources. Failure to comply with the applicable U.S. requirements at any time during the product development process, approval process or after approval may subject an applicant to a variety of administrative or judicial sanctions, such as the FDA’s refusal to approve pending applications, withdrawal of an approval, imposition of a clinical hold, issuance of warning letters, product recalls, product seizures, total or partial suspension of production or distribution, injunctions, fines, refusals of government contracts, restitution, disgorgement or civil or criminal penalties.

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

- completion of preclinical laboratory tests, animal studies and formulation studies in compliance with the FDA's GLP regulations;
- submission to the FDA of an IND which must become effective before human clinical trials may begin;
- approval by an independent institutional review board, or IRB, at each clinical site before each trial may be initiated;
- performance of adequate and well-controlled human clinical trials in accordance with GCP requirements to establish the safety and efficacy of the proposed drug product for each indication;
- submission to the FDA of a BLA in the case of a biologic such as 5F9;
- satisfactory completion of an FDA advisory committee review, if applicable;
- satisfactory completion of an FDA inspection of the manufacturing facility or facilities at which the product is produced to assess compliance with cGMP requirements and to assure that the facilities, methods and controls are adequate to preserve the product's identity, strength, quality and purity; and
- FDA review and approval of the BLA.

Preclinical Studies

Preclinical studies include laboratory evaluation of product chemistry, toxicity and formulation, as well as animal studies to assess potential safety and efficacy. An IND sponsor must submit the results of the preclinical tests, together with manufacturing information, analytical data and any available clinical data or literature, among other things, to the FDA as part of an IND. Some preclinical testing may continue even after the IND is submitted. An IND automatically becomes effective 30 days after receipt by the FDA, unless before that time the FDA raises concerns or questions related to one or more proposed clinical trials and places the clinical trial on a clinical hold. In such a case, the IND sponsor and the FDA must resolve any outstanding concerns before the clinical trial can begin. As a result, submission of an IND may not result in the FDA allowing clinical trials to commence.

Clinical Trials

Clinical trials involve the administration of the investigational new drug to human patients under the supervision of qualified investigators in accordance with GCP requirements, which include the requirement that all research patients provide their informed consent in writing for their participation in any 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 effectiveness 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. In addition, an IRB at each institution participating in the clinical trial must review and approve the plan for any clinical trial before it commences at that institution. Information about certain clinical trials must be submitted within specific timeframes to the National Institutes of Health, or NIH, for public dissemination on their www.clinicaltrials.gov website.

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

- Phase 1 clinical trial: The drug is initially introduced into healthy human volunteers or patients with the target disease or condition and tested for safety, dosage tolerance, absorption, metabolism, distribution, excretion and, if possible, to gain an early indication of its effectiveness.
- Phase 2 clinical trial: The drug is administered to a limited patient population to identify possible adverse effects and safety risks, to preliminarily evaluate the efficacy of the product for specific targeted diseases and to determine dosage tolerance and optimal dosage.

- Phase 3 clinical trial: The drug is administered to an expanded patient population, generally at geographically dispersed clinical trial sites, in well-controlled clinical trials to generate enough data to statistically evaluate the efficacy and safety of the product for approval, to establish the overall risk-benefit profile of the product, and to provide adequate information for the labeling of the product.

Progress reports detailing the results of the clinical trials must be submitted at least annually to the FDA and more frequently if serious adverse events occur. Each of Phase 1, Phase 2 and Phase 3 clinical trials may not be completed successfully within any specified period, or at all. Furthermore, the FDA or the sponsor may suspend or terminate a clinical trial at any time on various grounds, including a finding that the research patients are being exposed to an unacceptable health risk. Similarly, an IRB can suspend or terminate approval of a clinical trial at its institution if the clinical trial is not being conducted in accordance with the IRB's requirements or if the drug has been associated with unexpected serious harm to patients.

Marketing Approval

Assuming successful completion of the required clinical testing, the results of the preclinical studies and clinical trials, together with detailed information relating to the product's chemistry, manufacture, controls and proposed labeling, among other things, are submitted to the FDA as part of a BLA requesting approval to market the product for one or more indications. In most cases, the submission of a BLA is subject to a substantial application user fee. Under the Prescription Drug User Fee Act, or PDUFA, guidelines that are currently in effect, the FDA has a goal of ten months from the date of "filing" of a standard BLA to review and act on the submission. This review typically takes 12 months from the date the BLA is submitted to FDA because the FDA has approximately two months to make a "filing" decision.

In addition, under the Pediatric Research Equity Act of 2003, or PREA, as amended and reauthorized, certain applications or supplements must contain data that are adequate to assess the safety and effectiveness of the drug for the claimed indications in all relevant pediatric subpopulations, and to support dosing and administration for each pediatric subpopulation for which the product is safe and effective. The FDA may, on its own initiative or at the request of the applicant, grant deferrals for submission of some or all pediatric data until after approval of the product for use in adults, or full or partial waivers from the pediatric data requirements.

The FDA also may require submission of a risk evaluation and mitigation strategy, or REMS, plan to ensure that the benefits of the drug outweigh its risks. The REMS plan could include medication guides, physician communication plans, assessment plans, or elements to assure safe use, such as restricted distribution methods, patient registries, or other risk minimization tools.

The FDA conducts a preliminary review of all BLAs within the first 60 days after submission, before accepting them for filing, to determine whether they are sufficiently complete to permit substantive review. The FDA may request additional information rather than accept a BLA for filing. In this event, the application must be resubmitted with the additional information. The resubmitted application is also subject to review before the FDA accepts it for filing. Once the submission is accepted for filing, the FDA begins an in-depth substantive review. The FDA reviews a BLA to determine, among other things, whether the biologic is safe and effective and whether the facility in which it is manufactured, processed, packaged or held meets standards designed to assure the product's continued safety, quality and purity.

The FDA may refer an application for a novel drug to an advisory committee. An advisory committee is a panel of independent experts, including clinicians and other scientific experts, that reviews, evaluates and provides a recommendation as to whether the application should be approved and under what conditions. The FDA is not bound by the recommendations of an advisory committee, but it considers such recommendations carefully when making decisions.

Before approving a BLA, the FDA typically will inspect the facility or facilities where the product is manufactured. The FDA will not approve an application unless it determines that the manufacturing processes and facilities are in compliance with cGMP requirements and adequate to assure consistent production of the

product within required specifications. Additionally, before approving a BLA, the FDA may inspect one or more clinical trial sites to assure compliance with GCP requirements.

After evaluating the BLA and all related information, including the advisory committee recommendation, if any, and inspection reports regarding the manufacturing facilities and clinical trial sites, the FDA may issue an approval letter, or, in some cases, a complete response letter. A complete response letter generally contains a statement of specific conditions that must be met in order to secure final approval of the application and may require additional clinical or preclinical testing in order for the FDA to reconsider the application. Even with submission of this additional information, the FDA ultimately may decide that the application does not satisfy the regulatory criteria for approval. If and when those conditions have been met to the FDA's satisfaction, the FDA will typically issue an approval letter. An approval letter authorizes commercial marketing of the drug with specific prescribing information for specific indications.

Even if the FDA approves a product, it may limit the approved indications for use of the product, require that contraindications, warnings or precautions be included in the product labeling, require that post-approval studies, including Phase 4 clinical trials, be conducted to further assess a drug's safety after approval, require testing and surveillance programs to monitor the product after commercialization, or impose other conditions, including distribution and use restrictions or other risk management mechanisms under a REMS, which can materially affect the potential market and profitability of the product. The FDA may prevent or limit further marketing of a product based on the results of post-marketing studies or surveillance programs. After approval, some types of changes to the approved product, such as adding new indications, manufacturing changes and additional labeling claims, are subject to further testing requirements and FDA review and approval.

Post-Approval Requirements

Pharmaceuticals manufactured or distributed pursuant to FDA approvals are subject to pervasive and continuing regulation by the FDA, including, among other things, requirements relating to recordkeeping, periodic reporting, product sampling and distribution, advertising and promotion and reporting of adverse experiences with the product. After approval, most changes to the approved product, such as adding new indications or other labeling claims are subject to prior FDA review and approval. There also are continuing, annual program user fee requirements for any marketed products, as well as new application fees for supplemental applications with clinical data.

The FDA may impose a number of post-approval requirements as a condition of approval of an application. For example, the FDA may require post-marketing testing, including Phase 4 clinical trials, and surveillance to further assess and monitor the product's safety and effectiveness after commercialization.

In addition, pharmaceutical manufacturers and other entities involved in the manufacture and distribution of approved products are required to register their establishments with the FDA and state agencies, and are subject to periodic unannounced inspections by the FDA and these state agencies for compliance with cGMP requirements. Changes to the manufacturing process are strictly regulated and often require prior FDA approval before being implemented. FDA regulations also require investigation and correction of any deviations from cGMP requirements and impose reporting and documentation requirements upon the sponsor and any third-party manufacturers that the sponsor may decide to use. Accordingly, manufacturers must continue to expend time, money and effort in the area of production and quality control to maintain cGMP compliance.

Once an approval is granted, the FDA may withdraw the approval if compliance with regulatory requirements and standards is not maintained or if problems occur after the product reaches the market. Later discovery of previously unknown problems with a product, including adverse events of unanticipated severity or frequency, or with manufacturing processes, or failure to comply with regulatory requirements, may result in mandatory revisions to the approved labeling to add new safety information; imposition of post-market studies or

clinical trials to assess new safety risks; or imposition of distribution or other restrictions under a REMS program. Other potential consequences include, among other things:

- restrictions on the marketing or manufacturing of the product, complete withdrawal of the product from the market or product recalls;
- fines, warning letters or holds on post-approval clinical trials;
- refusal of the FDA to approve pending applications or supplements to approved applications, or suspension or revocation of product approvals;
- product seizure or detention, or refusal to permit the import or export of products; or
- injunctions or the imposition of civil or criminal penalties.

The FDA strictly regulates marketing, labeling, advertising and promotion of products that are placed on the market. Drugs may be promoted only for the approved indications and in accordance with the provisions of the approved label. 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.

Orphan Drug Designation in the United States

Under the Orphan Drug Act of 1983, the FDA may grant orphan designation to a drug or biologic intended to treat a rare disease or condition, which is generally a disease or condition that affects fewer than 200,000 individuals in the United States. Orphan drug designation must be requested before submitting a BLA or supplemental BLA. After the FDA grants orphan drug designation, the name of the sponsor, identity of the drug or biologic and its potential orphan use are disclosed publicly by the FDA. The orphan drug designation does not shorten the duration of the regulatory review or approval process, but does provide certain advantages, such as a waiver of PDUFA, fees, enhanced access to FDA staff and potential waiver of pediatric research requirements.

If a product that has orphan drug designation subsequently receives the first FDA approval for the disease for which it has such designation, the product is entitled to orphan product exclusivity, which means that the FDA may not approve any other applications to market the same drug or biologic for the same indication for seven years, except in limited circumstances, such as a showing of clinical superiority to the product with orphan drug exclusivity. Orphan drug exclusivity does not prevent the FDA from approving a different drug or biologic for the same disease or condition, or the same drug or biologic 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 product to meet the needs of patients with the rare disease or condition.

In August 2015, the FDA granted orphan drug designation in the United States for 5F9 for the treatment of AML. We intend to pursue orphan drug designation for 5F9 in additional indications, as well as for potential other future product candidates, in the United States and in the European Union as we deem it appropriate. Even if we obtain orphan drug designation for a product candidate, we may not obtain orphan exclusivity and that exclusivity may not effectively protect the drug or biologic from the competition of different drugs or biologics for the same condition, which could be approved during the exclusivity period.

Expedited Development and Review Programs

The FDA is required to facilitate the development and expedite the review of pharmaceutical products that are intended for the treatment of a serious or life-threatening condition for which there is no effective treatment and which demonstrate the potential to address unmet medical needs for the condition. Under the fast track program, the sponsor of a new drug candidate may request the FDA to designate the product for a specific

indication as a fast track product concurrent with or after the filing of the IND for the product candidate. The FDA must determine if the product candidate qualifies for fast track designation within 60 days after receipt of the sponsor's request. In April 2018, the FDA granted Fast Track designations to 5F9 for the treatment of both relapsed and/or refractory DLBCL and relapsed and/or refractory FL.

In addition to other benefits, such as the ability to have more frequent interactions with the FDA, the agency may initiate review of sections of a fast track product's BLA before the application is complete. This rolling review is available if the applicant provides and the FDA approves a schedule for the submission of the remaining information and the applicant pays applicable user fees. However, the FDA's PDUFA review period for a fast track application does not begin until the last section of the BLA is submitted. In addition, the fast track designation may be withdrawn by the FDA if the agency believes that the designation is no longer supported by data emerging in the clinical trial process.

Coverage and Reimbursement

Sales of our drug candidates, if approved, will depend, in part, on the extent to which such products will be covered by third-party payors, such as government health care programs, commercial insurance and managed healthcare organizations. These third-party payors are increasingly limiting coverage or reducing reimbursements for medical products and services. In addition, the U.S. government, state legislatures and foreign governments have continued implementing cost-containment programs, including price controls, restrictions on reimbursement and requirements for substitution of generic products. Third-party payors decide which therapies they will pay for and establish reimbursement levels. Third-party payors often rely upon Medicare coverage policy and payment limitations in setting their own coverage and reimbursement policies. However, decisions regarding the extent of coverage and amount of reimbursement to be provided for any drug candidates that we develop will be made on a payor-by-payor basis. Each payor determines whether or not it will provide coverage for a therapy, what amount it will pay the manufacturer for the therapy, and on what tier of its formulary it will be placed. The position on a payor's list of covered drugs, or formulary, generally determines the co-payment that a patient will need to make to obtain the therapy and can strongly influence the adoption of such therapy by patients and physicians. Adoption of price controls and cost-containment measures, and adoption of more restrictive policies in jurisdictions with existing controls and measures, could further limit our net revenue and results. Decreases in third-party reimbursement for our drug candidates or a decision by a third-party payor to not cover our drug candidates could reduce physician usage of our drug candidates, once approved, and negatively impact our sales, results of operations and financial condition.

Other Healthcare Laws

Because of our current and future arrangements with healthcare professionals, principal investigators, consultants, customers and third-party payors, we will also be subject to healthcare regulation and enforcement by the federal government and the states and foreign governments in which we will conduct our business, including our clinical research, proposed sales, marketing and educational programs. Failure to comply with these laws, where applicable, can result in the imposition of significant civil penalties, criminal penalties, or both. The U.S. laws that may affect our ability to operate, among others, include: HIPAA, as amended by HITECH, which is a federal law governing the conduct of certain electronic healthcare transactions and protects the security and privacy of protected health information; certain state laws governing the privacy and security of health information in certain circumstances, some of which are more stringent than HIPAA and many of which differ from each other in significant ways and may not have the same effect, thus complicating compliance efforts; the federal healthcare programs' Anti-Kickback Statute, which prohibits, among other things, persons from knowingly and willfully soliciting, receiving, offering or paying remuneration, directly or indirectly, in exchange for or to induce either the referral of an individual for, or the purchase, order or recommendation of, any good or service for which payment may be made under federal healthcare programs such as the Medicare and Medicaid programs; federal false claims laws which prohibit, among other things, individuals or entities from knowingly presenting, or causing to be presented, claims for payment from Medicare, Medicaid, or other

third-party payors that are false or fraudulent; federal criminal laws that prohibit executing a scheme to defraud any healthcare benefit program or making false statements relating to healthcare matters; the Physician Payments Sunshine Act, which requires manufacturers of drugs, devices, biologics and medical supplies to report annually to the U.S. Department of Health and Human Services information related to payments and other transfers of value to physicians (defined to include doctors, dentists, optometrists, podiatrists and chiropractors) and teaching hospitals, and ownership and investment interests held by physicians and their immediate family members; and state law equivalents of each of the above federal laws, such as anti-kickback and false claims laws which may apply to items or services reimbursed by any third-party payor, including commercial insurers.

In addition, many states have similar laws and regulations, such as anti-kickback and false claims laws that may be broader in scope and may apply regardless of payor, in addition to items and services reimbursed under Medicaid and other state programs. Additionally, to the extent that our product is sold in a foreign country, we may be subject to similar foreign laws.

Current and future legislative proposals to further reform healthcare or reduce healthcare costs may result in lower reimbursement for our products. The cost containment measures that payors and providers are instituting and the effect of any healthcare reform initiative implemented in the future could significantly reduce our revenues from the sale of our products.

Orphan Drug Designation in the European Union

In accordance with Article 3 of Regulation (EC) No. 141/2000 of the European Parliament and of the Council of 16 December 1999 on orphan medicinal products, a medicinal product may be designated as an orphan medicinal product if: (1) it is intended for the diagnosis, prevention or treatment of a life-threatening or chronically debilitating condition; (2) either (a) such condition affects no more than five in 10,000 persons in the European Union when the application is made, or (b) the product, without the incentives derived from orphan medicinal product status, would not generate sufficient return in the European Union to justify investment; and (3) there exists no satisfactory method of diagnosis, prevention or treatment of such condition authorized for marketing in the European Union, or if such a method exists, the product will be of significant benefit to those affected by the condition.

Products authorized in the European Union as orphan medicinal products are entitled to 10 years of market exclusivity. The 10-year market exclusivity may be reduced to six years if, at the end of the fifth year, it is established that the product no longer meets the criteria for orphan designation. Additionally, marketing authorization may be granted to a similar product during the 10-year period of market exclusivity for the same therapeutic indication at any time if:

- the second applicant can establish in its application that its product, although similar to the orphan medicinal product already authorized, is safer, more effective or otherwise clinically superior;
- the holder of the marketing authorization for the original orphan medicinal product consents to a second orphan medicinal product application; or
- the holder of the marketing authorization for the original orphan medicinal product cannot supply enough orphan medicinal product.

In November 2015, the EMA granted orphan drug designation in the European Union for 5F9 for the treatment of AML.

U.S. Healthcare Reform

Current and future legislative proposals to further reform healthcare or reduce healthcare costs may result in lower reimbursement for our products. The cost containment measures that payors and providers are instituting and the effect of any healthcare reform initiative implemented in the future could significantly reduce our revenues from the sale of our products.

For example, implementation of the Affordable Care Act has substantially changed healthcare financing and delivery by both governmental and private insurers, and significantly impacted the pharmaceutical industry. The Affordable Care Act, among other things, established an annual, nondeductible fee on any entity that manufactures or imports certain specified branded prescription drugs and biologic agents, revised the methodology by which rebates owed by manufacturers to the state and federal government for covered outpatient drugs under the Medicaid Drug Rebate Program are calculated, increased the minimum Medicaid rebates owed by most manufacturers under the Medicaid Drug Rebate Program, extended the Medicaid Drug Rebate program to utilization of prescriptions of individuals enrolled in Medicaid managed care organizations, and provided incentives to programs that increase the federal government's comparative effectiveness research.

Some of the provisions of the Affordable Care Act have yet to be implemented, and there have been judicial and congressional challenges to certain aspects of the Affordable Care Act. In January 2017, President Trump signed an Executive Order directing federal agencies with authorities and responsibilities under the Affordable Care Act to waive, defer, grant exemptions from, or delay the implementation of any provision of the Affordable Care Act that would impose a fiscal or regulatory burden on states, individuals, healthcare providers, health insurers, or manufacturers of pharmaceuticals or medical devices. The U.S. House of Representatives passed legislation known as the American Health Care Act of 2017 in May 2017. More recently, the Senate Republicans introduced and then updated a bill to replace the Affordable Care Act known as the Better Care Reconciliation Act of 2017. The Senate Republicans also introduced legislation to repeal the Affordable Care Act without companion legislation to replace it, and a "skinny" version of the Better Care Reconciliation Act of 2017. Each of these measures was rejected by the full Senate. Congress will likely consider other legislation to replace elements of the Affordable Care Act.

In addition, other legislative changes have been proposed and adopted since the Affordable Care Act was enacted. For example, in August 2011, then-President Obama signed into law the Budget Control Act of 2011, which, among other things, created the Joint Select Committee on Deficit Reduction to recommend to Congress proposals in spending reductions. The Joint Select Committee on Deficit Reduction did not achieve a targeted deficit reduction, which triggered the legislation's automatic reduction to several government programs. This includes aggregate reductions to Medicare payments to providers of, on average, 2% per fiscal year through 2025 unless Congress takes additional action. Recently, 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 bills 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.

We expect that additional federal and state, as well as foreign, healthcare reform measures will be adopted in the future, any of which could result in reduced demand for our products or additional pricing pressure.

Employees

As of March 31, 2018, we had 46 full-time employees, (i) 31 of whom were primarily engaged in research and development activities and (ii) 16 of whom had an M.D. or Ph.D. degree. None of our employees is represented by a labor union and we consider our employee relations to be good.

Facilities

Our principal executive offices are located at 1490 O'Brien Drive, Suite A, Menlo Park, California, under a lease that expires in 2021. We believe that our facilities are adequate to meet our current needs.

Legal Proceedings

From time to time, we may become involved in legal proceedings arising in the ordinary course of our business.

MANAGEMENT

Executive Officers and Directors

The following table sets forth information concerning our directors and executive officers, including their ages as of June 1, 2018.

Name	Age	Position
Executive Officers		
Mark A. McCamish, M.D.	66	President, Chief Executive Officer and Director
Ann D. Rhoads	53	Chief Financial Officer
Chris H. Takimoto, M.D.	59	Chief Medical Officer
Craig S. Gibbs, Ph.D.	55	Chief Business Officer
Non-Employee Directors		
Kristine M. Ball(1)	46	Director
Jeffrey W. Bird, M.D.(2)(3)*	57	Director
Ian T. Clark(1)(3)	57	Director
Dennis J. Henner, Ph.D.(1)	67	Director
Ravindra Majeti, M.D.(2)	45	Director
Christopher J. Schaepe(2)(3)	54	Director
Irving L. Weissman, M.D.(3)	78	Director

(1) Member of the Audit Committee.
(2) Member of the Compensation Committee.
(3) Member of the Nominating and Corporate Governance Committee.
* Lead Director

Executive Officers

Mark A. McCamish, M.D. has served as our President and Chief Executive Officer and as a member of our board of directors since May 2017. From July 2009 to April 2017, Dr. McCamish served as Global Head of Biopharmaceutical Development at Sandoz Inc., a pharmaceutical company. He has over 25 years of experience in corporate management, clinical and pharmaceutical research and academics. Dr. McCamish received both a B.S. in Physical Education and an M.S. in Ergonomics from the University of California at Santa Barbara, a Ph.D. in Nutritional Sciences from the Pennsylvania State University and an M.D. from the University of California at Los Angeles. We believe Dr. McCamish's experience in the industry, his role as our President and Chief Executive Officer and his knowledge of our company enable him to make valuable contributions to our board of directors.

Ann D. Rhoads, has served as our Chief Financial Officer since March 2018. From January 2017 to March 2017, Ms. Rhoads was a consultant to Zogenix, Inc., a pharmaceutical company. From March 2010 until January 2017, Ms. Rhoads served as the Chief Financial Officer, Executive Vice President, Secretary and Treasurer of Zogenix, where she was responsible for Zogenix's financial strategy and all other duties of a Chief Financial Officer. From 2000 to 2009, she served as Chief Financial Officer of Premier Inc., a healthcare improvement company. From August 1998 to 2000, Ms. Rhoads served as Vice President, Strategic Initiatives at Premier, Inc. From 1993 to 1998, Ms. Rhoads served as Vice President of Sprout Group, a venture capital affiliate of Donaldson, Lufkin & Jenrette (now part of Credit Suisse First Boston). Ms. Rhoads has served as a member of the board of directors of IRIDEX Corporation, a medical technology company, since 2017, where she is currently

a member of the audit committee, Evoke Pharma, Inc., a pharmaceutical company, since 2013, where she is currently chair of the audit committee, and Globus Medical, Inc., a musculoskeletal implant company, since 2011, where she is also chair of the audit committee. Ms. Rhoads also previously served on the board of directors of Novellus Systems, Inc., a semiconductor company, from 2003 until 2012. Ms. Rhoads received a B.S. in Business Administration in Finance from the University of Arkansas and an M.B.A. from Harvard Business School.

Chris H. Takimoto, M.D. has served as our Chief Medical Officer since February 2016. From September 2010 to January 2016, Dr. Takimoto served as Vice President of Experimental Medicine Early Development in the Oncology Therapeutic area for Janssen Global Services, LLC, a pharmaceutical company. From 2008 to 2010, Dr. Takimoto served as Senior Director of Translational Medicine of Ortho Biotech Oncology Research and Development, a biotechnology company. He has over twenty years of experience in the industry and academia. Dr. Takimoto received a B.S. in Chemistry from Stanford University, a Ph.D. in Pharmacology from Yale University and an M.D. from Yale University School of Medicine.

Craig S. Gibbs, Ph.D. has served as our Chief Business Officer since September 2015. Dr. Gibbs was an independent consultant from April 2013 to September 2015. From June 1992 to April 2013, Dr. Gibbs served in various positions at Gilead, including as Vice President of Commercial Strategy/Planning and Operations from 2007 to 2013 and as Senior Director, Corporate Development from 2004 to 2007, Senior Director, Biology Research from 1998 to 2004 and in other research and development positions from 1992 to 1998. Prior to his time at Gilead, Dr. Gibbs served from 1989 to 1992 as Visiting Post-doctoral Scientist at Genentech. Dr. Gibbs received a B.S. in Biochemistry from Massey University, an M.B.A. from Golden Gate University and a Ph.D. in Molecular Biology from the University of Glasgow.

Non-Employee Directors

Kristine M. Ball has served as a member of our board of directors since February 2018. Since September 2017, she has served as Senior Vice President, Corporate Strategy and Chief Financial Officer of Menlo Therapeutics, Inc., a biopharmaceutical company. From November 2012 to October 2016, Ms. Ball served as Chief Financial Officer and Senior Vice President of Relypsa, Inc., a publicly listed pharmaceutical company acquired by Galenica. From June 2011 to October 2012, Ms. Ball was an independent consultant advising start up life science companies on various strategic and operational business matters. From 2005 to 2011, Ms. Ball served as Senior Vice President of Finance and Administration and Chief Financial Officer of KAI Pharmaceuticals, Inc. (acquired by Amgen), a drug discovery company. From 2000 to 2005, Ms. Ball served as Vice President of Finance at Exelixis, Inc., a biotechnology company. Prior to Exelixis, Ms. Ball was a senior manager in Ernst & Young's life sciences audit practice. Ms. Ball received a B.S. from Babson College. We believe Ms. Ball's experience in the pharmaceutical industry, her financial expertise and her executive experience at the public company level enable her to make valuable contributions to our board of directors.

Jeffrey W. Bird, M.D. has served as a member of our board of directors since June 2015. Since July 2003, Dr. Bird has been a managing director of Sutter Hill Ventures, a venture capital firm. Dr. Bird has served as a member of the board of directors of Restoration Robotics, Inc., a medical device company, since 2005, and Portola Pharmaceuticals, Inc., a pharmaceutical company, since 2003. Previously, Dr. Bird served on the board of directors of Threshold Pharmaceuticals, Inc. from 2008 to 2017 and of Horizon Pharma, Inc. from 2011 to 2014. Dr. Bird received a B.S. in Biological Sciences from Stanford University, a Ph.D. in Cancer Biology from Stanford University and an M.D. from Stanford Medical School. We believe Dr. Bird's experience as an investor in and as a board member of biotechnology and life sciences companies enable him to make valuable contributions to our board of directors.

Ian T. Clark has served as a member of our board of directors since April 2018. Mr. Clark has been an Operating Partner at Clarus Ventures, LLC, a venture capital firm, since September 2017. From 2003 to January 2017, Mr. Clark served in various positions at Genentech Inc., a biopharmaceutical company, including as the

Chief Executive Officer of Genentech and head of North American Commercial Operations for Roche from 2010 to 2017, Head of Global Product Strategy and Chief Marketing Officer from 2009 to 2010, Executive Vice President, Commercial Operations from 2006 to 2009, and as Senior Vice President and General Manager, BioOncology from 2003 to 2006. Prior to 2003 he served in various positions of increasing seniority at Novartis, including as President of Novartis Canada. Mr. Clark has been Special Adviser to the Board at Immunocore Limited, a biotechnology company, since May 2017. He has served as a member of the board of directors of Agios Pharmaceuticals, Inc., since 2017, Corvus Pharmaceuticals, Inc., since 2017 and Shire plc, since 2017. From January 2017 until its acquisition by Gilead Sciences, Inc. in October 2017, Mr. Clark served as a member of the board of directors of Kite Pharma, Inc. From 2011 to 2017 Mr. Clark served as a member of the board of directors of TerraVia Holdings, Inc., a biotechnology company. Mr. Clark received a B.S. in Biological Sciences and an honorary Ph.D. in Biological Sciences from Southampton University. We believe Mr. Clark's extensive experience in the industry enable him to make valuable contributions to our board of directors.

Dennis J. Henner, Ph.D. has served as a member of our board of directors since November 2015. He is the Chief Scientific Advisor of Clarus Ventures, LLC, a venture capital firm, where he served as Managing Director from the firm's inception in March 2005 to January 2018. Prior to Clarus, Dr. Henner was a General Partner at MPM Capital, a healthcare venture capital firm. From 1981 to 2001, Dr. Henner was an executive at Genentech, where he held various positions including Senior Vice President of Research, and was a member of Genentech's executive committee. Dr. Henner previously served as a member of the board of directors of Aerie Pharmaceuticals, Inc., a pharmaceutical company, from 2012 to 2015, and Humanigen, Inc., a pharmaceutical company, from 2012 to 2013. Dr. Henner received a Ph.D. in Microbiology from the University of Virginia and did postgraduate training at the Scripps Clinic and Research Foundation. We believe Dr. Henner's experience in the pharmaceutical industry and his role in guiding numerous companies in his role as a venture capital investor enable him to make valuable contributions to our board of directors.

Ravindra Majeti, M.D. co-founded our company and has served as a member of our board of directors since May 2015. Dr. Majeti served in various positions at Stanford University, including as an Associate Professor in the Department of Medicine, Division of Hematology, since November 2015, and as an Assistant Professor in the Department of Medicine, Division of Hematology, from 2009 to November 2015. He received an A.B. in Biochemical Sciences from Harvard University, a Ph.D. and an M.D. from the University of California, San Francisco and completed a residency in internal medicine at Brigham and Women's Hospital. Dr. Majeti completed a Fellowship in Hematology at Stanford University. We believe Dr. Majeti's experience as a co-founder of our company and experience in developing 5F9 and the underlying scientific discoveries, his role on our board of directors and his knowledge of our company enable him to make valuable contributions to our board of directors.

Christopher J. Schaepe has served on our board of directors since June 2015. He is a founder of Lightspeed Venture Partners, a venture capital firm, and has served as a Partner since its inception in September 2000. Mr. Schaepe has over 26 years of venture capital experience and has served as a member of the board of directors of Tintri, Inc., a data storage company, since 2009 and Aerohive Networks, Inc., a wireless networking company, since 2006, and previously served as a member of the board of directors of Riverbed Technology, Inc. (acquired by Thoma Bravo, LLC in 2015), a technology company, from 2002 to 2015. He also serves as a member of the board of directors of a number of privately held companies, including Personalis, Inc., a bioinformatics company. He received B.S. and M.S. degrees in Electrical Engineering and Computer Science from the Massachusetts Institute of Technology and an M.B.A. from the Stanford Graduate School of Business. We believe Mr. Schaepe's broad perspective and experience in the industry, his experience guiding numerous companies in his role as a venture capital investor and board member and his substantial professional experience enable him to make valuable contributions to our board of directors.

Irving L. Weissman, M.D. co-founded our company and has served as a member of our board of directors since May 2015. Since 2003, Dr. Weissman has served as the Director of the Stanford Institute for Stem Cell Biology and Regenerative Medicine and Director of the Stanford Ludwig Center for Cancer Stem Cell Research. Dr. Weissman was a member of the founding Scientific Advisory Boards of Amgen, a biotechnology company,

and T Cell Sciences, Inc., a biotechnology company. He also previously served as a member of the board of directors of StemCells, Inc., acquired by Microbot Medical Ltd. in 2016, a pharmaceutical company, from 1997 to 2016. He co-founded, served as a Director, and chaired the Scientific Advisory Board at SyStemix, Inc., a biotechnology company, StemCells, Inc., a biotechnology company, and Cellerant Therapeutics, Inc., a biotechnology company. Dr. Weissman is a member of the National Academy of Sciences, the National Academy of Medicine, and the American Association of Arts and Sciences. He received a B.S. from Montana State University and an M.D. from Stanford University School of Medicine. He has several honorary Ph.D.s. We believe Dr. Weissman's experience in the study of cancer stem cells, including the discovery that all cancer stem cells express CD47, his role on our board and his knowledge of our company enable him to make valuable contributions to our board of directors.

There are no family relationships among any of our directors or executive officers.

Board Composition

Certain members of our board of directors were elected pursuant to the provisions of a voting agreement, as amended. Under the terms of this voting agreement, the stockholders who are party to the voting agreement have agreed to vote their respective shares so as to elect: (1) one director designated by Lightspeed Venture Partners X, L.P., currently Mr. Schaepe; (2) one director designated by Sutter Hill Ventures, currently Dr. Bird; (3) one director designated by Clarus Lifesciences III, L.P., currently Dr. Henner; (4) one director designated by Hadley Harbor Master Investors (Cayman) II L.P., currently Mr. Clark; (5) three directors designated by Drs. Majeti, McCamish and Weissman and other common stockholders, currently Drs. Majeti, McCamish and Weissman; and one director designated by the holders of a majority of the shares held by the common stockholders and a majority of the preferred stockholders, voting together as a single class on an as converted basis, currently Ms. Ball. The voting agreement will terminate upon the closing of this offering and none of our stockholders will have any special rights regarding the election or designation of members of our board of directors.

Our board of directors will consist of eight members upon the closing of this offering. In accordance with our amended and restated certificate of incorporation to be filed in connection with this offering, immediately after 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. Our directors will be divided among the three classes as follows:

- the Class I directors will be Dennis J. Henner and Ravindra Majeti and their terms will expire at the annual meeting of stockholders to be held in 2019;
- the Class II directors will be Ian T. Clark, Jeffrey W. Bird and Christopher J. Schaepe and their terms will expire at the annual meeting of stockholders to be held in 2020; and
- the Class III directors will be Kristine M. Ball, Mark A. McCamish and Irving L. Weissman and their terms will expire at the annual meeting of stockholders to be held in 2021.

We expect that 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.

Director Independence

Under the listing requirements and rules of The Nasdaq Global Market, independent directors must comprise a majority of our board of directors as a listed company within one year of the closing of this offering.

Our board of directors has undertaken a review of its composition, the composition of its committees and the independence of each director. Based upon information requested from and provided by each director concerning his or her background, employment and affiliations, including family relationships, our board of directors has determined that Drs. Bird, Henner, Majeti and Weissman, Ms. Ball, Mr. Clark and Mr. Schaepe do not have any relationships that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director and that each of these directors is "independent" as that term is defined under the applicable rules and regulations of the SEC and the listing requirements and rules of The Nasdaq Global Market. In making this determination, our board of directors considered the current and prior relationships that each non-employee director has with our company and all other facts and circumstances our board of directors deemed relevant in determining their independence, including the beneficial ownership of our capital stock by each non-employee director.

Lead Director

Our corporate governance guidelines and bylaws provide that one of our independent directors shall serve as a lead independent director at any time when an independent director is not serving as the chairperson of the board of directors.

Board Committees

Our board of directors has established an audit committee, a compensation committee and a nominating and corporate governance committee. Our board of directors may establish other committees to facilitate the management of our business. The composition and functions of each committee are described below. Members serve on these committees until their resignation or until otherwise determined by our board of directors.

Audit Committee

Effective as of the date the registration statement of which this prospectus forms a part is declared effective by the SEC, our audit committee will consist of Ms. Ball, Mr. Clark and Dr. Henner, each of whom our board of directors has determined satisfies the independence requirements under the applicable listing standards and Rule 10A-3(b)(1) of the Exchange Act. The chair of our audit committee is Ms. Ball, whom our board of directors has determined is an "audit committee financial expert" within the meaning of the SEC regulations. Each member of our audit committee can read and understand fundamental financial statements in accordance with applicable listing standards. In arriving at these determinations, our board of directors has examined each audit committee member's scope of experience and the nature of her or his employment in the corporate finance sector. The functions of this committee include:

- helping our board of directors oversee our corporate accounting and financial reporting processes;
- reviewing and discussing with our management the adequacy and effectiveness of our disclosure controls and procedures;
- assisting with design and implementation of our risk assessment functions;
- evaluating the qualifications, performance and independence of our independent registered public accounting firm and deciding whether to retain its services;
- monitoring the rotation of partners of our independent registered public accounting firm on our engagement team as required by law;
- discussing the scope and results of the audit with the independent registered public accounting firm, and reviewing, with management and the independent accountants, our interim and year-end results;
- developing procedures for employees to submit concerns anonymously about questionable accounting or audit matters;
- reviewing related party transactions;

- approving, or as permitted, pre-approving, audit and permissible non-audit services to be performed by an independent registered public accounting firm; and
- reviewing and assessing, at least annually, the performance of the audit committee and adequacy of its charter.

Compensation Committee

Effective as of the date the registration statement of which this prospectus forms a part is declared effective by the SEC, our compensation committee will consist of Dr. Bird, Dr. Majeti and Mr. Schaepe and the chair of our compensation committee will be Mr. Schaepe. Our board of directors has determined that each of Dr. Bird, Dr. Majeti and Mr. Schaepe is independent under the applicable listing standards, is a "non-employee director" as defined in Rule 16b-3 promulgated under the Exchange Act and is an "outside director" as that term is defined in Section 162(m) of the Internal Revenue Code of 1986, as amended, or Section 162(m). The functions of this committee include:

- reviewing, modifying and overseeing overall compensation strategy and policies;
- reviewing and approving the compensation and other terms of employment of our chief executive officer, other executive officers and senior management, as appropriate;
- reviewing and approving the compensation arrangements with our executive officers and other senior management, as appropriate;
- reviewing and recommending to the full board of directors the compensation of our directors;
- appointing and overseeing the work of compensation consultants, legal counsel or any other advisors and consultants engaged for the purpose of advising the compensation committee;
- adopting and administering equity award plans, compensation plans and similar programs, as well as modification or termination of plans and programs;
- establishing policies with respect to equity compensation arrangements;
- reviewing and evaluating with the chief executive officer the succession plans for our executive officers; and
- reviewing and assessing, at least annually, the performance of the compensation committee and the adequacy of its charter.

Nominating and Corporate Governance Committee

Effective as of the date the registration statement of which this prospectus forms a part is declared effective by the SEC, our nominating and corporate governance committee consists of Mr. Clark, Dr. Bird, Dr. Weissman and Mr. Schaepe and the chair of our nominating and corporate governance committee will be Dr. Bird. Our board of directors has determined that Mr. Clark, Dr. Bird and Dr. Weissman are independent under the applicable listing standards. The functions of this committee include:

- reviewing periodically and evaluating director performance of our board of directors and its applicable committees, and recommending to our board of directors and management areas for improvement;
- identifying, evaluating, nominating and recommending individuals for membership on our board of directors;
- reviewing with our chief executive officer the plans for succession to the offices of our executive officers and make recommendations to our board of directors with respect to the selection of appropriate individuals to succeed to these positions;
- reviewing and recommending to our board of directors any amendments to our corporate governance policies; and

- reviewing and assessing, at least annually, the performance of the nominating and corporate governance committee and the adequacy of its charter.

Code of Conduct

We have adopted a Code of Conduct that applies to all of our employees, officers (including our principal executive officer, principal financial officer and principal accounting officer or controller, or persons performing similar functions), agents and representatives, including directors and consultants. The full text of our Code of Conduct will be posted on our website at www.fortyseveninc.com. We intend to disclose future amendments to certain provisions of our Code of Conduct, or waivers of such provisions, applicable to any principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, and our directors, on our website identified above. The information contained in, or that can be accessed through, our website is not part of, and is not incorporated into, this prospectus.

Compensation Committee Interlocks and Insider Participation

None of the members of the compensation committee is currently, or has been at any time, one of our officers or employees. None of our executive officers currently serves, or has served during the last calendar year, as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving as a member of our board of directors or compensation committee.

Non-Employee Director Compensation

Cash Compensation

No cash compensation was paid to our non-employee directors in 2017 for their services as members of the board of directors. In June 2015, we entered into a consulting agreement with each of Dr. Majeti and Dr. Weissman, pursuant to which they are paid an annual consulting fee of $75,000 and $100,000, respectively, for providing input regarding our scientific and clinical development programs. Although we do not have a written policy, we generally reimburse our directors for their reasonable out-of-pocket expenses incurred in attending board of directors and committee meetings.

Equity Incentive Compensation

Kristine M. Ball joined our board of directors in February 2018 and in March 2018 was granted an option to purchase 69,677 shares of our common stock at an exercise price of $8.76 per share. The shares subject to the option will vest on a monthly basis for 48 consecutive months commencing on February 1, 2018, subject to Ms. Ball's continuous service with us. In the event of a change in control (as defined in the 2015 Equity Incentive Plan), any unvested shares subject to this option will fully vest and become exercisable immediately prior to the effective date of such change in control, subject to Ms. Ball's continuous service with us on the effective date of the change in control.

Ian T. Clark joined our board of directors in April 2018 and in May 2018 was granted an option to purchase 126,493 shares of our common stock at an exercise price of $8.76 per share. The shares subject to the option will vest on a monthly basis for 48 consecutive months commencing on April 28, 2018, subject to Mr. Clark's continuous service with us. In the event of a change in control, any unvested shares subject to this option will fully vest and become exercisable immediately prior to the effective date of such change in control, subject to Mr. Clark's continuous service with us on the effective date of the change in control.

In April 2018, each of Dr. Bird, Dr. Henner, Dr. Majeti, Mr. Schaepe and Dr. Weissman was granted an option to purchase 20,645 shares of our common stock at an exercise price of $8.76 per share. The shares subject to these options will vest on a monthly basis for 36 consecutive months commencing on the date of the closing of

this offering, subject to each non-employee director's respective continuous service with us. In the event of a change in control, any unvested shares subject to these options will fully vest and become exercisable immediately prior to the effective date of such change in control, subject to the non-employee director's continuous service with us on the effective date of the change in control.

Non-Employee Director Compensation Policy

We have adopted a non-employee director compensation policy, pursuant to which our non-employee directors will be eligible to receive cash compensation for service on our board of directors and committees of our board of directors.

Commencing with the first calendar quarter following the closing of our initial public offering, each non-employee director will receive an annual cash retainer of $35,000 for serving on our board of directors.

The lead director of our board of directors will be entitled to a cash retainer of $55,000 in lieu of the annual retainer received by other non-employee directors for serving as our lead director.

The chairperson and members of the three committees of our board of directors will be entitled to the following additional annual cash retainers:

Board Committee	Chairperson Fee	Member Fee
Audit Committee	$ 15,000	$ 7,500
Compensation Committee	10,000	5,000
Nominating and Corporate Governance Committee	7,750	4,000

All annual cash compensation amounts will be payable in equal quarterly installments in arrears, on the last day of each fiscal quarter for which the service occurred, pro-rated based on the days served in the applicable fiscal quarter.

Each new non-employee director who joins our board of directors after our initial public offering will receive an option to purchase 20,645 shares of our common stock under our 2018 Equity Incentive Plan, or the 2018 Plan. The shares subject to this option will vest on a monthly basis over 36 months commencing on the grant date, subject to the non-employee director's continuous service with us on each applicable vesting date.

On the date of each annual meeting of our stockholders, each continuing non-employee director will receive an option to purchase 10,322 shares of our common stock under the 2018 Plan, vesting on the one-year anniversary of the grant date, subject to the non-employee director's continuous service with us on the applicable vesting date.

In the event of a change of control (as defined in the 2018 Plan), any unvested shares subject to this option will fully vest and become exercisable immediately prior to the effective date of such change of control, subject to the non-employee director's continuous service with us on the effective date of the change of control.

The exercise price per share of each stock option granted under the non-employee director compensation policy will be the closing price of our common stock as reported by The Nasdaq Global Market on the date of grant. Each stock option will have a term of ten years from the date of grant, subject to earlier termination in connection with a termination of the non-employee director's continuous service with us.

EXECUTIVE COMPENSATION

Our named executive officers for the year ended December 31, 2017, consisting of our principal executive officer and the next two most highly compensated executive officers, were:

- Mark A. McCamish, M.D., our President and Chief Executive Officer;
- Chris H. Takimoto, M.D., our Chief Medical Officer; and
- Craig S. Gibbs, Ph.D., our Chief Business Officer.

2017 Summary Compensation Table

The following table sets forth all of the compensation awarded to or earned by or paid to our named executive officers during 2017.

Name and Principal Position	Year	Salary	Option Awards(1)	All Other Compensation	Total
Mark A. McCamish, M.D. President and Chief Executive Officer	2017	$266,666	$3,378,384	$ 32,351(2)(3)	$3,677,401
Chris H. Takimoto, M.D. Chief Medical Officer	2017	386,776	314,176	14,999(2)(4)	715,951
Craig S. Gibbs, Ph.D. Chief Business Officer	2017	313,620	226,832	9,409(2)	549,861

(1) Amounts reported represent the aggregate grant date fair value of stock options granted to our named executive officers during 2017 under our 2015 Equity Incentive Plan, computed in accordance with ASC Topic 718. Assumptions used in the calculation of these amounts are included in Note 3 to our financial statements included in this prospectus. Our named executive officers will only realize compensation to the extent the trading price of our common stock is greater than the exercise price of such stock options.

(2) Includes contributions by us to the named executive officer's 401(k) plan account.

(3) Includes $24,351 in reimbursement paid to Dr. McCamish for housing expenses.

(4) Includes $3,396 in reimbursement paid to Dr. Takimoto for moving and relocation expenses.

Outstanding Equity Awards as of December 31, 2017

The following table provides information about outstanding equity awards held by each of our named executive officers at December 31, 2017. All awards were granted under our 2015 Equity Incentive Plan.

			Option Awards				Stock Awards	
Name	Grant Date	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 of Stock That Have Not Vested (#)	Market Value of Shares of Stock That Have Not Vested
Mark A. McCamish, M.D.	06/08/2017	05/01/2017	—	483,870(1)(7)	$ 4.88	06/07/2027	—	—
	06/08/2017	05/01/2017	—	—	4.88	06/07/2027	32,258(9)	$ 170,000(10)
	08/15/2017	08/15/2017	161,578(2)(7)	—	4.88	08/14/2027	—	—
	11/28/2017	11/08/2017	334,239(2)(7)	—	5.27	11/27/2027	—	—
Chris H. Takimoto, M.D.	02/26/2016	02/08/2016	167,741(3)(8)	—	$ 2.02	02/25/2026	—	—
	08/15/2017	08/15/2017	12,903(4)(8)	—	4.88	08/14/2027	—	—
	11/28/2017	11/08/2017	77,418(4)(8)	—	5.27	11/27/2027	—	—
Craig S. Gibbs, Ph.D.	01/22/2016	09/14/2015	112,903(5)	—	2.02	01/21/2026	—	—
	11/28/2017	11/08/2017	64,515(6)	—	5.27	11/27/2027	—	—

(1) 1/4th of the shares subject to the option will vest one year after the vesting commencement date and 1/48th of the shares subject to the option will vest monthly thereafter.

(2) 1/48th of the shares subject to the option vest monthly measured from the vesting commencement date. As of December 31, 2017, 13,464 shares and 6,963 shares are vested, respectively.

(3) 1/4th of the shares subject to the option will vest one year after the vesting commencement date and 1/48th of the shares subject to the option will vest monthly thereafter. As of December 31, 2017, 76,880 shares are vested.

(4) 1/48th of the shares subject to the option vest monthly measured from the vesting commencement date. As of December 31, 2017, 1,075 shares and 1,612 shares are vested, respectively.

(5) 1/4th of the shares subject to the option will vest one year after the vesting commencement date and 1/48th of the shares subject to the option will vest monthly thereafter. As of December 31, 2017, 14,112 shares are vested.

(6) 1/48th of the shares subject to the option vest monthly measured from the vesting commencement date. As of December 31, 2017, 1,344 shares are vested.

(7) During the 12 months following a change in control, if (a) Dr. McCamish is involuntarily terminated without cause or (b) Dr. McCamish resigns for good reason and in either case, other than as a result of death or disability, and provided such termination constitutes a separation from service, without regard to any alternative definition thereunder), then the vesting and exercisability of the option shall be accelerated such that 100% of the total unvested shares under the option shall be vested.

(8) During the 12 months following a change in control and the three months preceding a change of control, if (a) Dr. Takimoto is involuntarily terminated without cause or (b) Dr. Takimoto resigns for good reason and in either case, other than as a result of death or disability, and provided such termination constitutes a separation from service, without regard to any alternative definition thereunder), then the vesting and exercisability of the option shall be accelerated such that 50% of the total unvested shares under the option shall be vested.

(9) The shares were acquired pursuant to an early exercise provision and remain subject to our repurchase right in accordance with the vesting schedule of the options at the lower of fair market value or the exercise price of $4.88 per share. 1/4th of the shares will vest one year after the vesting commencement date and 1/48th of the shares subject to the option will vest monthly thereafter. During the 12 months following a change in control, if (a) Dr. McCamish is involuntarily terminated without cause or (b) Dr. McCamish resigns for

good reason and in either case, other than as a result of death or disability, and provided such termination constitutes a separation from service, without regard to any alternative definition thereunder), then the vesting and exercisability of the shares shall be accelerated such that 100% of the total unvested shares shall be vested.

(10) Based on an estimated fair market value of $5.27 per share as of December 31, 2017.

Emerging Growth Company Status

We are an "emerging growth company," as defined in the JOBS Act. As an emerging growth company we will be exempt from certain requirements related to executive compensation, including the requirements to hold a nonbinding advisory vote on executive compensation and to provide information relating to the ratio of total compensation of our President and Chief Executive Officer to the median of the annual total compensation of all of our employees, each as required by the Investor Protection and Securities Reform Act of 2010, which is part of the Dodd-Frank Act.

Pension Benefits

Our named executive officers did not participate in, or otherwise receive any benefits under, any pension or retirement plan sponsored by us during 2017.

Nonqualified Deferred Compensation

Our named executive officers did not participate in, or earn any benefits under, a nonqualified deferred compensation plan sponsored by us during 2017.

2018 Annual Bonus Plan

Our compensation committee adopted our Forty Seven, Inc. 2018 Annual Bonus Plan, or 2018 Bonus Plan, which provides for a cash bonus for our officers, including our Named Executive Officers. Under our 2018 Bonus Plan, the board of directors determined the individual and corporate performance goals applicable to any award for 2018. Each eligible participant has an opportunity to earn an annual payment based on achievement of these individual and corporate performance goals. Performance goals for individuals are assessed on a case by case basis. Individuals are eligible for a merit-based bonus in an amount set based on employment grade, which is then multiplied by a percentage, up to 100%, based on achievement of corporate performance goals. This is then eligible for a discretionary adjustment, up to 150%, based on individual performance.

Employment, Severance and Change in Control Agreements

We have offer letters with each of our executive officers. The offer letters generally provide for at-will employment and set forth the executive officer's initial base salary, eligibility for employee benefits and confirmation of the terms of previously issued equity grants, including in some cases severance benefits on a qualifying termination of employment. In addition, each of our executive officers has executed our standard proprietary information and inventions agreement. The key terms of employment with our named executive officers are described below. See "Executive Compensation—Outstanding Equity Awards as of December 31, 2017" for information on outstanding options as of December 31, 2017 for our named executive officers.

Mark A. McCamish, M.D.

In November 2016, we entered into an offer letter with Dr. McCamish, our President and Chief Executive Officer. Pursuant to the offer letter, Dr. McCamish's initial base salary was established at $400,000 per year. In addition, Dr. McCamish was initially eligible to receive an annual cash bonus of up to 40% of his annual base salary based upon achievement of mutually agreed upon performance objectives and other criteria determined by our board of directors. He is entitled to reimbursement for up to $30,000 per year for commuting and living expenses in connection with his work at our headquarters.

In April 2018, Dr. McCamish was granted an option to purchase 184,516 shares at an exercise price of $8.76 per share. Provided that the registration statement, of which this prospectus forms a part, is declared effective or a change in control occurs prior to March 1, 2019, the shares subject to this option will vest on a monthly basis for 48 consecutive months commencing on March 1, 2019, subject to Dr. McCamish's continuous service with us.

Ann D. Rhoads

In March 2018, we entered into an offer letter with Ms. Rhoads, our Chief Financial Officer. Pursuant to the offer letter, Ms. Rhoads' initial base salary was established at $350,000 per year. Ms. Rhoads also received a one-time retention bonus of $40,000 subject to proration until the completion of 12 months of employment. Ms. Rhoads is entitled to reimbursement for up to $36,000 per year for travel expenses in connection with her work at our headquarters. In April 2018, Ms. Rhoads was granted (i) an option to purchase 141,097 shares of our common stock, at an exercise price of $8.76 per share, vesting as to 26,710 shares on the one-year anniversary of her employment commencement date and the remaining shares will vest thereafter on a monthly basis for 36 consecutive months, and (ii) an option to purchase 11,418 shares of our common stock, at an exercise price of $8.76 per share, vesting in full one year after her employment commencement date, in each case subject to Ms. Rhoads' continuous service with us.

In April 2018, Ms. Rhoads was granted an additional option to purchase 74,838 shares at an exercise price of $8.76 per share. Provided that the registration statement, of which this prospectus forms a part is declared effective or a change in control occurs prior to March 1, 2019, the shares subject to this option will vest on a monthly basis for 48 consecutive months commencing on March 1, 2019, subject to Ms. Rhoads' continuous service with us.

Chris H. Takimoto, M.D.

In January 2016, we entered into an employment agreement with Dr. Takimoto, our Chief Medical Officer. Pursuant to the employment agreement, Dr. Takimoto's initial base salary was established at $375,000 per year.

In April 2018, Dr. Takimoto was granted an option to purchase 56,128 shares at an exercise price of $8.76 per share. Provided that the registration statement, of which this prospectus forms a part is declared effective or a change in control occurs prior to March 1, 2019, the shares subject to this option will vest on a monthly basis for 48 consecutive months commencing on March 1, 2019, subject to Dr. Takimoto's continuous service with us.

Craig S. Gibbs, Ph.D.

In August 2015, we entered into an offer letter with Dr. Gibbs, our Chief Business Officer. Pursuant to the offer letter, Dr. Gibbs' initial base salary was established at $300,000 per year. Dr. Gibbs' base salary for 2017 is $313,620 per year.

In April 2018, Dr. Gibbs was granted an option to purchase 72,902 shares at an exercise price of $8.76 per share. Provided that the registration statement, of which this prospectus forms a part is declared effective or a change in control occurs prior to March 1, 2019, the shares subject to this option will vest on a monthly basis for 48 consecutive months commencing on March 1, 2019, subject to Dr. Gibbs' continuous service with us.

Executive Severance and Change in Control Plan

In April 2018, the compensation committee of our board of directors adopted an Executive Severance and Change in Control Plan that provides severance benefits to each of our executive officers and vice presidents, including our named executive officers. The benefits provided under the Executive Severance and Change in

Control Plan supersede any similar severance benefits described in a participant's offer letter or employment agreement. Participants in our Executive Severance and Change in Control Plan will be entitled to receive a lump sum cash payment (12 months base salary for our Chief Executive Officer, nine months base salary for our executive officers or six months base salary for all other participants) upon an involuntary termination without cause. In addition, in the event that such termination occurs, or the participant resigns for good reason, in connection with or within 12 months following a change in control, the participant will be entitled to receive a lump sum cash payment (18 months base salary for our Chief Executive Officer, 12 months base salary for our executive officers or nine months base salary for all other participants) and any unvested portion of an equity award granted to participant will fully vest and become exercisable immediately prior to the effective date of such change in control, subject to participant's continuous service with us. Participants are further eligible to receive a pro-rated portion of their target annual bonus for the calendar year in which the termination occurs and continued health benefits during the applicable severance period. All such severance benefits are subject to the participant signing a general release of all known and unknown claims in substantially the form provided in the Executive Severance and Change in Control Plan.

Employee Benefit Plans

We believe that our ability to grant equity-based awards is a valuable and necessary compensation tool that aligns the long-term financial interests of our employees, consultants and directors with the financial interests of our stockholders. In addition, we believe that our ability to grant options and other equity-based awards helps us to attract, retain and motivate employees, consultants and directors and encourages them to devote their best efforts to our business and financial success. The principal features of our equity incentive plans and our 401(k) plan are summarized below. These summaries are qualified in their entirety by reference to the actual text of the plans, which, other than the 401(k) plan, are filed as exhibits to the registration statement of which this prospectus is a part.

2018 Equity Incentive Plan

Our board of directors adopted and our stockholders approved our 2018 Plan in June 2018. Our 2018 Plan provides for the grant of incentive stock options to our employees and for the grant of nonstatutory stock options, stock appreciation rights, restricted stock awards, restricted stock unit awards, performance stock awards, performance cash awards and other forms of equity compensation to our employees, directors and consultants.

Authorized Shares

We have initially reserved 3,000,000 shares of common stock for issuance under the 2018 Plan. In addition, the number of shares of common stock reserved for issuance under our 2018 Plan will automatically increase on the first day of January for a period of up to ten years, commencing on January 1, 2019, in an amount equal to 5% of the total number of shares of our capital stock outstanding on the last day of the preceding year, or a lesser number of shares determined by our board of directors. The maximum number of shares of common stock that may be issued upon the exercise of incentive stock options under our 2018 Plan is equal to the number of shares reserved under the 2018 Plan multiplied by three.

Shares subject to stock awards granted under our 2018 Plan that expire or terminate without being exercised in full, or that are paid out in cash rather than in shares, do not reduce the number of shares available for issuance under our 2018 Plan. Additionally, shares issued pursuant to stock awards under our 2018 Plan that we repurchase or that are forfeited, as well as shares used to pay the exercise price of a stock award or to satisfy the tax withholding obligations related to a stock award, become available for future grant under our 2018 Plan.

Plan Administration

Our board of directors, or a duly authorized committee of our board of directors, will administer our 2018 Plan. Our board of directors may also delegate to one or more of our officers the authority to (1) designate

employees (other than officers) to receive specified stock awards and (2) determine the number of shares subject to such stock awards. Under the 2018 Plan, our board of directors has the authority to determine the terms of awards, including recipients, the exercise, purchase or strike price of stock awards, if any, the number of shares subject to each stock award, the fair market value of a share of common stock, the vesting schedule applicable to the awards, together with any vesting acceleration, the form of consideration, if any, payable upon exercise or settlement of the award and the terms of the award agreements.

The board of directors may also modify outstanding awards under our 2018 Plan, with the consent of any adversely affected participant. The board of directors has the authority to reprice any outstanding option or stock appreciation right, cancel any outstanding stock award in exchange for new stock awards, cash or other consideration, or take any other action that is treated as a repricing under generally accepted accounting principles, with the consent of any adversely affected participant.

Stock Options

Incentive stock options and nonstatutory stock options are granted pursuant to stock option agreements adopted by the plan administrator. The plan administrator determines the exercise price for stock options, within the terms and conditions of the 2018 Plan, provided that the exercise price of a stock option generally cannot be less than 100% of the fair market value of common stock on the date of grant. Options granted under the 2018 Plan vest at the rate specified by the plan administrator.

The plan administrator determines the term of stock options granted under the 2018 Plan, up to a maximum of ten years. Unless the terms of an option holder's stock option agreement provide otherwise, if an option holder's service relationship with us, or any of our affiliates, ceases for any reason other than disability, death or cause, the option holder may generally exercise any vested options for a period of three months following the option holder's cessation of service. The option term may be extended in the event that exercise of the option or sale of the underlying shares following such a termination of service is prohibited by applicable securities laws or by our insider trading policy. If an option holder's service relationship with us or any of our affiliates ceases due to disability or death, or an option holder dies within a certain period following cessation of service, the option holder or a beneficiary may generally exercise any vested options for a period of 12 months in the event of disability and 18 months in the event of death. Options generally terminate immediately upon the termination of the individual for cause. In no event may an option be exercised beyond the expiration of its term.

The plan administrator will determine acceptable consideration for the purchase of common stock issued upon the exercise of a stock option, which may include the following methods: (1) cash, check, bank draft or money order; (2) a broker-assisted cashless exercise procedure; (3) the tender of shares of common stock previously owned by the option holder; (4) if the option is a nonstatutory stock option, by a net exercise arrangement; and (5) other legal consideration set forth in the applicable award agreement.

In general, options are not transferable except by will, the laws of descent and distribution, or as otherwise provided by the plan administrator under our 2018 Plan. An option holder may designate a beneficiary, however, who may exercise the option following the option holder's death.

Tax Limitations on Incentive Stock Options

The aggregate fair market value, determined at the time of grant, of common stock with respect to incentive stock options that are exercisable for the first time by an option holder during any calendar year under all of our stock plans may not exceed $100,000. Options or portions thereof that exceed such limit will generally be treated as nonstatutory stock options. No incentive stock option may be granted to any person who, at the time of grant, owns or is deemed to own stock possessing more than 10% of our total combined voting power or that of any of our affiliates unless (1) the option exercise price is at least 110% of the fair market value of the stock subject to the option on the date of grant and (2) the term of the incentive stock option does not exceed five years from the date of grant.

Restricted Stock Unit Awards

Restricted stock unit awards are granted pursuant to restricted stock unit award agreements adopted by the plan administrator. Restricted stock unit awards may be granted in consideration for any form of legal consideration that may be acceptable to our board of directors and permissible under applicable law. A restricted stock unit award may be settled by cash, delivery of stock, a combination of cash and stock as deemed appropriate by the plan administrator, or in any other form of consideration set forth in the restricted stock unit award agreement. Additionally, dividend equivalents may be credited in respect of shares covered by a restricted stock unit award. Except as otherwise provided in the applicable award agreement, restricted stock units that have not vested will be forfeited upon the participant's cessation of continuous service for any reason.

Restricted Stock Awards

Restricted stock awards are granted pursuant to restricted stock award agreements adopted by the plan administrator. A restricted stock award may be awarded in consideration for cash, check, bank draft or money order, past services to us, or any other form of legal consideration that may be acceptable to our board of directors and permissible under applicable law. The plan administrator determines the terms and conditions of restricted stock awards, including vesting and forfeiture terms. If a participant's service relationship with us ceases for any reason, we may receive through a forfeiture condition or a repurchase right any or all of the shares of common stock held by the participant that have not vested as of the date the participant terminates service with us.

Stock Appreciation Rights

Stock appreciation rights are granted pursuant to stock appreciation grant agreements adopted by the plan administrator. The plan administrator determines the purchase price or strike price for a stock appreciation right, which generally cannot be less than 100% of the fair market value of common stock on the date of grant. Upon the exercise of a stock appreciation right, we will pay the participant an amount equal to the product of (1) the excess, if any, of the per share fair market value of common stock on the date of exercise over the purchase price or strike price and (2) the number of shares of common stock with respect to which the stock appreciation right is exercised. This amount may be paid in shares of common stock, in cash, in any combination of cash and shares of common stock or in any other form of consideration, as determined by the plan administrator and set forth in the award agreement. A stock appreciation right granted under the 2018 Plan vests at the rate specified in the stock appreciation right agreement as determined by the plan administrator.

The plan administrator determines the term of stock appreciation rights granted under the 2018 Plan, which may be up to a maximum of ten years. Unless the terms of a participant's stock appreciation right agreement provides otherwise, if a participant's service relationship with us or any of our affiliates ceases for any reason other than cause, disability or death, the participant may generally exercise any vested stock appreciation right for a period of three months following the cessation of service. The term of the stock appreciation right may be further extended in the event that exercise of the stock appreciation right following such a termination of service is prohibited by applicable securities laws or by our insider trading policy. If a participant's service relationship with us, or any of our affiliates, ceases due to disability or death, or a participant dies within a certain period following cessation of service, the participant (or, if applicable, a beneficiary) may generally exercise any vested stock appreciation right for a period of 12 months (in the case of disability) or 18 months (in the case of death). Stock appreciation rights generally terminate immediately upon the occurrence of the event giving rise to the termination of the individual for cause. In no event may a stock appreciation right be exercised beyond the expiration of its term.

Performance Awards

The 2018 Plan permits the grant of performance-based stock and cash awards. Our compensation committee may structure awards so that the stock or cash will be issued or paid only following the achievement of certain pre-established performance goals during a designated performance period.

Our compensation committee may establish performance goals by selecting from one or more of the following performance criteria: (1) earnings (including earnings per share and net earnings); (2) earnings before interest, taxes and depreciation; (3) earnings before interest, taxes, depreciation and amortization; (4) total stockholder return; (5) return on equity or average stockholder's equity; (6) return on assets, investment or capital employed; (7) stock price; (8) margin (including gross margin); (9) income (before or after taxes); (10) operating income; (11) operating income after taxes; (12) pre-tax profit; (13) operating cash flow; (14) sales or revenue targets; (15) increases in revenue or product revenue; (16) expenses and cost reduction goals; (17) improvement in or attainment of working capital levels; (18) economic value added (or an equivalent metric); (19) market share; (20) cash flow; (21) cash flow per share; (22) share price performance; (23) debt reduction; (24) implementation or completion of projects or processes; (25) subscriber satisfaction; (26) stockholders' equity; (27) capital expenditures; (28) debt levels; (29) operating profit or net operating profit; (30) workforce diversity; (31) growth of net income or operating income; (32) billings; (33) the number of subscribers including but not limited to unique subscribers; (34) employee retention; and (35) other measures of performance selected by our board of directors.

Our board of directors may establish performance goals on a company-wide basis, with respect to one or more business units, divisions, affiliates or business segments, and in either absolute terms or relative to the performance of one or more comparable companies or the performance of one or more relevant indices. Unless otherwise specified by our board of directors (i) in the award agreement at the time the award is granted or (ii) in such other document setting forth the performance goals at the time the performance goals are established, our board of directors will appropriately make adjustments in the method of calculating the attainment of the performance goals as follows: (1) to exclude restructuring and/or other nonrecurring charges; (2) to exclude exchange rate effects; (3) to exclude the effects of changes to generally accepted accounting principles; (4) to exclude the effects of items that are "unusual" in nature or occur "infrequently" as determined under generally accepted accounting principles; (5) to exclude the dilutive effects of acquisitions or joint ventures; (6) to assume that any business divested by us achieved performance objectives at targeted levels during the balance of a performance period following such divestiture; (7) to exclude the effect of any change in the outstanding shares of common stock by reason of any stock dividend or split, stock repurchase, reorganization, recapitalization, merger, consolidation, spin-off, combination or exchange of shares or other similar corporate change or any distributions to common stockholders other than regular cash dividends; (8) to exclude the effects of stock-based compensation and the award of bonuses under our bonus plans; (9) to exclude costs incurred in connection with potential acquisitions or divestitures that are required to be expensed under generally accepted accounting principles; and (10) to exclude the goodwill and intangible asset impairment charges that are required to be recorded under generally accepted accounting principles.

Other Stock Awards

The plan administrator may grant other awards based in whole or in part by reference to common stock. The plan administrator will set the number of shares under the stock award and all other terms and conditions of such awards.

Changes to Capital Structure

In the event there is a specified type of change in our capital structure, such as a stock split, reverse stock split, or recapitalization, appropriate adjustments will be made to (1) the class and maximum number of shares reserved for issuance under the 2018 Plan, (2) the class and maximum number of shares by which the share reserve may increase automatically each year, (3) the class and maximum number of shares that may be issued upon the exercise of incentive stock options, and (4) the class and number of shares and exercise price, strike price, or purchase price, if applicable, of all outstanding stock awards.

Corporate Transactions

Our 2018 Plan provides that in the event of certain specified significant corporate transactions, including: (1) a sale of all or substantially all of our assets, (2) the sale or disposition of more than 50% of our outstanding

securities, (3) the consummation of a merger or consolidation where we do not survive the transaction and (4) the consummation of a merger or consolidation where we do survive the transaction but the shares of common stock outstanding prior to such transaction are converted or exchanged into other property by virtue of the transaction, each outstanding award will be treated as the administrator determines unless otherwise provided in an award agreement or other written agreement between us and the award holder. The administrator may (1) arrange for the assumption, continuation or substitution of a stock award by a successor corporation; (2) arrange for the assignment of any reacquisition or repurchase rights held by us to a successor corporation; (3) accelerate the vesting, in whole or in part, of the stock award and provide for its termination prior to the transaction; (4) arrange for the lapse, in whole or in part, of any reacquisition or repurchase rights held by us; (5) cancel or arrange for the cancellation of the stock award prior to the transaction in exchange for a cash payment, if any, determined by the board; or (6) make a payment, in the form determined by the board, equal to the excess, if any, of the value of the property the participant would have received upon exercise of the awards prior to the transaction over any exercise price payable by the participant in connection with the exercise. The plan administrator is not obligated to treat all stock awards or portions of stock awards, even those that are of the same type, in the same manner.

In the event of a change in control, awards granted under the 2018 Plan will not receive automatic acceleration of vesting and exercisability, although this treatment may be provided for in an award agreement. Under the 2018 Plan, a change in control is defined to include (1) the acquisition of any person of more than 50% of the combined voting power of our then outstanding stock; (2) a merger, consolidation or similar transaction in which our stockholders immediately prior to the transaction do not own, directly or indirectly, more than 50% of the combined voting power of the surviving entity (or the parent of the surviving entity); (3) a sale, lease, exclusive license or other disposition of all or substantially all of our assets to an entity that did not previously hold more than 50% of the voting power over our capital stock and (4) individuals who constitute our incumbent board of directors ceasing to constitute at least a majority of our board of directors.

Transferability

Our board of directors may provide for limitations on the transferability of awards, in its sole discretion. Option awards are generally not transferable other than by will, the laws of descent and distribution or as otherwise provided under our 2018 Plan.

Plan Amendment or Termination

Our board of directors has the authority to amend, suspend, or terminate our 2018 Plan, provided that such action does not materially impair the existing rights of any participant without such participant's written consent. No incentive stock options may be granted after the tenth anniversary of the date our board of directors adopted our 2018 Plan. No stock awards may be granted under our 2018 Plan while it is suspended or after it is terminated.

2015 Equity Incentive Plan

Our board of directors adopted our 2015 Equity Incentive Plan, or 2015 Plan, in May 2015 and our stockholders approved the 2015 Plan in November 2015. Our 2015 Plan was amended most recently in April 2018. Our 2015 Plan allows for the grant of incentive stock options to employees, including employees of any parent or subsidiary, and for the grant of nonstatutory stock options, stock appreciation rights, restricted stock awards, restricted stock unit awards and other stock awards to employees, directors and consultants, including employees and consultants of our affiliates.

Our 2018 Plan will become effective on the execution of the underwriting agreement related to this offering. As a result, we will not grant any additional awards under the 2015 Plan following that date. Any awards granted under the 2015 Plan will remain subject to the terms of our 2015 Plan and applicable award agreements.

Authorized Shares

The maximum number of shares of common stock that may be issued under our 2015 Plan is 4,719,992. Shares subject to stock awards granted under our 2015 Plan that expire, are forfeited, or terminate without being issued in full or are settled in cash do not reduce the number of shares available for issuance under our 2015 Plan. Additionally, shares used to pay the exercise price of a stock award or to satisfy the tax withholding obligations related to a stock award become available for future grant under our 2015 Plan.

Plan Administration

Our board of directors or a duly authorized committee of our board of directors administers our 2015 Plan and the stock awards granted under it. Our board of directors may also delegate to one or more of our officers the authority to (1) designate non-officer employees to receive specified stock awards and (2) determine the number of shares subject to such stock awards. Under our 2015 Plan, the board of directors has the authority to determine and amend the terms of awards and underlying agreements, including: recipients; the exercise, purchase or strike price of stock awards, if any; the number of shares subject to each stock award; the vesting schedule applicable to the awards, together with any vesting acceleration; and the form of consideration, if any, payable on exercise or settlement of the award.

Under the 2015 Plan, the board of directors also generally has the authority to effect, with the consent of any adversely affected participant: the reduction of the exercise price of any outstanding equity award; the cancellation of any outstanding equity award and the grant in substitution therefore of other awards, cash, or other consideration; or any other action that is treated as a repricing under generally accepted accounting principles.

Corporate Transactions

Our 2015 Plan provides that in the event of certain specified significant corporate transactions, generally including: (1) a sale of all or substantially all of our assets, (2) the sale or disposition of at least 90% of our outstanding securities, (3) the consummation of a merger or consolidation where we do not survive the transaction, and (4) the consummation of a merger or consolidation where we do survive the transaction but the shares of common stock outstanding before such transaction are converted or exchanged into other property by virtue of the transaction, unless otherwise provided in an award agreement or other written agreement between us and the award holder, the administrator may take one or more of the following actions with respect to such stock awards: (1) arrange for the assumption, continuation or substitution of a stock award by a successor corporation, (2) arrange for the assignment of any reacquisition or repurchase rights held by us to a successor corporation (or the successor corporation's parent company), (3) accelerate the vesting, in whole or in part, of the stock award and provide for its termination before the transaction, (4) arrange for the lapse, in whole or in part, of any reacquisition or repurchase rights held by us, (5) cancel or arrange for the cancellation of the stock award before the transaction in exchange for a cash payment, if any, as determined by the board of directors in its sole discretion, or (6) make a payment, in the form determined by the board of directors, equal to the excess, if any, of the value of the property the participant would have received on exercise of the stock award before the transaction over any exercise price payable by the participant in connection with the exercise. The plan administrator is not obligated to treat all stock awards, even those that are of the same type, or all participants, in the same manner.

In the event of a change in control, awards granted under the 2015 Plan will not receive automatic acceleration of vesting and exercisability, although the board of directors may provide for this treatment in an award agreement. Under the 2015 Plan, a change in control is defined to include (1) the acquisition by any person of more than 50% of the combined voting power of our then outstanding stock, (2) a merger, consolidation or similar transaction in which our stockholders immediately before the transaction do not own, directly or indirectly, more than 50% of the combined voting power of the surviving entity (or the parent of the surviving

entity), (3) our stockholders approve or our board of directors approves a plan of complete dissolution or liquidation or a complete dissolution or liquidation otherwise occurs except for a liquidation into a parent corporation, (4) a sale, lease, exclusive license or other disposition of all or substantially all of the assets to an entity that did not previously hold more than 50% of the voting power of our stock and (5) individuals who constitute our incumbent board of directors ceasing to constitute at least a majority of our board of directors.

Transferability

Under our 2015 Plan, the board of directors may provide for limitations on the transferability of awards, in its sole discretion. Option awards are generally not transferable other than by will or the laws of descent and distribution, except as otherwise provided under our 2015 Plan.

Plan Amendment or Termination

Our board of directors has the authority to amend, suspend, or terminate our 2015 Plan, although certain material amendments require the approval of our stockholders, and amendments that would impair the rights of any participant require the consent of that participant. No stock awards may be granted under our 2015 Plan after it is terminated.

2018 Employee Stock Purchase Plan

Our board of directors adopted our 2018 Employee Stock Purchase Plan, or the ESPP, in June 2018, and our stockholders approved our ESPP in June 2018. The ESPP will become effective upon the execution of the underwriting agreement related to this offering. The purpose of the ESPP is to secure the services of new employees, to retain the services of existing employees, and to provide incentives for such individuals to exert maximum efforts toward our success and that of our affiliates. The ESPP is intended to qualify as an "employee stock purchase plan" within the meaning of Section 423 of the Code for U.S. employees. In addition, the ESPP authorizes grants of purchase rights that do not comply with Section 423 of the Code under a separate non-423 component. In particular, where such purchase rights are granted to any employees who are foreign nationals or employed or located outside the United States, our board of directors may adopt rules that are beyond the scope of Section 423 of the Code.

Share Reserve

Following this offering, the ESPP authorizes the issuance of shares of common stock under purchase rights granted to our employees or to employees of any of our designated affiliates. The number of shares of common stock reserved for issuance will automatically increase on January 1st of each year, beginning on January 1, 2019 (assuming the ESPP becomes effective in 2018) through January 1, 2028, by the lesser of (1) 1% of the total number of shares of common stock outstanding on the last day of the calendar month before the date of the automatic increase, and (2) 450,000 shares; provided that before the date of any such increase, our board of directors may determine that such increase will be less than the amount set forth in clauses (1) and (2). As of the date hereof, no shares of common stock have been purchased under the ESPP.

Administration

Our board of directors has delegated its authority to administer the ESPP to our compensation committee. The ESPP is implemented through a series of offerings under which eligible employees are granted purchase rights to purchase shares of common stock on specified dates during such offerings. Under the ESPP, we may specify offerings with durations of not more than 27 months, and may specify shorter purchase periods within each offering. Each offering will have one or more purchase dates on which shares of common stock will be purchased for employees participating in the offering. We currently intend to have six month offerings with one purchase period per offering, except that the first purchase period under our first offering may be longer than six months, depending on the date on which the underwriting agreement relating to this offering becomes effective. An offering under the ESPP may be terminated under certain circumstances.

Payroll Deduction

Generally, all regular employees, including executive officers, employed by us or by any of our designated affiliates, may participate in the ESPP and may contribute, normally through payroll deductions, up to 15% of their earnings (as defined in the ESPP) for the purchase of common stock under the ESPP. Unless otherwise determined by our board of directors, common stock will be purchased for the accounts of employees participating in the ESPP at a price per share that is at least the lesser of (1) 85% of the fair market value of a share of common stock on the first date of an offering, or (2) 85% of the fair market value of a share of common stock on the date of purchase. For the initial offering, which we expect will commence on the execution and delivery of the underwriting agreement relating to this offering, the fair market value on the first day of the offering period will be the price at which shares of common stock are first sold to the public.

Limitations

Employees may have to satisfy one or more of the following service requirements before participating in the ESPP, as determined by our board of directors, including: (1) being customarily employed for more than 20 hours per week, (2) being customarily employed for more than five months per calendar year, or (3) continuous employment with us or one of our affiliates for a period of time (not to exceed two years). No employee may purchase shares under the ESPP at a rate in excess of $25,000 worth of common stock based on the fair market value per share of common stock at the beginning of an offering for each year such a purchase right is outstanding. Finally, no employee will be eligible for the grant of any purchase rights under the ESPP if immediately after such rights are granted, such employee has voting power over 5% or more of our outstanding capital stock measured by vote or value under Section 424(d) of the Code.

Changes to Capital Structure

In the event that there occurs a change in our capital structure through such actions as a stock split, merger, consolidation, reorganization, recapitalization, reincorporation, stock dividend, dividend in property other than cash, large nonrecurring cash dividend, liquidating dividend, combination of shares, exchange of shares, change in corporate structure, or similar transaction, the board of directors will make appropriate adjustments to: (1) the number of shares reserved under the ESPP, (2) the maximum number of shares by which the share reserve may increase automatically each year, (3) the number of shares and purchase price of all outstanding purchase rights, and (4) the number of shares that are subject to purchase limits under ongoing offerings.

Corporate Transactions

In the event of certain significant corporate transactions, including: (1) a sale of all or substantially all of our assets, (2) the sale or disposition of more than 50% of our outstanding securities, (3) the consummation of a merger or consolidation where we do not survive the transaction, and (4) the consummation of a merger or consolidation where we do survive the transaction but the shares of common stock outstanding immediately before such transaction are converted or exchanged into other property by virtue of the transaction, any then-outstanding rights to purchase our stock under the ESPP may be assumed, continued or substituted for by any surviving or acquiring entity (or its parent company). If the surviving or acquiring entity (or its parent company) elects not to assume, continue, or substitute for such purchase rights, then the participants' accumulated payroll contributions will be used to purchase shares of common stock within ten business days before such corporate transaction, and such purchase rights will terminate immediately.

ESPP Amendment or Termination

Our board of directors has the authority to amend or terminate our ESPP, provided that except in certain circumstances such amendment or termination may not materially impair any outstanding purchase rights without the holder's consent. We will obtain stockholder approval of any amendment to our ESPP as required by applicable law or listing requirements.

Health and Welfare Benefits

We pay premiums for medical insurance, dental insurance and vision insurance for all full-time employees, including our named executive officers. These benefits are available to all full-time employees, subject to applicable laws.

401(k) Plan

We maintain a defined contribution retirement plan that provides eligible U.S. employees with an opportunity to save for retirement on a tax advantaged basis. Eligible employees may defer eligible compensation on a pre-tax, or after-tax, basis, up to the statutorily prescribed annual limits on contributions under the Code. Contributions are allocated to each participant's individual account and are then invested in selected investment alternatives according to the participants' directions. Employees are immediately and fully vested in their contributions. The 401(k) plan is intended to be qualified under Section 401(a) of the Code with the 401(k) plan's related trust intended to be tax exempt under Section 501(a) of the Code. As a tax-qualified retirement plan, contributions to the 401(k) plan are deductible by us when made, and contributions and earnings on those amounts are not taxable to the employees until withdrawn or distributed from the 401(k) plan. Pursuant to our 401(k) plan, during 2017, we made 100% matching contributions on up to 3% of an employee's eligible compensation deferred.

Limitations on Liability and Indemnification Matters

Upon the closing of this offering, our amended and restated certificate of incorporation will contain provisions that allow us to limit the liability of our current and former directors for monetary damages to the fullest extent permitted by Delaware law. Delaware law provides that directors of a corporation will not be personally liable for monetary damages for any breach of fiduciary duties as directors, except liability for:

- any breach of the director's duty of loyalty to the corporation or its 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; or
- any transaction from which the director derived an improper personal benefit.

Such limitation of liability does not apply to liabilities arising under federal securities laws and does not affect the availability of equitable remedies such as injunctive relief or rescission.

Our amended and restated certificate of incorporation will provide us with the authority to, and our amended and restated bylaws will provide that we are required to, indemnify our directors and executive officers to the fullest extent permitted by Delaware law. Our amended and restated bylaws will also provide that, upon satisfaction of certain conditions, we shall advance expenses incurred by a director or executive 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 the provisions of Delaware law. Our amended and restated certificate of incorporation and amended and restated bylaws will also provide our board of directors with discretion to indemnify our other officers and employees when determined appropriate by our board of directors. We have entered and expect to continue to enter into agreements to indemnify our directors, executive officers and other employees as determined by the board of directors. With certain 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.

Rule 10b5-1 Sales Plans

Our directors and executive officers may adopt written plans, known as Rule 10b5-1 plans, in which they will contract with a broker to buy or sell shares of common stock on a periodic basis. Under a Rule 10b5-1 plan, a broker executes trades pursuant to parameters established by the director or executive officer when entering into the plan, without further direction from them. The director or executive officer may amend a Rule 10b5-1 plan in some circumstances and may terminate a plan at any time. Our directors and executive officers also may buy or sell additional shares outside of a Rule 10b5-1 plan when they are not in possession of material nonpublic information, subject to compliance with the terms of our insider trading policy. Prior to the end of the 180th day after the date of this offering (subject to potential early release or termination without notice), the sale of any shares under such plan would be subject to the lock-up agreement that the director or executive officer has entered into with Morgan Stanley & Co. LLC and Credit Suisse Securities (USA) LLC on behalf of the underwriters.

CERTAIN RELATIONSHIPS AND RELATED PERSON TRANSACTIONS

The following is a summary of transactions since January 1, 2015, to which we have been a participant in which the amount involved exceeded or will exceed $120,000, and in which any of our directors, executive officers or holders of more than five percent of our capital stock, or any member of the immediate family of the foregoing persons, had or will have a direct or indirect material interest., other than compensation arrangements which are described in the sections titled “Executive Compensation” and “Management—Non-Employee Director Compensation.”

We believe the terms obtained or consideration that we paid or received, as applicable, in connection with the transactions described below were comparable to terms available or the amounts that would be paid or received, as applicable, in arm’s-length transactions.

Convertible Note Financing

From June 2015 through November 2015, we issued and sold convertible promissory notes in the aggregate principal amount of $900,000. The convertible promissory notes accrued interest at a rate of 5% per annum. In November 2015, the aggregate principal amount of the convertible promissory notes and accrued interest totaling approximately $909,349 were converted into 117,328 shares of Series A-1 preferred stock at a conversion price of $7.75. The following table summarizes the convertible promissory notes issued to holders of more than five percent of our capital stock and their affiliated entities and our directors. None of our executive officers were issued convertible promissory notes.

Name of Stockholder	Loan Amount
Entities affiliated with Lightspeed Venture Partners(1)	$ 450,000
Sutter Hill Ventures(2)	450,000

(1) Includes convertible promissory notes purchased by Lightspeed Venture Partners X, L.P. and Lightspeed Affiliates X, L.P. Mr. Schaepe, a member of our board of directors, is a partner of Lightspeed General Partner X, L.P., the general partner of Lightspeed Venture Partners X, L.P. and Lightspeed Affiliates X, L.P., and a director of Lightspeed Ultimate General Partner X, Ltd., the general partner of Lightspeed General Partner X, L.P..

(2) Dr. Bird, a member of our board of directors, is a managing director and a member of the management committee and the general partner of Sutter Hill Ventures, a California Limited Partnership.

Preferred Stock Financings

In November 2015 and from February 2016 through April 2016, we issued and sold an aggregate of 4,438,691 shares of Series A-1 preferred stock at a purchase price of $7.75 per share for an aggregate purchase price of approximately $34.4 million.

In February 2017 and March 2017, we issued and sold an aggregate of 4,187,682 shares of our Series A-2 preferred stock at a purchase price of approximately $9.65 per share for an aggregate purchase price of approximately $40.4 million.

In October 2017, we issued and sold an aggregate of 7,589,523 shares of our Series B preferred stock at a purchase price of approximately $9.88 per share for an aggregate purchase price of approximately $75.0 million.

The following table summarizes the Series A-1, Series A-2 and Series B preferred stock purchased by holders of more than five percent of our capital stock and their affiliated entities and our directors. None of our executive officers purchased shares of preferred stock.

Name of Stockholder	Series A-1 Preferred Stock	Series A-2 Preferred Stock	Series B Preferred Stock	Aggregate Purchase Price
Entities affiliated with Lightspeed Venture Partners(1)	1,407,734	1,133,670	1,315,519	$ 34,846,801
Entities and individuals affiliated with Sutter Hill Ventures(2)	1,407,720	1,133,659	1,315,511	34,846,801
Clarus Lifesciences III, L.P.(3)	938,489	755,780	1,922,682	33,564,534
Investment advisory clients of Wellington Management Company, LLP(4)	—	—	2,023,876	20,000,000
Entities affiliated with GV(5)	516,129	518,279	511,558	14,055,229

(1) Includes shares of preferred stock purchased by (a) Lightspeed Venture Partners X, L.P., (b) Lightspeed Affiliates X, L.P. and (c) Lightspeed Venture Partners Select II, L.P. Mr. Schaepe, a member of our board of directors, is a partner of Lightspeed General Partner Select II, L.P., the general partner of Lightspeed Venture Partners Select II, L.P., and a director of Lightspeed Ultimate General Partner Select II, Ltd., the general partner of Lightspeed General Partner Select II, L.P., and a partner of Lightspeed General Partner X, L.P., the general partner of Lightspeed Venture Partners X, L.P. and Lightspeed Affiliates X, L.P., and a director of Lightspeed Ultimate General Partner X, Ltd., the general partner of Lightspeed General Partner X, L.P.

(2) Includes shares of preferred stock purchased by (a) Sutter Hill Ventures, a California Limited Partnership, or SHV (b) entities affiliated with Jeffrey W. Bird and (c) individuals affiliated with SHV and entities affiliated with such individuals. Dr. Bird, a member of our board of directors, is a managing director and member of the management committee of the general partner of SHV.

(3) Dr. Henner, a member of our board of directors, is a managing director of Clarus Ventures III, LLC, the general partner of Clarus Ventures III GP, L.P., the general partner of this entity.

(4) Represents shares held by Hadley Harbor Master Investors (Cayman) II L.P.

(5) Includes shares of preferred stock purchased by GV 2015, L.P. and GV 2016, L.P.

Upon the closing of this offering, each share of preferred stock will convert into one share of common stock. For a description of the material rights and privileges of the preferred stock, see Note 7 to our audited financial statements included elsewhere in this prospectus.

Investor Rights Agreement

In October 2017, we entered into an amended and restated investor rights agreement, or IRA, with certain holders of our preferred stock and common stock, including entities affiliated with Lightspeed Venture Partners, Sutter Hill Ventures and Clarus and including certain members of, and affiliates of, our directors and certain of our executive officers. The IRA provides the holders of our preferred stock with certain registration rights, including the right to demand that we file a registration statement or request that their shares be covered by a registration statement that we are otherwise filing. Dr. Bird, Dr. Henner and Mr. Schaepe, members of our board of directors, are affiliated with Sutter Hill Ventures, Clarus and Lightspeed Venture Partners, respectively. The IRA also provides these stockholders with information rights, which will terminate upon the closing of this offering, and a right of first refusal with regard to certain issuances of our capital stock, which will not apply to, and will terminate upon, the closing of, this offering. After the closing of this offering, the holders of 16,215,896 shares of common stock issuable on conversion of outstanding preferred stock, will be entitled to rights with respect to the registration of their shares of common stock under the Securities Act under this agreement. For a description of these registration rights, see “Description of Capital Stock—Registration Rights.”

Indemnification Agreements

Our amended and restated certificate of incorporation will contain provisions limiting the liability of directors, and our amended and restated bylaws will provide that we will indemnify each of our directors and officers to the fullest extent permitted under Delaware law. Our amended and restated certificate of incorporation and amended and restated bylaws will also provide our board of directors with discretion to indemnify our employees and other agents when determined appropriate by the board. In addition, we have entered into an indemnification agreement with each of our directors and executive officers, which requires us to indemnify them. For more information regarding these agreements, see "Executive Compensation—Limitations on Liability and Indemnification Matters."

Relationship with Stanford University

In November 2015, we entered into a license agreement with Stanford University, pursuant to which Stanford was issued 1,000,160 shares of common stock in November 2016. During 2016 and 2017, we made payments to Stanford of $960,722 and $638,954, respectively, under the Stanford license agreement for annual license fees and patent expense reimbursement.

Dr. Weissman and Dr. Majeti, members of our board of directors, are professors at Stanford. Dr. Weissman and Dr. Majeti are co-inventors of some of the patents that we license from Stanford. Under Stanford's policies, as co-inventors Dr. Weissman and Dr. Majeti are entitled to receive a share of any royalties that we pay to Stanford under the agreement with respect to the covered intellectual property. No royalty payments have been made to date.

Offer Letters

We have entered into offer letters or employment agreements with our executive officers. For more information regarding these agreements, see "Executive Compensation—Employment, Severance and Change in Control Agreements."

Equity Grants

We have granted stock options to our executive officers and certain members of our board of directors. For a description of these options, see "Executive Compensation" and "Management—Non-Employee Director Compensation."

Cash Bonus

We have established a cash bonus plan for certain of our executive officers. For a description of this plan, see "Executive Compensation" and "Management—2018 Annual Bonus Plan."

Related-Party Transaction Policy

We have adopted a formal written policy that our executive officers, directors, holders of more than five percent of any class of our voting securities, and any member of the immediate family of and any entity affiliated with any of the foregoing persons, will not be permitted to enter into a related-party transaction with us without the prior consent of our audit committee, or other independent members of our board of directors in the event it is inappropriate for our audit committee to review such transaction due to a conflict of interest. Any request for us to enter into a transaction with an executive officer, director, principal stockholder, or any of their immediate family members or affiliates, in which the amount involved exceeds $120,000 must first be presented to our audit committee for review, consideration and approval. In approving or rejecting any such proposal, our audit committee will consider the relevant facts and circumstances available and deemed relevant to our audit committee, including, but not limited to, whether the transaction will be on terms no less favorable than terms generally available to an unaffiliated third-party under the same or similar circumstances and the extent of the related-party's interest in the transaction.

All of the transactions described in this section were entered into prior to the adoption of this policy.

PRINCIPAL STOCKHOLDERS

The following table sets forth certain information with respect to the beneficial ownership of our common stock as of May 31, 2018:

- each of our named executive officers;
- each of our directors;
- all of our directors and executive officers as a group; and
- each person, or group of affiliated persons, known by us to beneficially own more than 5% of our common stock.

We have determined beneficial ownership in accordance with the rules of the SEC and therefore it represents sole or shared voting or investment power with respect to our securities. Unless otherwise indicated below, to our knowledge, the persons and entities named in the table have sole voting and sole investment power with respect to all shares that they beneficially owned, subject to community property laws where applicable. We have deemed shares of common stock subject to options that are currently exercisable or exercisable within 60 days of May 31, 2018, to be outstanding and to be beneficially owned by the person holding the option for the purpose of computing the percentage ownership of that person but have not treated them as outstanding for the purpose of computing the percentage ownership of any other person.

We have based percentage ownership of common stock before this offering on 22,939,021 shares of common stock outstanding as of May 31, 2018, which includes 16,215,896 shares of common stock resulting from the conversion of all outstanding shares of preferred stock immediately upon the closing of this offering, as if this conversion had occurred as of May 31, 2018. Percentage ownership of common stock after this offering assumes the sale of 6,700,000 shares of common stock in this offering and no exercise of the underwriters' over-allotment option.

Unless otherwise indicated, the address for each beneficial owner listed in the table below is c/o Forty Seven, Inc., 1490 O'Brien Drive, Suite A, Menlo Park, California 94025.

	Shares Beneficially Owned Prior to this Offering		Shares Beneficially Owned Following this Offering	
Name and Address of Beneficial Owner	**Shares**	**%**	**Shares**	**%**
Principal Stockholders:				
Entities affiliated with Lightspeed Ventures Partners(1)	3,856,923	16.8%	3,856,923	13.0%
Entities and individuals affiliated with Sutter Hill Ventures(2)	3,856,890	16.8	3,856,890	13.0
Clarus Lifesciences III, L.P.(3)	3,616,951	15.8	3,616,951	12.2
Investment advisory clients of Wellington Management Company, LLP(4)	2,023,876	8.8	2,023,876	6.8
Entities affiliated with GV(5)	1,545,966	6.7	1,545,966	5.2
Directors and Named Executive Officers:				
Mark A. McCamish, M.D.(6)	807,644	3.4	807,644	2.7
Chris H. Takimoto, M.D.(7)	314,190	1.4	314,190	1.0
Craig S. Gibbs, Ph.D.(8)	363,223	1.6	363,223	1.2
Kristine M. Ball(9)	7,258	*	7,258	*
Jeffrey W. Bird, M.D.(10)	3,877,535	16.9	3,877,535	13.1
Ian T. Clark(11)	126,493	*	126,493	*
Dennis J. Henner, Ph.D.(12)	3,637,596	15.8	3,637,596	12.3
Ravindra Majeti, M.D.(13)	1,586,356	6.9	1,586,356	5.3
Christopher J. Schaepe(14)	3,877,568	16.9	3,877,568	13.1
Irving L. Weissman, M.D.(15)	2,174,468	9.5	2,174,468	7.3
All directors and executive officers as a group (11 persons)(16)	16,858,587	68.5	16,858,587	53.8

* Represents beneficial ownership of less than 1%.

(1) Consists of (i) 2,474,368 shares held by Lightspeed Venture Partners X, L.P., or Lightspeed X, (ii) 1,315,519 shares held by Lightspeed Venture Partners Select II, L.P., or Lightspeed Select II, and (iii) 67,036 shares held by Lightspeed Affiliates X, L.P., or Lightspeed Affiliates. Lightspeed General Partner X, L.P., or Lightspeed GP X, is the general partner of Lightspeed X and Lightspeed Affiliates. Lightspeed Ultimate General Partner X, Ltd., or Lightspeed UGP X, is the general partner of Lightspeed GP X. Christopher J. Schaepe, Barry Eggers, Ravi Mhatre, Peter Nieh and Jeremy Liew are the directors of Lightspeed UGP X and share voting and dispositive power with respect to the shares held by Lightspeed X. Lightspeed General Partner Select II, L.P., or Select II GP, is the general partner of Lightspeed Select II. Lightspeed Ultimate General Partner Select II, Ltd., or Select II UGP, is the general partner of Select II GP. Mr. Schaepe, Eggers, Mhatre, Nieh and Liew are the directors of Select II UGP and share voting and dispositive power with respect to the shares held by Lightspeed Select II. Messrs. Schaepe, Eggers, Liew, Mhatre and Nieh disclaim beneficial ownership of the shares held by Lightspeed X, Lightspeed Affiliates and Lightspeed Select II except to the extent of their pecuniary interest herein. The address for Lightspeed Venture Partners is 2200 Sand Hill Road, Menlo Park, California 94025. Certain entities affiliated with Lightspeed Ventures Partners have indicated an interest in purchasing shares of our common stock in this offering at the initial public offering price. Because this indication of interest is not a binding agreement or commitment to purchase, Lightspeed Venture Partners may elect not to purchase shares in this offering or the underwriters may elect not to sell any shares in this offering to Lightspeed Venture Partners. However, if any shares are purchased by Lightspeed Venture Partners, the number of shares of common stock beneficially owned after this offering and the percentage of common stock beneficially owned after this offering will differ from that set forth in the table above.

(2) Consists of (a) 2,771,637 shares held by Sutter Hill Ventures, a California Limited Partnership, or SHV, and (b) an aggregate of 869,211 shares that are held by individuals affiliated with SHV and entities associated with such individuals, including the 216,042 shares beneficially owned by Dr. Bird and described in Footnote 10. Voting and investment authority over the shares held by SHV are shared by members of the management committee of the general partner of SHV, which consists of Jeffrey W. Bird, Tench Coxe, Stefan A. Dyckerhoff, Samuel J. Pullara III, Michael L. Speiser and James N. White. The address for Sutter Hill Ventures is 755 Page Mill Road, Suite A-200, Palo Alto, California 94304. Certain entities affiliated with SHV have indicated an interest in purchasing shares of our common stock in this offering at the initial public offering price. Because this indication of interest is not a binding agreement or commitment to purchase, SHV may elect not to purchase shares in this offering or the underwriters may elect not to sell any shares in this offering to SHV. However, if any shares are purchased by SHV, the number of shares of common stock beneficially owned after this offering and the percentage of common stock beneficially owned after this offering will differ from that set forth in the table above.

(3) Clarus Ventures III GP, L.P., or GPLP, as the sole general partner of Clarus Lifesciences III, L.P., or Clarus, may be deemed to beneficially own certain of the shares held by Clarus. GPLP disclaims beneficial ownership of all shares held by Clarus in which the GPLP does not have an actual pecuniary interest. Clarus Ventures III, LLC, or GPLLC, as the sole general partner of the GPLP, may be deemed to beneficially own certain of the shares held by Clarus. GPLLC disclaims beneficial ownership of all shares held by Clarus in which it does not have an actual pecuniary interest. Each of Dennis J. Henner, a member of our board of directors, Nicholas Galakatos, Robert Liptak, Nicholas Simon, Scott Requadt and Kurt Wheeler, as individual managing directors of GPLLC, may be deemed to beneficially own certain of the shares held of record by Clarus. Each of Dr. Henner and Messrs. Galakatos, Liptak, Simon, Requadt and Wheeler disclaims beneficial ownership of all shares held of record by Clarus in which he does not have an actual pecuniary interest. The address for Clarus Lifesciences III, L.P. is 101 Main Street, 12th Floor, Cambridge, Massachusetts 02142. Certain entities affiliated with Clarus have indicated an interest in purchasing shares of our common stock in this offering at the initial public offering price. Because this indication of interest is not a binding agreement or commitment to purchase, Clarus may elect not to purchase shares in this offering or the underwriters may elect not to sell any shares in this offering to Clarus. However, if any shares are purchased by Clarus, the number of shares of common stock beneficially owned after this offering and the

percentage of common stock beneficially owned after this offering will differ from that set forth in the table above.

(4) Represents shares held by Hadley Harbor Master Investors (Cayman) II L.P. Wellington Management Company, LLP, or Wellington Management, is an investment adviser registered under the Investment Advisers Act of 1940, as amended, and serves as the advisor to this entity. Wellington Management, in such capacity, may be deemed to share beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of the shares held by its client accounts. The address for Wellington Management Company, LLP is 280 Congress Street, Boston, Massachusetts 02210.

(5) Consists of (i) 1,034,408 shares held by GV 2015, L.P., or GV 2015 and (ii) 511,558 shares held by GV 2016, L.P., or GV 2016. Each of GV 2015 GP, L.L.C., the general partner of GV 2015, Alphabet Holdings LLC, or Alphabet Holdings, the sole member of GV 2015 GP, L.L.C., XXVI Holdings Inc., the managing member of Alphabet Holdings, and Alphabet Inc., or Alphabet, the sole stockholder of XXVI Holdings Inc. may be deemed to have sole power to vote or dispose of the shares held by GV 2015. Each of GV 2016 GP, L.P., the general partner of GV 2016, GV 2016 GP, L.L.C., the general partner of GV 2016 GP, L.P., Alphabet Holdings, the sole member of GV 2016 GP, L.L.C., XXVI Holdings Inc., the managing member of Alphabet Holdings and Alphabet, the sole stockholder of XXVI Holdings Inc., may be deemed to have sole power to vote or dispose of the shares held by GV 2016. The address for GV is 1600 Amphitheatre Parkway, Mountain View, California 94043.

(6) Includes 798,612 shares of common stock issuable to Dr. McCamish pursuant to options exercisable within 60 days of May 31, 2018, of which 587,599 shares would be unvested and subject to repurchase as of such date.

(7) Represents shares of common stock issuable to Dr. Takimoto pursuant to options exercisable within 60 days of May 31, 2018, of which 196,989 shares would be unvested and subject to repurchase as of such date.

(8) Includes 250,320 shares of common stock issuable to Dr. Gibbs pursuant to options exercisable within 60 days of May 31, 2018, of which 192,526 shares would be unvested and subject to repurchase as of such date.

(9) Represents shares of common stock issuable to Ms. Ball pursuant to options exercisable within 60 days of May 31, 2018.

(10) Includes (i) 667 shares held by Jeffrey W. Bird and Christina R. Bird, Co-Trustees of Jeffrey W. and Christina R. Bird Trust U/A/D 10/31/00, or the Bird Trust, (ii) 215,375 shares held by NestEgg Holdings, LP, or NestEgg, and (iii) 20,645 shares of common stock issuable to Dr. Bird pursuant to options exercisable within 60 days of May 31, 2018, all of which would be unvested and subject to repurchase as of such date. Dr. Bird is a managing director and member of the management committee of the general partner of SHV and shares voting and investment power over the shares held of record by SHV. Dr. Bird disclaims beneficial ownership of the shares held by the Bird Trust, NestEgg and SHV except to the extent of his pecuniary interest therein. See Footnote 2 above.

(11) Represents shares of common stock issuable to Mr. Clark pursuant to options exercisable within 60 days of May 31, 2018, of which 118,588 shares would be unvested and subject to repurchase as of such date.

(12) Consists of (i) the shares listed in Footnote 3 above and (ii) 20,645 shares of common stock issuable to Dr. Henner pursuant to options exercisable within 60 days of May 31, 2018, all of which would be unvested and subject to repurchase as of such date. Dr. Henner is a managing director of GPLLC, the general partner of GPLP, the general partner of Clarus. Dr. Henner disclaims beneficial ownership of all the shares held of record by Clarus in which he does not have an actual pecuniary interest.

(13) Includes (i) 359,324 shares subject to repurchase by us as of July 30, 2018 and (ii) 20,645 shares of common stock issuable to Dr. Majeti pursuant to options exercisable within 60 days of May 31, 2018, all of which would be unvested and subject to repurchase as of such date.

(14) Consists of (i) the shares listed in Footnote 1 above and (ii) 20,645 shares of common stock issuable to Mr. Schaepe pursuant to options exercisable within 60 days of May 31, 2018, all of which would be unvested and subject to repurchase as of such date. Mr. Schaepe is a (i) director of Lightspeed X UGP, the general partner of Lightspeed X GP, the general partner of Lightspeed X and Lightspeed Affiliates and (ii) director of Select II UGP, the general partner of Select II GP, the general partner of Lightspeed Select II.

Mr. Schaepe disclaims beneficial ownership of the shares held by Lightspeed X, Lightspeed Affiliates and Lightspeed Select II except to the extent of his pecuniary interest herein.

(15) Includes (i) 2,153,823 shares held by Ann Tsukamoto and Irving Weissman, trustees of The Tsukamoto-Weissman 2011 Trust dated March 16, 2011, as community property and (ii) 20,645 shares of common stock issuable to Dr. Weissman pursuant to options exercisable within 60 days of May 31, 2018, all of which would be unvested and subject to repurchase as of such date.

(16) Includes (i) 15,183,651 shares of common stock beneficially owned by our directors and executive officers, of which 370,742 shares are subject to repurchase by us as of July 30, 2018 and (ii) 1,674,936 shares are issuable pursuant to options exercisable within 60 days of May 31, 2018, of which 1,273,765 shares would be unvested and subject to repurchase as of such date.

DESCRIPTION OF CAPITAL STOCK

The description below of our capital stock and provisions of our amended and restated certificate of incorporation and amended and restated bylaws are summaries and are qualified by reference to the amended and restated certificate of incorporation and the amended and restated bylaws to be in effect upon the closing of this offering, which are filed as exhibits to the registration statement of which this prospectus is part, and by the applicable provisions of Delaware law.

General

Upon the closing of this offering, our amended and restated certificate of incorporation will authorize us to issue up to 200,000,000 shares of common stock, $0.0001 par value per share, and 10,000,000 shares of preferred stock, $0.0001 par value per share.

As of March 31, 2018, there were 6,709,207 shares of common stock issued and outstanding, held by 71 stockholders of record.

As of March 31, 2018, after giving effect to the conversion of all outstanding shares of preferred stock into 16,215,896 shares of common stock, there would have been 22,925,103 shares of common stock issued and outstanding, held by 125 stockholders of record.

Common Stock

Voting Rights

Each holder of 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. Under our amended and restated certificate of incorporation and amended and restated bylaws, our stockholders will not have cumulative voting rights. Because of this, the holders of a majority of the shares of common stock entitled to vote in any election of directors can elect all of the directors standing for election.

Dividend Rights

Subject to preferences that may apply to any then-outstanding preferred stock, the holders of common stock are entitled to receive ratably those dividends, if any, as may be declared from time to time by the board of directors out of legally available funds. We do not anticipate paying any cash dividends in the foreseeable future.

Liquidation Rights

In the event of our liquidation, dissolution or winding up, holders of 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.

Preemptive or Similar Rights

Holders of common stock have no preemptive, conversion or subscription rights and there are no redemption or sinking fund provisions applicable to the common stock. The rights, preferences and privileges of the holders of common stock are subject to, and may be adversely affected by, the rights of the holders of shares of any series of preferred stock that we may designate in the future.

Preferred Stock

As of March 31, 2018, there were 16,215,896 shares of preferred stock outstanding. Upon the closing of this offering, each outstanding share of preferred stock will convert into one share of common stock. On the closing of this offering and under our amended and restated certificate of incorporation, our board of directors may, without further action by our stockholders, fix the rights, preferences, privileges and restrictions of up to an aggregate of 10,000,000 shares of preferred stock in one or more series and authorize their issuance. These rights, preferences and privileges could include dividend rights, conversion rights, voting rights, terms of redemption, liquidation preferences and the number of shares constituting any series or the designation of such series, any or all of which may be greater than the rights of common stock. Any issuance of preferred stock could adversely affect the voting power of holders of common stock and the likelihood that such holders would receive dividend payments and payments on liquidation. In addition, the issuance of preferred stock could have the effect of delaying, deterring or preventing a change of control or other corporate action. No shares of preferred stock will be outstanding immediately following the closing of this offering. We have no present plan to issue any shares of preferred stock.

Stock Options

As of March 31, 2018, options to purchase an aggregate of 2,206,642 shares of common stock were outstanding under our 2015 Equity Incentive Plan. Subsequent to March 31, 2018, we granted options to purchase an additional 1,199,143 shares of common stock. As of March 31, 2018, 166,856 shares of common stock were reserved for future issuance under our 2015 Equity Incentive Plan. Subsequent to March 31, 2018, we reserved an additional 1,677,419 shares of common stock for future issuance under this plan. All reserved shares will cease to be available for issuance at the time our 2018 Plan becomes effective in connection with this offering. For additional information regarding the terms of these plans, see the section titled "Executive Compensation—Employee Benefit Plans."

Registration Rights

We are party to an Investor Rights Agreement, or IRA, which provides that certain holders of shares of common stock, including those shares of common stock that will be issued upon conversion of preferred stock in connection with this offering. These shares are referred to as registrable securities. The holders of these registrable securities possess registration rights pursuant to the terms of the IRA and are described in additional detail below. We, along with entities affiliated with Lightspeed Venture Partners, Sutter Hill Ventures, Clarus and GV, as well as other stockholders, are parties to the IRA. We entered into the IRA in connection with the issuance of Series B preferred stock in October 2017. The following summary discusses certain material provisions of the IRA and is qualified by the full text of the agreement, which is filed as an exhibit to the registration statement of which this prospectus is a part.

Certain stockholders who are party to the IRA have waived their registration rights and the registration rights of the other stockholders who are party to the IRA, in each case, with respect to this offering.

The registration of shares of common stock pursuant to the exercise of registration rights described below would enable the holders to trade these shares without restriction under the Securities Act when the applicable registration statement is declared effective. We will pay the registration expenses (other than underwriting discounts, selling commissions and stock transfer taxes) of the shares registered pursuant to the demand, piggyback and Form S-3 registrations described below.

Generally, in an underwritten offering, if we determine in good faith in consultation with the underwriters, we have the right, subject to specified conditions, to limit the number of shares the holders may include. The demand, piggyback and Form S-3 registration rights described below will terminate on the date five years following the closing part of this offering.

Demand Registration Rights

The holders of an aggregate of 16,215,896 shares of common stock issuable upon conversion of outstanding shares of preferred stock will be entitled to certain demand registration rights. Ending on the date 180 days following the effective date of the registration statement of which this prospectus is a part, upon the written request of the holders of more than 50% of our registrable securities then outstanding that we file a registration statement under the Securities Act covering at least 50% of the registrable securities then outstanding, or lesser percent if the anticipated aggregate offering price, net of selling expenses, would exceed $7,500,000, we are obligated to register the sale of all registrable securities that the holders may request in writing to be registered. We are required to effect no more than two registration statements that are declared or ordered effective. We may postpone the filing of a registration statement for up to 120 days once in a 12-month period if in the good faith judgment of our board of directors such registration would be seriously detrimental to us.

Piggyback Registration Rights

The holders of an aggregate of 16,215,896 shares of common stock issuable upon conversion of outstanding shares of preferred stock will be entitled to certain piggyback registration rights. If we register any of our securities for public sale, either for our own account or for the account of other security holders, we will also have to register all registrable securities that the holders of such securities request in writing be registered. This piggyback registration right does not apply to a registration relating to any of our stock plans, stock purchase or similar plan, a transaction under Rule 145 of the Securities Act or a registration related to stock issued upon conversion of debt securities. We, based on consultation with the underwriters of any underwritten offering will have the right to limit the number of shares registered by these holders if the underwriters determine that including all registrable securities will jeopardize the success of the offering.

Form S-3 Registration Rights

The holders of an aggregate of 16,215,896 shares of common stock issuable upon conversion of outstanding shares of preferred stock will be entitled to certain registration rights on Form S-3. The holders of these shares can request that we register all or a portion of their shares on Form S-3 if we are eligible to file a registration statement on Form S-3 and the aggregate price to the public of the shares offered is in excess of $1.0 million (net of underwriting discounts and commissions, if any). We are required to effect no more than two Form S-3 registration statements that are declared or ordered effective in any 12-month period. We may postpone the filing of a registration statement for up to 120 days not more than twice in a 12-month period if in the good faith judgment of our board of directors such registration would be seriously detrimental to us.

Anti-Takeover Provisions

Section 203 of the Delaware General Corporation Law

We are subject to Section 203 of the Delaware General Corporation Law, which prohibits a Delaware corporation from engaging in any business combination with any interested stockholder for a period of three years after the date that such stockholder became an interested stockholder, with the following exceptions:

- before such date, the board of directors of the corporation approved either the business combination or the transaction that resulted in the stockholder becoming an interested stockholder;
- upon closing of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction began, excluding for purposes of determining the voting stock outstanding (but not the outstanding voting stock owned by the interested stockholder) those shares owned (i) by persons who are directors and also officers and (ii) employee stock plans in which employee participants do not

have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or

- on or after such date, the business combination is approved by the board of directors and authorized at an annual or special meeting of the stockholders, and not by written consent, by the affirmative vote of at least 66 2/3% of the outstanding voting stock that is not owned by the interested stockholder.

In general, Section 203 defines a "business combination" to include the following:

- any merger or consolidation involving the corporation and the interested stockholder;
- any sale, transfer, pledge or other disposition of 10% or more of the assets of the corporation involving the interested stockholder;
- subject to certain exceptions, any transaction that results in the issuance or transfer by the corporation of any stock of the corporation to the interested stockholder;
- any transaction involving the corporation that has the effect of increasing the proportionate share of the stock or any class or series of the corporation beneficially owned by the interested stockholder; or
- the receipt by the interested stockholder of the benefit of any loans, advances, guarantees, pledges or other financial benefits by or through the corporation.

In general, Section 203 defines an "interested stockholder" as an entity or person who, together with the person's affiliates and associates, beneficially owns, or within three years prior to the time of determination of interested stockholder status did own, 15% or more of the outstanding voting stock of the corporation.

A Delaware corporation may "opt out" of these provisions with an express provision in its original certificate of incorporation or an express provision in its amended and restated certificate of incorporation or amended and restated bylaws resulting from a stockholders' amendment approved by at least a majority of the outstanding voting shares. We have not opted out of these provisions. As a result, mergers or other takeover or change in control attempts of us may be discouraged or prevented.

Certificate of Incorporation and Bylaws to be in Effect Upon the Closing of this Offering

Among other things, our amended and restated certificate of incorporation and amended and restated bylaws will:

- permit our board of directors to issue up to 10,000,000 shares of preferred stock, with any rights, preferences and privileges as they may designate, including the right to approve an acquisition or other change of control;
- provide that the authorized number of directors may be changed only by resolution of our board of directors;
- provide that our board of directors will be classified into three classes of directors;
- provide that, subject to the rights of any series of preferred stock to elect directors, directors may only be removed for cause, which removal may be effected, subject to any limitation imposed by law, by the holders of at least 66 2/3% of the voting power of all of our then-outstanding shares of the capital stock entitled to vote generally at an election of directors;
- provide that all vacancies, including newly created directorships, may, except as otherwise required by law, be filled by the affirmative vote of a majority of directors then in office, even if less than a quorum;
- require that any action to be taken by our stockholders must be effected at a duly called annual or special meeting of stockholders and not be taken by written consent or electronic transmission;

- provide that stockholders seeking to present proposals before a meeting of stockholders or to nominate candidates for election as directors at a meeting of stockholders must provide advance notice in writing, and also specify requirements as to the form and content of a stockholder's notice;
- provide that special meetings of our stockholders may be called only by the chairman of our board of directors, our chief executive officer or by our board of directors pursuant to a resolution adopted by a majority of the total number of authorized directors; and
- not provide for cumulative voting rights, therefore allowing the holders of a majority of the shares of common stock entitled to vote in any election of directors to elect all of the directors standing for election, if they should so choose.

The amendment of any of these provisions would require approval by the holders of at least 66 2/3% of the voting power of all of our then-outstanding capital stock entitled to vote generally in the election of directors, voting together as a single class.

The combination of these provisions will make it more difficult for our existing stockholders to replace our board of directors as well as for another party to obtain control of us by replacing our board of directors. Since our board of directors has the power to retain and discharge our officers, these provisions could also make it more difficult for existing stockholders or another party to effect a change in management. In addition, the authorization of 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 change our control.

These provisions are intended to enhance the likelihood of continued stability in the composition of our board of directors and its policies and to discourage coercive takeover practices and inadequate takeover bids. These provisions are also designed to reduce our vulnerability to hostile takeovers and to discourage certain tactics that may be used in proxy fights. However, such provisions could have the effect of discouraging others from making tender offers for our shares and may have the effect of delaying changes in our control or management. As a consequence, these provisions may also inhibit fluctuations in the market price of our stock.

Choice of Forum

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: (i) any derivative action or proceeding brought on our behalf; (ii) any action asserting a breach of fiduciary duty owed by any director, officer or other employee to us or our stockholders; (iii) any action asserting a claim against us or any director or officer or other employee arising pursuant to the Delaware General Corporation Law, our amended and restated certificate of incorporation or amended and restated bylaws; or (iv) any action asserting a claim against us or any director or officer or other employee that is governed by the internal affairs doctrine. Our amended and restated certificate of incorporation further provides that the federal district courts of the United States of America will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act.

Limitations of Liability and Indemnification

See the section titled "Executive Compensation—Limitations on Liability and Indemnification Matters."

Exchange Listing

Our common stock is currently not listed on any securities exchange. We have applied to list our common stock on The Nasdaq Global Market under the symbol "FTSV."

Transfer Agent and Registrar

The transfer agent and registrar for our common stock will be American Stock Transfer & Trust Company, LLC. The transfer agent's address is 6201 15th Avenue, Brooklyn, New York 11219, and its telephone number is (718) 921-8124.

SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, no public market existed for our common stock. Future sales of shares of our common stock in the public market after this offering, and the availability of shares for future sale, could adversely affect the market price of our common stock prevailing from time to time. As described below, only a limited number of shares will be available for sale shortly after this offering due to contractual and legal restrictions on resale. Nonetheless, sales of substantial amounts of our common stock, or the perception that these sales could occur, could adversely affect prevailing market prices for our common stock and could impair our future ability to raise equity capital.

Based on the number of shares outstanding on March 31, 2018, upon the closing of this offering, 29,625,103 shares of common stock will be outstanding, assuming no exercise of the underwriters' over-allotment option, and no exercise of outstanding options. All of the shares of common stock sold in this offering will be freely tradable without restrictions or further registration under the Securities Act, except for any shares sold to our "affiliates," as that term is defined under Rule 144 under the Securities Act.

The remaining shares of common stock and common stock subject to stock options will be on issuance "restricted securities," as that term is defined in Rule 144 under the Securities Act. Restricted securities may be sold in the public market only if registered under the Securities Act or if they qualify for exemption from registration under Rules 144 or 701 under the Securities Act, which are summarized below. Restricted securities may also be sold outside of the United States to non-U.S. persons in accordance with Rule 904 of Regulation S.

Rule 144

In general, persons who have beneficially owned restricted shares of our common stock for at least six months, and any of our affiliates who own either restricted or unrestricted shares of our common stock, are entitled to sell their securities without registration with the SEC under an exemption from registration provided by Rule 144 under the Securities Act.

In general, a person who has beneficially owned restricted shares of our common stock for at least six months would be entitled to sell their securities provided that (i) such person is not deemed to have been one of our affiliates at the time of, or at any time during the 90 days preceding, a sale, (ii) we have been subject to the Exchange Act periodic reporting requirements for at least 90 days before the sale, and (iii) we are current in our Exchange Act reporting at the time of sale. Persons who have beneficially owned restricted shares of our common stock for at least six months, but who are our affiliates at the time of, or any time during the 90 days preceding, a sale, would be subject to additional restrictions, by which such person would be entitled to sell within any three-month period only a number of securities that does not exceed the greater of either of the following:

- 1% of the number of shares of common stock then outstanding, which will equal approximately 296,251 shares immediately after the closing of this offering based on the number of shares of common stock outstanding as of March 31, 2018; or
- the average weekly trading volume of our common stock during the four calendar weeks preceding the filing of a notice on Form 144 with respect to the sale;

provided, in each case that we have been subject to the Exchange Act periodic reporting requirements for at least 90 days before the sale. Such sales both by affiliates and by non-affiliates must also comply with the manner of sale, current public information and notice provisions of Rule 144.

Substantially all of the restricted shares are subject to lock-up agreements as described below and in the section titled "Underwriters."

Rule 701

Rule 701 under the Securities Act, as in effect on the date of this prospectus, permits resales of shares in reliance upon Rule 144 but without compliance with certain restrictions of Rule 144, including the holding period requirement. Most of our employees, executive officers or directors who purchased shares under a written compensatory plan or contract may be entitled to rely on the resale provisions of Rule 701, but all holders of Rule 701 shares are required to wait until 90 days after the date of this prospectus before selling their shares. However, substantially all Rule 701 shares are subject to lock-up agreements as described below and in the section titled "Underwriters" and will become eligible for sale upon the expiration of the restrictions set forth in those agreements.

Form S-8 Registration Statements

As soon as practicable after the closing of this offering, we intend to file with the SEC one or more registration statements on Form S-8 under the Securities Act to register the shares of common stock that are issuable pursuant to our 2015 Plan, 2018 Plan and 2018 ESPP. These registration statements will become effective immediately upon filing. Shares covered by these registration statements will then be eligible for sale in the public markets, subject to vesting restrictions, the applicable lock-up agreements described below and Rule 144 limitations applicable to affiliates.

Lock-Up Agreements

We and all of our directors and officers, as well as the other holders of substantially all of our common stock and securities convertible into or exercisable or exchangeable for our common stock outstanding immediately upon the closing of this offering, have agreed with Morgan Stanley & Co. LLC and Credit Suisse Securities (USA) LLC on behalf of the underwriters that, for a period ending on and including the 180th day following the date of this prospectus, subject to certain exceptions, we and they will not, directly or indirectly, dispose of any of our common stock or securities convertible into or exercisable or exchangeable for common stock, except with the prior written consent of Morgan Stanley & Co. LLC and Credit Suisse Securities (USA) LLC, in their sole discretion, with or without notice, on behalf of the underwriters. See the section titled "Underwriters" for a more complete description of the lock-up agreements with the underwriters.

In addition to the restrictions contained in the lock-up agreements described above, we have entered into agreements with certain security holders, including our IRA and our standard form of notice of exercise under our 2015 Plan, that contain market stand-off provisions imposing restrictions on the ability of such security holders to offer, sell or transfer our equity securities for a period ending on and including the 180th day following the date of this prospectus.

Registration Rights

Upon the closing of this offering, the holders of 16,215,896 shares of our common stock issuable upon conversion of outstanding shares of preferred stock, or their transferees, will be entitled to certain rights with respect to the registration of their shares under the Securities Act. Registration of these shares under the Securities Act would result in the shares becoming freely tradable without restriction under the Securities Act immediately upon the effectiveness of the registration. See the section titled "Description of Capital Stock—Registration Rights" for additional information.

MATERIAL UNITED STATES FEDERAL INCOME TAX CONSEQUENCES TO NON-U.S. HOLDERS OF OUR COMMON STOCK

The following is a summary of the material U.S. federal income tax consequences to non-U.S. holders (as defined below) of the acquisition, ownership and disposition of our common stock issued pursuant to this offering. This discussion is not a complete analysis of all potential U.S. federal income tax consequences relating thereto, does not address the potential application of the Medicare contribution tax on net investment income, and does not address any estate or gift tax consequences or any tax consequences arising under any state, local or foreign tax laws, or any other U.S. federal tax laws. This discussion is based on the Internal Revenue Code of 1986, as amended, or the Code, and applicable Treasury Regulations promulgated thereunder, judicial decisions and published rulings and administrative pronouncements of the Internal Revenue Service, or IRS, all as in effect as of the date hereof. These authorities are subject to differing interpretations and may change, possibly retroactively, resulting in U.S. federal income tax consequences different from those discussed below. We have not requested a ruling from the IRS with respect to the statements made and the conclusions reached in the following summary, and there can be no assurance that the IRS or a court will agree with such statements and conclusions.

This discussion is limited to non-U.S. holders who purchase our common stock pursuant to this offering and who hold our common stock as a "capital asset" within the meaning of Section 1221 of the Code (generally, property held for investment). This discussion does not address all of the U.S. federal income tax consequences that may be relevant to a particular holder in light of such holder's particular circumstances. This discussion also does not consider any specific facts or circumstances that may be relevant to holders subject to special rules under the U.S. federal income tax laws, including:

- certain former citizens or long-term residents of the United States;
- partnerships or other pass-through entities (and investors therein);
- "controlled foreign corporations";
- "passive foreign investment companies";
- corporations that accumulate earnings to avoid U.S. federal income tax;
- banks, financial institutions, investment funds, insurance companies, brokers, dealers or traders in securities;
- tax-exempt organizations and governmental organizations;
- tax-qualified retirement plans;
- persons subject to the alternative minimum tax;
- persons that own, or have owned, actually or constructively, more than 5% of our common stock;
- accrual-method taxpayers subject to special tax accounting rules under Section 451(b) of the Code;
- persons who have elected to mark securities to market; and
- persons holding our common stock as part of a hedging or conversion transaction or straddle, or a constructive sale, or other risk reduction strategy or integrated investment.

If an entity or arrangement that is classified as a partnership for U.S. federal income tax purposes holds our common stock, the U.S. federal income tax treatment of a partner in the partnership will generally depend on the status of the partner and the activities of the partnership. Partnerships holding our common stock and the partners in such partnerships are urged to consult their tax advisors about the particular U.S. federal income tax consequences to them of holding and disposing of our common stock.

THIS DISCUSSION IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT TAX ADVICE. PROSPECTIVE INVESTORS SHOULD CONSULT THEIR TAX ADVISORS REGARDING THE PARTICULAR U.S. FEDERAL INCOME TAX CONSEQUENCES TO THEM OF ACQUIRING, OWNING AND DISPOSING OF OUR COMMON STOCK, AS WELL AS ANY TAX CONSEQUENCES ARISING UNDER ANY STATE, LOCAL OR FOREIGN TAX LAWS AND ANY OTHER U.S. FEDERAL TAX LAWS. IN ADDITION, SIGNIFICANT CHANGES IN U.S. FEDERAL INCOME TAX LAWS WERE RECENTLY ENACTED. YOU SHOULD ALSO CONSULT WITH YOUR TAX ADVISOR WITH RESPECT TO SUCH CHANGES IN U.S. TAX LAW AS WELL AS POTENTIAL CONFORMING CHANGES IN STATE TAX LAWS.

Definition of Non-U.S. Holder

For purposes of this discussion, a non-U.S. holder is any beneficial owner of our common stock that is not a "U.S. person" or a partnership (including any entity or arrangement treated as a partnership) for U.S. federal income tax purposes. A U.S. person is any person that, for U.S. federal income tax purposes, is or is treated as any of the following:

- an individual who is a citizen or resident of the United States;
- a corporation (or entity treated as a corporation for U.S. federal income tax purposes) created or organized 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 (1) whose administration is subject to the primary supervision of a U.S. court and which has one or more U.S. persons who have the authority to control all substantial decisions of the trust or (2) that has a valid election in effect under applicable Treasury Regulations to be treated as a U.S. person.

Distributions on Our Common Stock

As described under the section titled "Dividend Policy," we have not paid and do not anticipate paying dividends. However, if we make cash or other property distributions on our common stock, such distributions will constitute dividends for U.S. federal income tax purposes to the extent paid from our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Amounts not treated as dividends for U.S. federal income tax purposes will constitute a return of capital and will first be applied against and reduce a holder's tax basis in our common stock, but not below zero. Any excess will be treated as gain realized on the sale or other disposition of our common stock and will be treated as described under the section titled "—Gain on Disposition of Our Common Stock" below.

Subject to the discussions below regarding effectively connected income, backup withholding and Sections 1471 through 1474 of the Code (commonly referred to as FATCA), dividends paid to a non-U.S. holder of our common stock generally will be subject to U.S. federal withholding tax at a rate of 30% of the gross amount of the dividends or such lower rate specified by an applicable income tax treaty. To receive the benefit of a reduced treaty rate, a non-U.S. holder must furnish us or our paying agent with a valid IRS Form W-8BEN or IRS Form W-8BEN-E (or applicable successor form) including a U.S. taxpayer identification number and certifying such holder's qualification for the reduced rate. This certification must be provided to us or our paying agent before the payment of dividends and must be updated periodically. If the non-U.S. holder holds the stock through a financial institution or other agent acting on the non-U.S. holder's behalf, the non-U.S. holder will be required to provide appropriate documentation to the agent, which then will be required to provide certification to us or our paying agent, either directly or through other intermediaries.

Non-U.S. holders that do not provide the required certification on a timely basis, but that qualify for a reduced treaty rate, may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS.

If a non-U.S. holder holds our common stock in connection with the conduct of a trade or business in the United States, and dividends paid on our common stock are effectively connected with such holder's U.S. trade or business (and are attributable to such holder's permanent establishment in the United States if required by an applicable tax treaty), the non-U.S. holder will be exempt from U.S. federal withholding tax. To claim the exemption, the non-U.S. holder must generally furnish a valid IRS Form W-8ECI (or applicable successor form) to the applicable withholding agent.

However, any such effectively connected dividends paid on our common stock generally will be subject to U.S. federal income tax on a net income basis at the regular graduated U.S. federal income tax rates in the same manner as if such holder were a resident of the United States. A non-U.S. holder that is a foreign corporation also may be subject to an additional branch profits tax equal to 30% (or such lower rate specified by an applicable income tax treaty) of its effectively connected earnings and profits for the taxable year, as adjusted for certain items. Non-U.S. holders should consult their tax advisors regarding any applicable income tax treaties that may provide for different rules.

Gain on Disposition of Our Common Stock

Subject to the discussions below regarding backup withholding and FATCA, a non-U.S. holder generally will not be subject to U.S. federal income tax on any gain realized on the sale or other disposition of our common stock, unless:

- the gain is effectively connected with the non-U.S. holder's conduct of a trade or business in the United States, and if required by an applicable income tax treaty, is attributable to a permanent establishment maintained by the non-U.S. holder in the United States;
- the non-U.S. holder is a nonresident alien individual present in the United States for 183 days or more during the taxable year of the disposition, and certain other requirements are met; or
- our common stock constitutes a "United States real property interest" by reason of our status as a United States real property holding corporation, or USRPHC, for U.S. federal income tax purposes at any time within the shorter of the five-year period preceding the disposition or the non-U.S. holder's holding period for our common stock, and our common stock is not regularly traded on an established securities market during the calendar year in which the sale or other disposition occurs.

Determining whether we are a USRPHC depends on the fair market value of our U.S. real property interests relative to the fair market value of our other trade or business assets and our foreign real property interests. We believe that we are not currently and do not anticipate becoming a USRPHC for U.S. federal income tax purposes, although there can be no assurance we will not in the future become a USRPHC.

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 graduated U.S. federal income tax rates in the same manner as if such holder were a resident of the United States. A non-U.S. holder that is a foreign corporation also may be subject to an additional branch profits tax equal to 30% (or such lower rate specified by an applicable income tax treaty) of its effectively connected earnings and profits for the taxable year, as adjusted for certain items. Gain described in the second bullet point above will be subject to U.S. federal income tax at a flat 30% rate (or such lower rate specified by an applicable income tax treaty), but may be offset by certain U.S.-source capital losses (even though the individual is not considered a resident of the United States), provided that the non-U.S. holder has timely filed U.S. federal income tax returns with respect to such losses. Non-U.S. holders should consult their tax advisors regarding any applicable income tax treaties that may provide for different rules.

Information Reporting and Backup Withholding

Annual reports are required to be filed with the IRS and provided to each non-U.S. holder indicating the amount of dividends on our common stock paid to such holder and the amount of any tax withheld with respect

to those dividends. These information reporting requirements apply even if no withholding was required because the dividends were effectively connected with the holder's conduct of a U.S. trade or business, or withholding was reduced or eliminated by an applicable income tax treaty. This information also may be made available under a specific treaty or agreement with the tax authorities in the country in which the non-U.S. holder resides or is established. Backup withholding, currently at a 24% rate, generally will not apply to payments to a non-U.S. holder of dividends on or the gross proceeds of a disposition of our common stock provided the non-U.S. holder furnishes the required certification for its non-U.S. status, such as by providing a valid IRS Form W-8BEN, IRS Form W-8BEN-E or IRS Form W-8ECI, or certain other requirements are met. Backup withholding may apply if the payor has actual knowledge, or reason to know, that the holder is a U.S. person who is not an exempt recipient.

Backup withholding is not an additional tax. If any amount is withheld under the backup withholding rules, the non-U.S. holder should consult with a U.S. tax advisor regarding the possibility of and procedure for obtaining a refund or a credit against the non-U.S. holder's U.S. federal income tax liability, if any.

Withholding on Foreign Entities

FATCA imposes a U.S. federal withholding tax of 30% on certain payments made to a "foreign financial institution" (as specially defined under these rules) unless such institution enters into an agreement with the U.S. government to withhold on certain payments and to collect and provide to the U.S. tax authorities substantial information regarding certain U.S. account holders of such institution (which includes certain equity and debt holders of such institution, as well as certain account holders that are foreign entities with U.S. owners) or an exemption applies. FATCA also generally will impose a U.S. federal withholding tax of 30% on certain payments made to a non-financial foreign entity unless such entity provides the withholding agent a certification identifying certain direct and indirect U.S. owners of the entity or an exemption applies. An intergovernmental agreement between the United States and an applicable foreign country may modify these requirements. Under certain circumstances, a non-U.S. holder might be eligible for refunds or credits of such taxes. FATCA currently applies to dividends paid on our common stock. FATCA will also apply to gross proceeds from sales or other dispositions of our common stock after December 31, 2018.

Prospective investors are encouraged to consult with their own tax advisors regarding the possible implications of this legislation on their investment in our common stock.

UNDERWRITERS

Under the terms and subject to the conditions in an underwriting agreement dated the date of this prospectus, the underwriters named below, for whom Morgan Stanley & Co. LLC and Credit Suisse Securities (USA) LLC are acting as representatives, have severally agreed to purchase, and we have agreed to sell to them, severally, the number of shares of common stock indicated below:

Name	Number of Shares
Morgan Stanley & Co. LLC	
Credit Suisse Securities (USA) LLC	
Canaccord Genuity LLC	
BTIG, LLC	
Oppenheimer & Co. Inc.	
Total	6,700,000

The underwriters and the representatives are collectively referred to as the "underwriters" and the "representatives," respectively. The underwriters are offering the shares of common stock subject to their acceptance of the shares from us and subject to prior sale. The underwriting agreement provides that the obligations of the several underwriters to pay for and accept delivery of the shares of common stock offered by this prospectus are subject to the approval of certain legal matters by their counsel and to certain other conditions. The underwriters are obligated to take and pay for all of the shares of common stock offered by this prospectus if any such shares are taken. However, the underwriters are not required to take or pay for the shares covered by the underwriters' over-allotment option described below.

The underwriters initially propose to offer part of the shares of common stock directly to the public at the offering price listed on the cover page of this prospectus and part to certain dealers at a price that represents a concession not in excess of $ per share under the public offering price. After the initial offering of the shares of common stock, the offering price and other selling terms may from time to time be varied by the representatives.

We have granted to the underwriters an option, exercisable for 30 days from the date of this prospectus, to purchase up to 1,005,000 additional shares of common stock at the public offering price listed on the cover page of this prospectus, less underwriting discounts and commissions. The underwriters may exercise this option solely for the purpose of covering over-allotments, if any, made in connection with the offering of the shares of common stock offered by this prospectus. To the extent the option is exercised, each underwriter will become obligated, subject to certain conditions, to purchase about the same percentage of the additional shares of common stock as the number listed next to the underwriter's name in the preceding table bears to the total number of shares of common stock listed next to the names of all underwriters in the preceding table.

Certain of our existing stockholders or their affiliates, including entities affiliated with Lightspeed Venture Partners, Sutter Hill Ventures or Clarus, each a beneficial owner of more than 5% of our capital stock and an affiliate of one of our directors, and certain other persons, have indicated an interest in purchasing up to an aggregate of $30.0 million in shares of our common stock in this offering at the initial public offering price. However, because indications of interest are not binding agreements or commitments to purchase, the underwriters may determine to sell more, fewer or no shares in this offering to any or all of these entities, or any or all of these entities may determine to purchase more, fewer or no shares in this offering. The underwriters will receive the same underwriting discount on any shares purchased by these entities as they will on any other shares sold to the public in this offering.

The following table shows the per share and total public offering price, underwriting discounts and commissions, and proceeds before expenses to us. These amounts are shown assuming both no exercise and full exercise of the underwriters' over-allotment option to purchase up to an additional 1,005,000 shares of common stock.

		Total	
	Per Share	No Exercise	Full Exercise
Public offering price	$	$	$
Underwriting discounts and commissions to be paid by us	$	$	$
Proceeds, before expenses, to us	$	$	$

The estimated offering expenses payable by us, exclusive of the underwriting discounts and commissions, are approximately $3,500,000. We have agreed to reimburse the underwriters for expenses of up to $35,000 relating to clearance of this offering with the Financial Industry Regulatory Authority, Inc. and compliance with state securities or "blue sky" laws.

The underwriters have informed us that they do not intend sales to discretionary accounts to exceed 5% of the total number of shares of common stock offered by them.

We have applied to list our common stock on The Nasdaq Global Market under the trading symbol "FTSV."

We and all of our directors and officers and the holders of substantially all of our common stock, stock options and other securities convertible into, exercisable or exchangeable for our common stock outstanding immediately prior to the closing of this offering have agreed that, without the prior written consent of the representatives on behalf of the underwriters, we and they will not, during the period ending on and including the 180th day after the date of this prospectus (the "restricted period"):

- offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any shares of common stock or any securities convertible into or exercisable or exchangeable for shares of common stock;
- file any registration statement with the SEC relating to the offering of any shares of common stock or any securities convertible into or exercisable or exchangeable for common stock; or
- enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the common stock;

whether any such transaction described above is to be settled by delivery of common stock or such other securities, in cash or otherwise. In addition, we and each such person agrees that, without the prior written consent of the representatives on behalf of the underwriters, we or such other person will not, during the restricted period, make any demand for, or exercise any right with respect to, the registration of any shares of common stock or any security convertible into or exercisable or exchangeable for common stock.

The restrictions described in the immediately preceding paragraph are subject to specified exceptions, including, without limitation:

- the sale of shares to the underwriters;
- the issuance by us of shares of common stock upon the exercise of an option or a warrant or the conversion of a security outstanding on the date of this prospectus of which the underwriters have been advised in writing;
- transactions by any person other than us relating to shares of common stock or other securities acquired in this offering or in open market transactions after the closing of this offering;

- transfers of shares of common stock or any security convertible into common stock (a) as a bona fide gift or charitable contribution, (b) to an immediate family member or any trust for the direct or indirect benefit of the person subject to such restrictions or the immediate family of such person, (c) to a trustor or beneficiary of the trust or to the estate of a beneficiary of such trust, or (d) distributions of shares of common stock to limited partners, members, stockholders or holders of similar equity interests of the party making such distribution or to direct or indirect subsidiaries of such party, provided that (i) each donee or other distributee shall sign and deliver a lock-up letter substantially in the form attached as an exhibit to the underwriting agreement and (ii) no filing under Section 16(a) of the Exchange Act, reporting a reduction in beneficial ownership of shares of common stock, and no other public announcement or filing, shall be required or shall be voluntarily made during the restricted period;
- in connection with the disposition or transfer of shares of common stock or any security convertible into common stock to us upon the "net" or "cashless" exercise of stock options or other equity awards outstanding as of the date of this prospectus and granted pursuant to an employee benefit plan described in this prospectus, provided that (i) such shares of common stock received upon exercise shall continue to be subject to the restrictions on transfer set forth in the lock-up agreement and (ii) no filing under Section 16(a) of the Exchange Act and no other public announcement or filing shall be required or voluntarily made during the restricted period;
- the exercise solely with cash of stock options outstanding as of the date of this prospectus granted under an employee benefit plan or stock purchase plan described in this prospectus, provided that (i) the shares received upon exercise shall continue to be subject to the restrictions on transfer set forth in the lock-up agreement, (ii) if required, any public report or filing under Section 16(a) of the Exchange Act shall clearly indicate in the footnotes thereto that the filing relates to the exercise of a stock option, that no shares were sold by the reporting person and that the shares received upon exercise are subject to a lock-up agreement with the underwriters, and (iii) no other public announcement or filing shall be required or voluntarily made during the restricted period;
- transfers of shares of common stock or other securities to us in connection with a repurchase by us pursuant to a repurchase right arising upon the termination of the transferee's employment with us pursuant to contractual agreements with us, provided that (i) any filing required by Section 16(a) of the Exchange Act shall clearly indicate in the footnotes thereto that such transfer is being made pursuant to such repurchase right under such agreement and (ii) no other public announcement or filing shall be required or voluntarily made during the restricted period;
- transfers by operation of law pursuant to a qualified domestic order or in connection with a divorce settlement, provided that (i) any filing required by Section 16(a) of the Exchange Act shall clearly indicate in the footnotes thereto that such transfer is being made pursuant to such court order and that such shares remain subject to a lock-up agreement with the underwriters, and (ii) no other public announcement or filing shall be required or voluntarily made during the restricted period;
- transfers of shares of our common stock or other securities pursuant to a bona fide third-party tender offer, merger, consolidation or other similar transaction made to all holders of our common stock involving a change of control of our company that has been approved by our board of directors, provided that in the event that such tender offer, merger, consolidation or other such transaction is not completed, the securities shall continue to be subject to the restrictions on transfer set forth in the lock-up agreement;
- the establishment or amendment of a trading plan pursuant to Rule 10b5-1 under the Exchange Act for the transfer of shares of common stock, provided that (i) such plan does not provide for the transfer of common stock during the restricted period and (ii) to the extent a public announcement or filing under the Exchange Act, if any, is required or voluntarily made regarding the establishment of such plan, such announcement or filing shall include a statement to the effect that no transfer of common stock may be made under such plan during the restricted period; and

- an estimated 1,200 shares that may be sold upon the exercise of stock options that would otherwise expire during the lock-up period, limited to an amount to allow such optionholder to cover the exercise price of such expiring stock options, based upon an assumed initial public offering price of $15.00 per share.

The representatives, in their sole discretion, may release the common stock and other securities subject to the lock-up agreements described above in whole or in part at any time with or without notice.

In order to facilitate the offering of the common stock, the underwriters may engage in transactions that stabilize, maintain or otherwise affect the price of the common stock. Specifically, the underwriters may sell more shares than they are obligated to purchase under the underwriting agreement, creating a short position. A short sale is covered if the short position is no greater than the number of shares available for purchase by the underwriters under the over-allotment option described above. The underwriters can close out a covered short sale by exercising such option or purchasing shares in the open market. In determining the source of shares to close out a covered short sale, the underwriters will consider, among other things, the open market price of shares compared to the price available under such option. The underwriters may also sell shares in excess of such option, creating a naked short position. The underwriters must close out any naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the common stock in the open market after pricing that could adversely affect investors who purchase in this offering. As an additional means of facilitating this offering, the underwriters may bid for, and purchase, shares of common stock in the open market to stabilize the price of the common stock. These activities may raise or maintain the market price of the common stock above independent market levels or prevent or retard a decline in the market price of the common stock. The underwriters are not required to engage in these activities and may end any of these activities at any time.

We and the underwriters have agreed to indemnify each other against certain liabilities, including liabilities under the Securities Act.

A prospectus in electronic format may be made available on websites maintained by one or more underwriters, or selling group members, if any, participating in this offering. The representatives may agree to allocate a number of shares of common stock to underwriters for sale to their online brokerage account holders. Internet distributions will be allocated by the representatives to underwriters that may make Internet distributions on the same basis as other allocations.

Other Relationships

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. Certain of the underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for us, for which they received or will receive customary fees and expenses.

In addition, in the ordinary course of their various business activities, the underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve our securities and instruments. The underwriters and their respective affiliates may also make investment recommendations or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long or short positions in such securities and instruments.

Pricing of the Offering

Prior to this offering, there has been no public market for our common stock. The initial public offering price was determined by negotiations between us and the representatives. Among the factors considered in determining the initial public offering price were our future prospects and those of our industry in general, our results of operations and certain other financial and operating information in recent periods, and the price-earnings ratios, price-sales ratios, market prices of securities, and certain financial and operating information of companies engaged in activities similar to ours.

Selling Restrictions

Canada

The shares of our common stock 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 of our common stock must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State") an offer to the public of any shares of our common stock may not be made in that Relevant Member State, except that an offer to the public in that Relevant Member State of any shares of our common stock may be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

(a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(b) to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the representatives for any such offer; or

(c) in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of shares of our common stock shall result in a requirement for the publication by us or any underwriter of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer to the public" in relation to any shares of our common stock in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any shares of our common stock to be offered so as to enable an

investor to decide to purchase any shares of our common stock, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State, and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

United Kingdom

Each underwriter has represented and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000, or FSMA) received by it in connection with the issue or sale of the shares of our common stock in circumstances in which Section 21(1) of the FSMA does not apply to us; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the shares of our common stock in, from or otherwise involving the United Kingdom.

Hong Kong

The shares of common stock 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 Hong Kong and any rules made under that Ordinance; 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 or which do not constitute an offer to the public within the meaning of that Ordinance. No advertisement, invitation or document relating to the shares of common stock has been or may be issued or has been or may be in the possession of any person for the purposes of issuance, 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 of common stock which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

LEGAL MATTERS

The validity of the shares of common stock offered hereby will be passed upon for us by Cooley LLP, Palo Alto, California. As of the date of this prospectus, Cooley LLP beneficially owns 25,200 shares of our common stock. In addition, as of the date of this prospectus, GC&H Investments, LLC, an entity that is comprised of partners and associates of Cooley LLP, beneficially owns 17,386 shares of our preferred stock, which shares of preferred stock will be converted into 17,386 shares of common stock upon the closing of this offering. Davis Polk & Wardwell LLP, Menlo Park, California, is representing the underwriters.

EXPERTS

Ernst & Young LLP, independent registered public accounting firm, has audited our financial statements at December 31, 2016 and 2017, and for the years then ended, as set forth in their report. We have included our financial statements in the prospectus and elsewhere in the registration statement in reliance on Ernst & Young LLP's report, given on their authority as experts in accounting and auditing.

CHANGES IN INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Dismissal of Independent Registered Public Accounting Firm

We dismissed PricewaterhouseCoopers LLP, or PwC, as our independent registered public accounting firm on December 5, 2017. The decision to dismiss PwC was approved by our board of directors.

The report of PwC on the financial statements for 2016 contained no adverse opinion or a disclaimer of opinion, and was not qualified or modified as to uncertainty, audit scope or accounting principle.

During 2016, and the subsequent period through December 5, 2017, (1) there were no disagreements (as that term is used in Item 304(a)(1)(iv) of Regulation S-K and the related instructions) between us and PwC on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreements, if not resolved to the satisfaction of PwC, would have caused PwC to make reference thereto in its report on our financial statements for the year ended December 31, 2016, and (2) there were no "reportable events" as such term is defined in Item 304(a)(1)(v) of Regulation S-K, except for the material weaknesses identified in our internal control over financial reporting related to our accounting for complex transactions and our timing of recognition of research and development expenses.

We have provided PwC with a copy of the disclosures set forth under the heading "Changes in Independent Registered Public Accounting Firm" included in this prospectus and have requested that PwC furnish a letter addressed to the SEC stating whether or not PwC agrees with statements related to them made by us under the heading "Change in Independent Registered Public Accounting Firm" in this prospectus. A copy of that letter is filed as Exhibit 16.1 to the registration statement of which this prospectus forms a part.

Newly Appointed Independent Registered Public Accounting Firm

We engaged Ernst & Young LLP, or Ernst & Young, as our independent registered public accounting firm on December 19, 2017 to audit our financial statements for 2016 and 2017. The decision to change our principal independent registered public accounting firm was approved by our board of directors.

During 2016, and the subsequent period preceding our engagement of Ernst & Young as our independent registered public accounting firm, we did not consult with Ernst & Young on matters that involved the application of accounting principles to a specified transaction, the type of audit opinion that might be rendered on our financial statements or any other matter that was either the subject of a disagreement or reportable event.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

We have filed with the SEC a registration statement on Form S-1 under the Securities Act, with respect to the shares of common stock being offered by this prospectus. This prospectus, which constitutes part of the registration statement, does not contain all of the information in the registration statement and its exhibits. For further information with respect to our company and the common stock offered by this prospectus, we refer you to the registration statement and its exhibits. Statements contained in this prospectus as to the contents of any contract or any other document referred to are not necessarily complete, and in each instance, we refer you to the copy of the contract or other document filed as an exhibit to the registration statement. Each of these statements is qualified in all respects by this reference.

You can read our SEC filings, including the registration statement, over the internet at the SEC's website at http://www.sec.gov. You may also read and copy any document we file with the SEC at its public reference room at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. You may also obtain copies of these documents at prescribed rates by writing to the Public Reference Section of the SEC at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference facilities.

Upon the closing of this offering, we will be subject to the information reporting requirements of the Exchange Act, and we will file reports, proxy statements and other information with the SEC. These reports, proxy statements and other information will be available for inspection and copying at the public reference room and website of the SEC referred to above. We also maintain a website at www.fortyseveninc.com, at which you may access these materials free of charge as soon as reasonably practicable after they are electronically filed with, or furnished to, the SEC. The information contained in, or that can be accessed through, our website is not part of, and is not incorporated into, this prospectus.

FORTY SEVEN, INC.

INDEX TO FINANCIAL STATEMENTS

Years Ended December 31, 2016 and 2017

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of
Forty Seven, Inc.:

Opinion on the Financial Statements

We have audited the accompanying balance sheets of Forty Seven, Inc. (the Company) as of December 31, 2016 and 2017, and the related statements of operations and comprehensive loss, stockholders' equity, and cash flows for the years then ended, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2016 and 2017, and the results of its operations and its cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. 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 2017
San Jose, California
March 22, 2018, except for the last paragraph of Note 1, as to which the date is June 15, 2018

FORTY SEVEN, INC.

Balance Sheets
(In thousands, except share and per share data)

	December 31, 2016	December 31, 2017
Assets		
Current assets:		
Cash and cash equivalents	$ 9,742	$ 24,417
Short-term investments	—	63,694
Prepaid expenses and other current assets	3,882	4,450
Total current assets	13,624	92,561
Property and equipment, net	1,615	1,358
Other assets	1,749	1,546
Total assets	$ 16,988	$ 95,465
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	$ 2,484	$ 3,705
Accrued liabilities	1,448	4,808
Deferred grant funding, current	—	2,759
Total current liabilities	3,932	11,272
Lease-related liabilities, noncurrent	570	476
Other long-term liabilities	252	255
Total liabilities	4,754	12,003
Commitments and contingencies (Note 5)		
Stockholders' equity:		
Convertible preferred stock, $0.0001 par value; 9,165,418 and 16,215,944 shares authorized as of December 31, 2016 and 2017; 4,438,691 and 16,215,896 shares issued and outstanding as of December 31, 2016 and 2017; aggregate liquidation preference of $149,800,000 as of December 31, 2017	34,245	149,397
Common stock, $0.0001 par value: 153,123,239 and 200,000,000 shares authorized as of December 31, 2016 and 2017; 6,643,374 and 6,751,157 shares issued and outstanding at December 31, 2016 and 2017	1	1
Additional paid-in capital	2,489	3,507
Accumulated other comprehensive loss	—	(44)
Accumulated deficit	(24,501)	(69,399)
Total stockholders' equity	12,234	83,462
Total liabilities and stockholders' equity	$ 16,988	$ 95,465

The accompanying notes are an integral part of these financial statements.

FORTY SEVEN, INC.

Statements of Operations and Comprehensive Loss
(In thousands, except share and per share data)

	Year Ended December 31,	
	2016	2017
Operating expenses:		
Research and development	$ 14,464	$ 37,174
General and administrative	5,153	8,130
Total operating expenses	19,617	45,304
Loss from operations	(19,617)	(45,304)
Interest and other income, net	78	406
Net loss	(19,539)	(44,898)
Unrealized loss on available-for-sale securities	—	(44)
Comprehensive loss	$ (19,539)	$ (44,942)
Net loss per share, basic and diluted	$ (3.15)	$ (6.94)
Shares used in computing net loss per share, basic and diluted	6,197,195	6,468,634
Pro forma net loss per share, basic and diluted (unaudited)		$ (2.77)
Shares used in computing pro forma net loss per share, basic and diluted (unaudited)		16,197,067

The accompanying notes are an integral part of these financial statements.

FORTY SEVEN, INC.

Statements of Stockholders' Equity
(In thousands, except share data)

	Convertible Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount	Shares	Amount				
Balance — December 31, 2015	3,845,145	$ 29,655	5,427,087	$ 1	$ 2,039	$ —	$ (4,962)	$ 26,733
Issuance of Series A-1 convertible preferred shares at $7.75 per share, net of issuance costs of $10	593,546	4,590	—	—	—	—	—	4,590
Issuance of common stock related to Stanford license agreement	—	—	1,000,160	—	—	—	—	—
Issuance of common stock for exercise of stock options	—	—	216,127	—	203	—	—	203
Vesting of restricted common stock	—	—	—	—	2	—	—	2
Stock-based compensation	—	—	—	—	245	—	—	245
Net loss and comprehensive loss	—	—	—	—	—	—	(19,539)	(19,539)
Balance — December 31, 2016	4,438,691	34,245	6,643,374	1	2,489	—	(24,501)	12,234
Issuance of Series A-2 convertible preferred shares at $9.6472 per share, net of issuance costs of $23	4,187,682	40,377	—	—	—	—	—	40,377
Issuance of Series B convertible preferred shares at $9.8820 per share, net of issuance costs of $225	7,589,523	74,775	—	—	—	—	—	74,775
Issuance of common stock for exercise of stock options	—	—	107,783	—	155	—	—	155
Vesting of restricted common stock	—	—	—	—	2	—	—	2
Vesting of early exercised stock options	—	—	—	—	137	—	—	137
Stock-based compensation	—	—	—	—	724	—	—	724
Net loss	—	—	—	—	—	—	(44,898)	(44,898)
Other comprehensive loss	—	—	—	—	—	(44)	—	(44)
Balance — December 31, 2017	16,215,896	$149,397	6,751,157	$ 1	$ 3,507	$ (44)	$ (69,399)	$ 83,462

The accompanying notes are an integral part of these financial statements.

FORTY SEVEN, INC.

Statements of Cash Flows
(In thousands)

	Year Ended December 31, 2016	2017
Cash flows from operating activities:		
Net loss	$ (19,539)	$ (44,898)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock-based compensation	245	724
Depreciation and amortization	134	371
Changes in operating assets and liabilities:		
Prepaid expenses and other current assets	(3,881)	(568)
Other assets	(1,691)	205
Accounts payable	1,995	1,221
Accrued liabilities	853	3,356
Deferred grant funding	—	2,759
Lease-related liabilities	53	(90)
Other long-term liabilities	16	(17)
Net cash used in operating activities	(21,815)	(36,937)
Cash flows from investing activities:		
Purchases of property and equipment	(1,103)	(114)
Purchases of available-for-sale securities	(4,000)	(79,738)
Proceeds from maturities of available-for-sale securities	4,000	16,000
Net cash used in investing activities	(1,103)	(63,852)
Cash flows from financing activities:		
Proceeds from issuance of convertible preferred stock, net of issuance costs	4,590	115,152
Proceeds from issuance of common stock upon exercise of stock options	436	312
Net cash provided by financing activities	5,026	115,464
Net (decrease) increase in cash and cash equivalents	(17,892)	14,675
Cash and cash equivalents — beginning of year	27,634	9,742
Cash and cash equivalents — end of year	$ 9,742	$ 24,417
Supplemental disclosures of cash flow information:		
Purchases of property and equipment through accounts payable and accrued liabilities	$ —	$ 10

The accompanying notes are an integral part of these financial statements.

FORTY SEVEN, INC.

Notes to the Financial Statements

1. Basis of Presentation

The Company is a clinical-stage immuno-oncology company focused on developing novel checkpoint therapies to activate macrophages in the fight against cancer. Forty Seven was founded based on the insight that blocking CD47, a key signaling molecule that is over-expressed on cancer cells, renders tumors susceptible to macrophages and the innate immune system. By harnessing macrophages, the Company believes that its lead product candidate, 5F9, dosed as a monotherapy and in combination with marketed cancer therapies, can transform the treatment of cancer. 5F9 has demonstrated promising antitumor activity in five Phase 1b/2 clinical trials in which we treated over 140 relapsed or refractory cancer patients with solid or hematologic tumors. The Company holds worldwide economic rights to all of its product candidates.

Liquidity

In the course of its development activities, the Company has sustained operating losses and expects to continue to generate operating losses for the foreseeable future. The Company's ultimate success depends on the outcome of its research and development activities. The Company had cash, cash equivalents and short-term investments of $88.1 million as of December 31, 2017. Since inception through December 31, 2017, the Company has incurred cumulative net losses of $69.4 million. Management expects to incur additional losses in the future to conduct product research and development and recognizes the need to raise additional capital to fully implement its business plan.

The Company intends to raise such capital through the issuance of additional equity financing and/or third-party collaboration funding. However, if such financing is not available at adequate levels, the Company will need to reevaluate its operating plan and may be required to delay the development of its products. Management considers that there are no conditions or events, in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern for a period of at least one year from the date the financial statements are issued. The Company expects that its cash, cash equivalents and short-term investments as of December 31, 2017 will be sufficient to fund operating expenses and capital expenditure requirements through the second quarter in 2019.

Reverse Stock Split

In June 2018, the Company's board of directors approved an amended and restated certificate of incorporation to effect a reverse split of shares of the Company's common stock and convertible preferred stock on a 1-for-7.75 basis (the "Reverse Stock Split"). The par values of the common stock and convertible preferred stock were not adjusted as a result of the Reverse Stock Split. All references to common stock, options to purchase common stock, restricted stock, share data, per share data, convertible preferred stock and related information contained in the financial statements have been retroactively adjusted to reflect this Reverse Stock Split for all periods presented. The Reverse Stock Split was effected on June 14, 2018.

2. Summary of Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of expenses during the reporting period. Significant estimates and assumptions made in the accompanying financial statements include but are not limited to the fair value of

FORTY SEVEN, INC.

Notes to the Financial Statements

common stock, the fair value of stock options, income tax uncertainties and certain accruals. The Company evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors and adjusts those estimates and assumptions when facts and circumstances dictate. Actual results could differ from those estimates.

Unaudited Pro Forma Financial Information

Immediately upon the closing of this offering, all outstanding shares of convertible preferred stock will convert into common stock.

Pro forma basic and diluted net loss per share has been computed to give effect to the conversion of all outstanding convertible preferred stock into shares of common stock. The unaudited pro forma net loss per share does not include the shares expected to be sold and related proceeds to be received from the initial public offering. The unaudited pro forma net loss per share for the year ended December 31, 2017 was computed using the weighted-average number of shares of common stock outstanding, including the pro forma effect of the conversion of all outstanding shares of convertible preferred stock into shares of common stock, as if such conversion had occurred at the beginning of the period, or their issuance dates if later.

Cash and Cash Equivalents

The Company considers all highly liquid investments purchased with original maturities of three months or less from the purchase date to be cash equivalents. Cash equivalents consist primarily of amounts invested in money market accounts.

Investments

Investments have been classified as available-for-sale and are carried at estimated fair value as determined based upon quoted market prices or pricing models for similar securities. Management determines the appropriate classification of its investments in debt securities at the time of purchase. Investments with original maturities beyond three months at the date of purchase and which mature at, or less than twelve months from the balance sheet date are classified as current.

Unrealized gains and losses are excluded from earnings and are reported as a component of comprehensive loss. The Company periodically evaluates whether declines in fair values of its marketable securities below their book value are other-than-temporary. This evaluation consists of several qualitative and quantitative factors regarding the severity and duration of the unrealized loss as well as the Company's ability and intent to hold the marketable security until a forecasted recovery occurs. Additionally, the Company assesses whether it has plans to sell the security or it is more likely than not it will be required to sell any marketable securities before recovery of its amortized cost basis. Realized gains and losses and declines in fair value judged to be other than temporary, if any, on marketable securities are included in interest and other income, net. The cost of investments sold is based on the specific-identification method. There were no realized gains or losses on investments for the years ended December 31, 2016 and 2017. Interest on marketable securities is included in interest income.

Concentration of Credit Risk and Other Risks and Uncertainties

Financial instruments that potentially subject the Company to concentrations of risk consist of cash, cash equivalents and short-term investments. The Company's cash, cash equivalents and short-term investments are held by one financial institution in the United States, which management believes to be of high credit quality.

FORTY SEVEN, INC.

Notes to the Financial Statements

Deposits in this financial institution may at times exceed federally insured limits. The Company has not experienced any losses on its deposits of cash, cash equivalents, or short-term investments.

Fair Value Measurement

Assets and liabilities recorded at fair value on a recurring basis in the balance sheets are categorized based upon the level of judgment associated with the inputs used to measure their fair values. Fair value is defined as the exchange price that would be received for an asset or an exit price that would be paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. The authoritative guidance on fair value measurements establishes a three-tier fair value hierarchy for disclosure of fair value measurements as follows:

Level 1—Observable inputs such as unadjusted, quoted prices in active markets for identical assets or liabilities at the measurement date;

Level 2—Inputs (other than quoted prices included in Level 1) are either directly or indirectly observable for the asset or liability. These include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active;

Level 3—Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Property and Equipment, Net

Property and equipment are stated at cost less accumulated depreciation and amortization. Depreciation is computed on a straight-line basis over the estimated useful lives of the related assets, generally three to five years. Leasehold improvements are amortized using the straight-line method over the shorter of the assets' estimated useful lives or the remaining term of the lease. Maintenance and repairs are charged to operations as incurred. Upon sale or retirement of assets, the cost and related accumulated depreciation are removed from the balance sheet and the resulting gain or loss is reflected in operations.

Impairment of Long-Lived Assets

Long-lived assets are reviewed for indications of possible impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability is measured by comparison of the carrying amounts to the future undiscounted cash flows attributable to these assets. An impairment loss is recognized to the extent an asset group is not recoverable, and the carrying amount exceeds the projected discounted future cash flows arising from these assets. There were no impairments of long-lived assets for any of the periods presented.

Research and Development Expenditures

Research and development expenses consist of costs incurred for the Company's own and for sponsored and collaborative research and development activities. Research and development costs are expensed as incurred. Research and development costs 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 the Company's behalf. The Company estimates preclinical study and clinical trial expenses based on the services performed pursuant to contracts with research institutions and contract research organizations, or CROs, and clinical manufacturing organizations, or CMOs, that conduct and manage preclinical

FORTY SEVEN, INC.

Notes to the Financial Statements

studies and clinical trials on the Company's behalf based on actual time and expenses incurred by them. Further, the Company accrues expenses related to clinical trials based on the level of patient activity according to the related agreement. The Company monitors patient enrollment levels and related activity to the extent reasonably possible and adjust estimates accordingly. If the Company does not identify costs that have begun to be incurred or if the Company underestimates or overestimates the level of services performed or the costs of these services, actual expenses could differ from the Company's estimates. To date, the Company has not experienced significant changes in its estimates of preclinical studies and clinical trial accruals.

The Company expenses payments for the acquisition and development of technology as research and development costs 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. In addition, funding from research grants is offset against the related qualified research and development costs incurred.

Stock-Based Compensation

The Company measures its stock-based awards granted to employees and directors based on the estimated fair values of the awards and recognizes the compensation over the requisite service period. The Company uses the Black-Scholes option-pricing model to estimate the fair value of its stock-based awards. Stock-based compensation is recognized using the straight-line method.

Defined Contribution Plan

The Company has a defined contribution retirement savings plan under Section 401(k) of the Internal Revenue Code ("IRC"). This plan allows eligible employees to defer a portion of their annual compensation on a pre-tax or after-tax basis. The Company may make discretionary matching contributions. During 2016 and 2017, the Company made matching contributions on up to 3% of an employee's eligible compensation deferred. The Company recognized expense related to its contributions to the plan of $107,000 and $211,000 for the years ended December 31, 2016 and 2017.

Income Taxes

Income taxes are accounted for under the asset and liability method. Under this method, deferred tax assets and liabilities are determined based on the difference between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to affect taxable income. Management makes an assessment of the likelihood that the resulting deferred tax assets will be realized. A valuation allowance is provided when it is more likely than not that some portion or all of a deferred tax asset will not be realized. Due to the Company's historical operating performance and the recorded cumulative net losses in prior fiscal periods, the net deferred tax assets have been fully offset by a valuation allowance.

The Company recognizes uncertain income tax positions at the largest amount that is more likely than not to be sustained upon audit by the relevant taxing authority. An uncertain income tax position will not be recognized if it has less than a 50% likelihood of being sustained. Changes in recognition or measurement are reflected in the period in which judgment occurs. The Company's policy is to recognize interest and penalties related to the underpayment of income taxes as a component of provision for income taxes.

FORTY SEVEN, INC.

Notes to the Financial Statements

Comprehensive Loss

The Company's comprehensive loss is currently comprised of changes in unrealized losses on available-for-sale securities.

Net Loss per Share

Basic net loss per share is calculated by dividing the net loss by the weighted-average number of shares of common stock outstanding for the period, without consideration for potential dilutive shares of common stock. The weighted-average number of shares of common stock outstanding for 2016 includes 1,000,160 shares of common stock issuable under the Stanford license agreement (see Note 6) as if the shares were outstanding for the full period, as all the conditions for issuance had been satisfied in 2015. Since the Company was in a loss position for all periods presented, basic net loss per share is the same as diluted net loss per share since the effects of potentially dilutive securities are antidilutive. Shares of common stock subject to repurchase are excluded from the weighted-average shares.

Segment Reporting

The Company has one operating segment. The Company's chief operating decision maker, its Chief Executive Officer, manages the Company's operations on a consolidated basis for the purposes of allocating resources.

Recently Issued and Adopted Accounting Pronouncements

In March 2016, the FASB issued Accounting Standards Update No. 2016-09, *Stock Compensation—Improvements to Employee Share-Based Payment Accounting* (ASU 2016-09). ASU 2016-09 was issued to simplify accounting guidance by identifying, evaluating, and improving areas for which cost and complexity can be reduced while maintaining or improving the usefulness of the information provided to users of financial statements. The areas affected by ASU 2016-09 include accounting for income taxes, classification of excess tax benefits on the statement of cash flows, minimum statutory tax withholding requirements, and classification of employee taxes paid on the statement of cash flows when an employer withholds shares for tax-withholding purposes. In addition, under this guidance, an entity can make an accounting policy election to either estimate the number of awards that are expected to vest or account for forfeitures when they occur. Upon adoption of this guidance beginning with the year ended December 31, 2017, the Company changed its policy to account for forfeitures as they occur. The adoption of this guidance during the year ended December 31, 2017 did not have a material impact on the Company's financial statements.

Recent Accounting Pronouncements

In February 2016, the FASB issued Accounting Standards Update No. 2016-02, *Leases* (ASU 2016-02) provides accounting guidance for both lessee and lessor accounting models. The principle of ASU 2016-02 is that a lessee should recognize the assets and liabilities that arise from leases. Lessees will need to recognize a right-of-use asset and a lease liability for virtually all of their leases (other than leases that meet the definition of a short-term lease). The liability will be equal to the present value of lease payments. The asset will be based on the liability. For income statement purposes, ASU 2016-02 requires leases to be classified as either operating or finance. Operating leases will result in straight-line expense while finance leases will result in a front-loaded expense pattern. ASU 2016-02 is effective for fiscal years beginning after December 15, 2019. Early adoption is permitted. The new standard must be adopted using a modified-retrospective transition and provides for certain practical expedients. The Company is currently evaluating the effects of the adoption of this ASU on its financial statements.

FORTY SEVEN, INC.

Notes to the Financial Statements

3. Fair Value Measurements

The Company measures and reports its cash equivalents and short-term investments at fair value.

Money market funds are measured at fair value on a recurring basis using quoted prices and are classified as a Level 1 input. Short-term investments are measured at fair value based on inputs other than quoted prices that are derived from observable market data and are classified as Level 2 inputs. There were no transfers between Levels 1, 2 or 3 for any of the periods presented. All of the investments held as of December 31, 2017 had maturities of less than one year.

As of December 31, 2016, the Company held $8.6 million in money market funds (Level 1) with no unrealized gains or losses. The fair value and amortized cost of cash equivalents and available-for-sale securities by major security type as of December 31, 2017 are presented in the following table:

		As of December 31, 2017			
	Fair Value Hierarchy	Amortized Cost	Unrealized Gains	Unrealized Losses	Market Value
		(In thousands)			
Money market funds	Level 1	$ 19,052	$ —	$ —	$19,052
Commercial paper	Level 2	31,467	—	—	31,467
Corporate debt securities	Level 2	24,556	—	(35)	24,521
Asset-backed securities	Level 2	7,717	—	(7)	7,710
US government debt securities	Level 2	1,993	—	(2)	1,991
Total cash equivalents and available-for-sale securities		$ 84,785	$ —	$ (44)	$84,741

4. Balance Sheet Components

Property and Equipment, Net

Property and equipment, net consists of the following:

	As of December 31,	
	2016	2017
	(In thousands)	
Furniture and fixtures	$ 14	$ 14
Laboratory equipment	874	988
Computer equipment and software	91	91
Leasehold improvements	770	770
	1,749	1,863
Less: Accumulated depreciation and amortization	(134)	(505)
Total property and equipment, net	$1,615	$1,358

Depreciation and amortization expense for property and equipment amounted to $134,000 and $371,000 for the years ended December 31, 2016 and 2017.

FORTY SEVEN, INC.

Notes to the Financial Statements

Accrued Liabilities

Accrued liabilities consist of the following:

	As of December 31,	
	2016	2017
	(In thousands)	
Accrued research and development expenses	$1,239	$4,096
Lease-related liabilities, current	129	133
Other	80	579
Total accrued liabilities	$1,448	$4,808

5. Commitments and Contingencies

Lease

In August 2016, the Company entered into an operating lease agreement for its headquarters in Menlo Park, California. The lease term is for 60 months. The lease rental payments are on a graduated scale; however, rent expense is recognized on a straight-line basis over the lease term. The landlord provided the Company with a tenant improvement allowance of up to $646,000. The allowance is amortized as an offset to rent expense over the lease term. Rent expense for the years ended December 31, 2016 and 2017 was $587,000 and $993,000. At December 31, 2016 and 2017, $97,000 and $135,000 was accrued as deferred rent expense.

Effective September 2016, the Company entered into a sublease agreement to lease of portion of the Menlo Park facility to a tenant. Sublease income was $62,000 and $124,000 for the years ended December 31, 2016 and 2017 and was recorded as an offset to rent expense. In conjunction with the lease agreement, the Company paid a security deposit of $353,000 included in prepaid expenses and other current assets and other assets as of December 31, 2016. The security deposit was reduced to $265,000, included in prepaid expenses and other current assets and other assets as of December 31, 2017.

At December 31, 2017, future minimum payments are as follows (in thousands):

2018	$1,101
2019	1,134
2020	1,168
2021	794
Total future minimum lease payments	$4,197

Manufacturing Commitment

In August 2016, the Company entered into a development and manufacturing agreement with Lonza Sales AG and, in December 2017, the Company entered into a second manufacturing agreement with Lonza Biologics Tuas Pte Ltd, each relating to the manufacturing of 5F9-related products.

The August 2016 agreement was amended by the Company in November 2017 to provide for the manufacturing of the Company’s other preclinical program related products. Under the agreements, the Company is required to pay Lonza fixed fees based on manufacturing services performed on the Company’s behalf.

FORTY SEVEN, INC.

Notes to the Financial Statements

Payments are due beginning in January 2018 through the expiration of the agreements in December 2021. The fees payable under the August 2016 agreement and as amended in November 2017, are specified in British Pounds and are converted into U.S. Dollars based on the exchange rate as of December 31, 2017.

At December 31, 2017, future minimum payments under the Lonza development and manufacturing agreements are as follows, with potential payments totaling $13.1 million in 2021, subject to the Company's right to discontinue manufacturing services (in thousands):

2018	$ 9,688
2019	14,411
2020	13,088
Total future minimum payments	$37,187

6. Research and License Agreements

Stanford License Agreement

In November 2015, the Company entered into a technology license agreement with The Board of Trustees of the Leland Stanford Junior University, or Stanford, under which Stanford granted to the Company exclusive licenses under certain patents and other intellectual property rights relating to the Company's current product candidates and non-exclusive licenses under certain other patents and intellectual property rights to develop, manufacture and commercialize products for use in certain licensed fields, including oncology. With respect to these licenses, the Company could be required to pay Stanford up to $5.6 million in milestone payments based on the achievement of certain development and regulatory approval milestones. The first such milestone payment of $75,000 was paid to Stanford in February 2018. In addition, the Company is required to pay Stanford a minimum annual fee and a royalty of single digit percentage on net sales of licensed products, reimburse patent-related expenses, share any non-royalty sublicensing income received related to the licensed technology, and pay a change of control fee.

California Institute of Regenerative Medicine (CIRM) Grants

In January 2017, the Company was awarded a research grant from CIRM supporting our CRC trial. The CIRM grant stipulates various milestone-based payments to the Company with the total award of $10.2 million over a period of four years. As of December 31, 2017, the Company had received $3.8 million under the award.

In November 2017, the Company was awarded a second research grant from CIRM for a separate clinical trial study in AML. The total amount of the research grant awarded was $5.0 million in various milestone-based payments over a period of five years. As of December 31, 2017, the Company had received $1.1 million under the award. Under the terms of the CIRM grants, the Company is obligated to pay royalties and licensing fees based on a low single digit royalty percentage on net sales of CIRM-funded product candidates or CIRM-funded technology. The Company has the option to decline any and all amounts awarded by CIRM. As an alternative to revenue sharing, the Company has the option to convert the award to a loan. No such election has been made as of the date of the issuance of these financial statements. In the event that the Company terminates a CIRM-funded clinical trial, it will be obligated to repay the remaining CIRM funds on hand.

FORTY SEVEN, INC.

Notes to the Financial Statements

Leukemia & Lymphoma Society Grant

In March 2017, the Company entered into an agreement with the Leukemia & Lymphoma Society, Inc. ("LLS") regarding our NHL rituximab combination trial. The LLS research grant stipulates various milestone-based payments with a total award of $4.0 million through December 2019. As of December 31, 2017, the Company had received $1.0 million under the award. The Company could be required in the future to pay amounts to LLS upon reaching certain development and regulatory approval milestones as well as a low single digit percentage royalty rate on net sales, up to a maximum of $15 million in total.

The Company recognizes research grants as a reduction of research and development expense when the eligible costs are incurred.

7. Convertible Preferred Stock

Convertible preferred stock consists of the following:

	As of December 31, 2016			
	Shares Authorized	Shares Issued and Outstanding	Net Carrying Value	Aggregate Liquidation Preference
	(In thousands, except share data)			
Series A-1	4,438,709	4,438,691	$ 34,245	$ 34,400
Series A-2	4,726,709	—	—	—
	9,165,418	4,438,691	$ 34,245	$ 34,400

	As of December 31, 2017			
	Shares Authorized	Shares Issued and Outstanding	Net Carrying Value	Aggregate Liquidation Preference
	(In thousands, except share data)			
Series A-1	4,438,709	4,438,691	$ 34,245	$ 34,400
Series A-2	4,187,698	4,187,682	40,377	40,400
Series B	7,589,537	7,589,523	74,775	75,000
	16,215,944	16,215,896	$ 149,397	$ 149,800

The holders of the Company's convertible preferred stock have various rights, preferences, and privileges as follows:

Optional Conversion Rights

Each share of convertible preferred stock shall be convertible, at the option of the holder, into such number of fully paid shares of common stock as is determined by dividing the Original Issue Price by the Conversion Price in effect at the time of conversion. As of December 31, 2016 and 2017, the initial conversion price per share of convertible preferred stock is equivalent to the original issue price. The original issuance price was $7.75 per share for the Series A-1 convertible preferred stock, $9.6472 per share for the Series A-2 convertible preferred stock, and $9.8820 per share for the Series B convertible preferred stock.

The respective applicable conversion price is subject to adjustment upon any future stock splits or stock combinations, reclassifications or exchanges of similar stock, upon a reorganization, merger or consolidation of

FORTY SEVEN, INC.

Notes to the Financial Statements

the Company, upon the issuance or sale by the Company of common stock for consideration less than the applicable conversion price.

Mandatory Conversion Rights

Each share of Series A-1 and A-2 convertible preferred stock automatically converts into the number of shares of common stock determined in accordance with the conversion rate upon the earlier of (a) written consent of 66 ⅔ of the then outstanding shares of Series A-1 and A-2 convertible preferred stock, voting together as a single class or (b) the closing of a public offering in which the gross cash proceeds are at least $50.0 million. Each share of Series B convertible preferred stock automatically converts into the number of shares of common stock determined in accordance with the conversion rate upon the earlier of (a) written consent of 75% of the then outstanding shares of Series B convertible preferred stock or (b) the closing of a public offering in which the gross cash proceeds are at least $50.0 million.

Dividends

The holders of the outstanding shares of convertible preferred stock are entitled to receive, when and if declared by the Board of Directors, a noncumulative cash dividend at the rate of 8% of the applicable original issue price per annum on each outstanding share of convertible preferred stock. Such dividends are payable in preference to any dividends for common stock declared by the Board of Directors. In the case of a dividend on common stock, the dividend per share of convertible preferred stock would also include the dividend payable on each share determined, if applicable, as if all convertible preferred stock had been converted to common stock. No dividends had been declared as of December 31, 2017.

Liquidation

In the event of any liquidation, dissolution, or winding up of the Company, either voluntary or involuntary, the holders of convertible preferred stock shall be entitled to receive pro rata, prior and in preference to any distribution to the holders of the common stock, an amount equal to the original issuance prices of each series (in each case, as adjusted for stock splits, stock dividends or distributions, recapitalizations, and similar events) and all declared but unpaid dividends, if any. If the assets and funds to be distributed among the holders of convertible preferred stock are insufficient to permit the payment to such holders, then the entire assets and funds of the Company legally available for distribution will be distributed ratably among the holders of convertible preferred stock in proportion to the preferential amount each such holder is otherwise entitled to receive.

Upon the payment of the full liquidation preference of convertible preferred stock, the remaining assets of the Company, if any, shall be distributed ratably to the holders of common stock.

Voting Rights

Each share of convertible preferred stock has a number of votes equal to the number of shares of common stock into which it is convertible.

The holders of convertible preferred stock, voting together as a single class, shall be entitled to elect three members of the Company's Board of Directors. The holders of Series B convertible preferred stock have the right to elect one member of the Company's Board of Directors. The holders of common stock have the right to elect three members of the Company's Board of Directors and the right to designate one of the directors elected by the common stockholders as a "super-voting director" who shall have two votes. The holders of common

FORTY SEVEN, INC.

Notes to the Financial Statements

stock and convertible preferred stock, voting together as a single class on an as-converted basis, are entitled to elect one member of the Board of Directors. Preferred securities that are redeemable upon the occurrence of an event that is not solely within the control of the issuer are required to be classified outside of permanent equity. A preferred security may be appropriately classified in permanent equity if the preferred stockholders cannot trigger an event that gives rise to a redemption of the preferred securities. As of December 31, 2017, there were six members on the board of directors and the common stock controlled four of the seven board votes. As through December 31, 2017, representatives of the common stockholders controlled a majority of the votes on the board of directors, the Company concluded that the preferred stockholders could not trigger a redemption event. As of December 31, 2017, the convertible preferred stock was classified as permanent equity as redemption of the convertible preferred stock was in the control of the Company.

8. Stock-Based Compensation

In November 2015, the Company adopted the 2015 Equity Incentive Plan ("2015 Plan"). The 2015 Plan provides for the Company to sell or issue common stock or restricted common stock, or to grant incentive stock options or nonqualified stock options for the purchase of common stock, to employees, members of the Board of Directors and consultants of the Company under terms and provisions established by the Board of Directors. Under the terms of the Plan, options may be granted at an exercise price not less than fair market value. The Company generally grants stock-based awards with service conditions only. Options granted typically vest over a four-year period but may be granted with different vesting terms.

As of December 31, 2016 and 2017, there were 2,276,129 shares and 3,042,573 shares reserved by the Company to grant under the 2015 Plan.

The following summarizes option activity under the 2015 Plan:

	Shares Issuable Under Options	Weighted-Average Exercise Price	Weighted-Average Remaining Contract Term (In years)	Aggregate Intrinsic Value (In thousands)
Balance, December 31, 2015	—	$ —		
Options granted	842,884	2.02		
Options exercised	(216,127)	2.02		
Options forfeited	(2,580)	2.02		
Balance, December 31, 2016	624,177	2.02	9.35	$ 1,790
Options granted	1,756,056	5.08		
Options exercised	(107,783)	2.90		
Options forfeited	(169,922)	2.71		
Balance Outstanding December 31, 2017	2,102,528	4.47	9.43	1,672
Exercisable, December 31, 2017	1,064,824	4.21	9.33	1,130
Vested and expected to vest, December 31, 2017	2,102,528	4.47	9.43	1,672

The aggregate intrinsic values of options outstanding, exercisable, vested and expected to vest were calculated as the difference between the exercise price of the options and the estimated fair value of the Company's common stock, as determined by the Board of Directors, as of December 31, 2017. The intrinsic value of options exercised for the years ended December 31, 2016 and 2017 was $0 and $226,000, respectively.

During the years ended December 31, 2016 and 2017, the estimated weighted-average grant-date fair value of the options vested was $1.33 and $1.56 per share and the estimated weighted-average grant-date fair value of

employee options granted was $1.33 and $3.39 per share, respectively. As of December 31, 2017, there was $5.8 million of unrecognized stock-based compensation related to unvested stock options that is expected to be recognized over a weighted-average period of 3.5 years.

The fair value of employee and director stock option awards was estimated at the date of grant using a Black-Scholes option-pricing model with the following assumptions:

	Year Ended December 31,	
	2016	2017
Expected term (years)	6.0	6.0
Expected volatility	75%	75.5%
Weighted average risk-free interest rate	1.25% – 2.08%	1.77% – 2.21%
Dividend yield	0%	0%

The fair value of the shares of common stock underlying stock options has historically been determined by the Company's Board of Directors. Because there has been no public market for the Company's common stock, the Board of Directors has determined fair value of the common stock at the time of grant of the option by considering a number of objective and subjective factors including important developments in the Company's operations, valuations performed by an independent third party, sales of convertible preferred stock, actual operating results and financial performance, the conditions in the biotechnology industry and the economy in general, the stock price performance and volatility of comparable public companies, and the lack of liquidity of the Company's common stock, among other factors.

The Black-Scholes option-pricing model requires the use of highly subjective assumptions which determine the fair value of stock-based awards. These assumptions include:

Expected term—The expected term represents the period that stock-based awards are expected to be outstanding. The expected term for option grants is determined using the simplified method. The simplified method deems the term to be the average of the time-to-vesting and the contractual life of the stock-based awards.

Expected volatility—Since the Company is privately held and does not have any trading history for its common stock, the expected volatility was estimated based on the average volatility for comparable publicly traded biotechnology companies over a period equal to the expected term of the stock option grants. The comparable companies were chosen based on their similar size, stage in the life cycle or area of specialty.

Risk-free interest rate—The risk-free interest rate is based on the U.S. Treasury zero coupon issues in effect at the time of grant for periods corresponding with the expected term of option.

Expected dividend—The Company has never paid dividends on its common stock and has no plans to pay dividends on its common stock. Therefore, the Company used an expected dividend yield of zero.

Total stock-based compensation was as follows:

	Year Ended December 31,	
	2016	2017
	(In thousands)	
Research and development	$ 93	$ 206
General and administrative	152	518
Total	$ 245	$ 724

FORTY SEVEN, INC.

Notes to the Financial Statements

Restricted Stock

The Company typically allows its employees and directors to exercise options granted under the 2015 Plan prior to vesting. The Company has also issued restricted stock awards to employees and directors under the 2015 Plan. The shares related to early exercised stock options and restricted stock awards are subject to the Company's lapsing repurchase right upon termination of employment at the original purchase price. In order to vest, the holders are required to provide continued service to the Company. The proceeds are initially recorded in other long-term liabilities and are reclassified to common stock and paid-in capital as the repurchase right lapses. As of December 31, 2016 and 2017, there was $236,000 and $255,000 recorded in other long-term liabilities related to shares held by employees and directors that were subject to repurchase.

A summary of restricted stock activity follows:

	Number of Restricted Shares Outstanding
Unvested shares—As of December 31, 2015	322,580
Early exercised options	216,128
Restricted shares vested	(239,381)
Unvested shares—As of December 31, 2016	299,327
Early exercised options	32,258
Restricted shares vested	(174,596)
Unvested shares—As of December 31, 2017	156,988

9. Income Taxes

The provision for income taxes for the years ended December 31, 2016 and 2017 was an immaterial amount. The Company has incurred net operating losses for all the periods presented. The Company has not reflected any benefit of such net operating loss carryforwards in the accompanying financial statements. The Company has established a full valuation allowance against its deferred tax assets due to the uncertainty surrounding the realization of such assets.

A reconciliation of total provision for income taxes and the amount computed by applying the federal statutory income tax rate of 21% to loss before provision from income taxes is as follows:

	Year Ended December 31,	
	2016	2017
	(In thousands)	
Computed expected tax benefit	$ (6,540)	$ (9,428)
State taxes (net of federal tax benefits)	(1,111)	(3,119)
Increase in valuation allowance	7,685	10,185
Other	89	(65)
R&D tax credits	(123)	(326)
Federal rate change (pursuant to the Tax Act)	—	2,753
Total provision for income taxes	$ —	$ —

FORTY SEVEN, INC.

Notes to the Financial Statements

The components of the deferred tax assets and liabilities are as follows:

	As of December 31,	
	2016	2017
	(In thousands)	
Net operating loss carryforwards	$ 2,811	$ 4,309
Capitalized R&D	5,295	13,537
Stock-based compensation	—	122
Fixed assets and intangibles	1,231	896
Tax credits	146	637
Other	13	180
Total deferred tax assets	9,496	19,681
Less: valuation allowance	(9,496)	(19,681)
Net deferred tax assets	$ —	$ —

Realization of deferred tax assets is dependent upon future earnings, if any, the timing and amount of which are uncertain. Due to the lack of earnings history, the net deferred tax assets have been fully offset by a valuation allowance. The valuation allowance increased by approximately $7.7 million and $10.2 million during the years ended December 31, 2016 and 2017.

The Company has net operating carryforwards for federal and California income tax purposes of approximately $15.3 million and $15.6 million, respectively, as of December 31, 2017. The federal net operating loss carryforwards, if not utilized, will expire beginning in 2035. The state net operating loss carryforwards, if not utilized, will expire beginning in 2035. Under the U.S. Tax Cuts & Jobs Act, passed into law in December 2017, effective January 1, 2018 (the “Tax Act”) net operating losses generated after December 31, 2017 will be carried forward indefinitely with the yearly net operating loss utilization limited to 80 percent of taxable income.

Federal and California tax laws impose significant restrictions on the utilization of net operating loss carryforwards in the event of a change in ownership of the Company, as defined by Internal Revenue Code Section 382 (“Section 382”). The Company does not believe a change in ownership, as defined by Section 382, has occurred but a formal study has not been completed. In addition, in the future the Company may experience ownership changes, which may limit the utilization of net operating loss carryforwards or other tax attributes.

Uncertain Tax Benefits

No liability related to uncertain tax positions is recorded on the financial statements related to uncertain tax positions. It is the Company’s policy to include penalties and interest expense related to income taxes as a component of interest and other income, net, as necessary.

A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

	As of December 31,	
	2016	2017
	(In thousands)	
Balance at beginning of year	$ —	$ 93
Increases related to current year tax positions	93	189
Balance at end of year	$ 93	$ 282

FORTY SEVEN, INC.

Notes to the Financial Statements

The Company does not anticipate any significant changes to unrecognized tax benefits over the next 12 months.

Income tax returns are filed in the United States and California. The years 2015 through 2017 remain open to examination by the domestic taxing jurisdictions to which the Company is subject. Net operating losses generated on a tax return basis by the Company for 2015 through 2017 remain open to examination by the domestic taxing jurisdictions.

In December 2017, the Tax Act was signed into law. The Tax Act, among other changes, lowers the Company's federal tax rate from 34% to 21%. Based on provisions of the Tax Act, the Company remeasured its deferred tax assets and liabilities to reflect the lower statutory tax rate. However, since the Company established a valuation allowance to offset its deferred tax assets, there is no impact to the effective tax rate, as any changes to deferred taxes would be offset by the valuation allowance. The deferred tax remeasurement is provisional and is subject to revision as the Company completes its analysis of the Tax Act, collects and prepares necessary data and interprets any additional guidance issued by standard-setting bodies. The Company currently anticipates finalizing and recording any resulting adjustments related to the tax effects of the Tax Act in 2018.

10. Net Loss and Unaudited Pro Forma Net Loss Per Share

The following outstanding potentially dilutive shares have been excluded from the calculation of diluted net loss per share for the periods presented due to their anti-dilutive effect:

	As of December 31,	
	2016	2017
Convertible preferred stock	4,438,691	16,215,896
Stock options to purchase common stock	624,177	2,102,528
Restricted stock subject to future vesting	299,327	156,988
Total	5,362,195	18,475,412

Pro forma Net Loss per Share

The following table sets forth the computation of unaudited pro forma basic and diluted net loss per share during the year ended December 31, 2017 (in thousands, except share and per share data):

	Year Ended December 31, 2017 (unaudited)
Net loss, basic and diluted	$ (44,898)
Shares used in computing net loss per share, basic and diluted	6,468,634
Pro forma adjustment to reflect assumed conversion of convertible preferred stock	9,728,432
Shares used in computing pro forma net loss per share, basic and diluted	16,197,067
Pro forma net loss per share, basic and diluted	$ (2.77)

FORTY SEVEN, INC.

Notes to the Financial Statements

11. Related-Party Relationship

Dr. Weissman and Dr. Majeti, co-founders and members of the Company's board of directors, are professors at Stanford. While employed by Stanford, Dr. Weissman was a co-inventor of some of the patents that the Company licenses under the Stanford License Agreement. Under Stanford's policies, as a co-inventor Dr. Weissman is entitled to receive a share of any royalties that the Company pays to Stanford under the agreement with respect to the covered intellectual property. No royalty payments have been made to date.

12. Subsequent Events

Except for the Reverse Stock Split described in Note 1, subsequent events have been evaluated through March 22, 2018, which is the date that the financial statements were available to be issued.

FORTY SEVEN, INC.

INDEX TO UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS

Three Months Ended March 31, 2017 and 2018

FORTY SEVEN, INC.

Condensed Balance Sheets

(In thousands, except share and per share data)

	December 31, 2017 (1)	March 31, 2018 (unaudited)	Pro Forma March 31, 2018 (unaudited)
Assets			
Current assets:			
Cash and cash equivalents	$ 24,417	$ 21,228	
Short-term investments	63,694	57,204	
Prepaid expenses and other current assets	4,450	3,448	
Total current assets	92,561	81,880	
Property and equipment, net	1,358	1,261	
Other assets	1,546	2,694	
Total assets	$ 95,465	$ 85,835	
Liabilities, convertible preferred stock and stockholders' equity (deficit)			
Current liabilities:			
Accounts payable	$ 3,705	$ 4,670	
Accrued liabilities	4,808	5,611	
Deferred grant funding, current	2,759	5,764	
Total current liabilities	11,272	16,045	
Lease-related liabilities, noncurrent	476	444	
Other long-term liabilities	255	242	
Total liabilities	12,003	16,731	
Commitments and Contingencies (Note 5)			
Convertible preferred stock, $0.0001 par value; 16,215,944 shares authorized as of March 31, 2018 (unaudited); 16,215,896 shares issued and outstanding as of March 31, 2018 (unaudited), actual; aggregate liquidation preference of $149,800,000 as of March 31, 2018 (unaudited), actual; no shares issued and outstanding as of March 31, 2018, pro forma (unaudited)	—	149,397	$ —
Stockholders' equity (deficit):			
Convertible preferred stock, $0.0001 par value; 16,215,944 shares authorized as of December 31, 2017; 16,215,896 shares issued and outstanding as of December 31, 2017	149,397	—	—
Common stock, $0.0001 par value: 200,000,000 shares authorized as of December 31, 2017 and March 31, 2018 (unaudited); 6,751,157 and 6,709,207 shares issued and outstanding as of December 31, 2017 and March 31, 2018 (unaudited), actual; 22,925,103 shares issued and outstanding as of March 31, 2018, pro forma (unaudited)	1	1	2
Additional paid-in capital	3,507	3,951	153,347
Accumulated other comprehensive loss	(44)	(71)	(71)
Accumulated deficit	(69,399)	(84,174)	(84,174)
Total stockholders' equity (deficit)	83,462	(80,293)	$ 69,104
Total liabilities, convertible preferred stock and stockholders' equity (deficit)	$ 95,465	$ 85,835	

(1) The balance sheet as of December 31, 2017 was derived from the audited financial statements.

The accompanying notes are an integral part of these condensed financial statements.

FORTY SEVEN, INC.

Condensed Statements of Operations and Comprehensive Loss
(Unaudited)
(In thousands, except share and per share data)

	Three Months Ended March 31,	
	2017	2018
Operating expenses:		
Research and development	$ 9,181	$ 11,153
General and administrative	1,761	3,843
Total operating expenses	10,942	14,996
Loss from operations	(10,942)	(14,996)
Interest and other income, net	34	221
Net loss	(10,908)	(14,775)
Unrealized loss on available-for-sale securities	(16)	(27)
Comprehensive loss	$ (10,924)	$ (14,802)
Net loss per share, basic and diluted	$ (1.71)	$ (2.24)
Shares used in computing net loss per share, basic and diluted	6,377,009	6,600,407
Pro forma net loss per share, basic and diluted		$ (0.65)
Shares used in computing pro forma net loss per share, basic and diluted		22,816,303

The accompanying notes are an integral part of these condensed financial statements.

FORTY SEVEN, INC.

Condensed Statements of Cash Flows
(Unaudited)
(In thousands)

	Three Months Ended March 31,	
	2017	2018
Cash flows from operating activities:		
Net loss	$(10,908)	$(14,775)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock-based compensation	59	431
Depreciation and amortization	90	96
Accretion of premium/discount on marketable securities	—	(84)
Changes in operating assets and liabilities:		
Prepaid expenses and other current assets	1,269	1,002
Other assets	(434)	(630)
Accounts payable	(159)	965
Accrued liabilities	3,621	801
Deferred grant funding	4,150	3,006
Lease-related liabilities	(20)	(28)
Other long-term liabilities	(16)	—
Net cash used in operating activities	(2,348)	(9,216)
Cash flows from investing activities:		
Purchases of property and equipment	(26)	—
Purchases of available-for-sale securities	(20,003)	(14,378)
Proceeds from maturities of available-for-sale securities	—	20,925
Net cash (used in) provided by investing activities	(20,029)	6,547
Cash flows from financing activities:		
Proceeds from issuance of convertible preferred stock, net of issuance costs	40,377	—
Payments of deferred offering costs	—	(520)
Net cash provided by (used in) financing activities	40,377	(520)
Net increase (decrease) in cash and cash equivalents	18,000	(3,189)
Cash and cash equivalents—beginning of period	9,742	24,417
Cash and cash equivalents—end of period	$ 27,742	$ 21,228
Supplemental disclosures of cash flow information:		
Deferred offering costs included in accrued liabilities	$ —	$ 813

The accompanying notes are an integral part of these condensed financial statements.

FORTY SEVEN, INC.

Notes to Unaudited Interim Condensed Financial Statements

1. Basis of Presentation

The Company is a clinical-stage immuno-oncology company focused on developing novel checkpoint therapies to activate macrophages in the fight against cancer. Forty Seven was founded based on the insight that blocking CD47, a key signaling molecule that is over-expressed on cancer cells, renders tumors susceptible to macrophages and the innate immune system. By harnessing macrophages, the Company believes that its lead product candidate, 5F9, dosed as a monotherapy and in combination with marketed cancer therapies, can transform the treatment of cancer.

Liquidity

In the course of its development activities, the Company has sustained operating losses and expects to continue to generate operating losses for the foreseeable future. The Company's ultimate success depends on the outcome of its research and development activities. The Company had cash, cash equivalents and short-term investments of $78.4 million as of March 31, 2018. Since inception through March 31, 2018, the Company has incurred cumulative net losses of $84.2 million. Management expects to incur additional losses in the future to conduct product research and development and recognizes the need to raise additional capital to fully implement its business plan.

The Company intends to raise such capital through the issuance of additional equity financing and/or third-party collaboration funding. However, if such financing is not available at adequate levels, the Company will need to reevaluate its operating plan and may be required to delay the development of its products. The Company expects that its cash, cash equivalents and short-term investments as of March 31, 2018 will be sufficient to fund operating expenses and capital expenditure requirements for a period of at least one year from the date the unaudited financial statements are issued.

Reverse Stock Split

In June 2018, the Company's board of directors approved an amended and restated certificate of incorporation to effect a reverse split of shares of the Company's common stock and convertible preferred stock on a 1-for-7.75 basis (the "Reverse Stock Split"). The par values of the common stock and convertible preferred stock were not adjusted as a result of the Reverse Stock Split. All references to common stock, options to purchase common stock, restricted stock, share data, per share data, convertible preferred stock and related information contained in the financial statements have been retroactively adjusted to reflect this Reverse Stock Split for all periods presented. The Reverse Stock Split was effected on June 14, 2018.

2. Summary of Significant Accounting Policies

Unaudited Interim Financial Statements

The interim condensed balance sheet as of March 31, 2018, and the condensed statements of operations and comprehensive loss and cash flows for the three months ended March 31, 2017 and 2018 are unaudited. The unaudited interim condensed financial statements have been prepared on the same basis as the annual financial statements and, in the opinion of management, reflect all adjustments, which include only normal recurring adjustments, necessary to present fairly the Company's financial position as of March 31, 2018 and its results of operations and cash flows for the three months ended March 31, 2017 and 2018. The financial data and the other financial information contained in these notes to the condensed financial statements related to the three-month periods are also unaudited. The results of operations for the three months ended March 31, 2018 are not necessarily indicative of the results to be expected for the year ending December 31, 2018 or for any other future

FORTY SEVEN, INC.

Notes to Unaudited Interim Condensed Financial Statements

annual or interim period. These condensed financial statements should be read in conjunction with the Company's audited financial statements included elsewhere in this prospectus.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of expenses during the reporting period. Significant estimates and assumptions made in the accompanying financial statements include but are not limited to the fair value of common stock, the fair value of stock options, income tax uncertainties, and certain accruals. The Company evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors and adjusts those estimates and assumptions when facts and circumstances dictate. Actual results could differ from those estimates.

Unaudited Pro Forma Financial Information

Immediately upon the closing of this offering, all outstanding shares of convertible preferred stock will convert into common stock. Unaudited pro forma balance sheet information as of March 31, 2018 assumes 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 Company's anticipated initial public offering (the "IPO") are excluded from such pro forma financial information.

Pro forma basic and diluted net loss per share has been computed to give effect to the conversion of all outstanding convertible preferred stock into shares of common stock. The unaudited pro forma net loss per share does not include the shares expected to be sold and related proceeds to be received from the initial public offering. The unaudited pro forma net loss per share for the three months ended March 31, 2018 was computed using the weighted-average number of shares of common stock outstanding, including the pro forma effect of the conversion of all outstanding shares of convertible preferred stock into shares of common stock, as if such conversion had occurred at the beginning of the period, or their issuance dates if later.

Fair Value Measurement

Assets and liabilities recorded at fair value on a recurring basis in the balance sheets are categorized based upon the level of judgment associated with the inputs used to measure their fair values. Fair value is defined as the exchange price that would be received for an asset or an exit price that would be paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. The authoritative guidance on fair value measurements establishes a three-tier fair value hierarchy for disclosure of fair value measurements as follows:

Level 1—Observable inputs such as unadjusted, quoted prices in active markets for identical assets or liabilities at the measurement date;

Level 2—Inputs (other than quoted prices included in Level 1) are either directly or indirectly observable for the asset or liability. These include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active;

Level 3—Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

FORTY SEVEN, INC.

Notes to Unaudited Interim Condensed Financial Statements

Deferred Offering Costs

Offering costs, consisting of legal, accounting, printer and filing fees related to the IPO are deferred and will be offset against proceeds from the IPO upon the effectiveness of the offering. In the event the offering is terminated, all deferred offering costs will be expensed. As of March 31, 2018, $1.3 million of deferred offering costs were recorded as other assets in the accompanying condensed balance sheet. There were no deferred offering costs recorded as of December 31, 2017.

3. Fair Value Measurements

The Company measures and reports its cash equivalents and short-term investments at fair value.

Money market funds are measured at fair value on a recurring basis using quoted prices and are classified as a Level 1 input. Short-term investments are measured at fair value based on inputs other than quoted prices that are derived from observable market data and are classified as Level 2 inputs. There were no transfers between Levels 1, 2 or 3 for any of the periods presented. All of the investments held as of December 31, 2017 and March 31, 2018 had maturities of less than one year. There were no realized gains or losses on investments for the three months ended March 31, 2017 and 2018.

The fair value and amortized cost of cash equivalents and available-for-sale securities by major security type as of December 31, 2017 and March 31, 2018 are presented in the following tables:

	As of December 31, 2017				
	Fair Value Hierarchy	Amortized Cost	Unrealized Gains	Unrealized Losses	Market Value
		(In thousands)			
Money market funds	Level 1	$ 19,052	$ —	$ —	$19,052
Commercial paper	Level 2	31,467	—	—	31,467
Corporate debt securities	Level 2	24,556	—	(35)	24,521
Asset-backed securities	Level 2	7,717	—	(7)	7,710
US government debt securities	Level 2	1,993	—	(2)	1,991
Total cash equivalents and available-for-sale securities		84,785	$ —	$ (44)	$84,741

	As of March 31, 2018				
	Fair Value Hierarchy	Amortized Cost	Unrealized Gains	Unrealized Losses	Market Value
		(In thousands)			
Money market funds	Level 1	$ 13,844	$ —	$ —	$13,844
Commercial paper	Level 2	29,477	—	—	29,477
Corporate debt securities	Level 2	15,595	—	(41)	15,554
Asset-backed securities	Level 2	10,216	—	(23)	10,193
US government debt securities	Level 2	5,970	—	(7)	5,963
Total cash equivalents and available-for-sale securities		75,102	$	$ (71)	$75,031

FORTY SEVEN, INC.

Notes to Unaudited Interim Condensed Financial Statements

4. Balance Sheet Components

Accrued Liabilities

Accrued liabilities consist of the following:

	December 31, 2017	March 31, 2018
	(In thousands)	
Accrued research and development expenses	$ 4,096	$ 3,252
Accrued offering costs	—	813
Lease-related liabilities, current	133	137
Other	579	1,409
Total accrued liabilities	$ 4,808	$ 5,611

5. Research and License Agreements

Stanford License Agreement

In November 2015, the Company entered into a technology license agreement with The Board of Trustees of the Leland Stanford Junior University, or Stanford, under which Stanford granted to the Company exclusive licenses under certain patents and other intellectual property rights relating to the Company's current product candidates and non-exclusive licenses under certain other patents and intellectual property rights to develop, manufacture and commercialize products for use in certain licensed fields, the scope of which would include the application of the licensed intellectual property in oncology. With respect to these licenses, the Company could be required to pay Stanford up to $5.6 million in milestone payments based on the achievement of certain development and regulatory approval milestones. The first such milestone payment of $75,000 was paid to Stanford in February 2018 and included in research and development expense for the three months ended March 31, 2018. In addition, the Company is required to pay Stanford a minimum annual fee and a royalty of single digit percentage on net sales of licensed products, reimburse patent-related expenses, share any non-royalty sublicensing income received related to the licensed technology, and pay a change of control fee.

California Institute of Regenerative Medicine (CIRM) Grants

In January 2017, the Company was awarded a research grant from CIRM. The CIRM grant stipulates various milestone-based payments to the Company with the total award of $10.2 million over a period of four years. As of December 31, 2017 and March 31, 2018, the Company had received $3.8 million and $7.2 million under the award.

In November 2017, the Company was awarded a second research grant from CIRM for a separate clinical trial study. The total amount of the research grant awarded was $5.0 million in various milestone-based payments over a period of five years. As of December 31, 2017 and March 31, 2018, the Company had received $1.1 million and $2.1 million under the award. Under the terms of the CIRM grants, the Company is obligated to pay royalties and licensing fees based on a low single digit royalty percentage on net sales of CIRM-funded product candidates or CIRM-funded technology. The Company has the option to decline any and all amounts awarded by CIRM. As an alternative to revenue sharing, the Company has the option to convert the award to a loan. No such election has been made as of the date of the issuance of these financial statements. In the event that

FORTY SEVEN, INC.

Notes to Unaudited Interim Condensed Financial Statements

the Company terminates a CIRM-funded clinical trial, it will be obligated to repay the remaining CIRM funds on hand.

Leukemia & Lymphoma Society Grant

In March 2017, the Company entered into an agreement with the Leukemia & Lymphoma Society, Inc. ("LLS"). The LLS research grant stipulates various milestone-based payments with a total award of $4.0 million through December 2019. As of December 31, 2017 and March 31, 2018, the Company had received $1.0 million and $2.3 million under the award. The Company could be required in the future to pay amounts to LLS upon reaching certain development and regulatory approval milestones as well as a low single digit percentage royalty rate on net sales, up to a maximum of $15 million in total.

The Company recognizes research grants as a reduction of research and development expense when the eligible costs are incurred. For the three months ended March 31, 2017 and 2018, the Company recognized $0.6 million and $1.5 million as a reduction to research and development expense for research grants.

Merck Collaboration Agreement

In January 2018, the Company entered into a clinical trial collaboration and supply agreement with Ares Trading S.A, a subsidiary of Merck KGaA ("Merck"), to evaluate 5F9 combined with Merck's cancer immunotherapy, avelumab, in a Phase 1b clinical trial in patients with ovarian cancer. Pursuant to the agreement, the parties will jointly pay for the cost of the study. As of March 31, 2018, the Company recorded a receivable of $0.2 million from Merck for reimbursement of research and development costs incurred. Reimbursement under this collaboration agreement is recorded as reduction to research and development expense.

6. Convertible Preferred Stock

Through December 31, 2017, the Company's convertible preferred stock was classified in permanent equity as redemption of the convertible preferred stock was in the control of the Company. In February 2018, the Company appointed an additional director which increased the influence of the convertible preferred stockholders on the board of directors. This change to the Company's board composition during the three months ended March 31, 2018, resulted in the convertible preferred stock being reclassified outside of stockholders' deficit because, in the event of certain "liquidation events" that are not solely within the Company's control (including merger, acquisition, or sale of all or substantially all of our assets), the shares could become redeemable at the option of the holders. As of March 31, 2018, shares of the convertible preferred stock were not redeemable. As of March 31, 2018, the Company did not adjust the carrying values of the convertible preferred stock to the deemed liquidation values of such shares since a liquidation event was not probable of occurring. Subsequent adjustments to increase or decrease the carrying values to the ultimate liquidation values will be made only if and when it becomes probable that such a liquidation event will occur.

7. Stock-Based Compensation

As of December 31, 2017 and March 31, 2018, there were 3,042,573 shares reserved by the Company to grant under the 2015 Plan.

FORTY SEVEN, INC.

Notes to Unaudited Interim Condensed Financial Statements

The following summarizes option activity under the 2015 Plan:

	Shares Issuable Under Options	Weighted-Average Exercise Price	Weighted-Average Remaining Contract Term (In years)	Aggregate Intrinsic Value (In thousands)
Balance, December 31, 2017	2,102,528	$ 4.47	9.43	$ 1,672
Options granted	113,645	8.12		
Options forfeited	(9,531)	3.79		
Balance Outstanding March 31, 2018	2,206,642	4.67	9.23	9,030
Exercisable, March 31, 2018	1,092,325	4.21	9.09	4,968
Vested and expected to vest, March 31, 2018	2,206,642	4.67	9.23	9,030

Total stock-based compensation was as follows:

	Three Months Ended March 31,	
	2017	2018
	(In thousands)	
Research and development	$ 26	$ 135
General and administrative	33	296
Total	$ 59	$ 431

Restricted Stock

As of December 31, 2017 and March 31, 2018, $255,000 and $241,000, respectively, were recorded in other long-term liabilities related to shares held by employees and directors that were subject to repurchase.

A summary of restricted stock activity follows:

	Number of Restricted Shares Outstanding
Unvested shares—December 31, 2017	156,988
Early exercised options	—
Restricted shares vested	(11,290)
Repurchased by the Company	(41,935)
Unvested shares—March 31, 2018	103,763

FORTY SEVEN, INC.

Notes to Unaudited Interim Condensed Financial Statements

8. Net Loss and Unaudited Pro Forma Net Loss Per Share

The following outstanding potentially dilutive shares have been excluded from the calculation of diluted net loss per share for the periods presented due to their anti-dilutive effect:

	As of March 31,	
	2017	2018
Convertible preferred stock	8,626,373	16,215,896
Stock options to purchase common stock	624,177	2,206,642
Restricted stock subject to future vesting	244,891	103,763
Total	9,495,441	18,526,301

Pro Forma Net Loss per Share

The following table sets forth the computation of unaudited pro forma basic and diluted net loss per share during the three months ended March 31, 2018 (in thousands, except share and per share data):

	Three Months Ended March 31, 2018 (Unaudited)
Net loss, basic and diluted	$ (14,775)
Shares used in computing net loss per share, basic and diluted	6,600,407
Pro forma adjustment to reflect assumed conversion of convertible preferred stock	16,215,896
Shares used in computing pro forma net loss per share, basic and diluted	22,816,303
Pro forma net loss per share, basic and diluted	$ (0.65)

9. Subsequent Events

Except for the Reverse Stock Split described in Note 1, subsequent events have been evaluated through May 22, 2018, which is the date that the unaudited interim financial statements were available to be issued.


Forty Seven

PART II
INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution.

The following table sets forth all costs and expenses, other than underwriting discounts and commissions, payable by us in connection with the sale of the common stock being registered. All amounts shown are estimates except for the SEC registration fee, the Financial Industry Regulatory Authority, or FINRA, filing fee and The Nasdaq Global Market initial listing fee.

Item	Amount
SEC registration fee	$ 15,349
FINRA filing fee	19,000
Initial listing fee	125,000
Printing and engraving expenses	400,000
Legal fees and expenses	1,500,000
Accounting fees and expenses	900,000
Transfer agent and registrar fees and expenses	15,000
Miscellaneous	525,651
Total	$3,500,000

Item 14. Indemnification of Directors and Officers.

Section 145 of the Delaware General Corporation Law authorizes a court to award, or a corporation's board of directors to grant, indemnity to directors and officers in terms sufficiently broad to permit such indemnification under certain circumstances for liabilities, including reimbursement for expenses incurred, arising under the Securities Act of 1933, as amended, or the Securities Act. Our amended and restated certificate of incorporation to be in effect upon the closing of this offering allows for our indemnification of our directors, officers, employees and other agents to the maximum extent permitted by the Delaware General Corporation Law, and our amended and restated bylaws to be in effect upon the closing of this offering provide for indemnification of our directors and executive officers to the maximum extent permitted by the Delaware General Corporation Law.

We have entered into indemnification agreements with our directors and officers, whereby we have agreed to indemnify our directors and officers to the fullest extent permitted by law, including indemnification against expenses and liabilities incurred in legal proceedings to which the director or officer was, or is threatened to be made, a party by reason of the fact that such director or officer is or was a director, officer, employee, or agent of Forty Seven, Inc., provided that such director or officer acted in good faith and in a manner that the director or officer reasonably believed to be in, or not opposed to, the best interest of Forty Seven, Inc.

At present, there is no pending litigation or proceeding involving a director or officer of Forty Seven, Inc. regarding which indemnification is sought, nor is the registrant aware of any threatened litigation that may result in claims for indemnification.

We maintain insurance policies that indemnify our directors and officers against various liabilities arising under the Securities Act and the Securities Exchange Act of 1934, as amended, that might be incurred by any director or officer in his or her capacity as such.

The underwriters are obligated, under certain circumstances, pursuant to the underwriting agreement to be filed as Exhibit 1.1 hereto, to indemnify us, our officers and our directors against liabilities under the Securities Act.

Item 15. Recent Sales of Unregistered Securities.

The following sets forth information regarding all unregistered securities sold since March 1, 2015. Share amounts have been retroactively adjusted to give effect to a 1-for-7.75 reverse stock split of our common stock and preferred stock effected on June 14, 2018.

Issuances of Capital Stock

(1) From May 2015 to June 2015, we sold, in a series of closings, an aggregate of 5,039,997 shares of common stock to nine accredited investors at a purchase prices ranging from of $0.00775 to $0.0496 per share for an aggregate purchase price of approximately $43,278.

(2) In November 2015 and from February 2016 through April 2016, we sold, in a series of closings, an aggregate of 4,438,691 shares of our Series A-1 preferred stock to 37 accredited investors at a purchase price of $7.75 per share for an aggregate purchase price of $34.4 million.

(3) In November 2016, we issued 1,000,160 shares of common stock to an accredited investor in consideration of an exclusive license of certain intellectual property rights.

(4) From February 2017 through March 2017, we sold, in a series of closings, an aggregate of 4,187,682 shares of our Series A-2 preferred stock to 29 accredited investors at a purchase price of approximately $9.65 per share for an aggregate purchase price of approximately $40.4 million.

(5) In October 2017, we sold an aggregate of 7,589,523 shares of our Series B preferred stock to 32 accredited investors at a purchase price of approximately $9.88 per share for an aggregate purchase price of approximately $75.0 million.

Convertible Promissory Notes

(5) From June 2015 through November 2015, we issued and sold, in a series of closings, convertible promissory notes in the aggregate principal amount of $900,000 to three accredited investors, such notes were converted into 117,328 shares of Series A-1 preferred stock in November 2015.

Option and Common Stock Issuances

(6) From May 15, 2015 through June 11, 2018, we granted to certain of our directors, employees, consultants and other service providers options to purchase 3,963,340 shares of common stock with per share exercise prices ranging from $2.02 to $14.00 under our 2015 Plan.

(7) From May 15, 2015 through June 11, 2018, we issued and sold an aggregate of 342,521 shares of common stock upon the exercise of options under of 2015 Plan at exercise prices ranging from $2.02 to $8.76 per share, for an aggregate exercise price of approximately $866,586.

(8) From May 15, 2015 through June 11, 2018, we issued to certain of our directors, employees, consultants and other service providers an aggregate of 387,096 shares of common stock at a purchase price of $0.00775 per share or $0.0496 per share, for an aggregate purchase price of approximately $6,240 pursuant to restricted stock purchase grant notices under our 2015 Plan, of which 41,935 shares of common stock were repurchased by us at $0.00775 per share for a repurchase price of $325.

None of the foregoing transactions involved any underwriters, underwriting discounts or commissions, or any public offering. Unless otherwise specified above, we believe these transactions were exempt from registration under the Securities Act in reliance on Section 4(a)(2) of the Securities Act (and Regulation D promulgated thereunder), or Rule 701 promulgated under Section 3(b) of the Securities Act as transactions by an issuer not involving any public offering or under benefit plans and contracts relating to compensation as provided

under Rule 701. The recipients of the securities in each of these transactions represented their intentions to acquire the securities for investment only and not with a view to or for sale in connection with any distribution thereof, and appropriate legends were placed on the share certificates issued in these transactions. All recipients had adequate access, through their relationships with us, to information about us. The sales of these securities were made without any general solicitation or advertising.

Item 16. Exhibits and Financial Statement Schedules.

(a) Exhibits.

Exhibit No.	Description
1.1	Form of Underwriting Agreement.
3.1	Amended and Restated Certificate of Incorporation of Forty Seven, Inc., as currently in effect.
3.2#	Form of Amended and Restated Certificate of Incorporation of Forty Seven, Inc., to be in effect upon the closing of the offering.
3.3#	Bylaws of Forty Seven, Inc., as currently in effect.
3.4#	Form of Amended and Restated Bylaws of Forty Seven, Inc., to be in effect upon the closing of the offering.
4.1#	Form of Common Stock Certificate.
5.1	Form of Opinion of Cooley LLP.
10.1#	Amended and Restated Investor Rights Agreement, by and among Forty Seven, Inc. and the investors listed on Exhibit A thereto, dated October 17, 2017.
10.2+	Forty Seven, Inc. 2015 Equity Incentive Plan, as amended.
10.3+	Forms of Stock Option Grant Notice, Option Agreement and Notice of Exercise under the 2015 Equity Incentive Plan.
10.4+	Forty Seven, Inc. 2018 Equity Incentive Plan, to be in effect when this registration statement is declared effective.
10.5+	Forms of Stock Option Grant Notice, Option Agreement and Notice of Exercise under the 2018 Equity Incentive Plan, to be in effect when this registration statement is declared effective.
10.6+	Forms of Restricted Stock Unit Grant Notice and Restricted Stock Unit Award Agreement under the 2018 Equity Incentive Plan, to be in effect when this registration statement is declared effective.
10.7+	Forty Seven, Inc. 2018 Employee Stock Purchase Plan.
10.8+#	Form of Indemnification Agreement, by and between Forty Seven, Inc. and each of its directors and executive officers.
10.9+#	Offer Letter, by and between Forty Seven, Inc. and Mark McCamish, dated November 10, 2016.
10.10+#	Executive Employment Agreement, by and between Forty Seven, Inc. and Chris Takimoto, effective as of January 7, 2016.
10.11#	Lease Agreement, by and between Forty Seven, Inc. and MENLO PREHC I, LLC, dated as of April 13, 2016.
10.12**	Exclusive (Equity) Agreement, by and between Forty Seven, Inc. and The Board of Trustees of the Leland Stanford Junior University, dated November 19, 2015, as amended by Amendment No. 1 to Exclusive (Equity) Agreement, by and between Forty Seven, Inc. and The Board of Trustees of the Leland Stanford Junior University, dated April 19, 2017.

Exhibit No.	Description
10.13**	Assigned Capacity and Manufacturing Agreement, by and between Forty Seven, Inc. and Lonza Sales AG, dated August 30, 2016.
10.14**#	Amendment to the Assigned Capacity and Manufacturing Agreement, by and between Forty Seven, Inc. and Lonza Sales AG, dated June 9, 2017.
10.15**	Assigned Capacity and Manufacturing Agreement for 2000 L Scale, by and between Forty Seven, Inc. and Lonza Biologics Tuas Pte Ltd, dated December 21, 2017.
10.16+#	Forty Seven, Inc. Executive Severance and Change in Control Plan.
16.1#	Letter from PricewaterhouseCoopers LLP to the Securities and Exchange Commission, dated March 23, 2018.
23.1	Consent of independent registered public accounting firm.
23.2	Consent of Cooley LLP (included in Exhibit 5.1).
24.1#	Power of Attorney (see signature page to the original filing of this registration statement on Form S-1).

** Confidential treatment has been requested with respect to certain portions of this exhibit. Omitted portions have been filed separately with the Securities and Exchange Commission.
+ Indicates management contract or compensatory plan.
# Previously filed.

(b) Financial Statement Schedules.

All financial statement schedules are omitted because the information required to be set forth therein is not applicable or is shown in the financial statements or the notes thereto.

Item 17. Undertakings.

The undersigned registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreement, certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned 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 on 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 will 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 will be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time will be deemed to be the initial *bona fide* offering thereof.

(3) For the purpose of determining liability of the registrant under the Securities Act to any purchaser in the initial distribution of the securities: the undersigned registrant undertakes that in a primary offering of securities of the undersigned registrant pursuant to this Registration Statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:

(i) Any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule 424;

(ii) Any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrant or used or referred to by the undersigned registrant;

(iii) The portion of any other free writing prospectus relating to the offering containing material information about the undersigned registrant or its securities provided by or on behalf of the undersigned registrant; and

(iv) Any other communication that is an offer in the offering made by the undersigned registrant to the purchaser.

(4) If the registrant is subject to Rule 430C, each prospectus filed pursuant to Rule 424(b) as part of a registration statement relating to an offering, other than registration statements relying on Rule 430B or other than prospectuses filed in reliance on Rule 430A, shall be deemed to be part of and included in the registration statement as of the date it is first used after effectiveness. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such first use, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such date of first use.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrant has duly caused this Amendment No. 2 to Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in Menlo Park, California on June 18, 2018.

FORTY SEVEN, INC.

By: /S/ MARK A. MCCAMISH
Name: Mark A. McCamish, M.D.
Title: President and Chief Executive Officer

POWER OF ATTORNEY

Pursuant to the requirements of the Securities Act, this Amendment No. 2 to Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/S/ MARK A. MCCAMISH Mark A. McCamish, M.D.	President and Chief Executive Officer and Director (*Principal Executive Officer*)	June 18, 2018
/S/ ANN D. RHOADS Ann D. Rhoads	Chief Financial Officer (*Principal Financial and Accounting Officer*)	June 18, 2018
* Kristine M. Ball	Director	June 18, 2018
* Jeffrey W. Bird, M.D.	Director	June 18, 2018
* Ian T. Clark	Director	June 18, 2018
* Dennis J. Henner, Ph.D.	Director	June 18, 2018
* Ravindra Majeti, M.D.	Director	June 18, 2018
* Christopher J. Schaepe	Director	June 18, 2018
* Irving L. Weissman, M.D.	Director	June 18, 2018

*By /S/ MARK A. MCCAMISH
Mark A. McCamish, M.D.
Attorney-in-Fact

Exhibit 1.1

[•] Shares

FORTY SEVEN, INC.

COMMON STOCK, PAR VALUE $ 0.0001 PER SHARE

UNDERWRITING AGREEMENT

[•], 2018

[•], 2018

Morgan Stanley & Co. LLC
Credit Suisse Securities (USA) LLC

c/o Morgan Stanley & Co. LLC
1585 Broadway
New York, New York 10036

c/o Credit Suisse Securities (USA) LLC
11 Madison Avenue
New York, New York 10010

Ladies and Gentlemen:

Forty Seven, Inc., a Delaware corporation (the "**Company**"), proposes to issue and sell to the several Underwriters named in Schedule I hereto (the "**Underwriters**"), for whom Morgan Stanley & Co. LLC and Credit Suisse Securities (USA) LLC are acting as representatives (collectively, the "**Representatives**"), [•] shares of its common stock, par value $0.0001 per share (the "**Firm Shares**"). The Company also proposes to issue and sell to the several Underwriters not more than an additional [•] shares of its common stock, par value $0.0001 per share (the "**Additional Shares**"), if and to the extent that you, as Representatives, shall have determined to exercise, on behalf of the Underwriters, the right to purchase such shares of common stock granted to the Underwriters in Section 2 hereof. The Firm Shares and the Additional Shares are hereinafter collectively referred to as the "**Shares.**" The shares of common stock, par value $0.0001 per share, of the Company to be outstanding after giving effect to the sales contemplated hereby are hereinafter referred to as the "**Common Stock.**"

The Company has filed with the Securities and Exchange Commission (the "**Commission**") a registration statement (File No. 333-225390), including a prospectus, relating to the Shares. The registration statement as amended at the time it becomes effective, including the information (if any) deemed to be part of the registration statement at the time of effectiveness pursuant to Rule 430A under the Securities Act of 1933, as amended (the "**Securities Act**"), is hereinafter referred to as the "**Registration Statement**"; the prospectus in the form first used to confirm sales of Shares (or in the form first made available to the Underwriters by the Company to meet requests of purchasers pursuant to Rule 173 under the Securities Act) is hereinafter referred to as the "**Prospectus.**" If the Company has filed an abbreviated registration statement to register additional shares of Common Stock pursuant to Rule 462(b) under the Securities Act (the "**Rule 462 Registration Statement**"), then any reference herein to the term "**Registration Statement**" shall be deemed to include such Rule 462 Registration Statement.

For purposes of this Agreement, "**free writing prospectus**" has the meaning set forth in Rule 405 under the Securities Act, "**Time of Sale Prospectus**" means the preliminary prospectus together with the documents and pricing information set forth in Schedule II hereto, and "**broadly available road show**" means a "bona fide electronic road show" as defined in Rule 433(h)(5) under the Securities Act that has been made available without restriction to any person. As used herein, the terms "Registration Statement," "preliminary prospectus," "Time of Sale Prospectus" and "Prospectus" shall include the documents, if any, incorporated by reference therein as of the date hereof.

1. *Representations and Warranties*. The Company represents and warrants to and agrees with each of the Underwriters that:

(a) The Registration Statement has become effective; no stop order suspending the effectiveness of the Registration Statement is in effect, and no proceedings for such purpose are pending before or, to the Company's knowledge, threatened by the Commission.

(b) (i) The Registration Statement, when it became effective, did not contain and, as amended or supplemented, if applicable, will not contain, as of the date of such amendment or supplement, any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, (ii) the Registration Statement and the Prospectus comply and, as amended or supplemented, if applicable, will, as of the date of such amendment or supplement, comply in all material respects with the Securities Act and the applicable rules and regulations of the Commission thereunder, (iii) the Time of Sale Prospectus does not, and at the time of each sale of the Shares in connection with the offering when the Prospectus is not yet available to prospective purchasers at the Closing Date (as defined in Section 4) and at any Option Closing Date (as defined in Section 4), the Time of Sale Prospectus, as then amended or supplemented by the Company, if applicable, will not, contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, (iv) each broadly available road show, if any, when considered together with the Time of Sale Prospectus, does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading and (v) the Prospectus, as of its date, does not contain and, as amended or supplemented, if applicable, will not contain, as of its date at the Closing Date, and at any Option Closing Date, any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, except that the representations and warranties set forth in this paragraph do not apply to statements or omissions in the Registration Statement, the Time of Sale Prospectus or the Prospectus based upon information relating to any Underwriter furnished to the Company in writing by such Underwriter through you expressly for use therein.

(c) The Company is not an "ineligible issuer" in connection with the offering pursuant to Rules 164, 405 and 433 under the Securities Act. Any free writing prospectus that the Company is required to file pursuant to Rule 433(d) under the Securities Act has been, or will be, filed with the Commission in accordance with the requirements of the Securities Act and the applicable rules and regulations of the Commission thereunder. Each free writing prospectus that the Company has filed, or is

required to file, pursuant to Rule 433(d) under the Securities Act or that was prepared by or on behalf of or used or referred to by the Company complies or will comply in all material respects with the requirements of the Securities Act and the applicable rules and regulations of the Commission thereunder. Except for the free writing prospectuses, if any, identified in Schedule II hereto, and electronic road shows, if any, each furnished to you before first use, the Company has not prepared, used or referred to, and will not, without your prior consent, prepare, use or refer to, any free writing prospectus.

(d) The Company has been duly incorporated, is validly existing as a corporation in good standing under the laws of the State of Delaware, has the corporate power and authority to own or lease its property and to conduct its business as described in the Time of Sale Prospectus and is duly qualified to transact business and is in good standing in each jurisdiction in which the conduct of its business or its ownership or leasing of property requires such qualification, except to the extent that the failure to be so qualified or be in good standing would not, individually or in the aggregate, reasonably be expected to have a material adverse effect on the business, properties, management, financial position, stockholders' equity, results of operations or prospects of the Company or on the performance by the Company of its obligations under this Agreement or to consummate the transactions contemplated by the Time of Sale Prospectus (a "**Material Adverse Effect**").

(e) The Company does not have any subsidiaries.

(f) This Agreement has been duly authorized, executed and delivered by the Company.

(g) The authorized capital stock of the Company conforms as to legal matters to the description thereof contained in each of the Time of Sale Prospectus and the Prospectus.

(h) The shares of Common Stock outstanding prior to the issuance of the Shares have been duly authorized and are validly issued, fully paid and non-assessable.

(i) The Shares have been duly authorized and, when issued, delivered and paid for in accordance with the terms of this Agreement, will be validly issued, fully paid and non-assessable, and the issuance of such Shares will not be subject to any preemptive or similar rights.

(j) The execution and delivery by the Company of, and the performance by the Company of its obligations under, this Agreement will not contravene (i) any provision of applicable law, (ii) the certificate of incorporation or bylaws of the Company, (iii) any agreement or other instrument binding upon the Company that is material to the Company, or (iv) any judgment, order or decree of any governmental body, agency or court having jurisdiction over the Company, except that in the case of clauses (i), (iii) and (iv) as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect; and no consent, approval, authorization or order of, or qualification with, any governmental body or agency is required for the performance by the Company of its obligations under this Agreement, except such as may be required by the securities or Blue Sky laws of the various states or the rules and regulations of the Financial Industry Regulatory Authority ("**FINRA**") in connection with the offer and sale of the Shares.

(k) There has not occurred any material adverse change, or any development involving a prospective material adverse change, in the condition, financial or otherwise, or in the earnings, business or operations of the Company from that set forth in the Time of Sale Prospectus.

(l) There are no legal or governmental proceedings pending or, to the knowledge of the Company, threatened to which the Company is a party or to which any of the properties of the Company is subject (i) other than proceedings accurately described in all material respects in the Time of Sale Prospectus and proceedings that would not reasonably, individually or in the aggregate, be expected to have a Material Adverse Effect or (ii) that are required to be described in the Registration Statement or the Prospectus and are not so described in all material respects; and there are no statutes, regulations, contracts or other documents that are required to be described in the Registration Statement or the Prospectus or to be filed as exhibits to the Registration Statement that are not described in all material respects or filed as required.

(m) Each preliminary prospectus filed as part of the Registration Statement as originally filed or as part of any amendment thereto, or filed pursuant to Rule 424 under the Securities Act, complied when so filed in all material respects with the Securities Act and the applicable rules and regulations of the Commission thereunder.

(n) The Company is not, and after giving effect to the offering and sale of the Shares and the application of the proceeds thereof as described in the Prospectus will not be, required to register as an "investment company" as such term is defined in the Investment Company Act of 1940, as amended.

(o) The Company (i) is in compliance with any and all applicable foreign, federal, state and local laws and regulations relating to the protection of human health and safety, the environment or hazardous or toxic substances or wastes, pollutants or contaminants ("**Environmental Laws**"), (ii) has received all permits, licenses or other approvals required of them under applicable Environmental Laws to conduct their respective businesses and (iii) is in compliance with all terms and conditions of any such permit, license or approval, except where such noncompliance with Environmental Laws, failure to receive required permits, licenses or other approvals or failure to comply with the terms and conditions of such permits, licenses or approvals would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(p) There are no costs or liabilities associated with Environmental Laws (including, without limitation, any capital or operating expenditures required for clean-up, closure of properties or compliance with Environmental Laws or any permit, license or approval, any related constraints on operating activities and any potential liabilities to third parties) which would, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(q) There are no contracts, agreements or understandings between the Company and any person granting such person the right to require the Company to file a registration statement under the Securities Act with respect to any securities of the Company or to require the Company to include such securities with the Shares registered pursuant to the Registration Statement, except those contracts, agreements and understandings described in the Time of Sale Prospectus and the Prospectus, all of which have been validly waived in connection with the issuance and sale of the Shares contemplated hereby.

(r) (i) None of the Company or any director or officer thereof, or, to the Company's knowledge, any affiliate of the Company or any employee, agent or representative of the Company or of any of its affiliates, has taken or will take any action in furtherance of an offer, payment, promise to pay, or authorization or approval of the payment, giving or receipt of money, property, gifts or anything else of value, directly or indirectly, to any "government official" (including any officer or employee of a government or government-owned or controlled entity or of a public international organization, or any person acting in an official capacity for or on behalf of any of the foregoing, or any political party or party official or candidate for political office) to improperly influence official action, or to any person in violation of any applicable anti-corruption laws; (ii) the Company and its controlled affiliates have conducted their businesses in compliance with applicable anti-corruption laws and have instituted and maintained and will continue to maintain policies and procedures reasonably designed to promote and achieve compliance with such laws and with the representations and warranties contained herein; and (iii) the Company will not use, directly or indirectly, the proceeds of the offering in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any person in violation of any applicable anti-corruption laws.

(s) The operations of the Company are and have been conducted at all times in material compliance with all applicable financial recordkeeping and reporting requirements, including those of the Bank Secrecy Act, as amended by Title III of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (USA PATRIOT Act), and the applicable anti-money laundering statutes of jurisdictions where the Company conducts business, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental agency (collectively, the "**Anti-Money Laundering Laws**"), and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company with respect to the Anti-Money Laundering Laws is pending or, to the best knowledge of the Company, threatened.

(t) (i) None of the Company, or any director or officer thereof, or, to the Company's knowledge, any affiliate or any employee, agent, or representative of the Company or any of its affiliates, is an individual or entity ("**Person**") that is, or is owned or controlled by one or more Persons that are:

(A) the subject of any sanctions administered or enforced by the U.S. Department of Treasury's Office of Foreign Assets Control, the United Nations Security Council, the European Union, Her Majesty's Treasury, the Swiss Secretariat of Economic Affairs, or other relevant sanctions authority (collectively, "**Sanctions**"), or

(B) located, organized or resident in a country or territory that is the subject of Sanctions (including, without limitation, Crimea, Cuba, Iran, North Korea and Syria).

(ii) The Company will not, directly or indirectly, use the proceeds of the offering, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other Person:

(A) to fund or facilitate any activities or business of or with any Person or in any country or territory that, at the time of such funding or facilitation, is the subject of Sanctions; or

(B) in any other manner that will result in a violation of Sanctions by any Person (including any Person participating in the offering, whether as underwriter, advisor, investor or otherwise).

(iii) For the past 5 years, the Company has not knowingly engaged in, is not now knowingly engaged in, and will not engage in, any dealings or transactions with any Person, or in any country or territory, that at the time of the dealing or transaction is or was the subject of Sanctions.

(u) Subsequent to the respective dates as of which information is given in each of the Registration Statement, the Time of Sale Prospectus and the Prospectus, (i) the Company has not incurred any material liability or obligation, direct or contingent, nor entered into any material transaction; (ii) the Company has not purchased any of its outstanding capital stock, other than from its employees or other service-providers in connection with the termination of their service pursuant to equity compensation plans or agreements described in the Time of Sale Prospectus or in connection with the exercise of the Company's right of first refusal upon a proposed transfer, nor declared, paid or otherwise made any dividend or distribution of any kind on its capital stock other than ordinary and customary dividends; and (iii) there has not been any material change in the capital stock (other than the exercise of equity awards or grants of equity awards or forfeiture of equity awards outstanding as of such respective dates as of which information is given in each of the Registration Statement, the Time of Sale Prospectus and the Prospectus, in each case granted pursuant to the equity compensation plans described in the Time of Sale Prospectus), short-term debt or long-term debt of the Company, except in each case as described in each of the Registration Statement, the Time of Sale Prospectus and the Prospectus, respectively.

(v) The Company does not own any real property. The Company has good and marketable title to all personal property owned by it which is material to the business of the Company, in each case free and clear of all liens, encumbrances and defects except such as are described in the Time of Sale Prospectus or such as do not materially affect the value of such property and do not interfere with the use made and proposed to be made of such property by the Company in any material respect; and any real property and buildings held under lease by the Company are held by them under valid, subsisting and, to the Company's knowledge, enforceable leases with such exceptions as are not material and do not materially interfere with the use made and proposed to be made of such property and buildings by the Company, in each case except as described in the Time of Sale Prospectus.

(w) Except as described in the Registration Statement, the Time of Sale Prospectus or the Prospectus, the Company owns, possesses or licenses, or can acquire on commercially reasonable terms, valid and enforceable rights to use all patents, patent rights, licenses, inventions, copyrights, know-how (including trade secrets and other unpatented and/or unpatentable proprietary or confidential information, systems or procedures), trademarks, service marks, trade names, domain names and other intellectual property (including all registrations and applications for registration of any of the foregoing, as applicable) (collectively, "**Intellectual Property**") currently employed by them in connection with, or necessary for, the business as currently operated by it, except where the failure to own, possess, license, have the right to use or the ability to acquire any of the foregoing would not result, individually or in the aggregate, in a Material Adverse Effect. Except as disclosed in the Registration Statement, Time of Sale Prospectus and Prospectus, the Company has not received any notice of any claim, action, suit or proceeding (i) alleging infringement, misappropriation or other violation of, or conflict with, any Intellectual Property rights of others or (ii) challenging the validity, enforceability or scope of, or the rights of the Company in or to, any Intellectual Property owned by or licensed to the Company, in each case which action, suit, proceeding or claim, individually or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would reasonably be expected to have a Material Adverse Effect, and the Company is unaware of any facts that provide a reasonable basis for any such claim, action, suit or proceeding described in the immediately preceding clause (i) or (ii), which would individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, the Company has taken reasonable steps in accordance with customary industry practice to maintain the confidentiality of all Intellectual Property, the value of which to the Company is contingent upon maintaining the confidentiality thereof. Each agreement pursuant to which the Company obtains any license or other rights to any Intellectual Property is a valid and binding agreement of the Company and is in full force and effect, and none of the Company or, to the knowledge of the Company, any other party thereto is in default or breach under any terms of any such agreement and, to the knowledge of the Company, no event or circumstance has occurred that, with notice or lapse of time or both, would constitute any event of default thereunder.

(x) No material labor dispute with the employees of the Company exists, except as described in the Time of Sale Prospectus, or, to the knowledge of the Company, is imminent; and the Company is not aware of any existing, threatened or imminent labor disturbance by the employees of any of its principal suppliers, manufacturers or contractors that would, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(y) The Company is insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as, in the reasonable judgment of the Company, are prudent and customary in the businesses in which they are engaged; the Company has not been refused any insurance coverage sought or applied for; and the Company has no reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business at a cost that would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, except as described in the Time of Sale Prospectus.

(z) The Company possesses all certificates, authorizations and permits issued by the appropriate federal, state or foreign regulatory authorities necessary to conduct their respective businesses, except where the failure to obtain such certificates, authorizations and permits would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, and the Company has not received any notice of proceedings relating to the revocation or modification of any such certificate, authorization or permit which, individually or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would reasonably be expected to have a Material Adverse Effect, except as described in the Time of Sale Prospectus.

(aa) The Company maintains a system of internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorizations; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain asset accountability; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences. Except as described in the Time of Sale Prospectus, since the end of the Company's most recent audited fiscal year, there has been (i) no material weakness in the Company's internal control over financial reporting (whether or not remediated) and (ii) no change in the Company's internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

(bb) Except as described in the Time of Sale Prospectus or the Registration Statement, the Company has not sold, issued or distributed any shares of Common Stock during the six-month period preceding the date hereof, including any sales pursuant to Rule 144A under, or Regulation D or S of, the Securities Act, other than shares issued pursuant to employee benefit plans, qualified stock option plans or other employee compensation plans or pursuant to outstanding options, rights or warrants.

(cc) The Company has filed all federal, state, local and foreign tax returns required to be filed through the date of this Agreement or has requested extensions thereof and has paid all taxes required to be paid thereon (except for cases in which the failure to file or pay would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, or, except as currently being contested in good faith and for which reserves required by U.S. GAAP have been created in the financial statements of the Company), and no tax deficiency has been determined adversely to the Company which, individually or in the aggregate, has had (nor does the Company have any notice or knowledge of any tax deficiency which could reasonably be expected to be determined adversely to the Company and which could, individually or in the aggregate, reasonably be expected to have) a Material Adverse Effect.

(dd) From the time of initial confidential submission of the Registration Statement to the Commission (or, if earlier, the first date on which the Company engaged directly or through any person authorized to act on its behalf in any Testing-the-Waters Communication) through the date hereof, the Company has been and is an "emerging growth company," as defined in Section 2(a) of the Securities Act (an "**Emerging Growth Company**"). "**Testing-the-Waters Communication**" means any oral or written communication with potential investors undertaken in reliance on Section 5(d) of the Securities Act.

(ee) The Company (i) has not alone engaged in any Testing-the-Waters Communication other than Testing-the-Waters Communications with the consent of the Representatives with entities that are qualified institutional buyers within the meaning of Rule 144A under the Securities Act or institutions that are accredited investors within the meaning of Rule 501 under the Securities Act and (ii) has not authorized anyone other than the Representatives to engage in Testing-the-Waters Communications. The Company reconfirms that the Representatives have been authorized to act on its behalf in undertaking Testing-the-Waters Communications. The Company has not distributed any Written Testing-the-Waters Communications. "**Written Testing-the-Waters Communication**" means any Testing-the-Waters Communication that is a written communication within the meaning of Rule 405 under the Securities Act.

(ff) As of the time of each sale of the Shares in connection with the offering when the Prospectus is not yet available to prospective purchasers, none of (A) the Time of Sale Prospectus, (B) any free writing prospectus, when considered together with the Time of Sale Prospectus, and (C) any individual Written Testing-the-Waters Communication, when considered together with the Time of Sale Prospectus, included, includes or will include an untrue statement of a material fact or omitted, omits or will omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(gg) The Company has operated at all times and is currently in compliance in all material respects with all applicable statutes, rules, regulations and policies of the U.S. Food and Drug Administration (the "**FDA**") and applicable foreign regulatory authorities, including the European Medicines Agency and the UK Medicines & Healthcare products Regulatory Agency (collectively, the "**Regulatory Authorities**"), including, without limitation:

(i) the Federal Food, Drug, and Cosmetic Act and the regulations promulgated thereunder;

(ii) all applicable federal, state, local and foreign health care laws, including, without limitation, the U.S. Anti-Kickback Statute (42 U.S.C. Section 1320a-7b(b)), the Civil Monetary Penalties Law (42 U.S.C. § 1320a-7a), the U.S. Civil False Claims Act (31 U.S.C. Section 3729 et seq.), all applicable federal, state, local and all foreign criminal laws relating to health care fraud and abuse, including but not limited to the U.S. False Statements Law (42 U.S.C. Section 1320a-7b(a)), 18 U.S.C. Sections 286 and 287, and the health care fraud criminal provisions under the U.S. Health Insurance Portability and Accountability Act of 1996 ("**HIPAA**") (42 U.S.C. Section 1320d et seq.), the exclusion laws, the statutes, regulations and directives of applicable government funded or sponsored healthcare programs, and the regulations promulgated pursuant to such statutes;

(iii) the Standards for Privacy of Individually Identifiable Health Information, the Security Standards, and the Standards for Electronic Transactions and Code Sets promulgated under HIPAA, the Health Information Technology for Economic and Clinical Health Act (42 U.S.C. Section 17921 et seq.), and the regulations promulgated thereunder and any state or non-U.S. counterpart thereof or any other law or regulation the purpose of which is to protect the privacy of individuals or prescribers;

(iv) the Patient Protection and Affordable Care Act of 2010, as amended by the Health Care and Education Reconciliation Act of 2010, the regulations promulgated thereunder;

(v) the U.S. Controlled Substances Act (21 U.S.C. Section 801 et seq.);

(vi) licensure, quality, safety and accreditation requirements under applicable federal, state, local or foreign laws or regulatory bodies; and

(vii) all other local, state, federal, national, supranational and foreign laws, relating to the regulation of the Company and the ownership, testing, development, manufacture, packaging, processing, use, distribution, marketing, labeling, promotion, sale, offer for sale, storage, import, export or disposal of any product under development, manufactured or distributed by the Company; (clauses (i) through (vii), collectively, "**Health Care Laws**").

(hh) (i) the studies, tests and preclinical and clinical trials conducted by or on behalf of or sponsored by the Company or in which the Company has participated, were, and if still pending are, being conducted in all material respects in accordance with standard medical and experimental protocols, procedures and controls pursuant to accepted professional scientific research standards and procedures, and all applicable Health Care Laws, the rules and regulations of the Regulatory Authorities and current Good Clinical Practices and Good Laboratory Practices; (ii) the descriptions of the results of such studies and trials contained in the Registration Statement, the Time of Sale Prospectus or the Prospectus are accurate and complete in all material respects and fairly present the data derived from such trials and studies; (iii) the Company has no knowledge of any other studies or trials not described in the Registration Statement, the Time of Sale Prospectus and the Prospectus, the results of which are inconsistent with or call into question the results described or referred to in the Registration Statement, the Time of Sale Prospectus and the Prospectus; (iv) the Company has provided the Underwriters with all substantive written notices, correspondence and summaries of all other communications provided to the Company or its subsidiaries from the Regulatory Authorities; and (v) the Company has not received any written notices, correspondence or other communications from any Regulatory Authority or any other governmental entity requiring or threatening the termination, modification or suspension of any studies or trials that are described in the Registration Statement, the Time of Sale Prospectus and the Prospectus or the results of which are referred to in the Registration Statement, the Time of Sale Prospectus and the Prospectus, and, to the Company's knowledge, there are no reasonable grounds for the same.

(ii) (i) Except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, the Company has filed, obtained, maintained or submitted all reports, documents, forms, notices, applications, records, claims, submissions and supplements or amendments as required by any Health Care Laws, and, all such reports, documents, forms, notices, applications, records, claims, submissions and supplements or amendments were timely, complete, accurate and not misleading on the date filed (or were corrected or supplemented by a subsequent submission); (ii) the Company has not received written notice of any claim, action, suit, proceeding, hearing, enforcement, investigation, arbitration or other action from any court or arbitrator or Regulatory Authority, other governmental entity or third party alleging that any Company or product operation or activity is in violation of any Health Care Laws, including, without limitation, any FDA Form 483, notice of adverse finding, warning letter, untitled letter or other correspondence or notice from the FDA or any other Regulatory Authority or governmental entity, nor, to the Company's knowledge, is any such claim, action, suit, proceeding, hearing, enforcement, investigation, arbitration or other action threatened; (iii) the Company is not a party to any corporate integrity agreements, monitoring agreements, consent decrees, settlement orders, or similar agreements with or imposed by any Regulatory Authority or other governmental entity; and (iv) neither the Company nor any of its employees, officers or directors has been excluded, suspended or debarred from participation in any U.S. federal health care program or human clinical research or, to the knowledge of the Company, is subject to an inquiry, investigation, proceeding or other similar action by a Regulatory Authority or other governmental entity that could reasonably be expected to result in debarment, suspension, or exclusion.

(jj) Except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, (i) each employee benefit plan, within the meaning of Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), that is sponsored, maintained, administered or contributed to by the Company has been maintained in compliance with its terms and the requirements of any applicable statutes, orders, rules and regulations, including but not limited to ERISA and the Internal Revenue Code of 1986, as amended (the "**Code**"), and (ii) neither the Company nor any member of its "Controlled Group" (defined as any trade or business, whether or not incorporated, that would be regarded as a single employer with the Company under Section 414 of the Code) (x) has ever sponsored, maintained, contributed to or has had any obligation to contribute to, any employee benefit plan that is subject to Title IV of ERISA or any "multiemployer plan" as defined in Section 3(37) of ERISA or (y) has incurred, or reasonably expects to incur, any liability under Title IV of ERISA.

(kk) The financial statements (including the related notes thereto) of the Company included in each of the Registration Statement, the Time of Sale Prospectus and the Prospectus comply in all material respects with the applicable requirements of the Securities Act and present fairly in all material respects the consolidated financial position of the Company as of the dates indicated and the results of its operations and cash flows for the periods specified. Such financial statements have been prepared in conformity with generally accepted accounting principles in the United States applied on a consistent basis throughout the periods involved. The other financial information included in the Registration Statement, the Time of Sale Prospectus and the Prospectus has been derived from the accounting records of the Company and presents fairly in all material respects the information shown thereby.

(ll) Ernst & Young LLP, which has expressed its opinion with respect to the financial statements of the Company filed with the Commission as a part of the Registration Statement and included in each of the Time of Sale Prospectus and the Prospectus, is an independent registered public accounting firm with respect to the Company within the applicable rules and regulations adopted by the Commission and the Public Company Accounting Oversight Board (United States) and as required by the Securities Act.

(mm) The statistical, industry-related and market-related data included in the Registration Statement, the Time of Sale Prospectus or the Prospectus are based on or derived from sources that the Company reasonably and in good faith believes to be reliable and accurate in all material respects, such data is consistent with the sources from which they are derived, and, to the extent required, the Company has obtained the written consent to the use of such data from such sources.

(nn) The Company does not have any securities rated by any "nationally recognized statistical rating organization," as such term is defined in Section 3(a)(62) of the Exchange Act.

2. *Agreements to Sell and Purchase.* The Company hereby agrees to sell to the several Underwriters, and each Underwriter, upon the basis of the representations and warranties herein contained, but subject to the conditions hereinafter stated, agrees, severally and not jointly, to purchase from the Company the respective numbers of Firm Shares set forth in Schedule I hereto opposite its name at $[•] a share (the "**Purchase Price**").

On the basis of the representations and warranties contained in this Agreement, and subject to its terms and conditions, the Company agrees to sell to the Underwriters the Additional Shares, and the Underwriters shall have the right to purchase, severally and not jointly, up to [•] Additional Shares at the Purchase Price, provided, however, that the amount paid by the Underwriters for any Additional Shares shall be reduced by an amount per share equal to any dividends declared by the Company and payable on the Firm Shares but not payable on such Additional Shares. You may exercise this right on behalf of the Underwriters in whole or from time to time in part by giving written notice not later than 30 days after the date of this Agreement. Any exercise notice shall specify the number of Additional Shares to be purchased by the Underwriters and the date on which such shares are to be purchased. Each purchase date must be at least one business day after the written notice is given and may not be earlier than the closing date for the Firm Shares nor later than ten business days after the date of such notice. Additional Shares may be purchased as provided in Section 4 hereof solely for the purpose of covering over-allotments made in connection with the offering of the Firm Shares. On each day, if any, that Additional Shares are to be purchased (an "**Option Closing Date**"), each Underwriter agrees, severally and not jointly, to purchase the number of Additional Shares (subject to such adjustments to eliminate fractional shares as you may determine) that bears the same proportion to the total number of Additional Shares to be purchased on such Option Closing Date as the number of Firm Shares set forth in Schedule I hereto opposite the name of such Underwriter bears to the total number of Firm Shares.

3. *Terms of Public Offering*. The Company is advised by you that the Underwriters propose to make a public offering of their respective portions of the Shares as soon after the Registration Statement and this Agreement have become effective as in your judgment is advisable. The Company is further advised by you that the Shares are to be offered to the public initially at $[•] a share (the "**Public Offering Price**") and to certain dealers selected by you at a price that represents a concession not in excess of $[•] a share under the Public Offering Price.

4. *Payment and Delivery.* Payment for the Firm Shares shall be made to the Company in Federal or other funds immediately available in New York City against delivery of such Firm Shares for the respective accounts of the several Underwriters at 10:00 a.m., New York City time, on [•], or at such other time on the same or such other date, not later than [•], as shall be designated in writing by you. The time and date of such payment are hereinafter referred to as the "**Closing Date**."

Payment for any Additional Shares shall be made to the Company in Federal or other funds immediately available in New York City against delivery of such Additional Shares for the respective accounts of the several Underwriters at 10:00 a.m., New York City time, on the date specified in the corresponding notice described in Section 2 or at such other time on the same or on such other date, in any event not later than [•], as shall be designated in writing by you.

The Firm Shares and Additional Shares shall be registered in such names and in such denominations as you shall request in writing not later than one full business day prior to the Closing Date or the applicable Option Closing Date, as the case may be. The Firm Shares and Additional Shares shall be delivered to you on the Closing Date or an Option Closing Date, as the case may be, for the respective accounts of the several Underwriters. The Purchase Price payable by the Underwriters shall be reduced by (i) any transfer taxes paid by, or on behalf of, the Underwriters in connection with the transfer of the Shares to the Underwriters duly paid and (ii) any withholding required by law.

5. *Conditions to the Underwriters' Obligations*. The obligations of the Company to sell the Shares to the Underwriters and the several obligations of the Underwriters to purchase and pay for the Shares on the Closing Date are subject to the condition that the Registration Statement shall have become effective not later than [•] (New York City time) on the date hereof.

The several obligations of the Underwriters are subject to the following further conditions:

(a) Subsequent to the execution and delivery of this Agreement and prior to the Closing Date there shall not have occurred any change, or any development involving a prospective change, in the condition, financial or otherwise, or in the earnings, business or operations of the Company from that set forth in the Time of Sale Prospectus that, in your judgment, is material and adverse and that makes it, in your judgment, impracticable to market the Shares on the terms and in the manner contemplated in the Time of Sale Prospectus.

(b) The Underwriters shall have received on the Closing Date a certificate, dated the Closing Date and signed by an executive officer of the Company, to the effect that the representations and warranties of the Company contained in this Agreement are true and correct as of the Closing Date and that the Company has complied with all of the agreements and satisfied all of the conditions on its part to be performed or satisfied hereunder on or before the Closing Date.

The officer signing and delivering such certificate may rely upon the best of his or her knowledge as to proceedings threatened.

(c) The Underwriters shall have received on the Closing Date (i) an opinion and (ii) a negative assurance letter of Cooley LLP, outside counsel for the Company, dated the Closing Date, in form and substance reasonably satisfactory to the Representatives.

(d) The Underwriters shall have received on the Closing Date an opinion of Bozicevic, Field & Francis, LLP, outside intellectual property counsel for the Company, dated the Closing Date, in form and substance reasonably satisfactory to the Representatives.

(e) The Underwriters shall have received on the Closing Date (i) an opinion and (ii) a negative assurance letter of Davis Polk & Wardwell LLP ("**Davis Polk**"), counsel for the Underwriters, dated the Closing Date, in form and substance satisfactory to the Representatives.

With respect to Section 5(c)(ii) and 5(e)(ii) above, Cooley LLP and Davis Polk may state that their opinions and beliefs are based upon their participation in the preparation of the Registration Statement, the Time of Sale Prospectus and the Prospectus and any amendments or supplements thereto and review and discussion of the contents thereof, but are without independent check or verification, except as specified.

The opinion and negative assurance letter of Cooley LLP described in Section 5(c) and the opinion of Bozicevic, Field & Francis, LLP described in Section 5(d) above shall be rendered to the Underwriters at the request of the Company and shall so state therein.

(f) The Underwriters shall have received, on each of the date hereof and the Closing Date, a letter dated the date hereof or the Closing Date, as the case may be, in form and substance reasonably satisfactory to the Representatives, from Ernst & Young LLP, independent registered public accounting firm, containing statements and information of the type ordinarily included in accountants' "comfort letters" to underwriters with respect to the financial statements and certain financial information contained in the Registration Statement, the Time of Sale Prospectus and the Prospectus; *provided* that the letter delivered on the Closing Date shall use a "cut-off date" not earlier than the date hereof.

(g) The "lock-up" agreements, each substantially in the form of Exhibit A hereto, between you and certain shareholders, officers and directors of the Company relating to sales and certain other dispositions of shares of Common Stock or certain other securities, delivered to you on or before the date hereof, shall be in full force and effect on the Closing Date.

(h) The several obligations of the Underwriters to purchase Additional Shares hereunder are subject to the delivery to you on the applicable Option Closing Date of the following:

(i) a certificate, dated the Option Closing Date and signed by an executive officer of the Company, confirming that the certificate delivered on the Closing Date pursuant to Section 5(b) hereof remains true and correct as of such Option Closing Date;

(ii) an opinion and negative assurance letter of Cooley LLP, outside counsel for the Company, dated the Option Closing Date, relating to the Additional Shares to be purchased on such Option Closing Date and otherwise to the same effect as the opinion and negative assurance letter required by Section 5(c) hereof;

(iii) an opinion of Bozicevic, Field & Francis, LLP, outside intellectual property counsel for the Company, dated the Option Closing Date, to the same effect as the opinion required by Section 5(d) hereof;

(iv) an opinion and negative assurance letter of Davis Polk, counsel for the Underwriters, dated the Option Closing Date, relating to the Additional Shares to be purchased on such Option Closing Date and otherwise to the same effect as the opinion and negative assurance letter required by Section 5(e) hereof;

(v) a letter dated the Option Closing Date, in form and substance satisfactory to the Representatives, from Ernst & Young LLP, independent registered public accounting firm, substantially in the same form and substance as the letter furnished to the Underwriters pursuant to Section 5(f) hereof; *provided* that the letter delivered on the Option Closing Date shall use a "cut-off date" not earlier than two business days prior to such Option Closing Date; and

(vi) such other documents as you may reasonably request with respect to the good standing of the Company, the due authorization and issuance of the Additional Shares to be sold on such Option Closing Date and other matters related to the issuance of such Additional Shares.

6. *Covenants of the Company*. The Company covenants with each Underwriter as follows:

(a) To furnish to you, without charge, six signed copies of the Registration Statement (including exhibits thereto) and for delivery to each other Underwriter a conformed copy of the Registration Statement (without exhibits thereto) and to furnish to you in New York City, without charge, prior to 10:00 a.m. New York City time on the business day next succeeding the date of this Agreement and during the period mentioned in Section 6(e) or 6(f) below, as many copies of the Time of Sale Prospectus, the Prospectus and any supplements and amendments thereto or to the Registration Statement as you may reasonably request.

(b) Before amending or supplementing the Registration Statement, the Time of Sale Prospectus or the Prospectus, to furnish to you a copy of each such proposed amendment or supplement and not to file any such proposed amendment or supplement to which you reasonably object, and to file with the Commission within the applicable period specified in Rule 424(b) under the Securities Act any prospectus required to be filed pursuant to such Rule.

(c) To furnish to you a copy of each proposed free writing prospectus to be prepared by or on behalf of, used by, or referred to by the Company and not to use or refer to any proposed free writing prospectus to which you reasonably object.

(d) Not to take any action that would result in an Underwriter or the Company being required to file with the Commission pursuant to Rule 433(d) under the Securities Act a free writing prospectus prepared by or on behalf of the Underwriter that the Underwriter otherwise would not have been required to file thereunder.

(e) If the Time of Sale Prospectus is being used to solicit offers to buy the Shares at a time when the Prospectus is not yet available to prospective purchasers and any event shall occur or condition exist as a result of which it is necessary to amend or supplement the Time of Sale Prospectus in order to make the statements therein, in the light of the circumstances, not misleading, or if any event shall occur or condition exist as a result of which the Time of Sale Prospectus conflicts with the information contained in the Registration Statement then on file, or if, in the opinion of counsel for the Underwriters, it is necessary to amend or supplement the Time of Sale Prospectus to comply with applicable law, forthwith to prepare, file with the Commission and furnish, at its own expense, to the Underwriters and to any dealer upon request, either amendments or supplements to the Time of Sale Prospectus so that the statements in the Time of Sale Prospectus as so amended or supplemented will not, in the light of the circumstances when the Time of Sale Prospectus is delivered to a prospective purchaser, be misleading or so that the Time of Sale Prospectus, as amended or supplemented, will no longer conflict with the Registration Statement, or so that the Time of Sale Prospectus, as amended or supplemented, will comply with applicable law.

(f) If, during such period after the first date of the public offering of the Shares as in the opinion of counsel for the Underwriters the Prospectus (or in lieu thereof the notice referred to in Rule 173(a) of the Securities Act) is required by law to be delivered in connection with sales by an Underwriter or dealer, any event shall occur or condition exist as a result of which it is necessary to amend or supplement the Prospectus in order to make the statements therein, in the light of the circumstances when the Prospectus (or in lieu thereof the notice referred to in Rule 173(a) of the Securities Act) is delivered to a purchaser, not misleading, or if, in the opinion of counsel for the Underwriters, it is necessary to amend or supplement the Prospectus to comply with applicable law, forthwith to prepare, file with the Commission and furnish, at its own expense, to the Underwriters and to the dealers (whose names and addresses you will furnish to the Company) to which Shares may have been sold by you on behalf of the Underwriters and to any other dealers upon request, either amendments or supplements to the Prospectus so that the statements in the Prospectus as so amended or supplemented will not, in the light of the circumstances when the Prospectus (or in lieu thereof the notice referred to in Rule 173(a) of the Securities Act) is delivered to a purchaser, be misleading or so that the Prospectus, as amended or supplemented, will comply with applicable law.

(g) To endeavor to qualify the Shares for offer and sale under the securities or Blue Sky laws of such jurisdictions as you shall reasonably request; provided, however, that nothing contained herein shall require the Company to qualify to do business in any jurisdiction, to execute a general consent to service of process in any jurisdiction or to subject itself to taxation in any jurisdiction in which it is not otherwise subject.

(h) To make generally available to the Company's security holders and to you as soon as practicable an earning statement covering a period of at least twelve months beginning with the first fiscal quarter of the Company occurring after the date of this Agreement which shall satisfy the provisions of Section 11(a) of the Securities Act and the rules and regulations of the Commission thereunder.

(i) Whether or not the transactions contemplated in this Agreement are consummated or this Agreement is terminated, the Company agrees to pay or cause to be paid all expenses incident to the performance of its obligations under this Agreement, including: (i) the fees, disbursements and expenses of the Company's counsel and the Company's accountants in connection with the registration and delivery of the Shares under the Securities Act and all other fees or expenses in connection with the preparation and filing of the Registration Statement, any preliminary prospectus, the Time of Sale Prospectus, the Prospectus, any free writing prospectus prepared by or on behalf of, used by, or referred to by the Company and amendments and supplements to any of the foregoing, including all printing costs associated therewith, and the mailing and delivering of copies thereof to the Underwriters and dealers, in the quantities hereinabove specified, (ii) all costs and expenses related to the transfer and delivery of the Shares to the Underwriters, including any transfer or other taxes payable thereon, (iii) the reasonable, documented cost of printing or producing any Blue Sky or Legal Investment memorandum in connection with the offer and sale of the Shares under state securities laws and all expenses in connection with the qualification of the Shares for offer and sale under state securities laws as provided in Section 6(g) hereof, including filing fees and the reasonable, documented fees and disbursements of counsel for the Underwriters in connection with such qualification and in connection with the Blue Sky or Legal Investment memorandum, (iv) all filing fees and the reasonable fees and disbursements of counsel to the Underwriters incurred in connection with the review and qualification of the offering of the Shares by FINRA (provided, that, the amount payable by the Company with respect to fees and disbursements of counsel for the Underwriters pursuant to subsections (iii) and (iv) shall not exceed $35,000), (v) all fees and expenses in connection with the preparation and filing of the registration statement on Form 8-A relating to the Common Stock and all costs and expenses incident to listing the Shares on the Nasdaq Global Market and other national securities exchanges and foreign stock exchanges, (vi) the cost of printing certificates representing the Shares, (vii) the costs and charges of any transfer agent, registrar or depositary, (viii) the costs and expenses of the Company relating to investor presentations on any "road show" undertaken in connection with the marketing of the offering of the Shares, including, without limitation, expenses associated with the preparation or dissemination of any electronic road show, expenses associated with the production of road show slides and graphics, fees and expenses of any consultants engaged in connection with the road show presentations with the prior approval of the Company, travel and lodging expenses of the representatives and officers of the Company and any such consultants, and fifty percent (50%) of the cost of any aircraft chartered in connection with the road show (the remaining fifty percent (50%) of

the cost of such aircraft to be paid by the Underwriters), (ix) the document production charges and expenses associated with printing this Agreement and (x) all other costs and expenses incident to the performance of the obligations of the Company hereunder for which provision is not otherwise made in this Section. It is understood, however, that except as provided in this Section 6, Section 8 and the last paragraph of Section 10 below, the Underwriters will pay all of their costs and expenses, including fees and disbursements of their counsel, stock transfer taxes payable on resale of any of the Shares by them and any advertising expenses connected with any offers they may make.

(j) To promptly notify the Representatives if the Company ceases to be an Emerging Growth Company at any time prior to the later of (a) completion of the distribution of the Shares within the meaning of the Securities Act and (b) completion of the Restricted Period (as defined in this Section 6).

(k) If at any time following the distribution of any Written Testing-the-Waters Communication there occurred or occurs an event or development as a result of which such Written Testing-the-Waters Communication included or would include an untrue statement of a material fact or omitted or would omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at that subsequent time, not misleading, the Company will promptly notify the Representatives and will promptly amend or supplement, at its own expense, such Written Testing-the-Waters Communication to eliminate or correct such untrue statement or omission.

(l)

(i) To not, without the prior written consent of the Representatives on behalf of the Underwriters, during the period ending on and including the 180th day after the date of the Prospectus (the "**Restricted Period**"), (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 Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock or (2) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Common Stock, whether any such transaction described in clause (1) or (2) above is to be settled by delivery of Common Stock or such other securities, in cash or otherwise or (3) file any registration statement with the Commission relating to the offering of any shares of Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock.

(ii) The restrictions contained in Section 6(l)(i) shall not apply to (a) the Shares to be sold hereunder, (b) the issuance by the Company of shares of Common Stock upon the exercise of an option or warrant or the conversion of a security outstanding on the date hereof and disclosed in the Time of Sale Prospectus and the Prospectus, or (c) the establishment of a trading plan pursuant to Rule 10b5-1 under the Exchange Act for the transfer of shares of Common Stock, *provided* that (1) such plan does not provide for the transfer of Common

Stock during the Restricted Period and (2) to the extent a public announcement or filing under the Exchange Act, if any, is required of or voluntarily made by the Company regarding the establishment of such plan, such announcement or filing shall include a statement to the effect that no transfer of Common Stock may be made under such plan during the Restricted Period, (d) the issuance by the Company of shares of, or options to purchase shares of, Common Stock or restricted stock units to employees, officers, directors, advisors or consultants of the Company pursuant to employee benefit plans described in the Time of Sale Prospectus and Prospectus, *provided* that, prior to the issuance of any such shares or the grant of any such options or restricted stock units, the Company shall cause each recipient of such grant or issuance to execute and deliver a lock-up agreement, substantially in the form of Exhibit A hereto, (e) the filing by the Company of registration statements on Form S-8 with respect to the employee benefit plans described in the Time of Sale Prospectus and Prospectus; or (f) the sale or issuance of or entry into an agreement to sell or issue shares of Common Stock in connection with the Company's acquisition of one or more businesses, products or technologies (whether by means of merger, stock purchase, asset purchase or otherwise) or in connection with joint ventures, commercial relationships or other strategic transactions; *provided*, that, the aggregate number of shares of Common Stock that the Company may sell or issue or agree to sell or issue pursuant to this clause (f) shall not exceed 5% of the total number of shares of Common Stock issued and outstanding immediately following the completion of the transactions contemplated by this Agreement; and *provided further* that the Company shall cause each recipient of such shares to execute and deliver to you, on or prior to such issuance, a lock-up agreement, substantially in the form of Exhibit A hereto.

(iii) If the Representatives, in their sole discretion, agree to release or waive the restrictions set forth in a lock-up letter described in Section 5(g) hereof for an officer or director of the Company and provide the Company with notice of the impending release or waiver at least three business days before the effective date of the release or waiver, the Company agrees to announce the impending release or waiver by a press release substantially in the form of Exhibit B hereto through a major news service at least two business days before the effective date of the release or waiver.

(m) To enforce the terms of all existing agreements, plans and arrangements restricting the transfer by any holder of such holder's Common Stock or other securities convertible into or exercisable or exchangeable for Common Stock (the "**Securities**") following the public offering and sale of the Shares contemplated hereby, including, without limitation, Section 2.11 of the Amended and Restated Investor Rights Agreement, dated October 17, 2017, by and between the Company and the investors party thereto, Section 5.1 of the Amended and Restated Right of First Refusal and Co-Sale Agreement, dated October 17, 2017, by and among the Company, the investors and key holders party thereto, Section 9(d) of the Option Agreement under the Company's 2015 Equity Incentive Plan, Section 4 of Exhibit A of each of the Common Stock Purchase Agreements by and between the Company and the purchaser party thereto dated

May 20, 2015, May 28, 2015, June 1, 2015 or June 8, 2015, Section 5 of the Common Stock Purchase Agreement by and between the Company and the subscriber party thereto dated November 8, 2016, and all other "market standoff," "holdback" or similar agreements or provisions, applicable to the Common Stock or other Securities (the "**Company Transfer Restrictions**"), the Company shall issue stop-transfer instructions to the transfer agent with respect to any transaction that would constitute a breach of, or default under, the Company Transfer Restrictions. During the Restricted Period, the Company shall enforce and not waive or amend, such Company Transfer Restrictions and stop transfer instructions unless the Company shall have obtained the prior written consent of the Representatives; *provided* that this Section 6(m) shall not prohibit the Company from effecting a waiver or amendment to permit a transfer of Securities which is permissible under the terms of the lock-up letter described in Section 5(g) hereof.

(n) The Company will deliver to each Underwriter (or its agent), on the date of execution of this Agreement, a properly completed and executed Certification Regarding Beneficial Owners of Legal Entity Customers in a form reasonably acceptable to the Underwriters, together with copies of identifying documentation, and the Company undertakes to provide such additional supporting documentation as each Underwriter may reasonably request in connection with the verification of the foregoing Certification.

7. *Covenants of the Underwriters*. Each Underwriter severally covenants with the Company not to take any action that would result in the Company being required to file with the Commission under Rule 433(d) a free writing prospectus prepared by or on behalf of such Underwriter that otherwise would not be required to be filed by the Company thereunder, but for the action of the Underwriter.

8. *Indemnity and Contribution.* (a) The Company agrees to indemnify and hold harmless each Underwriter, the directors, officers, employees and agents of each Underwriter, each person, if any, who controls any Underwriter within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act, and each affiliate of any Underwriter within the meaning of Rule 405 under the Securities Act from and against any and all losses, claims, damages and liabilities (including, without limitation, any legal or other expenses reasonably incurred in connection with defending or investigating any such action or claim) caused by any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement or any amendment thereof, any preliminary prospectus, the Time of Sale Prospectus or any amendment or supplement thereto, any issuer free writing prospectus as defined in Rule 433(h) under the Securities Act, any Company information that the Company has filed, or is required to file, pursuant to Rule 433(d) under the Securities Act, any road show as defined in Rule 433(h) under the Securities Act (a "road show"), or the Prospectus or any amendment or supplement thereto, or any Written Testing-the-Waters Communication, or caused by any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, except insofar as such losses, claims, damages or liabilities are caused by any such untrue statement or omission or alleged untrue statement or omission based upon information relating to any Underwriter furnished to the Company in writing by such Underwriter through you expressly for use therein.

(b) Each Underwriter agrees, severally and not jointly, to indemnify and hold harmless the Company, its directors, its officers who sign the Registration Statement and each person, if any, who controls the Company within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act to the same extent as the foregoing indemnity from the Company to such Underwriter, but only with reference to information relating to such Underwriter furnished to the Company in writing by such Underwriter through you expressly for use in the Registration Statement, any preliminary prospectus, the Time of Sale Prospectus, any issuer free writing prospectus, road show, the Prospectus or any amendment or supplement thereto.

(c) In case any proceeding (including any governmental investigation) shall be instituted involving any person in respect of which indemnity may be sought pursuant to Section 8(a) or 8(b), such person (the "**indemnified party**") shall promptly notify the person against whom such indemnity may be sought (the "**indemnifying party**") in writing and the indemnifying party, upon request of the indemnified party, shall retain counsel reasonably satisfactory to the indemnified party to represent the indemnified party and any others the indemnifying party may designate in such proceeding and shall pay the fees and disbursements of such counsel related to such proceeding. In any such proceeding, any indemnified party shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such indemnified party unless (i) the indemnifying party and the indemnified party shall have mutually agreed to the retention of such counsel; (ii) the indemnifying party has failed within a reasonable time to retain counsel reasonably satisfactory to the indemnified party; (iii) the indemnified party shall have reasonably concluded that there may be legal defenses available to it that are different from or in addition to those available to the indemnifying party or (iv) the named parties to any such proceeding (including any impleaded parties) include both the indemnifying party and the indemnified party and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. It is understood that the indemnifying party shall not, in respect of the legal expenses of any indemnified party in connection with any proceeding or related proceedings in the same jurisdiction, be liable for the fees and expenses of more than one separate firm (in addition to any local counsel) for all such indemnified parties and that all such fees and expenses shall be reimbursed as they are incurred. Such firm shall be designated in writing by the Representatives, in the case of parties indemnified pursuant to Section 8(a), and by the Company, in the case of parties indemnified pursuant to Section 8(b). The indemnifying party shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent or if there be a final judgment for the plaintiff, the indemnifying party agrees to indemnify the indemnified party from and against any loss or liability by reason of such settlement or judgment. Notwithstanding the foregoing sentence, if at any time an indemnified party shall have requested an indemnifying party to reimburse the indemnified party for fees and expenses of counsel as contemplated by the second and third sentences of this paragraph, the indemnifying party agrees that it shall be liable for any settlement of any proceeding effected without its written consent if (i) such settlement is entered into more than 30 days after receipt by such indemnifying party of the aforesaid request and (ii) such indemnifying party shall not have reimbursed the indemnified party in accordance with such request prior to the date of such settlement. No indemnifying party shall,

without the prior written consent of the indemnified party, effect any settlement of any pending or threatened proceeding in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party, unless such settlement (x) includes an unconditional release of such indemnified party from all liability on claims that are the subject matter of such proceeding and (y) does not include a statement as to or an admission of fault, culpability or a failure to act, by or on behalf of any indemnified party.

(d) To the extent the indemnification provided for in Section 8(a) or 8(b) is unavailable to an indemnified party or insufficient in respect of any losses, claims, damages or liabilities referred to therein, then each indemnifying party under such paragraph, in lieu of indemnifying such indemnified party thereunder, shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (i) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and the Underwriters on the other hand from the offering of the Shares or (ii) if the allocation provided by clause 8(d)(i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause 8(d)(i) above but also the relative fault of the Company on the one hand and of the Underwriters on the other hand in connection with the statements or omissions that resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and the Underwriters on the other hand in connection with the offering of the Shares shall be deemed to be in the same respective proportions as the net proceeds from the offering of the Shares (before deducting expenses) received by the Company and the total underwriting discounts and commissions received by the Underwriters, in each case as set forth in the table on the cover of the Prospectus, bear to the aggregate Public Offering Price of the Shares. The relative fault of the Company on the one hand and the Underwriters on the other hand shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or by the Underwriters and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Underwriters' respective obligations to contribute pursuant to this Section 8 are several in proportion to the respective number of Shares they have purchased hereunder, and not joint.

(e) The Company and the Underwriters agree that it would not be just or equitable if contribution pursuant to this Section 8 were determined by *pro rata* allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation that does not take account of the equitable considerations referred to in Section 8(d). The amount paid or payable by an indemnified party as a result of the losses, claims, damages and liabilities referred to in Section 8(d) shall be deemed to include, subject to the limitations set forth above, any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 8, no Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Shares underwritten by it and distributed to the public were

offered to the public exceeds the amount of any damages that such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The remedies provided for in this Section 8 are not exclusive and shall not limit any rights or remedies which may otherwise be available to any indemnified party at law or in equity.

(f) The indemnity and contribution provisions contained in this Section 8 and the representations, warranties and other statements of the Company contained in this Agreement shall remain operative and in full force and effect regardless of (i) any termination of this Agreement, (ii) any investigation made by or on behalf of any Underwriter, the directors, officers, employees and agents of each Underwriter, any person controlling any Underwriter or any affiliate of any Underwriter or by or on behalf of the Company, its officers or directors or any person controlling the Company and (iii) acceptance of and payment for any of the Shares.

9. *Termination*. The Underwriters may terminate this Agreement by notice given by you to the Company, if after the execution and delivery of this Agreement and prior to the Closing Date (i) trading generally shall have been suspended or materially limited on, or by, as the case may be, any of the New York Stock Exchange, the NYSE MKT, the NASDAQ Global Market, the Chicago Board of Options Exchange, the Chicago Mercantile Exchange or the Chicago Board of Trade or other relevant exchanges, (ii) trading of any securities of the Company shall have been suspended on any exchange or in any over-the-counter market, (iii) a material disruption in securities settlement, payment or clearance services in the United States or other relevant jurisdictions shall have occurred, (iv) any moratorium on commercial banking activities shall have been declared by Federal or New York State authorities or (v) there shall have occurred any outbreak or escalation of hostilities, or any change in financial markets or any calamity or crisis that, in your judgment, is material and adverse and which, singly or together with any other event specified in this clause (v), makes it, in your judgment, impracticable or inadvisable to proceed with the offer, sale or delivery of the Shares on the terms and in the manner contemplated in the Time of Sale Prospectus or the Prospectus.

10. *Effectiveness; Defaulting Underwriters*. This Agreement shall become effective upon the execution and delivery hereof by the parties hereto.

If, on the Closing Date or an Option Closing Date, as the case may be, any one or more of the Underwriters shall fail or refuse to purchase Shares that it has or they have agreed to purchase hereunder on such date, and the aggregate number of Shares which such defaulting Underwriter or Underwriters agreed but failed or refused to purchase is not more than one-tenth of the aggregate number of the Shares to be purchased on such date, the other Underwriters shall be obligated severally in the proportions that the number of Firm Shares set forth opposite their respective names in Schedule I bears to the aggregate number of Firm Shares set forth opposite the names of all such non-defaulting Underwriters, or in such other proportions as you may specify, to purchase the Shares which such defaulting Underwriter or Underwriters agreed but failed or refused to purchase on such date; *provided* that in no event shall the number of Shares that any Underwriter has agreed to purchase pursuant to this Agreement be increased pursuant to

this Section 10 by an amount in excess of one-ninth of such number of Shares without the written consent of such Underwriter. If, on the Closing Date, any Underwriter or Underwriters shall fail or refuse to purchase Firm Shares and the aggregate number of Firm Shares with respect to which such default occurs is more than one-tenth of the aggregate number of Firm Shares to be purchased on such date, and arrangements satisfactory to you and the Company for the purchase of such Firm Shares are not made within 36 hours after such default, this Agreement shall terminate without liability on the part of any non-defaulting Underwriter or the Company. In any such case either you or the Company shall have the right to postpone the Closing Date, but in no event for longer than seven days, in order that the required changes, if any, in the Registration Statement, in the Time of Sale Prospectus, in the Prospectus or in any other documents or arrangements may be effected. If, on an Option Closing Date, any Underwriter or Underwriters shall fail or refuse to purchase Additional Shares and the aggregate number of Additional Shares with respect to which such default occurs is more than one-tenth of the aggregate number of Additional Shares to be purchased on such Option Closing Date, the non-defaulting Underwriters shall have the option to (i) terminate their obligation hereunder to purchase the Additional Shares to be sold on such Option Closing Date or (ii) purchase not less than the number of Additional Shares that such non-defaulting Underwriters would have been obligated to purchase in the absence of such default. Any action taken under this paragraph shall not relieve any defaulting Underwriter from liability in respect of any default of such Underwriter under this Agreement.

If this Agreement shall be terminated by the Underwriters, or any of them, because of any failure or refusal on the part of the Company to comply with the terms or to fulfill any of the conditions of this Agreement, or if for any reason the Company shall be unable to perform its obligations under this Agreement, the Company will reimburse the Underwriters or such Underwriters as have so terminated this Agreement with respect to themselves, severally, for all out-of-pocket expenses (including the fees and disbursements of their counsel) reasonably incurred by such Underwriters in connection with this Agreement or the offering contemplated hereunder.

11. *Entire Agreement*. (a) This Agreement, together with any contemporaneous written agreements and any prior written agreements (to the extent not superseded by this Agreement) that relate to the offering of the Shares, represents the entire agreement between the Company and the Underwriters with respect to the preparation of any preliminary prospectus, the Time of Sale Prospectus, the Prospectus, the conduct of the offering, and the purchase and sale of the Shares.

(b) The Company acknowledges that in connection with the offering of the Shares: (i) the Underwriters have acted at arm’s length, are not agents of, and owe no fiduciary duties to, the Company or any other person, (ii) the Underwriters owe the Company only those duties and obligations set forth in this Agreement and prior written agreements (to the extent not superseded by this Agreement), if any, and (iii) the Underwriters may have interests that differ from those of the Company. The Company waives to the full extent permitted by applicable law any claims it may have against the Underwriters arising from an alleged breach of fiduciary duty in connection with the offering of the Shares.

12. *Counterparts*. This Agreement may be signed in two or more counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

13. *Applicable Law*. This Agreement and any claim, controversy or dispute arising under or related to this Agreement shall be governed by and construed in accordance with the internal laws of the State of New York. The Company irrevocably submits to the non-exclusive jurisdiction of any New York State or United States Federal court sitting in The City of New York over any suit, action or proceeding arising out of or relating to this Agreement, the Prospectus, the Registration Statement or the offering of the Shares (each, a "**Related Proceeding**"). The Company irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of venue of any Related Proceeding brought in such a court and any claim that any such Related Proceeding brought in such a court has been brought in an inconvenient forum. To the extent that the Company has or hereafter may acquire any immunity (on the grounds of sovereignty or otherwise) from the jurisdiction of any court or from any legal process with respect to itself or its property, the Company irrevocably waives, to the fullest extent permitted by law, such immunity in respect of any such suit, action or proceeding.

14. *Headings*. The headings of the sections of this Agreement have been inserted for convenience of reference only and shall not be deemed a part of this Agreement.

15. *Notices*. All communications hereunder shall be in writing and effective only upon receipt and if to the Underwriters shall be delivered, mailed or sent to you in care of Morgan Stanley & Co. LLC, 1585 Broadway, New York, New York 10036, Attention: Equity Syndicate Desk, with a copy to the Legal Department, and Credit Suisse Securities (USA) LLC, 11 Madison Avenue, New York, New York 10010-3629, Facsimile: (212) 325-4296, Attention: IBCM-Legal; and if to the Company shall be delivered, mailed or sent to Forty Seven, Inc., 1490 O'Brien Drive, Suite A, Menlo Park, CA 94025, Attention Chief Financial Officer.

[signature page follows]

Very truly yours,

FORTY SEVEN, INC.

By: _____
Name:
Title:

[*Signature Page to Underwriting Agreement*]

Accepted as of the date hereof

Morgan Stanley & Co. LLC
Credit Suisse Securities (USA) LLC

Acting severally on behalf of themselves and the several
Underwriters named in Schedule I hereto.

By: Morgan Stanley & Co. LLC

By: _____
Name:
Title:

By: Credit Suisse Securities (USA) LLC

By: _____
Name:
Title:

SCHEDULE I

Underwriter	Number of Firm Shares To Be Purchased
Morgan Stanley & Co. LLC	[•]
Credit Suisse Securities (USA) LLC	[•]
Canaccord Genuity Inc.	[•]
BTIG, LLC	[•]
Oppenheimer & Co. Inc.	[•]
Total:	[•]

Time of Sale Prospectus

1. Preliminary prospectus issued [date]
2. Pricing information:

Firm Shares:	[•]
Additional Shares:	[•]
Public Offering Price:	$[•] per share

EXHIBIT A

FORM OF LOCK-UP LETTER

_____, 2018

Morgan Stanley & Co. LLC
Credit Suisse Securities (USA) LLC

As Representatives of the several Underwriters
listed on Schedule I to the
Underwriting Agreement referred to below

c/o Morgan Stanley & Co. LLC
1585 Broadway
New York, NY 10036

c/o Credit Suisse Securities (USA) LLC
11 Madison Avenue
New York, NY 10010

Ladies and Gentlemen:

The undersigned understands that Morgan Stanley & Co. LLC ("**Morgan Stanley**") and Credit Suisse Securities (USA) LLC ("**Credit Suisse**" and, together with Morgan Stanley, the "**Representatives**") propose to enter into an Underwriting Agreement (the "**Underwriting Agreement**") with Forty Seven, Inc., a Delaware corporation (the "**Company**"), providing for the public offering (the "**Public Offering**") by the several Underwriters listed on Schedule I to the Underwriting Agreement, including the Representatives (the "**Underwriters**"), of shares (the "**Shares**") of the common stock, par value $0.0001 per share, of the Company (the "**Common Stock**").

To induce the Underwriters that may participate in the Public Offering to continue their efforts in connection with the Public Offering, the undersigned hereby agrees that, without the prior written consent of the Representatives on behalf of the Underwriters, it will not, during the period commencing on the date hereof and ending on and including the 180th day after the date of the final prospectus (the "**Restricted Period**") relating to the Public Offering (the "**Prospectus**"), (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 Common Stock beneficially owned (as such term is used in Rule 13d-3 of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**")), by the undersigned or any other securities so owned convertible into or exercisable or exchangeable for Common Stock (the "**Securities**") or (2) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Common Stock, whether any such transaction described in clause (1) or (2) above is to be settled by delivery of Common Stock or such other Securities, in cash or otherwise. The foregoing sentence shall not apply:

(a) to transactions relating to shares of Common Stock or other Securities acquired in the Public Offering or in open market transactions after the completion of the Public Offering;

(b) to transfers of shares of Common Stock or other Securities as a bona fide gift or charitable contribution in a transaction exempt under Section 16(b) of the Exchange Act;

(c) to transfers of shares of Common Stock or other Securities by will or intestate succession upon the death of the undersigned, including to the transferee's nominee or custodian;

(d) to transfers of shares of Common Stock or other Securities to an immediate family member or any trust for the direct or indirect benefit of the undersigned or the immediate family of the undersigned (for purposes of this lock-up agreement, "immediate family" shall mean any relationship by blood, marriage or adoption, not more remote than first cousin);

(e) to transfers or distributions of shares of Common Stock or any other Securities by a stockholder that is a trust to a trustor or beneficiary of the trust or to the estate of a beneficiary of such trust;

(f) if the undersigned is a corporation, partnership, limited liability company, trust or other business entity, (1) to distributions of shares of Common Stock or other Securities to limited partners, members, stockholders or holders of similar equity interests in the undersigned (or in each case its nominee or custodian) or (2) to transfers of shares of Common Stock or other Securities to another corporation, partnership, limited liability company, trust or other business entity (or in each case its nominee or custodian) that is a direct or indirect subsidiary of the undersigned;

(g) to transfers of shares of Common Stock or other Securities by operation of law pursuant to a qualified domestic order or in connection with a divorce settlement; *provided* that any filing required by Section 16 of the Exchange Act shall clearly indicate in the footnotes thereto that such transfer is being made pursuant to the circumstances described in this clause (g) and such shares remain subject to this lock-up agreement; *provided further* that no other public announcement or filing shall be required or shall be voluntarily made during the Restricted Period;

(h) in connection with the disposition or transfer of shares of Common Stock to the Company upon the "net" or "cashless" exercise of stock options or other equity awards outstanding as of the date of the Prospectus and granted pursuant to an employee benefit plan described in the Prospectus; *provided* that the underlying shares of Common Stock issued to the undersigned upon such exercise shall continue to be subject to this lock-up agreement;

(i) to the exercise solely with cash of a stock option granted under a stock incentive plan or stock purchase plan described in the Prospectus by the undersigned, and the receipt by the undersigned from the Company of shares of Common Stock upon such exercise, insofar as such option is outstanding as of the date of the Prospectus, *provided* that the underlying

shares shall continue to be subject to the restrictions on transfer set forth in this lock-up agreement; *provided further* that, if required, any public report or filing under Section 16 of the Exchange Act shall clearly indicate in the footnotes thereto that the filing relates to the exercise of a stock option, that no shares were sold by the reporting person and that the shares received upon exercise of the stock option are subject to a lock-up agreement with the Underwriters of the Public Offering; *provided further* that no other public announcement or filing shall be required or shall be voluntarily made during the Restricted Period;

(j) to transfers to the Company of shares of Common Stock or other Securities in connection with the repurchase by the Company from the undersigned of shares of Common Stock or other Securities pursuant to a repurchase right arising upon the termination of the undersigned's employment with the Company; *provided* that such repurchase right is pursuant to contractual agreements with the Company; *provided further* that any filing required by Section 16 of the Exchange Act shall clearly indicate in the footnotes thereto that such transfer is being made pursuant to the circumstances described in this clause (j); *provided further* that no other public announcement or filing shall be required or shall be voluntarily made during the Restricted Period;

(k) to transfers of shares of Common Stock or other Securities pursuant to a bona fide third-party tender offer, merger, consolidation or other similar transaction involving a Change of Control (as defined below) of the Company which occurs after the consummation of the Public Offering, is open to all holders of the Company's capital stock and has been approved by the board of directors of the Company; *provided* that in the event that such tender offer, merger, consolidation or other such transaction is not completed, the Securities held by the undersigned shall remain subject to the provisions of this lock-up agreement (for purposes of this clause (k), "**Change of Control**" shall mean the consummation of any bona fide third party tender offer, merger, consolidation or other similar transaction the result of which is that any "person" (as defined in Section 13(d)(3) of the Exchange Act), or group of persons, becomes the beneficial owner (as defined in Rules 13d-3 and 13d-5 of the Exchange Act) of at least 50% of total voting power of the voting stock of the Company); or

(l) to the establishment or amendment of a trading plan pursuant to Rule 10b5-1 under the Exchange Act for the transfer of shares of Common Stock; *provided* that (i) such plan does not provide for the transfer of Common Stock during the Restricted Period and (ii) to the extent a public announcement or filing under the Exchange Act, if any, is required of or voluntarily made by or on behalf of the undersigned or the Company regarding the establishment of such plan, such announcement or filing shall include a statement to the effect that no transfer of Common Stock may be made under such plan during the Restricted Period;

provided that:

(w) in the case of any transfer or distribution pursuant to each of the clauses (b) through (g) above, each donee, trustee, distributee or transferee shall sign and deliver a lock-up agreement to the Representatives substantially in the form of this letter;

(x) in the case of any transfer or distribution pursuant to each of the clauses (b) through (f) and (h) above, no filing under Section 16 of the Exchange Act, reporting a reduction in beneficial ownership of shares of Common Stock, and no other public announcement or filing shall be required or shall be voluntarily made during the Restricted Period;

(y) in the case of any transfer or distribution pursuant to each of clauses (b) through (f) above, such transfer or distribution shall not involve a disposition for value; and

(z) in the event of any transfer or distribution for which a public filing under Section 16 of the Exchange Act or any other public filing or announcement is permitted hereunder, the undersigned covenants and agrees to use commercially reasonable efforts to give the Representatives written notice at least one business day (which, for the avoidance of doubt, shall be at least a twenty-four (24) hour period) before such transaction and such filing or announcement.

In addition, the undersigned agrees that, without the prior written consent of the Representatives on behalf of the Underwriters, it will not, during the Restricted Period, make any demand for or exercise any right with respect to, the registration of any shares of Common Stock or any other Security. The undersigned also agrees and consents to the entry of stop transfer instructions with the Company's transfer agent and registrar against the transfer of the undersigned's shares of Common Stock except in compliance with the foregoing restrictions.

If the undersigned is an officer or director of the Company, the undersigned further agrees that the foregoing provisions shall be equally applicable to any issuer-directed Shares the undersigned may purchase in the Public Offering.

If the undersigned is an officer or director of the Company, (i) the Representatives agree that, at least three business days before the effective date of any release or waiver of the foregoing restrictions in connection with a transfer of shares of Common Stock, the Representatives will notify the Company of the impending release or waiver, and (ii) the Company has agreed in the Underwriting Agreement to announce the impending release or waiver by press release through a major news service at least two business days before the effective date of the release or waiver. Any release or waiver granted by the Representatives hereunder to any such officer or director shall only be effective two business days after the publication date of such press release. The provisions of this paragraph will not apply if (a) the release or waiver is effected solely to permit a transfer not for consideration and (b) the transferee has agreed in writing to be bound by the same terms described in this letter to the extent and for the duration that such terms remain in effect at the time of the transfer.

The undersigned understands that the Company and the Underwriters are relying upon this agreement in proceeding toward consummation of the Public Offering. The undersigned further understands that this agreement is irrevocable and shall be binding upon the undersigned's heirs, legal representatives, successors and assigns.

Whether or not the Public Offering actually occurs depends on a number of factors, including market conditions. Any Public Offering will only be made pursuant to an Underwriting Agreement, the terms of which are subject to negotiation between the Company and the Underwriters. Notwithstanding anything to the contrary contained herein, this lock-up agreement will automatically terminate and the undersigned will be released from all of his, her or its obligations hereunder upon the earliest to occur, if any, of (i) the Company advises the Representatives in writing before the execution of the Underwriting Agreement that it has determined not to proceed with the Public Offering, (ii) the Company withdraws the registration statement related to the Public Offering before the execution of the Underwriting Agreement, (iii) the Underwriting Agreement is executed but is terminated (other than the provisions thereof which survive termination) prior to payment for and delivery of the shares of Common Stock to be sold thereunder or (iv) December 31, 2018, in the event that the Underwriting Agreement has not been executed by such date.

This lock-up agreement and any claim, controversy or dispute arising under or related to this agreement shall be governed by and construed in accordance with the laws of the State of New York.

[*Signature page follows.*]

Very truly yours,

IF AN INDIVIDUAL:

_____

(duly authorized signature)

Name: _____

(please print full name)

Address:

_____

_____

E-mail: _____

IF AN ENTITY:

_____

(please print complete name of entity)

By: _____

(duly authorized signature)

Name: _____

(please print full name)

Title: _____

(please print full title)

Address:

_____

_____

E-mail: _____

EXHIBIT B

FORM OF WAIVER OF LOCK-UP

_____, 20__

[Name and Address of
Officer or Director
Requesting Waiver]

Dear Mr./Ms. [Name]:

This letter is being delivered to you in connection with the offering by Forty Seven, Inc. (the "**Company**") of _____ shares of common stock, $0.0001 par value per share (the "**Common Stock**"), of the Company and the lock-up letter dated ____, 20__ (the "**Lock-up Letter**"), executed by you in connection with such offering, and your request for a [waiver] [release] dated ____, 20__, with respect to ____ shares of Common Stock (the "**Shares**").

Morgan Stanley & Co. LLC and Credit Suisse Securities (USA) LLC hereby agree to [waive] [release] the transfer restrictions set forth in the Lock-up Letter, but only with respect to the Shares, effective _____, 20__; *provided*, *however*, that such [waiver] [release] is conditioned on the Company announcing the impending [waiver] [release] by press release through a major news service at least two business days before effectiveness of such [waiver] [release]. This letter will serve as notice to the Company of the impending [waiver] [release].

Except as expressly [waived] [released] hereby, the Lock-up Letter shall remain in full force and effect.

Very truly yours,

Morgan Stanley & Co. LLC
Credit Suisse Securities (USA) LLC

Acting severally on behalf of themselves and the several Underwriters named in Schedule I to the Underwriting Agreement

By: _____
Name:
Title:

By: _____
Name:
Title:

cc: Company

FORM OF PRESS RELEASE

Forty Seven, Inc.
[Date]

Forty Seven, Inc. (the "**Company**") announced today that Morgan Stanley & Co. LLC and Credit Suisse Securities (USA) LLC, the lead book-running managers in the Company's recent public sale of _____ shares of common stock, are [waiving][releasing] a lock-up restriction with respect to ____ shares of the Company's common stock held by [certain officers or directors] [an officer or director] of the Company. The [waiver][release] will take effect on ____, 20__, and the shares may be sold on or after such date.

This press release is not an offer for sale of the securities in the United States or in any other jurisdiction where such offer is prohibited, and such securities may not be offered or sold in the United States absent registration or an exemption from registration under the United States Securities Act of 1933, as amended.

AMENDED AND RESTATED CERTIFICATE OF INCORPORATION OF FORTY SEVEN, INC.

Mark McCamish hereby certifies that:

ONE: The original name of this corporation is CD47 Sciences, Inc. and the date of filing the original Certificate of Incorporation of this corporation with the Secretary of State of the State of Delaware was October 14, 2014.

TWO: He is the duly elected and acting President of Forty Seven, Inc., a Delaware corporation.

THREE: The Certificate of Incorporation of this corporation is hereby amended and restated to read as follows:

I.

The name of this corporation is Forty Seven, Inc. (the "***Company***").

II.

The address of the registered office of this Company in the State of Delaware is 251 Little Falls Drive, City of Wilmington, County of New Castle, 19808, and the name of the registered agent of this corporation in the State of Delaware at such address is Corporation Service Company.

III.

The purpose of the Company is to engage in any lawful act or activity for which a corporation may be organized under the Delaware General Corporation Law ("***DGCL***").

IV.

A. The Company is authorized to issue two classes of stock to be designated, respectively, "Common Stock" and "Preferred Stock." The total number of shares that the Company is authorized to issue is 216,215,944 shares, 200,000,000 shares of which shall be Common Stock (the "***Common Stock***") and 16,215,944 shares of which shall be Preferred Stock (the "***Preferred Stock***"). The Preferred Stock shall have a par value of $0.0001 per share and the Common Stock shall have a par value of $0.0001 per share.

B. The number of authorized shares of Common Stock may be increased or decreased (but not below the number of shares of Common Stock then outstanding) by the affirmative vote of the holders of a majority of the stock of the Company entitled to vote (voting together as a single class on an as-if-converted basis).

C. 4,438,709 of the authorized shares of Preferred Stock are hereby designated "Series A-1 Preferred Stock" (the "***Series A-1 Preferred***").

D. 4,187,698 of the authorized shares of Preferred Stock are hereby designated "Series A-2 Preferred Stock" (the "***Series A-2 Preferred***").

E. 7,589,537 of the authorized shares of Preferred Stock are hereby designated "Series B Preferred Stock" (the "***Series B Preferred***" and, together with the Series A-1 Preferred, and the Series A-2 Preferred, the "***Series Preferred***").

F. Upon the acceptance of this Amended and Restated Certificate of Incorporation (this "***Restated Certificate***") for filing with the Secretary of State of the State of Delaware (the "***Effective Time***"):

1. Each 7.75 shares of Common Stock issued and outstanding shall, automatically and without any action on the part of the respective holders thereof and whether or not the certificates representing such shares are surrendered to the Company or its transfer agent, be combined and converted into one (1) share of Common Stock. All shares of Common Stock (including fractions thereof) held by a holder thereof shall be aggregated into the maximum number of resulting whole shares. For any remaining fraction of a share, the Company shall, in lieu of issuing a fractional share, pay cash to such holder equal to the product of such fraction multiplied by the fair market value of one share of Common Stock (after giving effect to the foregoing reverse stock split) as determined by the Company's Board of Directors (the "***Board***").

2. Each 7.75 shares of Series A-1 Preferred issued and outstanding shall, automatically and without any action on the part of the respective holders thereof and whether or not the certificates representing such shares are surrendered to the Company or its transfer agent, be combined and converted into one (1) share of Series A-1 Preferred. All shares of Series A-1 Preferred (including fractions thereof) held by a holder thereof shall be aggregated into the maximum number of resulting whole shares. For any remaining fraction of a share, the Company shall, in lieu of issuing a fractional share, pay cash to such holder equal to the product of such fraction multiplied by the fair market value of one share of Series A-1 Preferred (after giving effect to the foregoing reverse stock split) as determined by the Board.

3. Each 7.75 shares of Series A-2 Preferred issued and outstanding shall, automatically and without any action on the part of the respective holders thereof and whether or not the certificates representing such shares are surrendered to the Company or its transfer agent, be combined and converted into one (1) share of Series A-2 Preferred. All shares of Series A-2 Preferred (including fractions thereof) held by a holder thereof shall be aggregated into the maximum number of resulting whole shares. For any remaining fraction of a share, the Company shall, in lieu of issuing a fractional share, pay cash to such holder equal to the product of such fraction multiplied by the fair market value of one share of Series A-2 Preferred (after giving effect to the foregoing reverse stock split) as determined by the Board.

4. Each 7.75 shares of Series B Preferred issued and outstanding shall, automatically and without any action on the part of the respective holders thereof and whether or not the certificates representing such shares are surrendered to the Company or its transfer agent,

be combined and converted into one (1) share of Series B Preferred. All shares of Series B Preferred (including fractions thereof) held by a holder thereof shall be aggregated into the maximum number of resulting whole shares. For any remaining fraction of a share, the Company shall, in lieu of issuing a fractional share, pay cash to such holder equal to the product of such fraction multiplied by the fair market value of one share of Series B Preferred (after giving effect to the foregoing reverse stock split) as determined by the Board.

G. The splits made pursuant to subsections 1-4 above are referred to herein as the "***Reverse Stock Split***." Unless otherwise specifically noted in this Restated Certificate, all share numbers and prices per share have been adjusted to reflect the Reverse Stock Split.

H. The rights, preferences, privileges, restrictions and other matters relating to the Series Preferred are as follows:

1. DIVIDEND RIGHTS.

(a) Holders of Series Preferred, on a pari passu basis with the holders of Common Stock, shall be entitled to receive but only out of funds that are legally available therefor, dividends at the rate of eight percent (8%) of the Applicable Original Issue Price (as defined below) per annum on each outstanding share of Series Preferred (as adjusted for any stock dividends, combinations, splits, recapitalizations and the like with respect to such shares after the Effective Time) in proportion to the greatest whole number of shares of Common Stock which would be held by each such holder if all shares of Series Preferred were converted at the then-effective Applicable Series Preferred Conversion Rate. Such dividends shall be payable only when, as and if declared by the Board and shall be non-cumulative. No dividends shall be declared or paid to the holders of Common Stock unless dividends on the Series Preferred have been declared or set aside for payment.

(b) Whenever a dividend provided for in this Section 1 shall be payable in property other than cash, the value of such dividend shall be deemed to be the fair market value of such property as determined in good faith by the Board.

2. VOTING RIGHTS.

(a) General Rights. Each holder of shares of the Series Preferred shall be entitled to the number of votes equal to the number of shares of Common Stock into which such shares of Series Preferred could be converted (pursuant to Section 4 hereof) immediately after the close of business on the record date fixed for such meeting or the effective date of such written consent and shall have voting rights and powers equal to the voting rights and powers of the Common Stock and shall be entitled to notice of any stockholders' meeting in accordance with the bylaws of the Company. Except as otherwise provided herein or as required by law, the Series Preferred shall vote together with the Common Stock at any annual or special meeting of the stockholders and not as a separate class, and may act by written consent in the same manner as the Common Stock.

(b) Separate Vote of Series Preferred. For so long as any shares of Series Preferred remain outstanding, in addition to any other vote or consent required herein or

by law, the vote or written consent of the holders of a majority of the outstanding Series Preferred, voting together as a single class on an as-if-converted basis, shall be necessary for effecting or validating the following actions (whether by merger, recapitalization or otherwise), any such act or transactions effected without such approval being null and void *ab initio* and of no force or effect:

(i) Any authorization or any designation of any new class or series of stock or any other securities convertible into a new class or series of stock of the Company ranking on parity with or senior to the Series Preferred in right of redemption, liquidation preference, voting, dividend or other rights or any increase in the authorized or designated number of any such class or series;

(ii) Any declaration or payment of dividends with respect to Common Stock or Preferred Stock;

(iii) Any authorization or agreement by the Company or its stockholders regarding an Asset Transfer or Acquisition (each as defined in Section 3 hereof);

(iv) Any voluntary dissolution or liquidation of the Company;

(v) Any increase or decrease in the authorized number of members of the Company's Board;

(vi) Incur indebtedness in excess of $10,000,000;

(vii) Sell or transfer the Company's material intellectual property (other than ordinary course transfers approved by the Board); or

(viii) Any redemption, repurchase, payment or declaration of dividends or other distributions with respect to Common Stock or Preferred Stock (except for (i) acquisitions of Common Stock by the Company pursuant to agreements that permit the Company to repurchase such shares at no more than cost upon termination of services to the Company or (ii) distributions to holders of Common Stock in accordance with Section 3).

(c) Separate Vote of Series A-1 Preferred. For so long as any shares of Series A-1 Preferred remain outstanding, in addition to any other vote or consent required herein or by law, the vote or written consent of the holders of at least 66 2/3% of the outstanding Series A-1 Preferred shall be necessary for effecting or validating the following actions (whether by merger, recapitalization or otherwise), any such act or transactions effected without such approval being null and void *ab initio* and of no force or effect:

(i) Any amendment, alteration, repeal or waiver of any provision of the Certificate of Incorporation or Bylaws of the Company in a manner that adversely affects the powers, rights, preferences or privileges of the Series A-1 Preferred in a manner that is different from the effect on the powers, rights, preferences and privileges of all other series of Preferred Stock, provided that a senior or pari passu equity financing or debt financing shall not be deemed to cause an adverse change to the Series A-1 Preferred;

(ii) Following the Effective Time, any authorization or issuance of shares of Series A-1 Preferred or any increase or decrease in the authorized number of shares of Series A-1 Preferred;

(iii) Any authorization or amendment of any provision of the Certificate of Incorporation amending any of the requisite voting thresholds for the Series A-1 Preferred in which the Series A-1 Preferred vote as a single class; or

(iv) Any waiver of whether any Asset Transfer or Acquisition (each as defined below) shall be deemed to be a Liquidation Event (as defined below) or the treatment of any transaction or series of related transactions as an Asset Transfer or Acquisition.

(d) Separate Vote of Series A-2 Preferred. For so long as any shares of Series A-2 Preferred remain outstanding, in addition to any other vote or consent required herein or by law, the vote or written consent of the holders of at least 66 2/3% of the outstanding Series A-2 Preferred shall be necessary for effecting or validating the following actions (whether by merger, recapitalization or otherwise), any such act or transactions effected without such approval being null and void *ab initio* and of no force or effect:

(i) Any amendment, alteration, repeal or waiver of any provision of the Certificate of Incorporation or Bylaws of the Company in a manner that adversely affects the powers, rights, preferences or privileges of the Series A-2 Preferred in a manner that is different from the effect on the powers, rights, preferences and privileges of all other series of Preferred Stock, provided that a senior or pari passu equity financing or debt financing shall not be deemed to cause an adverse change to the Series A-2 Preferred;

(ii) Following the Effective Time, any authorization or issuance of shares of Series A-2 Preferred or any increase or decrease in the authorized number of shares of Series A-2 Preferred;

(iii) Any authorization or amendment of any provision of the Certificate of Incorporation amending any of the requisite voting thresholds for the Series A-2 Preferred in which the Series A-2 Preferred vote as a single class; or

(iv) Any waiver of whether any Asset Transfer or Acquisition shall be deemed to be a Liquidation Event or the treatment of any transaction or series of related transactions as an Asset Transfer or Acquisition.

(e) Separate Vote of Series B Preferred. For so long as any shares of Series B Preferred remain outstanding, in addition to any other vote or consent required herein or by law, the vote or written consent of the holders of at least 75% of the outstanding Series B Preferred shall be necessary for effecting or validating the following actions (whether by merger, recapitalization or otherwise), any such act or transactions effected without such approval being null and void *ab initio* and of no force or effect:

(i) Any amendment, alteration, repeal or waiver of any provision of the Certificate of Incorporation or Bylaws of the Company in a manner that

adversely affects the powers, rights, preferences or privileges of the Series B Preferred in a manner that is different from the effect on the powers, rights, preferences and privileges of all other series of Preferred Stock, provided that a senior or pari passu equity financing or debt financing shall not be deemed to cause an adverse change to the Series B Preferred;

(ii) Following the Effective Time, any authorization or issuance of shares of Series B Preferred or any increase or decrease in the authorized number of shares of Series B Preferred;

(iii) Any authorization or amendment of any provision of the Certificate of Incorporation amending any of the requisite voting thresholds for the Series B Preferred in which the Series B Preferred vote as a single class; or

(iv) Any waiver of whether any Asset Transfer or Acquisition shall be deemed to be a Liquidation Event or the treatment of any transaction or series of related transactions as an Asset Transfer or Acquisition.

(f) Election of Board of Directors.

(i) For so long as any shares of Series Preferred remain outstanding, the holders of Series Preferred, voting as a separate class, shall be entitled to elect three (3) members of the Board at each meeting or pursuant to each consent of the Company's stockholders for the election of directors, and to remove from office such directors in accordance with applicable law and to fill any vacancy caused by the resignation, death or removal of such directors.

(ii) For so long as any shares of Series B Preferred remain outstanding, the holders of Series B Preferred, voting as a separate class, shall be entitled to elect one (1) member of the Board at each meeting or pursuant to each consent of the Company's stockholders for the election of directors, and to remove from office such directors in accordance with applicable law and to fill any vacancy caused by the resignation, death or removal of such directors.

(iii) The holders of Common Stock, voting as a separate class, shall be entitled to elect three (3) members of the Board at each meeting or pursuant to each consent of the Company's stockholders for the election of directors, and to remove from office such directors in accordance with applicable law and to fill any vacancy caused by the resignation, death or removal of such directors.

(iv) The holders of Common Stock and Series Preferred, voting together as a single class on an as-if-converted basis, shall be entitled to elect one (1) member of the Board at each meeting or pursuant to each consent of the Company's stockholders for the election of directors and to fill any vacancy caused by the resignation, death or removal of such director (the "***At-Large Director***"), and the holders of Common Stock or Series Preferred, voting separately on an as-if-converted basis, shall be entitled to remove from office such director in accordance with applicable law.

(v) The holders of Common Stock and Series Preferred, voting together as a single class on an as-if-converted basis, shall be entitled to elect all remaining members of the Board at each meeting or pursuant to each consent of the Company's stockholders for the election of directors, and to remove from office such directors in accordance with applicable law and to fill any vacancy caused by the resignation, death or removal of such directors.

(vi) Notwithstanding the provisions of Sections 223(a)(1) and 223(a)(2) of the DGCL, any vacancy, including newly created directorships resulting from any increase in the authorized number of directors or amendment of this Restated Certificate, and vacancies created by removal or resignation of a director, may be filled by a majority of the directors then in office, though less than a quorum, or by a sole remaining director, and the directors so chosen shall hold office until the next annual election and until their successors are duly elected and shall qualify, unless sooner displaced; provided, however, that where such vacancy occurs among the directors elected by the holders of a class or series of stock, the holders of shares of such class or series may override the Board of Directors' action to fill such vacancy by (i) voting for their own designee to fill such vacancy at a meeting of the Company's stockholders or (ii) written consent, if the consenting stockholders hold a sufficient number of shares to elect their designee at a meeting of the stockholders in which all members of such class or series are present and voted. Any director may be removed during his or her term of office without cause, by, and only by, the affirmative vote of the holders of the shares of the class or series of stock entitled to elect such director or directors, given either at a special meeting of such stockholders duly called for that purpose or pursuant to a written consent of stockholders, and any vacancy thereby created may be filled by the holders of that class or series of stock represented at the meeting or pursuant to written consent. At any meeting held for the purpose of electing a director, the presence in person or by proxy of the holders of a majority of the outstanding shares of the class or series entitled to elect such director shall constitute a quorum for the purpose of electing such director.

(vii) No person entitled to vote at an election for directors may cumulate votes to which such person is entitled unless required by applicable law at the time of such election. During such time or times that applicable law requires cumulative voting, every stockholder entitled to vote at an election for directors may cumulate such stockholder's votes and give one candidate a number of votes equal to the number of directors to be elected multiplied by the number of votes to which such stockholder's shares are otherwise entitled, or distribute the stockholder's votes on the same principle among as many candidates as such stockholder desires. No stockholder, however, shall be entitled to so cumulate such stockholder's votes unless (A) the names of such candidate or candidates have been placed in nomination prior to the voting and (B) the stockholder has given notice at the meeting, prior to the voting, of such stockholder's intention to cumulate such stockholder's votes. If any stockholder has given proper notice to cumulate votes, all stockholders may cumulate their votes for any candidates who have been properly placed in nomination. Under cumulative voting, the candidates receiving the highest number of votes, up to the number of directors to be elected, are elected.

(g) Super-Voting Director and Non-Voting Director. One director so designated by the holders of a majority of the outstanding shares of Common Stock of the Company (the "***Super-Voting Director***") shall have two (2) votes on all matters to be voted upon by the Board until November 25, 2018. The At-Large Director shall have no vote on any matters to be voted upon by the Board until December 31, 2017. All other directors, other than the Super-Voting Director until November 25, 2018 and At-Large Director until December 31, 2017, shall each have one (1) vote on all matters to be voted upon by the Board. After November 25, 2018, the Super-Voting Director shall have one (1) vote on all matters to be voted upon by the Board. After December 31, 2017, the At-Large Director shall have one (1) vote on all matters to be voted upon by the Board.

3. LIQUIDATION RIGHTS.

(a) Upon any liquidation, dissolution, or winding up of the Company, whether voluntary or involuntary (a "***Liquidation Event***"), before any distribution or payment shall be made to the holders of any Common Stock, the holders of Series Preferred shall be entitled to be paid out of the assets of the Company legally available for distribution (or the consideration received by the Company or its stockholders in an Acquisition) for each share of Series Preferred held by them, an amount per share of Series Preferred equal to the Applicable Original Issue Price plus all declared and unpaid dividends on the Series Preferred. If, upon any such Liquidation Event, the assets of the Company shall be insufficient to make payment in full to all holders of Series Preferred of the liquidation preference set forth in this Section 3(a), then such assets (or consideration) shall be distributed among the holders of Series Preferred at the time outstanding, ratably in proportion to the full amounts to which they would otherwise be respectively entitled.

(b) After the payment of the full liquidation preference of the Series Preferred as set forth in Section 3(a) above, the remaining assets of the Company legally available for distribution (or the consideration received by the Company or its stockholders in an Acquisition), if any, shall be distributed ratably to the holders of the Common Stock.

(c) Notwithstanding the foregoing, if the holders of Series Preferred would be entitled to greater proceeds if such Series Preferred were to convert into Common Stock and forego the amounts payable to the holders of Series Preferred pursuant to Section 3(a) above, then the holders of Series Preferred would be entitled to receive such greater amounts in lieu of the amounts payable to the holders of Series Preferred pursuant to Section 3(a) above.

(d) An Asset Transfer or Acquisition (each as defined below) shall be deemed a Liquidation Event for purposes of this Section 3.

(i) For the purposes of this Section 3: (i) "***Acquisition***" shall mean (A) any consolidation or merger of the Company with or into any other corporation or other entity or person, or any other corporate reorganization, other than any such consolidation, merger or reorganization in which the holders of the voting securities of the Company immediately prior to such consolidation, merger or reorganization, continue to hold as of immediately after such consolidation, merger or reorganization, a majority of the voting power of the surviving entity (or, if the surviving entity is a wholly owned subsidiary, its parent) as a

result of the shares in the Company held by such holders prior to such consolidation, merger or reorganization; or (B) any transaction or series of related transactions to which the Company is a party in which in excess of fifty percent (50%) of the Company's voting power is transferred; provided that an Acquisition shall not include any transaction or series of transactions principally for bona fide equity financing purposes in which cash is received by the Company or any successor or indebtedness of the Company is cancelled or converted or a combination thereof; and (ii) "***Asset Transfer***" shall mean a sale, lease, exclusive license or other disposition of all or substantially all of the assets of the Company.

(ii) In any Acquisition or Asset Transfer, if the consideration to be received is securities of a corporation or other property other than cash, its value will be deemed its fair market value as determined in good faith by the Board on the date such determination is made.

(iii) The Company shall not have the power to effect an Acquisition or Asset Transfer unless the definitive agreement for such transaction (the "***Agreement***") provides that the consideration payable to the stockholders of the Company in connection therewith shall be allocated among the holders of capital stock of the Company in accordance with this Section 3.

(iv) In the event of a Liquidation Event pursuant to this 3(d), if any portion of the consideration payable to the stockholders of the Company is payable only upon satisfaction of contingencies (the "***Additional Consideration***"), the agreement or plan of merger or consolidation for such transaction shall provide that (i) 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 Company in accordance with Sections 3(a) and 3(b) as if the Initial Consideration were the only consideration payable in connection with such Liquidation Event; and (ii) any Additional Consideration which becomes payable to the stockholders of the Company upon satisfaction of such contingencies shall be allocated among the holders of capital stock of the Company in accordance with Sections 3(a) and 3(b) after taking into account the previous payment of the Initial Consideration as part of the same transaction. For the purposes of this Section 3(d)(iv), consideration placed into escrow or retained as holdback to be available for satisfaction of indemnification or similar obligations in connection with such Liquidation Event shall be deemed to be Additional Consideration.

(e) The "***Series A-1 Original Issue Price***" shall be $7.75 (as adjusted for any stock dividends, combinations, splits, recapitalizations and the like with respect to such shares after the Effective Time). The "***Series A-2 Original Issue Price***" shall be $9.6473023 (as adjusted for any stock dividends, combinations, splits, recapitalizations and the like with respect to such shares after the Effective Time). The "***Series B Original Issue Price***" shall be $9.882025 (as adjusted for any stock dividends, combinations, splits, recapitalizations and the like with respect to such shares after the Effective Time). The "***Applicable Original Issue Price***" shall mean, (i) with respect to the Series A-1 Preferred, the Series A-1 Original Issue Price, (ii) with respect to the Series A-2 Preferred, the Series A-2 Original Issue Price, and (iii) with respect to the Series B Preferred, the Series B Original Issue Price.

4. CONVERSION RIGHTS.

The holders of the Series Preferred shall have the following rights with respect to the conversion of the Series Preferred into shares of Common Stock (the "***Conversion Rights***"):

(a) Optional Conversion. Subject to and in compliance with the provisions of this Section 4, any shares of Series Preferred may, at the option of the holder, be converted at any time into fully-paid and nonassessable shares of Common Stock. The number of shares of Common Stock to which a holder of Series Preferred shall be entitled upon conversion shall be the product obtained by multiplying the Applicable Series Preferred Conversion Rate then in effect (determined as provided in Section 4(b)) by the number of shares of Series Preferred being converted.

(b) Series Preferred Conversion Rate. The conversion rate in effect at any time for conversion of each series of Series Preferred (the "***Applicable Series Preferred Conversion Rate***") shall be the quotient obtained by dividing the Applicable Original Issue Price of such series of Series Preferred by the Applicable Series Preferred Conversion Price, calculated as provided in Section 4(c).

(c) Series Preferred Conversion Price. The conversion price for each series of Series Preferred shall initially be the Applicable Original Issue Price of such series of Series Preferred (the "***Applicable Series Preferred Conversion Price***"). Such initial Applicable Series Preferred Conversion Price shall be adjusted from time to time in accordance with this Section 4. All references to the Applicable Series Preferred Conversion Price herein shall mean the Applicable Series Preferred Conversion Price as so adjusted.

(d) Mechanics of Optional Conversion. Each holder of Series Preferred who desires to convert the same into shares of Common Stock pursuant to this Section 4 shall surrender the certificate or certificates therefor, duly endorsed, at the office of the Company or any transfer agent for the Series Preferred, and shall give written notice to the Company at such office that such holder elects to convert the same. Such notice shall state the number of shares of Series Preferred being converted. Thereupon, the Company shall promptly issue and deliver at such office to such holder a certificate or certificates for the number of shares of Common Stock to which such holder is entitled and shall promptly pay (i) in cash or, to the extent sufficient funds are not then legally available therefor, in Common Stock (at the Common Stock's fair market value determined by the Board as of the date of such conversion), any declared and unpaid dividends on the shares of Series Preferred being converted and (ii) in cash (at the Common Stock's fair market value determined by the Board as of the date of conversion) the value of any fractional share of Common Stock otherwise issuable to any holder of Series Preferred. Such conversion shall be deemed to have been made at the close of business on the date of such surrender of the certificates representing the shares of Series Preferred to be converted, and the person entitled to receive the shares of Common Stock issuable upon such conversion shall be treated for all purposes as the record holder of such shares of Common Stock on such date.

(e) Adjustment for Stock Splits and Combinations. If at any time or from time to time on or after the Effective Time, the Company effects a subdivision of the outstanding Common Stock, the Applicable Series Preferred Conversion Price in effect immediately before that subdivision shall be proportionately decreased. Conversely, if at any time or from time to time after the Effective Time the Company combines the outstanding shares of Common Stock into a smaller number of shares, the Applicable Series Preferred Conversion Price in effect immediately before the combination shall be proportionately increased. Any adjustment under this Section 4(e) shall become effective at the close of business on the date the subdivision or combination becomes effective.

(f) Adjustment for Common Stock Dividends and Distributions. If at any time or from time to time on or after the Effective Time the Company pays to holders of Common Stock a dividend or other distribution in additional shares of Common Stock, the Applicable Series Preferred Conversion Price then in effect shall be decreased as of the time of such issuance, as provided below:

(i) The Applicable Series Preferred Conversion Price shall be adjusted by multiplying the Applicable Series Preferred Conversion Price then in effect by a fraction equal to:

(A) the numerator of which is the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance, and

(B) the denominator of which is the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance plus the number of shares of Common Stock issuable in payment of such dividend or distribution;

(ii) If the Company fixes a record date to determine which holders of Common Stock are entitled to receive such dividend or other distribution, the Applicable Series Preferred Conversion Price shall be fixed as of the close of business on such record date and the number of shares of Common Stock shall be calculated immediately prior to the close of business on such record date; and

(iii) If such record date is fixed and such dividend is not fully paid or if such distribution is not fully made on the date fixed therefor, the Applicable Series Preferred Conversion Price shall be recomputed accordingly as of the close of business on such record date and thereafter the Applicable Series Preferred Conversion Price shall be adjusted pursuant to this Section 4(f) to reflect the actual payment of such dividend or distribution.

(g) Adjustment for Reclassification, Exchange, Substitution, Reorganization, Merger or Consolidation. If at any time or from time to time on or after the Effective Time the Common Stock issuable upon the conversion of the Series Preferred is changed into the same or a different number of shares of any class or classes of stock, whether by recapitalization, reclassification, merger, consolidation or otherwise (other than an Acquisition as defined in Section 3 or a subdivision or combination of shares or stock dividend provided for elsewhere in this Section 4), in any such event each share of Series Preferred shall

thereafter be convertible in lieu of the Common Stock into which it was convertible prior to such event into the kind and amount of securities, cash or other property that a holder of the number of shares of Common Stock of the Company issuable upon conversion of one share of Series Preferred immediately prior to such recapitalization, reclassification, merger, consolidation or other transaction would have been entitled to receive pursuant to such transaction, all subject to further adjustment as provided herein or with respect to such other securities or property by the terms thereof. In any such case, appropriate adjustment shall be made in the application of the provisions of this Section 4 with respect to the rights of the holders of Series Preferred after the capital reorganization to the end that the provisions of this Section 4 (including adjustment of the Applicable Series Preferred Conversion Price then in effect and the number of shares issuable upon conversion of the Series Preferred) shall be applicable after that event and be as nearly equivalent as practicable.

(h) Sale of Shares Below Series Preferred Conversion Price.

(i) If at any time or from time to time on or after the Effective Time the Company issues or sells, or is deemed by the express provisions of this Section 4(h) to have issued or sold, Additional Shares of Common Stock (as defined below), other than as provided in Section 4(e), 4(f) or 4(g) above, for an Effective Price (as defined below) less than the then effective Applicable Series Preferred Conversion Price (a "***Qualifying Dilutive Issuance***"), then and in each such case, the then existing Applicable Series Preferred Conversion Price shall be reduced, as of the opening of business on the date of such issue or sale, to a price determined by multiplying the Applicable Series Preferred Conversion Price in effect immediately prior to such issuance or sale by a fraction:

(A) the numerator of which shall be (A) the number of shares of Common Stock deemed outstanding (as determined below) immediately prior to such issue or sale, plus (B) the number of shares of Common Stock that the Aggregate Consideration (as defined below) received or deemed received by the Company for the total number of Additional Shares of Common Stock so issued would purchase at such then-existing Applicable Series Preferred Conversion Price, and

(B) the denominator of which shall be the number of shares of Common Stock deemed outstanding (as determined below) immediately prior to such issue or sale plus the total number of Additional Shares of Common Stock so issued.

For the purposes of the preceding sentence, the number of shares of Common Stock deemed to be outstanding as of a given date shall be the sum of (A) the number of shares of Common Stock outstanding, (B) the number of shares of Common Stock into which the then outstanding shares of Series Preferred could be converted if fully converted on the day immediately preceding the given date, and (C) the number of shares of Common Stock that are issuable upon the exercise or conversion of all other rights, options and convertible securities outstanding on the day immediately preceding the given date.

(ii) No adjustment shall be made to the Applicable Series Preferred Conversion Price in an amount less than one percent (1%) of the Applicable Series Preferred Conversion Price then in effect. Any adjustment otherwise required by this Section 4(h)

that is not required to be made due to the first sentence of this subsection (ii) shall be included in any subsequent adjustment to the Applicable Series Preferred Conversion Price. Any adjustment required by this Section 4(h) shall be rounded to the first decimal for which such rounding represents less than one percent (1%) of the Applicable Series Preferred Conversion Price in effect after such adjustment.

(iii) For the purpose of making any adjustment required under this Section 4(h), the aggregate consideration received by the Company for any issue or sale of securities (the "***Aggregate Consideration***") shall be defined as: (A) to the extent it consists of cash, the gross amount of cash received by the Company before deduction of any underwriting or similar commissions, compensation or concessions paid or allowed by the Company in connection with such issue or sale and without deduction of any expenses payable by the Company, (B) to the extent it consists of property other than cash, the fair market value of that property as determined in good faith by the Board, and (C) if Additional Shares of Common Stock, Convertible Securities (as defined below) or rights or options to purchase either Additional Shares of Common Stock or Convertible Securities are issued or sold together with other stock or securities or other assets of the Company for a consideration that covers both, the portion of the consideration so received that may be reasonably determined in good faith by the Board to be allocable to such Additional Shares of Common Stock, Convertible Securities or rights or options.

(iv) For the purpose of the adjustment required under this Section 4(h), if the Company issues or sells (x) Preferred Stock or other stock, options, warrants, purchase rights or other securities exercisable for or convertible into, Additional Shares of Common Stock (such convertible stock or securities being herein referred to as "***Convertible Securities***") or (y) rights or options for the purchase of Additional Shares of Common Stock or Convertible Securities and if the Effective Price of such Additional Shares of Common Stock is less than the Applicable Series Preferred Conversion Price, in each case the Company shall be deemed to have issued at the time of the issuance of such rights or options or Convertible Securities the maximum number of Additional Shares of Common Stock issuable upon exercise or conversion thereof and to have received as consideration for the issuance of such shares an amount equal to the total amount of the consideration, if any, received by the Company for the issuance of such rights or options or Convertible Securities plus:

(A) in the case of such rights or options, the minimum amounts of consideration, if any, payable to the Company upon the exercise of such rights or options; and

(B) in the case of Convertible Securities, the minimum amounts of consideration, if any, payable to the Company upon the conversion thereof (other than by cancellation of liabilities or obligations evidenced by such Convertible Securities); *provided* that if the minimum amounts of such consideration cannot be ascertained, but are a function of antidilution or similar protective clauses, the Company shall be deemed to have received the minimum amounts of consideration without reference to such clauses.

(C) If the minimum amount of consideration payable to the Company upon the exercise or conversion of rights, options or Convertible Securities is reduced over time or on the occurrence or non-occurrence of specified events other than by reason of antidilution adjustments, the Effective Price shall be recalculated using the figure to which such minimum amount of consideration is reduced; *provided further,* that if the minimum amount of consideration payable to the Company upon the exercise or conversion of such rights, options or Convertible Securities is subsequently increased, the Effective Price shall be again recalculated using the increased minimum amount of consideration payable to the Company upon the exercise or conversion of such rights, options or Convertible Securities.

(D) No further adjustment of the Applicable Series Preferred Conversion Price, as adjusted upon the issuance of such rights, options or Convertible Securities, shall be made as a result of the actual issuance of Additional Shares of Common Stock or the exercise of any such rights or options or the conversion of any such Convertible Securities. If any such rights or options or the conversion privilege represented by any such Convertible Securities shall expire without having been exercised, the Applicable Series Preferred Conversion Price as adjusted upon the issuance of such rights, options or Convertible Securities shall be readjusted to the Applicable Series Preferred Conversion Price that would have been in effect had an adjustment been made on the basis that the only Additional Shares of Common Stock so issued were the Additional Shares of Common Stock, if any, actually issued or sold on the exercise of such rights or options or rights of conversion of such Convertible Securities, and such Additional Shares of Common Stock, if any, were issued or sold for the consideration actually received by the Company upon such exercise, plus the consideration, if any, actually received by the Company for the granting of all such rights or options, whether or not exercised, plus the consideration received for issuing or selling the Convertible Securities actually converted, plus the consideration, if any, actually received by the Company (other than by cancellation of liabilities or obligations evidenced by such Convertible Securities) on the conversion of such Convertible Securities, *provided* that such readjustment shall not apply to prior conversions of Series Preferred.

(v) For the purpose of making any adjustment to the Conversion Price of the Series Preferred required under this Section 4(h), "***Additional Shares of Common Stock***" shall mean all shares of Common Stock issued by the Company or deemed to be issued pursuant to this Section 4(h) (including shares of Common Stock subsequently reacquired or retired by the Company), other than (the following exceptions, collectively, "***Excluded Issuances***"):

(A) shares of Common Stock issued upon conversion of the Series Preferred;

(B) shares of Common Stock or Convertible Securities issued after the Effective Time to employees, officers or directors of, or consultants or advisors to the Company or any subsidiary pursuant to stock purchase or stock option plans or other arrangements that are approved by the Board, including at least two (2) of the directors designated by holders of the Preferred Stock voting as a separate class;

(C) shares of Common Stock issued pursuant to the exercise or conversion of Convertible Securities outstanding as of the Effective Time;

(D) shares of Common Stock or Convertible Securities issued for consideration other than cash pursuant to a merger, consolidation, acquisition, strategic alliance or similar business combination approved by the Board, including at least two (2) of the directors designated by holders of the Preferred Stock voting as a separate class;

(E) shares of Common Stock or Convertible Securities issued pursuant to any equipment loan or leasing arrangement, real property leasing arrangement or debt financing from a bank or similar financial or lending institution approved by the Board, including at least two (2) of the directors designated by holders of the Preferred Stock voting as a separate class;

(F) shares of Common Stock or Convertible Securities issued to third-party service providers in exchange for or as partial consideration for services rendered to the Company as approved by the Board, including at least two (2) of the directors designated by holders of the Preferred Stock voting as a separate class;

(G) shares of Common Stock or Convertible Securities issued in connection with strategic transactions involving the Company and other entities approved by the Board, including at least two (2) of the directors designated by holders of the Preferred Stock voting as a separate class, including without limitation joint ventures, manufacturing, marketing, distribution, technology transfer or development arrangements; and

(H) shares of Common Stock or Convertible Securities that (i) with respect to the Conversion Price of the Series A-1 Preferred, the holders of at least 66 2/3% of the outstanding shares of Series A-1 Preferred elect in writing to exclude from the definition of "Additional Shares of Common Stock" for purposes of this Section 4; (ii) with respect to the Conversion Price of the Series A-2 Preferred, the holders of at least 66 2/3% of the outstanding shares of Series A-2 Preferred elect in writing to exclude from the definition of "Additional Shares of Common Stock" for purposes of this Section 4; or (iii) with respect to the Conversion Price of the Series B Preferred, the holders of at least 75% of the outstanding Series B Preferred elect in writing to exclude from the definition of "Additional Shares of Common Stock" for purposes of this Section 4.

References to Common Stock in the subsections of this clause (v) above shall mean all shares of Common Stock issued by the Company or deemed to be issued pursuant to this Section 4(h). The "***Effective Price***" of Additional Shares of Common Stock shall mean the quotient determined by dividing the total number of Additional Shares of Common Stock issued or sold, or deemed to have been issued or sold by the Company under this Section 4(h), into the Aggregate Consideration received, or deemed to have been received by the Company for such issue under this Section 4(h), for such Additional Shares of Common Stock. In the event that the number of shares of Additional Shares of Common Stock or the Effective Price cannot be ascertained at the time of issuance, such Additional Shares of Common Stock shall be deemed issued immediately upon the occurrence of the first event that makes such number of shares or the Effective Price, as applicable, ascertainable.

(vi) In the event that the Company issues or sells, or is deemed to have issued or sold, Additional Shares of Common Stock in a Qualifying Dilutive Issuance (the "***First Dilutive Issuance***"), then in the event that the Company issues or sells, or is deemed to have issued or sold, Additional Shares of Common Stock in a Qualifying Dilutive Issuance other than the First Dilutive Issuance as a part of the same transaction or series of related transactions as the First Dilutive Issuance (a "***Subsequent Dilutive Issuance***"), then and in each such case upon a Subsequent Dilutive Issuance the Applicable Series Preferred Conversion Price shall be reduced to the Applicable Series Preferred Conversion Price that would have been in effect had the First Dilutive Issuance and each Subsequent Dilutive Issuance all occurred on the closing date of the First Dilutive Issuance.

(i) Certificate of Adjustment. In each case of an adjustment or readjustment of the Applicable Series Preferred Conversion Price for the number of shares of Common Stock or other securities issuable upon conversion of the Series Preferred, if the Series Preferred is then convertible pursuant to this Section 4, the Company, at its expense, shall compute such adjustment or readjustment in accordance with the provisions hereof and shall, upon request, prepare a certificate showing such adjustment or readjustment, and shall mail such certificate, by first class mail, postage prepaid, to each registered holder of Series Preferred so requesting at the holder's address as shown in the Company's books. The certificate shall set forth such adjustment or readjustment, showing in detail the facts upon which such adjustment or readjustment is based, including a statement of (i) the consideration received or deemed to be received by the Company for any Additional Shares of Common Stock issued or sold or deemed to have been issued or sold, (ii) the Applicable Series Preferred Conversion Price at the time in effect, (iii) the number of Additional Shares of Common Stock and (iv) the type and amount, if any, of other property that at the time would be received upon conversion of the Series Preferred. Failure to request or provide such notice shall have no effect on any such adjustment.

(j) Notices of Record Date. Upon (i) any taking by the Company of a record of the holders of any class of securities for the purpose of determining the holders thereof who are entitled to receive any dividend or other distribution, or (ii) any Acquisition (as defined in Section 3) or other capital reorganization of the Company, any reclassification or recapitalization of the capital stock of the Company, any merger or consolidation of the Company with or into any other corporation, or any Asset Transfer (as defined in Section 3), or any voluntary or involuntary dissolution, liquidation or winding up of the Company, the Company shall mail to each holder of Series Preferred at least ten (10) days prior to (x) the record date, if any, specified therein; or (y) if no record date is specified, the date upon which such action is to take effect (or, in either case, such shorter period approved by the holders of a majority of the outstanding Series Preferred) a notice specifying (A) the date on which any such record is to be taken for the purpose of such dividend or distribution and a description of such dividend or distribution, (B) the date on which any such Acquisition, reorganization, reclassification, transfer, consolidation, merger, Asset Transfer, dissolution, liquidation or winding up is expected to become effective, and (C) the date, if any, that is to be fixed as to when the holders of record of Common Stock (or other securities) shall be entitled to exchange their shares of Common Stock (or other securities) for securities or other property deliverable upon such Acquisition, reorganization, reclassification, transfer, consolidation, merger, Asset Transfer, dissolution, liquidation or winding up.

(k) Automatic Conversion.

(i) Each share of Series A-1 Preferred and Series A-2 Preferred shall automatically be converted into shares of Common Stock, based on the then-effective Applicable Series Preferred Conversion Price, (A) at any time upon the affirmative election of the holders of 66 2/3% of the outstanding shares of the Series A-1 Preferred and Series A-2 Preferred, voting together as a single class, with advance notice provided to the holders of the Series A-1 Preferred and Series A-2 Preferred at least 30 days prior to such election, unless waived by 66 2/3% of the outstanding shares of Series A-1 Preferred and Series A-2 Preferred, or (B) immediately upon the closing of a firmly underwritten public offering pursuant to an effective registration statement under the Securities Act of 1933, as amended, covering the offer and sale of Common Stock for the account of the Company in which the gross cash proceeds to the Company (before underwriting discounts, commissions and fees) are at least $50,000,000. Each share of Series B Preferred shall automatically be converted into shares of Common Stock, based on the then-effective Applicable Series Preferred Conversion Price, (A) at any time upon the affirmative election of the holders of 75% of the outstanding shares of the Series B Preferred, with advance notice provided to the holders of the Series B Preferred at least 30 days prior to such election, unless waived by 75% of the outstanding shares of Series B Preferred, or (B) immediately upon the closing of a firmly underwritten public offering pursuant to an effective registration statement under the Securities Act of 1933, as amended, covering the offer and sale of Common Stock for the account of the Company in which the gross cash proceeds to the Company (before underwriting discounts, commissions and fees) are at least $50,000,000. Upon such automatic conversion, any declared and unpaid dividends shall be paid in accordance with the provisions of Section 4(d).

(ii) Upon the occurrence of either of the events specified in Section 4(k)(i) above, the outstanding shares of Series Preferred shall be converted automatically without any further action by the holders of such shares and whether or not the certificates representing such shares are surrendered to the Company or its transfer agent; *provided, however*, that the Company shall not be obligated to issue certificates evidencing the shares of Common Stock issuable upon such conversion unless the certificates evidencing such shares of Series Preferred are either delivered to the Company or its transfer agent as provided below, or the holder notifies the Company or its transfer agent that such certificates have been lost, stolen or destroyed and executes an agreement satisfactory to the Company to indemnify the Company from any loss incurred by it in connection with such certificates. Upon the occurrence of such automatic conversion of the Series Preferred, the holders of Series Preferred shall surrender the certificates representing such shares at the office of the Company or any transfer agent for the Series Preferred. Thereupon, there shall be issued and delivered to such holder promptly at such office and in its name as shown on such surrendered certificate or certificates, a certificate or certificates for the number of shares of Common Stock into which the shares of Series Preferred surrendered were convertible on the date on which such automatic conversion occurred, and any declared and unpaid dividends shall be paid in accordance with the provisions of Section 4(d).

(l) Fractional Shares. No fractional shares of Common Stock shall be issued upon conversion of Series Preferred. All shares of Common Stock (including fractions thereof) issuable upon conversion of more than one share of Series Preferred by a holder thereof

shall be aggregated for purposes of determining whether the conversion would result in the issuance of any fractional share. If after the aforementioned aggregation the conversion would result in the issuance of any fractional share, the Company shall, in lieu of issuing any fractional share, pay cash equal to the product of such fraction multiplied by the fair market value of one share of Common Stock (as determined by the Board) on the date of conversion.

(m) Reservation of Stock Issuable Upon Conversion. The Company shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock, solely for the purpose of effecting the conversion of the shares of the Series Preferred, such number of its shares of Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding shares of the Series Preferred. If at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the conversion of all then outstanding shares of the Series Preferred, the Company will take such corporate action as may be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purpose.

(n) Notices. Any notice required by the provisions of this Section 4 shall be in writing and shall be deemed effectively given: (i) upon personal delivery to the party to be notified, (ii) when sent by electronic transmission in compliance with the provisions of the DGCL if sent during normal business hours of the recipient; if not, then on the next business day, (iii) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (iv) one (1) day after deposit with a nationally recognized overnight courier, specifying next day delivery, with verification of receipt. All notices shall be addressed to each holder of record at the address of such holder appearing on the books of the Company.

(o) Payment of Taxes. The Company will pay all taxes (other than taxes based upon income) and other governmental charges that may be imposed with respect to the issue or delivery of shares of Common Stock upon conversion of shares of Series Preferred, excluding any tax or other charge imposed in connection with any transfer involved in the issue and delivery of shares of Common Stock in a name other than that in which the shares of Series Preferred so converted were registered.

5. NO REISSUANCE OF SERIES PREFERRED.

Any shares of Series Preferred redeemed, purchased, converted or exchanged by the Company shall be cancelled and retired and shall not be reissued or transferred.

V.

A. The liability of the directors of the Company for monetary damages shall be eliminated to the fullest extent under applicable law.

B. To the fullest extent permitted by applicable law, the Company is authorized to provide indemnification of (and advancement of expenses to) directors, officers and agents of the Company (and any other persons to which applicable law permits the Company to provide indemnification) through Bylaw provisions, agreements with such agents or other persons, vote

of stockholders or disinterested directors or otherwise in excess of the indemnification and advancement otherwise permitted by such applicable law. If applicable law is amended after approval by the stockholders of this Article V to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director to the Company shall be eliminated or limited to the fullest extent permitted by applicable law as so amended.

C. Any repeal or modification of this Article V shall only be prospective and shall not affect the rights or protections or increase the liability of any director under this Article V in effect at the time of the alleged occurrence of any act or omission to act giving rise to liability or indemnification.

D. The Company renounces any interest or expectancy of the Company 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, any director of the Company who is not an employee of the Company or any of its subsidiaries, (collectively, "***Covered Persons***"), unless in either case 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 Company.

VI.

For the management of the business and for the conduct of the affairs of the Company, and in further definition, limitation and regulation of the powers of the Company, of its directors and of its stockholders or any class thereof, as the case may be, it is further *provided* that:

A. The management of the business and the conduct of the affairs of the Company shall be vested in its Board. The number of directors that shall constitute the whole Board shall be fixed by the Board in the manner provided in the Bylaws, subject to any restrictions which may be set forth in this Restated Certificate.

B. The Board of Directors is expressly empowered to adopt, amend or repeal the Bylaws of the Company, subject to any restrictions that may be set forth in this Restated Certificate. The stockholders shall also have the power to adopt, amend or repeal the Bylaws of the Company, subject to any restrictions that may be set forth in this Restated Certificate.

C. The directors of the Company need not be elected by written ballot unless the Bylaws so provide.

* * * *

FOUR: This Restated Certificate has been duly approved by the Board of Directors of the Company.

FIVE: This Restated Certificate was approved by the holders of the requisite number of shares of said corporation in accordance with Section 228 of the DGCL. This Restated Certificate has been duly adopted in accordance with the provisions of Sections 242 and 245 of the DGCL by the stockholders of the Company.

IN WITNESS WHEREOF, Forty Seven, Inc. has caused this Amended and Restated Certificate of Incorporation to be signed by its President this 14th day of June, 2018.

FORTY SEVEN, INC.

/s/ Mark McCamish
Mark McCamish
President

Cooley

John T. McKenna
+1 650 843 5059
jmckenna@cooley.com

June 18, 2018

Forty Seven, Inc.
1490 O'Brien Drive, Suite A
Menlo Park, CA 94025

Ladies and Gentlemen:

We have acted as counsel to Forty Seven, Inc., a Delaware corporation (the "***Company***"), in connection with the filing by the Company of a Registration Statement (No. 333-225390) on Form S-1 (the "***Registration Statement***") with the Securities and Exchange Commission, including a related prospectus filed with the Registration Statement (the "***Prospectus***"), covering an underwritten public offering of up to 7,705,000 shares of the Company's common stock, par value $0.0001 ("***Shares***"), (including up to 1,005,000 Shares that may be sold by the Company upon exercise of an over-allotment option to be granted to the underwriters).

In connection with this opinion, we have (i) examined and relied upon (a) the Registration Statement and Prospectus, (b) the Company's Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws, as currently in effect as of the date hereof and (c) the originals or copies certified to our satisfaction of such records, documents, certificates, memoranda and other instruments as in our judgment are necessary or appropriate to enable us to render the opinion expressed below and (ii) assumed that the Shares will be sold at a price established by the Board of Directors of the Company, or the Pricing Committee thereof, in accordance with Section 153 of the General Corporation Law of the State of Delaware (the "***DGCL***").

We have assumed the genuineness and authenticity of all documents submitted to us as originals, and the conformity to originals of all documents submitted to us as copies and the due execution and delivery of all documents where due execution and delivery are a prerequisite to the effectiveness thereof (except we have not assumed the due execution and delivery by the Company of any such documents). As to certain factual matters, we have relied upon a certificate of an officer of the Company and have not sought independently to verify such matters. Our opinion is expressed only with respect to the DGCL. We express no opinion to the extent that any other laws are applicable to the subject matter hereof and express no opinion and provide no assurance as to compliance with any federal or state securities law, rule or regulation.

On the basis of the foregoing, and in reliance thereon, we are of the opinion that the Shares, when sold and issued against payment therefore in accordance with the Registration Statement and the Prospectus, will be validly issued, fully paid and non-assessable.

We consent to the reference to our firm under the caption "Legal Matters" in the Prospectus included in the Registration Statement and to the filing of this opinion as an exhibit to the Registration Statement.

Sincerely,

Cooley LLP

By: /s/ John T. McKenna
John T. McKenna

FORTY SEVEN, INC.

2015 EQUITY INCENTIVE PLAN

ADOPTED BY THE BOARD OF DIRECTORS: May 15, 2015
APPROVED BY THE STOCKHOLDERS: November 20, 2015
AMENDED BY THE BOARD OF DIRECTORS: October 16, 2017
APPROVED BY THE STOCKHOLDERS: October 16, 2017
AMENDED BY THE BOARD OF DIRECTORS: April 12, 2018
AMENDED BY THE BOARD OF DIRECTORS: April 27, 2018
APPROVED BY THE STOCKHOLDERS: June 14, 2018
TERMINATION DATE: May 15, 2025

1. GENERAL.

(a) Eligible Stock Award Recipients. Employees, Directors and Consultants are eligible to receive Stock Awards.

(b) Available Stock Awards. The Plan provides for the grant of the following types of Stock Awards: (i) Incentive Stock Options, (ii) Nonstatutory Stock Options, (iii) Stock Appreciation Rights, (iv) Restricted Stock Awards, (v) Restricted Stock Unit Awards and (vi) Other Stock Awards.

(c) Purpose. The Plan, through the granting of Stock Awards, is intended to help the Company secure and retain the services of eligible award recipients, provide incentives for such persons to exert maximum efforts for the success of the Company and any Affiliate and provide a means by which the eligible recipients may benefit from increases in value of the Common Stock.

2. ADMINISTRATION.

(a) Administration by Board. The Board will administer the Plan. The Board may delegate administration of the Plan to a Committee or Committees, as provided in Section 2(c).

(b) Powers of Board. The Board will have the power, subject to, and within the limitations of, the express provisions of the Plan:

(i) To determine (A) who will be granted Stock Awards; (B) when and how each Stock Award will be granted; (C) what type of Stock Award will be granted; (D) the provisions of each Stock Award (which need not be identical), including when a person will be permitted to exercise or otherwise receive cash or Common Stock under the Stock Award; (E) the number of shares of Common Stock subject to a Stock Award; and (F) the Fair Market Value applicable to a Stock Award.

(ii) To construe and interpret the Plan and Stock Awards granted under it, and to establish, amend and revoke rules and regulations for administration of the Plan and Stock Awards. The Board, in the exercise of these powers, may correct any defect, omission or inconsistency in the Plan or in any Stock Award Agreement, in a manner and to the extent it will deem necessary or expedient to make the Plan or Stock Award fully effective.

(iii) To settle all controversies regarding the Plan and Stock Awards granted under it.

(iv) To accelerate, in whole or in part, the time at which a Stock Award may be exercised or vest (or at which cash or shares of Common Stock may be issued).

(v) To suspend or terminate the Plan at any time. Except as otherwise provided in the Plan or a Stock Award Agreement, suspension or termination of the Plan will not impair a Participant's rights under his or her then-outstanding Stock Award without his or her written consent except as provided in subsection (viii) below.

(vi) To amend the Plan in any respect the Board deems necessary or advisable, including, without limitation, by adopting amendments relating to Incentive Stock Options and certain nonqualified deferred compensation under Section 409A of the Code and/or to make the Plan or Stock Awards granted under the Plan compliant with the requirements for Incentive Stock Options or exempt from or compliant with the requirements for nonqualified deferred compensation under Section 409A of the Code, subject to the limitations, if any, of applicable law. However, if required by applicable law, and except as provided in Section 9(a) relating to Capitalization Adjustments, the Company will seek stockholder approval of any amendment of the Plan that (A) materially increases the number of shares of Common Stock available for issuance under the Plan, (B) materially expands the class of individuals eligible to receive Stock Awards under the Plan, (C) materially increases the benefits accruing to Participants under the Plan, (D) materially reduces the price at which shares of Common Stock may be issued or purchased under the Plan, (E) materially extends the term of the Plan, or (F) materially expands the types of Stock Awards available for issuance under the Plan. Except as provided in the Plan (including subsection (viii) below) or a Stock Award Agreement, no amendment of the Plan will impair a Participant's rights under an outstanding Stock Award unless (1) the Company requests the consent of the affected Participant, and (2) such Participant consents in writing.

(vii) To submit any amendment to the Plan for stockholder approval, including, but not limited to, amendments to the Plan intended to satisfy the requirements of Section 422 of the Code regarding Incentive Stock Options.

(viii) To approve forms of Stock Award Agreements for use under the Plan and to amend the terms of any one or more Stock Awards, including, but not limited to, amendments to provide terms more favorable to the Participant than previously provided in the Stock Award Agreement, subject to any specified limits in the Plan that are not subject to Board discretion; *provided however,* that a Participant's rights under any Stock Award will not be impaired by any such amendment unless (A) the Company requests the consent of the affected Participant, and (B) such Participant consents in writing. Notwithstanding the foregoing, (1) a Participant's rights will not be deemed to have been impaired by any such amendment if the Board, in its sole discretion, determines that the amendment, taken as a whole, does not materially impair the Participant's rights, and (2) subject to the limitations of applicable law, if any, the Board may amend the terms of any one or more Stock Awards without the affected Participant's consent (A) to maintain the qualified status of the Stock Award as an Incentive Stock Option under Section 422 of the Code; (B) to change the terms of an Incentive Stock Option, if such change results in impairment of the Award solely because it impairs the qualified status of the Award as an Incentive Stock Option under Section 422 of the Code; (C) to clarify the manner of exemption from, or to bring the Stock Award into compliance with, Section 409A of the Code; or (D) to comply with other applicable laws.

(ix) Generally, to exercise such powers and to perform such acts as the Board deems necessary or expedient to promote the best interests of the Company and that are not in conflict with the provisions of the Plan or Stock Awards.

(x) To adopt such procedures and sub-plans as are necessary or appropriate to permit participation in the Plan by Employees, Directors or Consultants who are foreign nationals or employed

outside the United States (provided that Board approval will not be necessary for immaterial modifications to the Plan or any Stock Award Agreement that are required for compliance with the laws of the relevant foreign jurisdiction).

(xi) To effect, with the consent of any adversely affected Participant, (A) the reduction of the exercise, purchase or strike price of any outstanding Stock Award; (B) the cancellation of any outstanding Stock Award and the grant in substitution therefor of a new (1) Option or SAR, (2) Restricted Stock Award, (3) Restricted Stock Unit Award, (4) Other Stock Award, (5) cash and/or (6) other valuable consideration determined by the Board, in its sole discretion, with any such substituted award (x) covering the same or a different number of shares of Common Stock as the cancelled Stock Award and (y) granted under the Plan or another equity or compensatory plan of the Company; or (C) any other action that is treated as a repricing under generally accepted accounting principles.

(c) Delegation to Committee. The Board may delegate some or all of the administration of the Plan to a Committee or Committees. If administration of the Plan is delegated to a Committee, the Committee will have, in connection with the administration of the Plan, the powers theretofore possessed by the Board that have been delegated to the Committee, including the power to delegate to a subcommittee of the Committee any of the administrative powers the Committee is authorized to exercise (and references in this Plan to the Board will thereafter be to the Committee or subcommittee). Any delegation of administrative powers will be reflected in resolutions, not inconsistent with the provisions of the Plan, adopted from time to time by the Board or Committee (as applicable). The Committee may, at any time, abolish the subcommittee and/or revest in the Committee any powers delegated to the subcommittee. The Board may retain the authority to concurrently administer the Plan with the Committee and may, at any time, revest in the Board some or all of the powers previously delegated.

(d) Delegation to an Officer. The Board may delegate to one (1) or more Officers the authority to do one or both of the following: (i) designate Employees who are not Officers to be recipients of Options and SARs (and, to the extent permitted by applicable law, other Stock Awards) and, to the extent permitted by applicable law, the terms of such Stock Awards, and (ii) determine the number of shares of Common Stock to be subject to such Stock Awards granted to such Employees; provided, however, that the Board resolutions regarding such delegation will specify the total number of shares of Common Stock that may be subject to the Stock Awards granted by such Officer and that such Officer may not grant a Stock Award to himself or herself. Any such Stock Awards will be granted on the form of Stock Award Agreement most recently approved for use by the Committee or the Board, unless otherwise provided in the resolutions approving the delegation authority. The Board may not delegate authority to an Officer who is acting solely in the capacity of an Officer (and not also as a Director) to determine the Fair Market Value pursuant to Section 13(t) below.

(e) Effect of Board's Decision. All determinations, interpretations and constructions made by the Board in good faith will not be subject to review by any person and will be final, binding and conclusive on all persons.

3. SHARES SUBJECT TO THE PLAN.

(a) Share Reserve.

(i) Subject to Section 9(a) relating to Capitalization Adjustments, the aggregate number of shares of Common Stock that may be issued pursuant to Stock Awards from and after the Effective Date will not exceed 4,719,992 shares (the ***"Share Reserve"***).

(ii) For clarity, the Share Reserve in this Section 3(a) is a limitation on the number of shares of Common Stock that may be issued pursuant to the Plan. Accordingly, this Section 3(a) does not limit the granting of Stock Awards except as provided in Section 7(a).

(b) Reversion of Shares to the Share Reserve. If a Stock Award or any portion thereof (i) expires or otherwise terminates without all of the shares covered by such Stock Award having been issued or (ii) is settled in cash (*i.e.*, the Participant receives cash rather than stock), such expiration, termination or settlement will not reduce (or otherwise offset) the number of shares of Common Stock that may be available for issuance under the Plan. If any shares of Common Stock issued pursuant to a Stock Award are forfeited back to or repurchased by the Company because of the failure to meet a contingency or condition required to vest such shares in the Participant, then the shares that are forfeited or repurchased will revert to and again become available for issuance under the Plan. Any shares reacquired by the Company in satisfaction of tax withholding obligations on a Stock Award or as consideration for the exercise or purchase price of a Stock Award will again become available for issuance under the Plan.

(c) Incentive Stock Option Limit. Subject to the Share Reserve and Section 9(a) relating to Capitalization Adjustments, the aggregate maximum number of shares of Common Stock that may be issued pursuant to the exercise of Incentive Stock Options will be a number of shares of Common Stock equal to three (3) multiplied by the Share Reserve.

(d) Source of Shares. The stock issuable under the Plan will be shares of authorized but unissued or reacquired Common Stock, including shares repurchased by the Company on the open market or otherwise.

4. ELIGIBILITY.

(a) Eligibility for Specific Stock Awards. Incentive Stock Options may be granted only to employees of the Company or a "parent corporation" or "subsidiary corporation" thereof (as such terms are defined in Sections 424(e) and 424(f) of the Code). Stock Awards other than Incentive Stock Options may be granted to Employees, Directors and Consultants; *provided, however*, that Stock Awards may not be granted to Employees, Directors and Consultants who are providing Continuous Service only to any "parent" of the Company, as such term is defined in Rule 405, unless (i) the stock underlying such Stock Awards is treated as "service recipient stock" under Section 409A of the Code (for example, because the Stock Awards are granted pursuant to a corporate transaction such as a spin off transaction), or (ii) the Company, in consultation with its legal counsel, has determined that such Stock Awards are otherwise exempt from or alternatively comply with the distribution requirements of Section 409A of the Code.

(b) Ten Percent Stockholders. A Ten Percent Stockholder will not be granted an Incentive Stock Option unless the exercise price of such Option is at least one hundred ten percent (110%) of the Fair Market Value on the date of grant and the Option is not exercisable after the expiration of five (5) years from the date of grant.

(c) Consultants. A Consultant will not be eligible for the grant of a Stock Award if, at the time of grant, either the offer or sale of the Company's securities to such Consultant is not exempt under Rule 701 because of the nature of the services that the Consultant is providing to the Company, because the Consultant is not a natural person, or because of any other provision of Rule 701, unless the Company determines that such grant need not comply with the requirements of Rule 701 and will satisfy another exemption under the Securities Act as well as comply with the securities laws of all other relevant jurisdictions.

5. PROVISIONS RELATING TO OPTIONS AND STOCK APPRECIATION RIGHTS.

Each Option or SAR will be in such form and will contain such terms and conditions as the Board deems appropriate. All Options will be separately designated Incentive Stock Options or Nonstatutory Stock Options at the time of grant, and, if certificates are issued, a separate certificate or certificates will be issued for shares of Common Stock purchased on exercise of each type of Option. If an Option is not specifically designated as an Incentive Stock Option, or if an Option is designated as an Incentive Stock Option but some portion or all of the Option fails to qualify as an Incentive Stock Option under the applicable rules, then the Option (or portion thereof) will be a Nonstatutory Stock Option. The provisions of separate Options or SARs need not be identical; *provided, however*, that each Stock Award Agreement will conform to (through incorporation of provisions hereof by reference in the applicable Stock Award Agreement or otherwise) the substance of each of the following provisions:

(a) Term. Subject to the provisions of Section 4(b) regarding Ten Percent Stockholders, no Option or SAR will be exercisable after the expiration of ten (10) years from the date of its grant or such shorter period specified in the Stock Award Agreement.

(b) Exercise Price. Subject to the provisions of Section 4(b) regarding Ten Percent Stockholders, the exercise or strike price of each Option or SAR will be not less than one hundred percent (100%) of the Fair Market Value of the Common Stock subject to the Option or SAR on the date the Stock Award is granted. Notwithstanding the foregoing, an Option or SAR may be granted with an exercise or strike price lower than one hundred percent (100%) of the Fair Market Value of the Common Stock subject to the Stock Award if such Stock Award is granted pursuant to an assumption of or substitution for another option or stock appreciation right pursuant to a Corporate Transaction and in a manner consistent with the provisions of Section 409A of the Code and, if applicable, Section 424(a) of the Code. Each SAR will be denominated in shares of Common Stock equivalents.

(c) Purchase Price for Options. The purchase price of Common Stock acquired pursuant to the exercise of an Option may be paid, to the extent permitted by applicable law and as determined by the Board in its sole discretion, by any combination of the methods of payment set forth below. The Board will have the authority to grant Options that do not permit all of the following methods of payment (or otherwise restrict the ability to use certain methods) and to grant Options that require the consent of the Company to use a particular method of payment. The permitted methods of payment are as follows:

(i) by cash, check, bank draft or money order payable to the Company;

(ii) pursuant to a program developed under Regulation T as promulgated by the Federal Reserve Board that, prior to the issuance of the stock subject to the Option, results in either the receipt of cash (or check) by the Company or the receipt of irrevocable instructions to pay the aggregate exercise price to the Company from the sales proceeds;

(iii) by delivery to the Company (either by actual delivery or attestation) of shares of Common Stock;

(iv) if an Option is a Nonstatutory Stock Option, by a "net exercise" arrangement pursuant to which the Company will reduce the number of shares of Common Stock issuable upon exercise by the largest whole number of shares with a Fair Market Value that does not exceed the aggregate exercise price; provided, however, that the Company will accept a cash or other payment from the Participant to the extent of any remaining balance of the aggregate exercise price not satisfied by such reduction in the number of whole shares to be issued. Shares of Common Stock will no longer be subject to an Option and will not be exercisable thereafter to the extent that (A) shares issuable upon exercise are used to pay the exercise price pursuant to the "net exercise," (B) shares are delivered to the Participant as a result of such exercise, and (C) shares are withheld to satisfy tax withholding obligations;

(v) according to a deferred payment or similar arrangement with the Optionholder; *provided*, *however*, that interest will compound at least annually and will be charged at the minimum rate of interest necessary to avoid (A) the imputation of interest income to the Company and compensation income to the Optionholder under any applicable provisions of the Code, and (B) the classification of the Option as a liability for financial accounting purposes; or

(vi) in any other form of legal consideration that may be acceptable to the Board and specified in the applicable Stock Award Agreement.

(d) Exercise and Payment of a SAR. To exercise any outstanding SAR, the Participant must provide written notice of exercise to the Company in compliance with the provisions of the Stock Award Agreement evidencing such SAR. The appreciation distribution payable on the exercise of a SAR will be not greater than an amount equal to the excess of (A) the aggregate Fair Market Value (on the date of the exercise of the SAR) of a number of shares of Common Stock equal to the number of Common Stock equivalents in which the Participant is vested under such SAR, and with respect to which the Participant is exercising the SAR on such date, over (B) the strike price. The appreciation distribution may be paid in Common Stock, in cash, in any combination of the two or in any other form of consideration, as determined by the Board and contained in the Stock Award Agreement evidencing such SAR.

(e) Transferability of Options and SARs. The Board may, in its sole discretion, impose such limitations on the transferability of Options and SARs as the Board will determine. In the absence of such a determination by the Board to the contrary, the following restrictions on the transferability of Options and SARs will apply:

(i) Restrictions on Transfer. An Option or SAR will not be transferable except by will or by the laws of descent and distribution (and pursuant to subsections (ii) and (iii) below), and will be exercisable during the lifetime of the Participant only by the Participant. The Board may permit transfer of the Option or SAR in a manner that is not prohibited by applicable tax and securities laws. Except as explicitly provided herein, neither an Option nor a SAR may be transferred for consideration.

(ii) Domestic Relations Orders. Subject to the approval of the Board or a duly authorized Officer, an Option or SAR may be transferred pursuant to the terms of a domestic relations order, official marital settlement agreement or other divorce or separation instrument as permitted by Treasury Regulation 1.421-1(b)(2). If an Option is an Incentive Stock Option, such Option may be deemed to be a Nonstatutory Stock Option as a result of such transfer.

(iii) Beneficiary Designation. Subject to the approval of the Board or a duly authorized Officer, a Participant may, by delivering written notice to the Company, in a form approved by the Company (or the designated broker), designate a third party who, upon the death of the Participant, will thereafter be entitled to exercise the Option or SAR and receive the Common Stock or other consideration resulting from such exercise. In the absence of such a designation, the executor or administrator of the Participant's estate will be entitled to exercise the Option or SAR and receive the Common Stock or other consideration resulting from such exercise. However, the Company may prohibit designation of a beneficiary at any time, including due to any conclusion by the Company that such designation would be inconsistent with the provisions of applicable laws.

(f) Vesting Generally. The total number of shares of Common Stock subject to an Option or SAR may vest and therefore become exercisable in periodic installments that may or may not be equal. The Option or SAR may be subject to such other terms and conditions on the time or times when it may or may not be exercised (which may be based on the satisfaction of performance goals or other criteria) as the Board may deem appropriate. The vesting provisions of individual Options or SARs may vary. The provisions of this Section 5(f) are subject to any Option or SAR provisions governing the minimum number of shares of Common Stock as to which an Option or SAR may be exercised.

(g) Termination of Continuous Service. Except as otherwise provided in the applicable Stock Award Agreement or other agreement between the Participant and the Company, if a Participant's Continuous Service terminates (other than for Cause and other than upon the Participant's death or Disability), the Participant may exercise his or her Option or SAR (to the extent that the Participant was entitled to exercise such Stock Award as of the date of termination of Continuous Service) within the period of time ending on the earlier of (i) the date three (3) months following the termination of the Participant's Continuous Service (or such longer or shorter period specified in the applicable Stock Award Agreement, which period will not be less than thirty (30) days if necessary to comply with applicable laws unless such termination is for Cause) and (ii) the expiration of the term of the Option or SAR as set forth in the Stock Award Agreement. If, after termination of Continuous Service, the Participant does not exercise his or her Option or SAR within the applicable time frame, the Option or SAR (as applicable) will terminate.

(h) Extension of Termination Date. Except as otherwise provided in the applicable Stock Award Agreement or other agreement between the Participant and the Company, if the exercise of an Option or SAR following the termination of the Participant's Continuous Service (other than for Cause and other than upon the Participant's death or Disability) would be prohibited at any time solely because the issuance of shares of Common Stock would violate the registration requirements under the Securities Act, then the Option or SAR will terminate on the earlier of (i) the expiration of a total period of three (3) months (that need not be consecutive) after the termination of the Participant's Continuous Service during which the exercise of the Option or SAR would not be in violation of such registration requirements, or (ii) the expiration of the term of the Option or SAR as set forth in the applicable Stock Award Agreement. In addition, unless otherwise provided in a Participant's Stock Award Agreement, if the sale of any Common Stock received upon exercise of an Option or SAR following the termination of the Participant's Continuous Service (other than for Cause) would violate the Company's insider trading policy, then the Option or SAR will terminate on the earlier of (i) the expiration of a period of time (that need not be consecutive) equal to the applicable post-termination exercise period after the termination of the Participant's Continuous Service during which the sale of the Common Stock received upon exercise of the Option or SAR would not be in violation of the Company's insider trading policy, or (ii) the expiration of the term of the Option or SAR as set forth in the applicable Stock Award Agreement.

(i) Disability of Participant. Except as otherwise provided in the applicable Stock Award Agreement or other agreement between the Participant and the Company, if a Participant's Continuous Service terminates as a result of the Participant's Disability, the Participant may exercise his or her Option or SAR (to the extent that the Participant was entitled to exercise such Option or SAR as of the date of termination of Continuous Service), but only within such period of time ending on the earlier of (i) the date twelve (12) months following such termination of Continuous Service (or such longer or shorter period specified in the Stock Award Agreement, which period will not be less than six (6) months if necessary to comply with applicable laws), and (ii) the expiration of the term of the Option or SAR as set forth in the Stock Award Agreement. If, after termination of Continuous Service, the Participant does not exercise his or her Option or SAR within the applicable time frame, the Option or SAR (as applicable) will terminate.

(j) Death of Participant. Except as otherwise provided in the applicable Stock Award Agreement or other agreement between the Participant and the Company, if (i) a Participant's Continuous Service terminates as a result of the Participant's death, or (ii) the Participant dies within the period (if any) specified in the Stock Award Agreement for exercisability after the termination of the Participant's Continuous Service (for a reason other than death), then the Option or SAR may be exercised (to the extent the Participant was entitled to exercise such Option or SAR as of the date of death) by the Participant's estate, by a person who acquired the right to exercise the Option or SAR by bequest or inheritance or by a person designated to exercise the Option or SAR upon the Participant's death, but only within the period ending on the earlier of (i) the date eighteen (18) months following the date of death (or such longer or shorter period specified in the Stock Award Agreement, which period will not be less than six (6) months if necessary to comply with applicable laws), and (ii) the expiration of the term of such Option or SAR as set forth in the Stock Award Agreement. If, after the Participant's death, the Option or SAR is not exercised within the applicable time frame, the Option or SAR (as applicable) will terminate.

(k) Termination for Cause. Except as explicitly provided otherwise in a Participant's Stock Award Agreement or other individual written agreement between the Company or any Affiliate and the Participant, if a Participant's Continuous Service is terminated for Cause, the Option or SAR will terminate immediately upon such Participant's termination of Continuous Service, and the Participant will be prohibited from exercising his or her Option or SAR from and after the time of such termination of Continuous Service.

(l) Non-Exempt Employees. If an Option or SAR is granted to an Employee who is a non-exempt employee for purposes of the Fair Labor Standards Act of 1938, as amended, the Option or SAR will not be first exercisable for any shares of Common Stock until at least six (6) months following the date of grant of the Option or SAR (although the Stock Award may vest prior to such date). Consistent with the provisions of the Worker Economic Opportunity Act, (i) if such non-exempt Employee dies or suffers a Disability, (ii) upon a Corporate Transaction in which such Option or SAR is not assumed, continued, or substituted, (iii) upon a Change in Control, or (iv) upon the Participant's retirement (as such term may be defined in the Participant's Stock Award Agreement, in another agreement between the Participant and the Company, or, if no such definition, in accordance with the Company's then current employment policies and guidelines), the vested portion of any Options and SARs may be exercised earlier than six (6) months following the date of grant. The foregoing provision is intended to operate so that any income derived by a non-exempt employee in connection with the exercise or vesting of an Option or SAR will be exempt from his or her regular rate of pay. To the extent permitted and/or required for compliance with the Worker Economic Opportunity Act to ensure that any income derived by a non-exempt employee in connection with the exercise, vesting or issuance of any shares under any other Stock Award will be exempt from the employee's regular rate of pay, the provisions of this Section 5(l) will apply to all Stock Awards and are hereby incorporated by reference into such Stock Award Agreements.

(m) Early Exercise of Options. An Option may, but need not, include a provision whereby the Optionholder may elect at any time before the Optionholder's Continuous Service terminates to exercise the Option as to any part or all of the shares of Common Stock subject to the Option prior to the full vesting of the Option. Subject to the "Repurchase Limitation" in Section 8(m), any unvested shares of Common Stock so purchased may be subject to a repurchase right in favor of the Company or to any other restriction the Board determines to be appropriate. Provided that the "Repurchase Limitation" in Section 8(m) is not violated, the Company will not be required to exercise its repurchase right until at least six (6) months (or such longer or shorter period of time required to avoid classification of the Option as a liability for financial accounting purposes) have elapsed following exercise of the Option unless the Board otherwise specifically provides in the Option Agreement.

(n) Right of Repurchase. Subject to the "Repurchase Limitation" in Section 8(m), the Option or SAR may include a provision whereby the Company may elect to repurchase all or any part of the vested shares of Common Stock acquired by the Participant pursuant to the exercise of the Option or SAR.

(o) Right of First Refusal. The Option or SAR may include a provision whereby the Company may elect to exercise a right of first refusal following receipt of notice from the Participant of the intent to transfer all or any part of the shares of Common Stock received upon the exercise of the Option or SAR. Such right of first refusal will be subject to the "Repurchase Limitation" in Section 8(m). Except as expressly provided in this Section 5(o) or in the Stock Award Agreement, such right of first refusal will otherwise comply with any applicable provisions of the bylaws of the Company.

6. PROVISIONS OF STOCK AWARDS OTHER THAN OPTIONS AND SARS.

(a) Restricted Stock Awards. Each Restricted Stock Award Agreement will be in such form and will contain such terms and conditions as the Board deems appropriate. To the extent consistent with the Company's bylaws, at the Board's election, shares of Common Stock may be (i) held in book entry form subject to the Company's instructions until any restrictions relating to the Restricted Stock Award lapse; or (ii) evidenced by a certificate, which certificate will be held in such form and manner as determined by the Board. The terms and conditions of Restricted Stock Award Agreements may change from time to time, and the terms and conditions of separate Restricted Stock Award Agreements need not be identical. Each Restricted Stock Award Agreement will conform to (through incorporation of the provisions hereof by reference in the agreement or otherwise) the substance of each of the following provisions:

(i) Consideration. A Restricted Stock Award may be awarded in consideration for (A) cash, check, bank draft or money order payable to the Company, (B) past services to the Company or an Affiliate, or (C) any other form of legal consideration (including future services) that may be acceptable to the Board, in its sole discretion, and permissible under applicable law.

(ii) Vesting. Subject to the "Repurchase Limitation" in Section 8(m), shares of Common Stock awarded under the Restricted Stock Award Agreement may be subject to forfeiture to the Company in accordance with a vesting schedule to be determined by the Board.

(iii) Termination of Participant's Continuous Service. If a Participant's Continuous Service terminates, the Company may receive through a forfeiture condition or a repurchase right, any or all of the shares of Common Stock held by the Participant that have not vested as of the date of termination of Continuous Service under the terms of the Restricted Stock Award Agreement.

(iv) Transferability. Rights to acquire shares of Common Stock under the Restricted Stock Award Agreement will be transferable by the Participant only upon such terms and conditions as are set forth in the Restricted Stock Award Agreement, as the Board will determine in its sole discretion, so long as Common Stock awarded under the Restricted Stock Award Agreement remains subject to the terms of the Restricted Stock Award Agreement.

(v) Dividends. A Restricted Stock Award Agreement may provide that any dividends paid on Restricted Stock will be subject to the same vesting and forfeiture restrictions as apply to the shares subject to the Restricted Stock Award to which they relate.

(b) Restricted Stock Unit Awards. Each Restricted Stock Unit Award Agreement will be in such form and will contain such terms and conditions as the Board deems appropriate. The terms and conditions of Restricted Stock Unit Award Agreements may change from time to time, and the terms and conditions of separate Restricted Stock Unit Award Agreements need not be identical. Each Restricted Stock Unit Award Agreement will conform to (through incorporation of the provisions hereof by reference in the Agreement or otherwise) the substance of each of the following provisions:

(i) Consideration. At the time of grant of a Restricted Stock Unit Award, the Board will determine the consideration, if any, to be paid by the Participant upon delivery of each share of Common Stock subject to the Restricted Stock Unit Award. The consideration to be paid (if any) by the Participant for each share of Common Stock subject to a Restricted Stock Unit Award may be paid in any form of legal consideration that may be acceptable to the Board, in its sole discretion, and permissible under applicable law.

(ii) Vesting. At the time of the grant of a Restricted Stock Unit Award, the Board may impose such restrictions on or conditions to the vesting of the Restricted Stock Unit Award as it, in its sole discretion, deems appropriate.

(iii) Payment. A Restricted Stock Unit Award may be settled by the delivery of shares of Common Stock, their cash equivalent, any combination thereof or in any other form of consideration, as determined by the Board and contained in the Restricted Stock Unit Award Agreement.

(iv) Additional Restrictions. At the time of the grant of a Restricted Stock Unit Award, the Board, as it deems appropriate, may impose such restrictions or conditions that delay the delivery of the shares of Common Stock (or their cash equivalent) subject to a Restricted Stock Unit Award to a time after the vesting of such Restricted Stock Unit Award.

(v) Dividend Equivalents. Dividend equivalents may be credited in respect of shares of Common Stock covered by a Restricted Stock Unit Award, as determined by the Board and contained in the Restricted Stock Unit Award Agreement. At the sole discretion of the Board, such dividend equivalents may be converted into additional shares of Common Stock covered by the Restricted Stock Unit Award in such manner as determined by the Board. Any additional shares covered by the Restricted Stock Unit Award credited by reason of such dividend equivalents will be subject to all of the same terms and conditions of the underlying Restricted Stock Unit Award Agreement to which they relate.

(vi) Termination of Participant's Continuous Service. Except as otherwise provided in the applicable Restricted Stock Unit Award Agreement, such portion of the Restricted Stock Unit Award that has not vested will be forfeited upon the Participant's termination of Continuous Service.

(vii) Compliance with Section 409A of the Code. Notwithstanding anything to the contrary set forth herein, any Restricted Stock Unit Award granted under the Plan that is not exempt from the requirements of Section 409A of the Code shall contain such provisions so that such Restricted Stock Unit Award will comply with the requirements of Section 409A of the Code. Such restrictions, if any, shall be determined by the Board and contained in the Restricted Stock Unit Award Agreement evidencing such Restricted Stock Unit Award. For example, such restrictions may include, without limitation, a requirement that any Common Stock that is to be issued in a year following the year in which the Restricted Stock Unit Award vests must be issued in accordance with a fixed pre-determined schedule.

(c) Other Stock Awards. Other forms of Stock Awards valued in whole or in part by reference to, or otherwise based on, Common Stock, including the appreciation in value thereof (e.g., options or stock rights with an exercise price or strike price less than one hundred percent (100%) of the Fair Market Value of the Common Stock at the time of grant) may be granted either alone or in addition to Stock Awards provided for under Section 5 and the preceding provisions of this Section 6. Subject to the provisions of the Plan, the Board will have sole and complete authority to determine the persons to whom and the time or times at which such Other Stock Awards will be granted, the number of shares of Common Stock (or the cash equivalent thereof) to be granted pursuant to such Other Stock Awards and all other terms and conditions of such Other Stock Awards.

7. COVENANTS OF THE COMPANY.

(a) Availability of Shares. The Company will keep available at all times the number of shares of Common Stock reasonably required to satisfy then-outstanding Stock Awards.

(b) Securities Law Compliance. The Company will seek to obtain from each regulatory commission or agency having jurisdiction over the Plan such authority as may be required to grant Stock Awards and to issue and sell shares of Common Stock upon exercise of the Stock Awards; *provided, however,* that this undertaking will not require the Company to register under the Securities Act the Plan, any Stock Award or any Common Stock issued or issuable pursuant to any such Stock Award. If, after reasonable efforts and at a reasonable cost, the Company is unable to obtain from any such regulatory commission or agency the authority that counsel for the Company deems necessary for the lawful issuance and sale of Common Stock under the Plan, the Company will be relieved from any liability for failure to issue and sell Common Stock upon exercise of such Stock Awards unless and until such authority is obtained. A Participant will not be eligible for the grant of a Stock Award or the subsequent issuance of cash or Common Stock pursuant to the Stock Award if such grant or issuance would be in violation of any applicable securities law.

(c) No Obligation to Notify or Minimize Taxes. The Company will have no duty or obligation to any Participant to advise such holder as to the time or manner of exercising such Stock Award. Furthermore, the Company will have no duty or obligation to warn or otherwise advise such holder of a pending termination or expiration of a Stock Award or a possible period in which the Stock Award may not be exercised. The Company has no duty or obligation to minimize the tax consequences of a Stock Award to the holder of such Stock Award.

8. MISCELLANEOUS.

(a) Use of Proceeds from Sales of Common Stock. Proceeds from the sale of shares of Common Stock pursuant to Stock Awards will constitute general funds of the Company.

(b) Corporate Action Constituting Grant of Stock Awards. Corporate action constituting a grant by the Company of a Stock Award to any Participant will be deemed completed as of the date of such corporate action, unless otherwise determined by the Board, regardless of when the instrument, certificate, or letter evidencing the Stock Award is communicated to, or actually received or accepted by, the Participant. In the event that the corporate records (e.g., Board consents, resolutions or minutes) documenting the corporate action constituting the grant contain terms (e.g., exercise price, vesting schedule or number of shares) that are inconsistent with those in the Stock Award Agreement as a result of a clerical error in the papering of the Stock Award Agreement, the corporate records will control and the Participant will have no legally binding right to the incorrect term in the Stock Award Agreement.

(c) Stockholder Rights. No Participant will be deemed to be the holder of, or to have any of the rights of a holder with respect to, any shares of Common Stock subject to a Stock Award unless and until (i) such Participant has satisfied all requirements for exercise of, or the issuance of shares of Common Stock under, the Stock Award pursuant to its terms, and (ii) the issuance of the Common Stock subject to the Stock Award has been entered into the books and records of the Company.

(d) No Employment or Other Service Rights. Nothing in the Plan, any Stock Award Agreement or any other instrument executed thereunder or in connection with any Stock Award granted pursuant thereto will confer upon any Participant any right to continue to serve the Company or an Affiliate in the capacity in effect at the time the Stock Award was granted or will affect the right of the Company or an Affiliate to terminate (i) the employment of an Employee with or without notice and with or without cause, (ii) the service of a Consultant pursuant to the terms of such Consultant's agreement with the Company or an Affiliate, or (iii) the service of a Director pursuant to the bylaws of the Company or an Affiliate, and any applicable provisions of the corporate law of the state in which the Company or the Affiliate is incorporated, as the case may be.

(e) Change in Time Commitment. In the event a Participant's regular level of time commitment in the performance of his or her services for the Company and any Affiliates is reduced (for example, and without limitation, if the Participant is an Employee of the Company and the Employee has a change in status from a full-time Employee to a part-time Employee) after the date of grant of any Stock Award to the Participant, the Board has the right in its sole discretion to (x) make a corresponding reduction in the number of shares subject to any portion of such Stock Award that is scheduled to vest or become payable after the date of such change in time commitment, and (y) in lieu of or in combination with such a reduction, extend the vesting or payment schedule applicable to such Stock Award. In the event of any such reduction, the Participant will have no right with respect to any portion of the Stock Award that is so reduced or extended.

(f) Incentive Stock Option Limitations. To the extent that the aggregate Fair Market Value (determined at the time of grant) of Common Stock with respect to which Incentive Stock Options are exercisable for the first time by any Optionholder during any calendar year (under all plans of the Company and any Affiliates) exceeds one hundred thousand dollars ($100,000) (or such other limit established in the Code) or otherwise does not comply with the rules governing Incentive Stock Options, the Options or portions thereof that exceed such limit (according to the order in which they were granted) or otherwise do not comply with such rules will be treated as Nonstatutory Stock Options, notwithstanding any contrary provision of the applicable Option Agreement(s).

(g) Investment Assurances. The Company may require a Participant, as a condition of exercising or acquiring Common Stock under any Stock Award, (i) to give written assurances satisfactory to the Company as to the Participant's knowledge and experience in financial and business matters and/or to employ a purchaser representative reasonably satisfactory to the Company who is knowledgeable and experienced in financial and business matters and that he or she is capable of evaluating, alone or together with the purchaser representative, the merits and risks of exercising the Stock Award; and (ii) to give written assurances satisfactory to the Company stating that the Participant is acquiring Common Stock subject to the Stock Award for the Participant's own account and not with any present intention of selling or otherwise distributing the Common Stock. The foregoing requirements, and any assurances given pursuant to such requirements, will be inoperative if (A) the issuance of the shares upon the exercise or acquisition of Common Stock under the Stock Award has been registered under a then currently effective registration statement under the Securities Act, or (B) as to any particular requirement, a determination is made by counsel for the Company that such requirement need not be met in the circumstances under the then applicable securities laws. The Company may, upon advice of counsel to the Company, place legends on stock certificates issued under the Plan as such counsel deems necessary or appropriate in order to comply with applicable securities laws, including, but not limited to, legends restricting the transfer of the Common Stock.

(h) Withholding Obligations. Unless prohibited by the terms of a Stock Award Agreement, the Company may, in its sole discretion, satisfy any federal, state or local tax withholding obligation relating to a Stock Award by any of the following means or by a combination of such means: (i) causing the Participant to tender a cash payment; (ii) withholding shares of Common Stock from the shares of Common Stock issued or otherwise issuable to the Participant in connection with the Stock Award; *provided*, *however*, that no shares of Common Stock are withheld with a value exceeding the minimum amount of tax required to be withheld by law (or such lesser amount as may be necessary to avoid classification of the Stock Award as a liability for financial accounting purposes); (iii) withholding cash from a Stock Award settled in cash; (iv) withholding payment from any amounts otherwise payable to the Participant; or (v) by such other method as may be set forth in the Stock Award Agreement.

(i) Electronic Delivery. Any reference herein to a "written" agreement or document will include any agreement or document delivered electronically or posted on the Company's intranet (or other shared electronic medium controlled by the Company to which the Participant has access).

(j) Deferrals. To the extent permitted by applicable law, the Board, in its sole discretion, may determine that the delivery of Common Stock or the payment of cash, upon the exercise, vesting or settlement of all or a portion of any Stock Award may be deferred and may establish programs and procedures for deferral elections to be made by Participants. Deferrals by Participants will be made in accordance with Section 409A of the Code. Consistent with Section 409A of the Code, the Board may provide for distributions while a Participant is still an employee or otherwise providing services to the Company. The Board is authorized to make deferrals of Stock Awards and determine when, and in what annual percentages, Participants may receive payments, including lump sum payments, following the Participant's termination of Continuous Service, and implement such other terms and conditions consistent with the provisions of the Plan and in accordance with applicable law.

(k) Compliance with Section 409A of the Code. To the extent that the Board determines that any Stock Award granted hereunder is subject to Section 409A of the Code, the Stock Award Agreement evidencing such Stock Award shall incorporate the terms and conditions necessary to avoid the consequences specified in Section 409A(a)(1) of the Code. To the extent applicable, the Plan and Stock Award Agreements shall be interpreted in accordance with Section 409A of the Code.

(l) Compliance with Exemption Provided by Rule 12h-1(f). If at the end of the Company's most recently completed fiscal year: (i) the aggregate of the number of persons who hold outstanding compensatory employee stock options to purchase shares of Common Stock granted pursuant to the Plan or otherwise (such persons, "***Holders of Options***") equals or exceeds five hundred (500), and (ii) the Company's assets exceed $10 million, then the following restrictions will apply during any period during which the Company does not have a class of its securities registered under Section 12 of the Exchange Act and is not required to file reports under Section 15(d) of the Exchange Act: (A) the Options and, prior to exercise, the shares of Common Stock to be issued on exercise of the Options may not be transferred until the Company is no longer relying on the exemption provided by Rule 12h-1(f) promulgated under the Exchange Act ("***Rule 12h-1(f)***"), except: (1) as permitted by Rule 701(c) promulgated under the Securities Act, (2) to a guardian upon the disability of the Holder of Options, or (3) to an executor upon the death of the Holder of Options (collectively, the "***Permitted Transferees***"); provided, however, the following transfers are permitted: (i) transfers by Holders of Options to the Company, and (ii) transfers in connection with a change of control or other acquisition involving the Company, if following such transaction, the Options no longer remain outstanding and the Company is no longer relying on the exemption provided by Rule 12h-1(f); provided further, that any Permitted

Transferees may not further transfer the Options; (B) except as otherwise provided in (A) above, the Options and shares of Common Stock issuable on exercise of the Options are restricted as to any pledge, hypothecation, or other transfer, including any short position, any "put equivalent position" as defined by Rule 16a-1(h) promulgated under the Exchange Act, or any "call equivalent position" as defined by Rule 16a-1(b) promulgated under the Exchange Act by Holders of Options prior to exercise of an Option until the Company is no longer relying on the exemption provided by Rule 12h-1(f); and (C) at any time that the Company is relying on the exemption provided by Rule 12h-1(f), the Company will deliver to Holders of Options (whether by physical or electronic delivery or written notice of the availability of the information on an internet site) the information required by Rule 701(e)(3), (4), and (5) promulgated under the Securities Act every six (6) months, including financial statements that are not more than one hundred eighty (180) days old; provided, however, that the Company may condition the delivery of such information upon the Holder of Options' agreement to maintain its confidentiality.

(m) Repurchase Limitation. The terms of any repurchase right will be specified in the Stock Award Agreement. The repurchase price for vested shares of Common Stock will be the Fair Market Value of the shares of Common Stock on the date of repurchase. The repurchase price for unvested shares of Common Stock will be the lower of (i) the Fair Market Value of the shares of Common Stock on the date of repurchase or (ii) their original purchase price. However, the Company will not exercise its repurchase right until at least six (6) months (or such longer or shorter period of time necessary to avoid classification of the Stock Award as a liability for financial accounting purposes) have elapsed following delivery of shares of Common Stock subject to the Stock Award, unless otherwise specifically provided by the Board.

9. ADJUSTMENTS UPON CHANGES IN COMMON STOCK; OTHER CORPORATE EVENTS.

(a) Capitalization Adjustments. In the event of a Capitalization Adjustment, the Board will appropriately and proportionately adjust: (i) the class(es) and maximum number of securities subject to the Plan pursuant to Section 3(a), (ii) the class(es) and maximum number of securities that may be issued pursuant to the exercise of Incentive Stock Options pursuant to Section 3(c), and (iii) the class(es) and number of securities and price per share of stock subject to outstanding Stock Awards. The Board will make such adjustments, and its determination will be final, binding and conclusive.

(b) Dissolution or Liquidation. Except as otherwise provided in the Stock Award Agreement, in the event of a dissolution or liquidation of the Company, all outstanding Stock Awards (other than Stock Awards consisting of vested and outstanding shares of Common Stock not subject to a forfeiture condition or the Company's right of repurchase) will terminate immediately prior to the completion of such dissolution or liquidation, and the shares of Common Stock subject to the Company's repurchase rights or subject to a forfeiture condition may be repurchased or reacquired by the Company notwithstanding the fact that the holder of such Stock Award is providing Continuous Service, *provided, however,* that the Board may, in its sole discretion, cause some or all Stock Awards to become fully vested, exercisable and/or no longer subject to repurchase or forfeiture (to the extent such Stock Awards have not previously expired or terminated) before the dissolution or liquidation is completed but contingent on its completion.

(c) Corporate Transaction. The following provisions will apply to Stock Awards in the event of a Corporate Transaction unless otherwise provided in the instrument evidencing the Stock Award or any other written agreement between the Company or any Affiliate and the Participant or unless otherwise expressly provided by the Board at the time of grant of a Stock Award. In the event of a Corporate Transaction, then, notwithstanding any other provision of the Plan, the Board may take one or more of the following actions with respect to Stock Awards, contingent upon the closing or completion of the Corporate Transaction:

(i) arrange for the surviving corporation or acquiring corporation (or the surviving or acquiring corporation's parent company) to assume or continue the Stock Award or to substitute a similar stock award for the Stock Award (including, but not limited to, an award to acquire the same consideration paid to the stockholders of the Company pursuant to the Corporate Transaction);

(ii) arrange for the assignment of any reacquisition or repurchase rights held by the Company in respect of Common Stock issued pursuant to the Stock Award to the surviving corporation or acquiring corporation (or the surviving or acquiring corporation's parent company);

(iii) accelerate the vesting, in whole or in part, of the Stock Award (and, if applicable, the time at which the Stock Award may be exercised) to a date prior to the effective time of such Corporate Transaction as the Board determines (or, if the Board does not determine such a date, to the date that is five (5) days prior to the effective date of the Corporate Transaction), with such Stock Award terminating if not exercised (if applicable) at or prior to the effective time of the Corporate Transaction; provided, however, that the Board may require Participants to complete and deliver to the Company a notice of exercise before the effective date of a Corporate Transaction, which exercise is contingent upon the effectiveness of such Corporate Transaction;

(iv) arrange for the lapse, in whole or in part, of any reacquisition or repurchase rights held by the Company with respect to the Stock Award;

(v) cancel or arrange for the cancellation of the Stock Award, to the extent not vested or not exercised prior to the effective time of the Corporate Transaction, in exchange for such cash consideration, if any, as the Board, in its sole discretion, may consider appropriate; and

(vi) make a payment, in such form as may be determined by the Board equal to the excess, if any, of (A) the value of the property the Participant would have received upon the exercise of the Stock Award immediately prior to the effective time of the Corporate Transaction, over (B) any exercise price payable by such holder in connection with such exercise. For clarity, this payment may be zero ($0) if the value of the property is equal to or less than the exercise price. Payments under this provision may be delayed to the same extent that payment of consideration to the holders of the Company's Common Stock in connection with the Corporate Transaction is delayed as a result of escrows, earn outs, holdbacks or any other contingencies.

The Board need not take the same action or actions with respect to all Stock Awards or portions thereof or with respect to all Participants. The Board may take different actions with respect to the vested and unvested portions of a Stock Award.

(d) Change in Control. A Stock Award may be subject to additional acceleration of vesting and exercisability upon or after a Change in Control as may be provided in the Stock Award Agreement for such Stock Award or as may be provided in any other written agreement between the Company or any Affiliate and the Participant, but in the absence of such provision, no such acceleration will occur.

10. PLAN TERM; EARLIER TERMINATION OR SUSPENSION OF THE PLAN.

(a) Plan Term. The Board may suspend or terminate the Plan at any time. Unless terminated sooner by the Board, the Plan will automatically terminate on the day before the tenth (10th) anniversary of the earlier of (i) the date the Plan is adopted by the Board, or (ii) the date the Plan is approved by the stockholders of the Company. No Stock Awards may be granted under the Plan while the Plan is suspended or after it is terminated.

(b) No Impairment of Rights. Suspension or termination of the Plan will not impair rights and obligations under any Stock Award granted while the Plan is in effect except with the written consent of the affected Participant or as otherwise permitted in the Plan.

11. EFFECTIVE DATE OF PLAN.

This Plan will become effective on the Effective Date.

12. CHOICE OF LAW.

The laws of the State of Delaware will govern all questions concerning the construction, validity and interpretation of this Plan, without regard to that state's conflict of laws rules.

13. DEFINITIONS. As used in the Plan, the following definitions will apply to the capitalized terms indicated below:

(a) "***Affiliate***" means, at the time of determination, any "parent" or "majority-owned subsidiary" of the Company, as such terms are defined in Rule 405. The Board will have the authority to determine the time or times at which "parent" or "majority-owned subsidiary" status is determined within the foregoing definition.

(b) "***Board***" means the Board of Directors of the Company.

(c) "***Capitalization Adjustment***" means any change that is made in, or other events that occur with respect to, the Common Stock subject to the Plan or subject to any Stock Award after the Effective Date without the receipt of consideration by the Company through merger, consolidation, reorganization, recapitalization, reincorporation, stock dividend, dividend in property other than cash, large nonrecurring cash dividend, stock split, reverse stock split, liquidating dividend, combination of shares, exchange of shares, change in corporate structure, or any similar equity restructuring transaction, as that term is used in Statement of Financial Accounting Standards Board Accounting Standards Codification Topic 718 (or any successor thereto). Notwithstanding the foregoing, the conversion of any convertible securities of the Company will not be treated as a Capitalization Adjustment.

(d) "***Cause***" will have the meaning ascribed to such term in any written agreement between the Participant and the Company defining such term and, in the absence of such agreement, such term means, with respect to a Participant, the occurrence of any of the following events: (i) such Participant's commission of any felony or any crime involving fraud, dishonesty or moral turpitude under the laws of the United States or any state thereof; (ii) such Participant's attempted commission of, or participation in, a fraud or act of dishonesty against the Company; (iii) such Participant's intentional, material violation of any contract or agreement between the Participant and the Company or of any statutory duty owed to the Company; (iv) such Participant's unauthorized use or disclosure of the Company's confidential information or trade secrets; or (v) such Participant's gross misconduct. The determination that a termination of the Participant's Continuous Service is either for Cause or without Cause will be made by the Company, in its sole discretion. Any determination by the Company that the Continuous Service of a Participant was terminated with or without Cause for the purposes of outstanding Stock Awards held by such Participant will have no effect upon any determination of the rights or obligations of the Company or such Participant for any other purpose.

(e) "***Change in Control***" means the occurrence, in a single transaction or in a series of related transactions, of any one or more of the following events:

(i) any Exchange Act Person becomes the Owner, directly or indirectly, of securities of the Company representing more than fifty percent (50%) of the combined voting power of the

Company's then outstanding securities other than by virtue of a merger, consolidation or similar transaction. Notwithstanding the foregoing, a Change in Control will not be deemed to occur (A) on account of the acquisition of securities of the Company directly from the Company, (B) on account of the acquisition of securities of the Company by an investor, any affiliate thereof or any other Exchange Act Person that acquires the Company's securities in a transaction or series of related transactions the primary purpose of which is to obtain financing for the Company through the issuance of equity securities or (C) solely because the level of Ownership held by any Exchange Act Person (the "***Subject Person***") exceeds the designated percentage threshold of the outstanding voting securities as a result of a repurchase or other acquisition of voting securities by the Company reducing the number of shares outstanding, provided that if a Change in Control would occur (but for the operation of this sentence) as a result of the acquisition of voting securities by the Company, and after such share acquisition, the Subject Person becomes the Owner of any additional voting securities that, assuming the repurchase or other acquisition had not occurred, increases the percentage of the then outstanding voting securities Owned by the Subject Person over the designated percentage threshold, then a Change in Control will be deemed to occur;

(ii) there is consummated a merger, consolidation or similar transaction involving (directly or indirectly) the Company and, immediately after the consummation of such merger, consolidation or similar transaction, the stockholders of the Company immediately prior thereto do not Own, directly or indirectly, either (A) outstanding voting securities representing more than fifty percent (50%) of the combined outstanding voting power of the surviving Entity in such merger, consolidation or similar transaction or (B) more than fifty percent (50%) of the combined outstanding voting power of the parent of the surviving Entity in such merger, consolidation or similar transaction, in each case in substantially the same proportions as their Ownership of the outstanding voting securities of the Company immediately prior to such transaction;

(iii) the stockholders of the Company approve or the Board approves a plan of complete dissolution or liquidation of the Company, or a complete dissolution or liquidation of the Company will otherwise occur, except for a liquidation into a parent corporation;

(iv) there is consummated a sale, lease, exclusive license or other disposition of all or substantially all of the consolidated assets of the Company and its Subsidiaries, other than a sale, lease, license or other disposition of all or substantially all of the consolidated assets of the Company and its Subsidiaries to an Entity, more than fifty percent (50%) of the combined voting power of the voting securities of which are Owned by stockholders of the Company in substantially the same proportions as their Ownership of the outstanding voting securities of the Company immediately prior to such sale, lease, license or other disposition; or

(v) individuals who, on the date the Plan is adopted by the Board, are members of the Board (the "***Incumbent Board***") cease for any reason to constitute at least a majority of the members of the Board; *provided, however,* that if the appointment or election (or nomination for election) of any new Board member was approved or recommended by a majority vote of the members of the Incumbent Board then still in office, such new member will, for purposes of this Plan, be considered as a member of the Incumbent Board.

Notwithstanding the foregoing definition or any other provision of this Plan, (A) the term Change in Control will not include a sale of assets, merger or other transaction effected exclusively for the purpose of changing the domicile of the Company, and (B) the definition of Change in Control (or any analogous term) in an individual written agreement between the Company or any Affiliate and the Participant will supersede the foregoing definition with respect to Stock Awards subject to such agreement; *provided, however,* that if no definition of Change in Control or any analogous term is set forth in such an individual written agreement, the foregoing definition will apply.

(f) "***Code***" means the Internal Revenue Code of 1986, as amended, including any applicable regulations and guidance thereunder.

(g) "***Committee***" means a committee of one or more Directors to whom authority has been delegated by the Board in accordance with Section 2(c).

(h) "***Common Stock***" means the common stock of the Company.

(i) "***Company***" means Forty Seven, Inc., a Delaware corporation.

(j) "***Consultant***" means any person, including an advisor, who is (i) engaged by the Company or an Affiliate to render consulting or advisory services and is compensated for such services, or (ii) serving as a member of the board of directors of an Affiliate and is compensated for such services. However, service solely as a Director, or payment of a fee for such service, will not cause a Director to be considered a "Consultant" for purposes of the Plan.

(k) "***Continuous Service***" means that the Participant's service with the Company or an Affiliate, whether as an Employee, Director or Consultant, is not interrupted or terminated. A change in the capacity in which the Participant renders service to the Company or an Affiliate as an Employee, Director or Consultant or a change in the Entity for which the Participant renders such service, provided that there is no interruption or termination of the Participant's service with the Company or an Affiliate, will not terminate a Participant's Continuous Service; *provided, however*, that if the Entity for which a Participant is rendering services ceases to qualify as an Affiliate, as determined by the Board in its sole discretion, such Participant's Continuous Service will be considered to have terminated on the date such Entity ceases to qualify as an Affiliate. For example, a change in status from an Employee of the Company to a Consultant of an Affiliate or to a Director will not constitute an interruption of Continuous Service. To the extent permitted by law, the Board or the chief executive officer of the Company, in that party's sole discretion, may determine whether Continuous Service will be considered interrupted in the case of (i) any leave of absence approved by the Board or chief executive officer, including sick leave, military leave or any other personal leave, or (ii) transfers between the Company, an Affiliate, or their successors. Notwithstanding the foregoing, a leave of absence will be treated as Continuous Service for purposes of vesting in a Stock Award only to such extent as may be provided in the Company's leave of absence policy, in the written terms of any leave of absence agreement or policy applicable to the Participant, or as otherwise required by law.

(l) "***Corporate Transaction***" means the consummation, in a single transaction or in a series of related transactions, of any one or more of the following events:

(i) a sale or other disposition of all or substantially all, as determined by the Board in its sole discretion, of the consolidated assets of the Company and its Subsidiaries;

(ii) a sale or other disposition of at least ninety percent (90%) of the outstanding securities of the Company;

(iii) a merger, consolidation or similar transaction following which the Company is not the surviving corporation; or

(iv) a merger, consolidation or similar transaction following which the Company is the surviving corporation but the shares of Common Stock outstanding immediately preceding the merger, consolidation or similar transaction are converted or exchanged by virtue of the merger, consolidation or similar transaction into other property, whether in the form of securities, cash or otherwise.

(m) "***Director***" means a member of the Board.

(n) "***Disability***" means, with respect to a Participant, the inability of such Participant to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or that has lasted or can be expected to last for a continuous period of not less than twelve (12) months as provided in Sections 22(e)(3) and 409A(a)(2)(c)(i) of the Code, and will be determined by the Board on the basis of such medical evidence as the Board deems warranted under the circumstances.

(o) "***Effective Date***" means the effective date of this Plan, which is the earlier of (i) the date that this Plan is first approved by the Company's stockholders, and (ii) the date this Plan is adopted by the Board.

(p) "***Employee***" means any person employed by the Company or an Affiliate. However, service solely as a Director, or payment of a fee for such services, will not cause a Director to be considered an "Employee" for purposes of the Plan.

(q) "***Entity***" means a corporation, partnership, limited liability company or other entity.

(r) "***Exchange Act***" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

(s) "***Exchange Act Person***" means any natural person, Entity or "group" (within the meaning of Section 13(d) or 14(d) of the Exchange Act), except that "Exchange Act Person" will not include (i) the Company or any Subsidiary of the Company, (ii) any employee benefit plan of the Company or any Subsidiary of the Company or any trustee or other fiduciary holding securities under an employee benefit plan of the Company or any Subsidiary of the Company, (iii) an underwriter temporarily holding securities pursuant to an offering of such securities, (iv) an Entity Owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their Ownership of stock of the Company; or (v) any natural person, Entity or "group" (within the meaning of Section 13(d) or 14(d) of the Exchange Act) that, as of the Effective Date, is the Owner, directly or indirectly, of securities of the Company representing more than fifty percent (50%) of the combined voting power of the Company's then outstanding securities.

(t) "***Fair Market Value***" means, as of any date, the value of the Common Stock determined by the Board in compliance with Section 409A of the Code or, in the case of an Incentive Stock Option, in compliance with Section 422 of the Code.

(u) "***Incentive Stock Option***" means an option granted pursuant to Section 5 of the Plan that is intended to be, and that qualifies as, an "incentive stock option" within the meaning of Section 422 of the Code.

(v) "***Nonstatutory Stock Option***" means any option granted pursuant to Section 5 of the Plan that does not qualify as an Incentive Stock Option.

(w) "***Officer***" means any person designated by the Company as an officer.

(x) "***Option***" means an Incentive Stock Option or a Nonstatutory Stock Option to purchase shares of Common Stock granted pursuant to the Plan.

(y) "***Option Agreement***" means a written agreement between the Company and an Optionholder evidencing the terms and conditions of an Option grant. Each Option Agreement will be subject to the terms and conditions of the Plan.

(z) "***Optionholder***" means a person to whom an Option is granted pursuant to the Plan or, if applicable, such other person who holds an outstanding Option.

(aa) "***Other Stock Award***" means an award based in whole or in part by reference to the Common Stock which is granted pursuant to the terms and conditions of Section 6(c).

(bb) "***Other Stock Award Agreement***" means a written agreement between the Company and a holder of an Other Stock Award evidencing the terms and conditions of an Other Stock Award grant. Each Other Stock Award Agreement will be subject to the terms and conditions of the Plan.

(cc) "***Own***," "***Owned***," "***Owner***," "***Ownership***" A person or Entity will be deemed to "Own," to have "Owned," to be the "Owner" of, or to have acquired "Ownership" of securities if such person or Entity, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has or shares voting power, which includes the power to vote or to direct the voting, with respect to such securities.

(dd) "***Participant***" means a person to whom a Stock Award is granted pursuant to the Plan or, if applicable, such other person who holds an outstanding Stock Award.

(ee) "***Plan***" means this Forty Seven, Inc. 2015 Equity Incentive Plan.

(ff) "***Restricted Stock Award***" means an award of shares of Common Stock which is granted pursuant to the terms and conditions of Section 6(a).

(gg) "***Restricted Stock Award Agreement***" means a written agreement between the Company and a holder of a Restricted Stock Award evidencing the terms and conditions of a Restricted Stock Award grant. Each Restricted Stock Award Agreement will be subject to the terms and conditions of the Plan.

(hh) "***Restricted Stock Unit Award***" means a right to receive shares of Common Stock which is granted pursuant to the terms and conditions of Section 6(b).

(ii) "***Restricted Stock Unit Award Agreement***" means a written agreement between the Company and a holder of a Restricted Stock Unit Award evidencing the terms and conditions of a Restricted Stock Unit Award grant. Each Restricted Stock Unit Award Agreement will be subject to the terms and conditions of the Plan.

(jj) "***Rule 405***" means Rule 405 promulgated under the Securities Act.

(kk) "***Rule 701***" means Rule 701 promulgated under the Securities Act.

(ll) "***Securities Act***" means the Securities Act of 1933, as amended.

(mm) "***Stock Appreciation Right***" or "***SAR***" means a right to receive the appreciation on Common Stock that is granted pursuant to the terms and conditions of Section 5.

(nn) "***Stock Appreciation Right Agreement***" means a written agreement between the Company and a holder of a Stock Appreciation Right evidencing the terms and conditions of a Stock Appreciation Right grant. Each Stock Appreciation Right Agreement will be subject to the terms and conditions of the Plan.

(oo) "***Stock Award***" means any right to receive Common Stock granted under the Plan, including an Incentive Stock Option, a Nonstatutory Stock Option, a Restricted Stock Award, a Restricted Stock Unit Award, a Stock Appreciation Right or any Other Stock Award.

(pp) "***Stock Award Agreement***" means a written agreement between the Company and a Participant evidencing the terms and conditions of a Stock Award grant. Each Stock Award Agreement will be subject to the terms and conditions of the Plan.

(qq) "***Subsidiary***" means, with respect to the Company, (i) any corporation of which more than fifty percent (50%) of the outstanding capital stock having ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether, at the time, stock of any other class or classes of such corporation will have or might have voting power by reason of the happening of any contingency) is at the time, directly or indirectly, Owned by the Company, and (ii) any partnership, limited liability company or other entity in which the Company has a direct or indirect interest (whether in the form of voting or participation in profits or capital contribution) of more than fifty percent (50%) .

(rr) "***Ten Percent Stockholder***" means a person who Owns (or is deemed to Own pursuant to Section 424(d) of the Code) stock possessing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or any Affiliate.

FORTY SEVEN, INC.

STOCK OPTION GRANT NOTICE
(2015 EQUITY INCENTIVE PLAN)

FORTY SEVEN, INC. (the "***Company***"), pursuant to its 2015 Equity Incentive Plan (the "***Plan***"), hereby grants to Optionholder an option to purchase the number of shares of the Company's Common Stock set forth below. This option is subject to all of the terms and conditions as set forth in this notice, in the Option Agreement, the Plan and the Notice of Exercise, all of which are attached hereto and incorporated herein in their entirety. Capitalized terms not explicitly defined herein but defined in the Plan or the Option Agreement will have the same definitions as in the Plan or the Option Agreement. If there is any conflict between the terms in this notice and the Plan, the terms of the Plan will control.

Optionholder:	_____
Date of Grant:	_____
Vesting Commencement Date:	_____
Number of Shares Subject to Option:	_____
Exercise Price (Per Share):	_____
Total Exercise Price:	_____
Expiration Date:	_____

Type of Grant: ☐ Incentive Stock Option[1] ☐ Nonstatutory Stock Option

Exercise Schedule: ☐ Same as Vesting Schedule ☐ Early Exercise Permitted

Vesting Schedule: [ ]

Payment: By one or a combination of the following items (described in the Option Agreement):

☐ By cash, check, bank draft or money order payable to the Company

☐ Pursuant to a Regulation T Program if the shares are publicly traded

☐ By delivery of already-owned shares if the shares are publicly traded

☐ By deferred payment

☐ If and only to the extent this option is a Nonstatutory Stock Option, and subject to the Company's consent at the time of exercise, by a "net exercise" arrangement

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1 If this is an Incentive Stock Option, it (plus other outstanding Incentive Stock Options) cannot be first *exercisable* for more than $100,000 in value (measured by exercise price) in any calendar year. Any excess over $100,000 is a Nonstatutory Stock Option.

Additional Terms/Acknowledgements: Optionholder acknowledges receipt of, and understands and agrees to, this Stock Option Grant Notice, the Option Agreement and the Plan. Optionholder acknowledges and agrees that this Stock Option Grant Notice and the Option Agreement may not be modified, amended or revised except as provided in the Plan. Optionholder further acknowledges that as of the Date of Grant, this Stock Option Grant Notice, the Option Agreement, and the Plan set forth the entire understanding between Optionholder and the Company regarding this option award and supersede all prior oral and written agreements, promises and/or representations on that subject with the exception of (i) options previously granted and delivered to Optionholder, and (ii) the following agreements only. By accepting this option, you consent to receive such documents by electronic delivery and to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.

OTHER AGREEMENTS: _____

_____

_____

FORTY SEVEN, INC.

By: _____
Mark A. McCamish
President and Chief Executive Officer

Date: _____

«OPTIONHOLDER»

_____
Signature

Date: _____

ATTACHMENTS: Option Agreement, 2015 Equity Incentive Plan and Notice of Exercise

ATTACHMENT I

FORTY SEVEN, INC.

2015 EQUITY INCENTIVE PLAN

OPTION AGREEMENT
(INCENTIVE STOCK OPTION OR NONSTATUTORY STOCK OPTION)

Pursuant to your Stock Option Grant Notice ("***Grant Notice***") and this Option Agreement, **FORTY SEVEN, INC.** (the "***Company***") has granted you an option under its 2015 Equity Incentive Plan (the "***Plan***") to purchase the number of shares of the Company's Common Stock indicated in your Grant Notice at the exercise price indicated in your Grant Notice. The option is granted to you effective as of the date of grant set forth in the Grant Notice (the "***Date of Grant***"). If there is any conflict between the terms in this Option Agreement and the Plan, the terms of the Plan will control. Capitalized terms not explicitly defined in this Option Agreement or in the Grant Notice but defined in the Plan will have the same definitions as in the Plan.

The details of your option, in addition to those set forth in the Grant Notice and the Plan, are as follows:

1. VESTING. Your option will vest as provided in your Grant Notice. Vesting will cease upon the termination of your Continuous Service.

2. NUMBER OF SHARES AND EXERCISE PRICE. The number of shares of Common Stock subject to your option and your exercise price per share in your Grant Notice will be adjusted for Capitalization Adjustments.

3. EXERCISE RESTRICTION FOR NON-EXEMPT EMPLOYEES. If you are an Employee eligible for overtime compensation under the Fair Labor Standards Act of 1938, as amended (that is, a "***Non-Exempt Employee***"), and except as otherwise provided in the Plan, you may not exercise your option until you have completed at least six (6) months of Continuous Service measured from the Date of Grant, even if you have already been an employee for more than six (6) months. Consistent with the provisions of the Worker Economic Opportunity Act, you may exercise your option as to any vested portion prior to such six (6) month anniversary in the case of (i) your death or disability, (ii) a Corporate Transaction in which your option is not assumed, continued or substituted, (iii) a Change in Control or (iv) your termination of Continuous Service on your "retirement" (as defined in the Company's benefit plans).

4. EXERCISE PRIOR TO VESTING ("EARLY EXERCISE"). If permitted in your Grant Notice (*i.e.*, the "Exercise Schedule" indicates "Early Exercise Permitted") and subject to the provisions of your option, you may elect at any time that is both (i) during the period of your Continuous Service and (ii) during the term of your option, to exercise all or part of your option, including the unvested portion of your option; *provided, however,* that:

(a) a partial exercise of your option will be deemed to cover first vested shares of Common Stock and then the earliest vesting installment of unvested shares of Common Stock;

(b) any shares of Common Stock so purchased from installments that have not vested as of the date of exercise will be subject to the purchase option in favor of the Company as described in the Company's form of Early Exercise Stock Purchase Agreement;

(c) you will enter into the Company's form of Early Exercise Stock Purchase Agreement with a vesting schedule that will result in the same vesting as if no early exercise had occurred; and

(d) if your option is an Incentive Stock Option, then, to the extent that the aggregate Fair Market Value (determined at the Date of Grant) of the shares of Common Stock with respect to which your option plus all other Incentive Stock Options you hold are exercisable for the first time by you during any calendar year (under all plans of the Company and its Affiliates) exceeds one hundred thousand dollars ($100,000), your option(s) or portions thereof that exceed such limit (according to the order in which they were granted) will be treated as Nonstatutory Stock Options.

5. METHOD OF PAYMENT. You must pay the full amount of the exercise price for the shares you wish to exercise. You may pay the exercise price in cash or by check, bank draft or money order payable to the Company or in any other manner ***permitted by your Grant Notice,*** which may include one or more of the following:

(a) Provided that at the time of exercise the Common Stock is publicly traded, pursuant to a program developed under Regulation T as promulgated by the Federal Reserve Board that, prior to the issuance of Common Stock, results in either the receipt of cash (or check) by the Company or the receipt of irrevocable instructions to pay the aggregate exercise price to the Company from the sales proceeds. This manner of payment is also known as a "broker-assisted exercise", "same day sale", or "sell to cover".

(b) Provided that at the time of exercise the Common Stock is publicly traded, by delivery to the Company (either by actual delivery or attestation) of already-owned shares of Common Stock that are owned free and clear of any liens, claims, encumbrances or security interests, and that are valued at Fair Market Value on the date of exercise. "Delivery" for these purposes, in the sole discretion of the Company at the time you exercise your option, will include delivery to the Company of your attestation of ownership of such shares of Common Stock in a form approved by the Company. You may not exercise your option by delivery to the Company of Common Stock if doing so would violate the provisions of any law, regulation or agreement restricting the redemption of the Company's stock.

(c) If this option is a Nonstatutory Stock Option, subject to the consent of the Company at the time of exercise, by a "net exercise" arrangement pursuant to which the Company will reduce the number of shares of Common Stock issued upon exercise of your option by the largest whole number of shares with a Fair Market Value that does not exceed the aggregate exercise price. You must pay any remaining balance of the aggregate exercise price not satisfied by the "net exercise" in cash or other permitted form of payment. Shares of Common Stock will no longer be outstanding under your option and will not be exercisable thereafter if those shares (i) are used to pay the exercise price pursuant to the "net exercise," (ii) are delivered to you as a result of such exercise, and (iii) are withheld to satisfy your tax withholding obligations.

(d) Pursuant to the following deferred payment alternative:

(i) Not less than one hundred percent (100%) of the aggregate exercise price, plus accrued interest, will be due four (4) years from date of exercise or, at the Company's election, upon termination of your Continuous Service.

(ii) Interest will be compounded at least annually and will be charged at the minimum rate of interest necessary to avoid (1) the treatment as interest, under any applicable provisions of the Code, of any amounts other than amounts stated to be interest under the deferred payment arrangement and (2) the classification of your option as a liability for financial accounting purposes.

(iii) In order to elect the deferred payment alternative, you must, as a part of your written notice of exercise, give notice of the election of this payment alternative and, in order to secure the payment of the deferred exercise price to the Company hereunder, if the Company so requests, you must tender to the Company a promissory note and a pledge agreement covering the purchased shares of Common Stock, both in form and substance satisfactory to the Company, or such other or additional documentation as the Company may request.

6. WHOLE SHARES. You may exercise your option only for whole shares of Common Stock.

7. SECURITIES LAW COMPLIANCE. In no event may you exercise your option unless the shares of Common Stock issuable upon exercise are then registered under the Securities Act or, if not registered, the Company has determined that your exercise and the issuance of the shares would be exempt from the registration requirements of the Securities Act. The exercise of your option also must comply with all other applicable laws and regulations governing your option, and you may not exercise your option if the Company determines that such exercise would not be in material compliance with such laws and regulations (including any restrictions on exercise required for compliance with Treas. Reg. 1.401(k)-1(d)(3), if applicable).

8. TERM. You may not exercise your option before the Date of Grant or after the expiration of the option's term. The term of your option expires, subject to the provisions of Section 5(h) of the Plan, upon the earliest of the following:

(a) immediately upon the termination of your Continuous Service for Cause;

(b) three (3) months after the termination of your Continuous Service for any reason other than Cause, your Disability or your death (except as otherwise provided in Section 8(d) below); *provided, however,* that if during any part of such three (3) month period your option is not exercisable solely because of the condition set forth in the section above relating to "Securities Law Compliance," your option will not expire until the earlier of the Expiration Date or until it has been exercisable for an aggregate period of three (3) months after the termination of your Continuous Service; *provided further,* that if (i) you are a Non-Exempt Employee, (ii) your Continuous Service terminates within six (6) months after the Date of Grant, and (iii) you have vested in a portion of your option at the time of your termination of Continuous Service, your option will not expire until the earlier of (x) the later of (A) the date that is seven (7) months after the Date of Grant, and (B) the date that is three (3) months after the termination of your Continuous Service, and (y) the Expiration Date;

(c) twelve (12) months after the termination of your Continuous Service due to your Disability (except as otherwise provided in Section 8(d)) below;

(d) eighteen (18) months after your death if you die either during your Continuous Service or within three (3) months after your Continuous Service terminates for any reason other than Cause;

(e) the Expiration Date indicated in your Grant Notice; or

(f) the day before the tenth (10th) anniversary of the Date of Grant.

If your option is an Incentive Stock Option, note that to obtain the federal income tax advantages associated with an Incentive Stock Option, the Code requires that at all times beginning on the Date of Grant and ending on the day three (3) months before the date of your option's exercise, you must be an employee of the Company or an Affiliate, except in the event of your death or Disability. The Company has provided for extended exercisability of your option under certain circumstances for your benefit but cannot guarantee that your option will necessarily be treated as an Incentive Stock Option if you continue to provide services to the Company or an Affiliate as a Consultant or Director after your employment terminates or if you otherwise exercise your option more than three (3) months after the date your employment with the Company or an Affiliate terminates.

9. EXERCISE.

(a) You may exercise the vested portion of your option (and the unvested portion of your option if your Grant Notice so permits) during its term by (i) delivering a Notice of Exercise (in a form designated by the Company) or completing such other documents and/or procedures designated by the Company for exercise and (ii) paying the exercise price and any applicable withholding taxes to the Company's Secretary, stock plan administrator, or such other person as the Company may designate, together with such additional documents as the Company may then require.

(b) By exercising your option you agree that, as a condition to any exercise of your option, the Company may require you to enter into an arrangement providing for the payment by you to the Company of any tax withholding obligation of the Company arising by reason of (i) the exercise of your option, (ii) the lapse of any substantial risk of forfeiture to which the shares of Common Stock are subject at the time of exercise, or (iii) the disposition of shares of Common Stock acquired upon such exercise.

(c) If your option is an Incentive Stock Option, by exercising your option you agree that you will notify the Company in writing within fifteen (15) days after the date of any disposition of any of the shares of the Common Stock issued upon exercise of your option that occurs within two (2) years after the Date of Grant or within one (1) year after such shares of Common Stock are transferred upon exercise of your option.

(d) By exercising your option you agree that you will not sell, dispose of, transfer, make any short sale of, grant any option for the purchase of, or enter into any hedging or similar transaction with the same economic effect as a sale with respect to any shares of Common Stock or other securities of the Company held by you, for a period of one hundred eighty (180) days following the effective date of a registration statement of the Company filed under the Securities Act or such longer period as the underwriters or the Company will request to facilitate compliance with FINRA Rule 2711 or NYSE Member Rule 472 or any successor or similar rule or regulation (the "***Lock-Up Period***"); *provided, however*, that nothing contained in this section will prevent the exercise of a repurchase option, if any, in favor of the Company during the Lock-Up Period. You further agree to execute and deliver such other agreements as may be reasonably requested by the Company or the underwriters that are consistent with the foregoing or that are necessary to give further effect thereto. In order to enforce the

foregoing covenant, the Company may impose stop-transfer instructions with respect to your shares of Common Stock until the end of such period. You also agree that any transferee of any shares of Common Stock (or other securities) of the Company held by you will be bound by this Section 9(d). The underwriters of the Company's stock are intended third party beneficiaries of this Section 9(d) and will have the right, power and authority to enforce the provisions hereof as though they were a party hereto.

10. TRANSFERABILITY. Except as otherwise provided in this Section 10, your option is not transferable, except by will or by the laws of descent and distribution, and is exercisable during your life only by you.

(a) Certain Trusts. Upon receiving written permission from the Board or its duly authorized designee, you may transfer your option to a trust if you are considered to be the sole beneficial owner (determined under Section 671 of the Code and applicable state law) while the option is held in the trust. You and the trustee must enter into transfer and other agreements required by the Company.

(b) Domestic Relations Orders. Upon receiving written permission from the Board or its duly authorized designee, and provided that you and the designated transferee enter into transfer and other agreements required by the Company, you may transfer your option pursuant to the terms of a domestic relations order, official marital settlement agreement or other divorce or separation instrument as permitted by Treasury Regulation 1.421-1(b)(2) that contains the information required by the Company to effectuate the transfer. You are encouraged to discuss the proposed terms of any division of this option with the Company prior to finalizing the domestic relations order or marital settlement agreement to help ensure the required information is contained within the domestic relations order or marital settlement agreement. If this option is an Incentive Stock Option, this option may be deemed to be a Nonstatutory Stock Option as a result of such transfer.

(c) Beneficiary Designation. Upon receiving written permission from the Board or its duly authorized designee, you may, by delivering written notice to the Company, in a form approved by the Company and any broker designated by the Company to handle option exercises, designate a third party who, on your death, will thereafter be entitled to exercise this option and receive the Common Stock or other consideration resulting from such exercise. In the absence of such a designation, your executor or administrator of your estate will be entitled to exercise this option and receive, on behalf of your estate, the Common Stock or other consideration resulting from such exercise.

11. RIGHT OF FIRST REFUSAL. Shares of Common Stock that you acquire upon exercise of your option are subject to any right of first refusal that may be described in the Company's bylaws in effect at such time the Company elects to exercise its right; *provided, however,* that if there is no right of first refusal described in the Company's bylaws at such time, the right of first refusal described below will apply. The Company's right of first refusal will expire on the first date upon which any security of the Company is listed (or approved for listing) upon notice of issuance on a national securities exchange or quotation system (the "***Listing Date***").

(a) Prior to the Listing Date, you may not validly Transfer (as defined below) any shares of Common Stock acquired upon exercise of your option, or any interest in such shares, unless such Transfer is made in compliance with the following provisions:

(i) Before there can be a valid Transfer of any shares of Common Stock or any interest therein, the record holder of the shares of Common Stock to be transferred (the "***Offered Shares***") will give written notice (by registered or certified mail) to the Company. Such notice will specify the identity of the proposed transferee, the cash price offered for the Offered Shares by the proposed transferee (or, if the proposed Transfer is one in which the holder will not receive cash, such as

an involuntary transfer, gift, donation or pledge, the holder will state that no purchase price is being proposed), and the other terms and conditions of the proposed Transfer. The date such notice is mailed will be hereinafter referred to as the "***Notice Date***" and the record holder of the Offered Shares will be hereinafter referred to as the "***Offeror***." If, from time to time, there is any stock dividend, stock split or other change in the character or amount of any of the outstanding Common Stock which is subject to the provisions of your option, then in such event any and all new, substituted or additional securities to which you are entitled by reason of your ownership of the shares of Common Stock acquired upon exercise of your option will be immediately subject to the Company's Right of First Refusal (as defined below) with the same force and effect as the shares subject to the Right of First Refusal immediately before such event.

(ii) For a period of thirty (30) calendar days after the Notice Date, or such longer period as may be required to avoid the classification of your option as a liability for financial accounting purposes, the Company will have the option to purchase all (but not less than all) of the Offered Shares at the purchase price and on the terms set forth in Section 11(a)(iii) (the Company's "***Right of First Refusal***"). In the event that the proposed Transfer is one involving no payment of a purchase price, the purchase price will be deemed to be the Fair Market Value of the Offered Shares as determined in good faith by the Board in its discretion. The Company may exercise its Right of First Refusal by mailing (by registered or certified mail) written notice of exercise of its Right of First Refusal to the Offeror prior to the end of said thirty (30) days (including any extension required to avoid classification of the option as a liability for financial accounting purposes).

(iii) The price at which the Company may purchase the Offered Shares pursuant to the exercise of its Right of First Refusal will be the cash price offered for the Offered Shares by the proposed transferee (as set forth in the notice required under Section 11(a)(i)), or the Fair Market Value as determined by the Board in the event no purchase price is involved. To the extent consideration other than cash is offered by the proposed transferee, the Company will not be required to pay any additional amounts to the Offeror other than the cash price offered (or the Fair Market Value, if applicable). The Company's notice of exercise of its Right of First Refusal will be accompanied by full payment for the Offered Shares and, upon such payment by the Company, the Company will acquire full right, title and interest to all of the Offered Shares.

(iv) If, and only if, the option given pursuant to Section 11(a)(ii) is not exercised, the Transfer proposed in the notice given pursuant to Section 11(a)(i) may take place; *provided*, *however*, that such Transfer must, in all respects, be exactly as proposed in said notice except that such Transfer may not take place either before the tenth (10th) calendar day after the expiration of the thirty (30) day option exercise period or after the ninetieth (90th) calendar day after the expiration of the thirty (30) day option exercise period, and if such Transfer has not taken place prior to said ninetieth (90th) day, such Transfer may not take place without once again complying with this Section 11(a). The option exercise periods in this Section 11(a)(iv) will be adjusted to include any extension required to avoid the classification of your option as a liability for financial accounting purposes.

(b) As used in this Section 11, the term "***Transfer***" means any sale, encumbrance, pledge, gift or other form of disposition or transfer of shares of Common Stock or any legal or equitable interest therein; *provided*, *however*, that the term Transfer does not include a transfer of such shares or interests by will or intestacy to your Immediate Family (as defined below). In such case, the transferee or other recipient will receive and hold the shares of Common Stock so transferred subject to the provisions of this Section, and there will be no further transfer of such shares except in accordance with the terms of this Section 11. As used herein, the term "***Immediate Family***" will mean your spouse, the lineal descendant or antecedent, father, mother, brother or sister, child, adopted child, grandchild or adopted grandchild of you or your spouse, or the spouse of any child, adopted child, grandchild or adopted grandchild of you or your spouse.

(c) None of the shares of Common Stock purchased on exercise of your option will be transferred on the Company's books nor will the Company recognize any such Transfer of any such shares or any interest therein unless and until all applicable provisions of this Section 11 have been complied with in all respects. The certificates of stock evidencing shares of Common Stock purchased on exercise of your option will bear an appropriate legend referring to the transfer restrictions imposed by this Section 11.

(d) To ensure that the shares subject to the Company's Right of First Refusal will be available for repurchase by the Company, the Company may require you to deposit the certificates evidencing the shares that you purchase upon exercise of your option with an escrow agent designated by the Company under the terms and conditions of an escrow agreement approved by the Company. If the Company does not require such deposit as a condition of exercise of your option, the Company reserves the right at any time to require you to so deposit the certificates in escrow. As soon as practicable after the expiration of the Company's Right of First Refusal, the agent will deliver to you the shares and any other property no longer subject to such restriction. In the event the shares and any other property held in escrow are subject to the Company's exercise of its Right of First Refusal, the notices required to be given to you will be given to the escrow agent, and any payment required to be given to you will be given to the escrow agent. Within thirty (30) days after payment by the Company for the Offered Shares, the escrow agent will deliver the Offered Shares that the Company has repurchased to the Company and will deliver the payment received from the Company to you.

12. RIGHT OF REPURCHASE. To the extent provided in the Company's bylaws in effect at such time the Company elects to exercise its right, the Company will have the right to repurchase all or any part of the shares of Common Stock you acquire pursuant to the exercise of your option.

13. OPTION NOT A SERVICE CONTRACT. Your option is not an employment or service contract, and nothing in your option will be deemed to create in any way whatsoever any obligation on your part to continue in the employ of the Company or an Affiliate, or of the Company or an Affiliate to continue your employment. In addition, nothing in your option will obligate the Company or an Affiliate, their respective stockholders, boards of directors, officers or employees to continue any relationship that you might have as a Director or Consultant for the Company or an Affiliate.

14. WITHHOLDING OBLIGATIONS.

(a) At the time you exercise your option, in whole or in part, and at any time thereafter as requested by the Company, you hereby authorize withholding from payroll and any other amounts payable to you, and otherwise agree to make adequate provision for (including by means of a "same day sale" pursuant to a program developed under Regulation T as promulgated by the Federal Reserve Board to the extent permitted by the Company), any sums required to satisfy the federal, state, local and foreign tax withholding obligations of the Company or an Affiliate, if any, which arise in connection with the exercise of your option.

(b) If this option is a Nonstatutory Stock Option, then upon your request and subject to approval by the Company, and compliance with any applicable legal conditions or restrictions, the Company may withhold from fully vested shares of Common Stock otherwise issuable to you upon the exercise of your option a number of whole shares of Common Stock having a Fair Market Value, determined by the Company as of the date of exercise, not in excess of the minimum amount of tax required to be withheld by law (or such lower amount as may be necessary to avoid classification of your

option as a liability for financial accounting purposes). If the date of determination of any tax withholding obligation is deferred to a date later than the date of exercise of your option, share withholding pursuant to the preceding sentence shall not be permitted unless you make a proper and timely election under Section 83(b) of the Code, covering the aggregate number of shares of Common Stock acquired upon such exercise with respect to which such determination is otherwise deferred, to accelerate the determination of such tax withholding obligation to the date of exercise of your option. Notwithstanding the filing of such election, shares of Common Stock shall be withheld solely from fully vested shares of Common Stock determined as of the date of exercise of your option that are otherwise issuable to you upon such exercise. Any adverse consequences to you arising in connection with such share withholding procedure shall be your sole responsibility.

(c) You may not exercise your option unless the tax withholding obligations of the Company and/or any Affiliate are satisfied. Accordingly, you may not be able to exercise your option when desired even though your option is vested, and the Company will have no obligation to issue a certificate for such shares of Common Stock or release such shares of Common Stock from any escrow provided for herein, if applicable, unless such obligations are satisfied.

15. TAX CONSEQUENCES. You hereby agree that the Company does not have a duty to design or administer the Plan or its other compensation programs in a manner that minimizes your tax liabilities. You will not make any claim against the Company, or any of its Officers, Directors, Employees or Affiliates related to tax liabilities arising from your option or your other compensation. In particular, you acknowledge that this option is exempt from Section 409A of the Code only if the exercise price per share specified in the Grant Notice is at least equal to the "fair market value" per share of the Common Stock on the Date of Grant and there is no other impermissible deferral of compensation associated with the option. Because the Common Stock is not traded on an established securities market, the Fair Market Value is determined by the Board, perhaps in consultation with an independent valuation firm retained by the Company. You acknowledge that there is no guarantee that the Internal Revenue Service will agree with the valuation as determined by the Board, and you will not make any claim against the Company, or any of its Officers, Directors, Employees or Affiliates in the event that the Internal Revenue Service asserts that the valuation determined by the Board is less than the "fair market value" as subsequently determined by the Internal Revenue Service.

16. NOTICES. Any notices provided for in your option or the Plan will be given in writing (including electronically) and will be deemed effectively given upon receipt or, in the case of notices delivered by mail by the Company to you, five (5) days after deposit in the United States mail, postage prepaid, addressed to you at the last address you provided to the Company. The Company may, in its sole discretion, decide to deliver any documents related to participation in the Plan and this option by electronic means or to request your consent to participate in the Plan by electronic means. By accepting this option, you consent to receive such documents by electronic delivery and to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.

17. GOVERNING PLAN DOCUMENT. Your option is subject to all the provisions of the Plan, the provisions of which are hereby made a part of your option, and is further subject to all interpretations, amendments, rules and regulations, which may from time to time be promulgated and adopted pursuant to the Plan. If there is any conflict between the provisions of your option and those of the Plan, the provisions of the Plan will control.

ATTACHMENT II

2015 EQUITY INCENTIVE PLAN

ATTACHMENT III

FORTY SEVEN, INC.
NOTICE OF EXERCISE

Forty Seven, Inc.
1490 O'Brien Drive, Suite A
Menlo Park, CA 94025

Date of Exercise: _____

This constitutes notice to **FORTY SEVEN, INC.** (the "***Company***") under my stock option that I elect to purchase the below number of shares of Common Stock of the Company (the "***Shares***") for the price set forth below.

Type of option (check one):	Incentive ☐	Nonstatutory ☐
Stock option dated:	_____	_____
Number of Shares as to which option is exercised:	_____	_____
Certificates to be issued in name of:	_____	_____
Total exercise price:	$_____	$_____
Cash payment delivered herewith:	$_____	$_____

By this exercise, I agree (i) to provide such additional documents as you may require pursuant to the terms of the 2015 Equity Incentive Plan, (ii) to provide for the payment by me to you (in the manner designated by you) of your withholding obligation, if any, relating to the exercise of this option, and (iii) if this exercise relates to an incentive stock option, to notify you in writing within fifteen (15) days after the date of any disposition of any of the Shares issued upon exercise of this option that occurs within two (2) years after the date of grant of this option or within one (1) year after such Shares are issued upon exercise of this option.

I further agree that, if required by the Company (or a representative of the underwriters) in connection with the first underwritten registration of the offering of any securities of the Company under the Securities Act, I will not sell, dispose of, transfer, make any short sale of, grant any option for the purchase of, or enter into any hedging or similar transaction with the same economic effect as a sale with respect to any shares of Common Stock or other securities of the Company for a period of one hundred eighty (180) days following the effective date of a registration statement of the Company filed under the Securities Act (or such longer period as the underwriters or the Company shall request to facilitate compliance with FINRA Rule 2711 or NYSE Member Rule 472 or any successor or similar rule or regulation) (the "***Lock-Up Period***"). I further agree to execute and deliver such other agreements as may be reasonably requested by the Company or the underwriters that are consistent with the foregoing or that are necessary to give further effect thereto. In order to enforce the foregoing covenant, the Company may impose stop-transfer instructions with respect to securities subject to the foregoing restrictions until the end of such period.

Signature _____

Print Name _____

Address of Record: _____

_____

_____

Email Address: _____

FORTY SEVEN, INC.

2018 EQUITY INCENTIVE PLAN

ADOPTED BY THE BOARD OF DIRECTORS: JUNE 13, 2018
APPROVED BY THE STOCKHOLDERS: JUNE 14, 2018
IPO DATE/EFFECTIVE DATE: [_____], 2018

1. GENERAL.

(a) Eligible Award Recipients. Employees, Directors and Consultants are eligible to receive Awards.

(b) Available Awards. The Plan provides for the grant of the following Awards: (i) Incentive Stock Options, (ii) Nonstatutory Stock Options, (iii) Stock Appreciation Rights (iv) Restricted Stock Awards, (v) Restricted Stock Unit Awards, (vi) Performance Stock Awards, (vii) Performance Cash Awards, and (viii) Other Stock Awards.

(c) Purpose. The Plan, through the grant of Awards, is intended to help the Company secure and retain the services of eligible award recipients, provide incentives for such persons to exert maximum efforts for the success of the Company and any Affiliate, and provide a means by which the eligible recipients may benefit from increases in value of the Common Stock.

2. ADMINISTRATION.

(a) Administration by Board. The Board will administer the Plan. The Board may delegate administration of the Plan to a Committee or Committees, as provided in Section 2(c).

(b) Powers of Board. The Board will have the power, subject to, and within the limitations of, the express provisions of the Plan:

(i) To determine: (A) who will be granted Awards; (B) when and how each Award will be granted; (C) what type of Award will be granted; (D) the provisions of each Award (which need not be identical), including when a person will be permitted to exercise or otherwise receive cash or Common Stock under the Award; (E) the number of shares of Common Stock subject to, or the cash value of, an Award; and (F) the Fair Market Value applicable to a Stock Award.

(ii) To construe and interpret the Plan and Awards granted under it, and to establish, amend and revoke rules and regulations for administration of the Plan and Awards. The Board, in the exercise of these powers, may correct any defect, omission or inconsistency in the Plan or in any Award Agreement or in the written terms of a Performance Cash Award, in a manner and to the extent it will deem necessary or expedient to make the Plan or Award fully effective.

(iii) To settle all controversies regarding the Plan and Awards granted under it.

(iv) To accelerate, in whole or in part, the time at which an Award may be exercised or vest (or the time at which cash or shares of Common Stock may be issued in settlement thereof).

(v) To suspend or terminate the Plan at any time. Except as otherwise provided in the Plan or an Award Agreement, suspension or termination of the Plan will not impair a Participant's rights under the Participant's then-outstanding Award without the Participant's written consent, except as provided in subsection (viii) below.

(vi) To amend the Plan in any respect the Board deems necessary or advisable, including, without limitation, by adopting amendments relating to Incentive Stock Options and certain nonqualified deferred compensation under Section 409A of the Code and/or to make the Plan or Awards granted under the Plan compliant with the requirements for Incentive Stock Options or exempt from, or compliant with, the requirements for nonqualified deferred compensation under Section 409A of the Code, subject to the limitations, if any, of applicable law. If required by applicable law or listing requirements, and except as provided in Section 9(a) relating to Capitalization Adjustments, the Company will seek stockholder approval of any amendment of the Plan that (A) materially increases the number of shares of Common Stock available for issuance under the Plan, (B) materially expands the class of individuals eligible to receive Awards under the Plan, (C) materially increases the benefits accruing to Participants under the Plan, (D) materially reduces the price at which shares of Common Stock may be issued or purchased under the Plan, (E) materially extends the term of the Plan, or (F) materially expands the types of Awards available for issuance under the Plan. Except as provided in the Plan (including subsection (viii) below) or an Award Agreement, no amendment of the Plan will impair a Participant's rights under an outstanding Award unless (1) the Company requests the consent of the affected Participant, and (2) such Participant consents in writing.

(vii) To submit any amendment to the Plan for stockholder approval, including, but not limited to, amendments to the Plan intended to satisfy the requirements of (A) Section 422 of the Code regarding "incentive stock options" or (B) Rule 16b-3.

(viii) To approve forms of Award Agreements for use under the Plan and to amend the terms of any one or more Awards, including, but not limited to, amendments to provide terms more favorable to the Participant than previously provided in the Award Agreement, subject to any specified limits in the Plan that are not subject to Board discretion; provided, however, that a Participant's rights under any Award will not be impaired by any such amendment unless (A) the Company requests the consent of the affected Participant, and (B) such Participant consents in writing. Notwithstanding the foregoing, (1) a Participant's rights will not be deemed to have been impaired by any such amendment if the Board, in its sole discretion, determines that the amendment, taken as a whole, does not materially impair the Participant's rights, and (2) subject to the limitations of applicable law, if any, the Board may amend the terms of any one or more Awards without the affected Participant's consent (A) to maintain the qualified status of the Award as an Incentive Stock Option under Section 422 of the Code; (B) to change the terms of an Incentive Stock Option, if such change results in impairment of the Award solely because it impairs the qualified status of the Award as an Incentive Stock Option under Section 422 of the Code; (C) to clarify the manner of exemption from, or to bring the Award into compliance with, Section 409A of the Code; or (D) to comply with other applicable laws or listing requirements.

(ix) Generally, to exercise such powers and to perform such acts as the Board deems necessary or expedient to promote the best interests of the Company and that are not in conflict with the provisions of the Plan or Awards.

(x) To adopt such rules, procedures and sub-plans related to the operation and administration of the Plan as are necessary or appropriate under local laws and regulations to permit participation in the Plan by Employees, Directors or Consultants who are foreign nationals or employed outside the United States (provided that Board approval will not be necessary for immaterial modifications to the Plan or any Award Agreement made to ensure or facilitate compliance with the laws or regulations of the relevant foreign jurisdiction).

(xi) To effect, with the consent of any adversely affected Participant, (A) the reduction of the exercise, purchase or strike price of any outstanding Stock Award; (B) the cancellation of any outstanding Stock Award and the grant in substitution therefor of a new (1) Option or SAR, (2) Restricted Stock Award, (3) Restricted Stock Unit Award, (4) Other Stock Award, (5) cash and/or (6) other valuable consideration determined by the Board, in its sole discretion, with any such substituted award (x) covering the same or a different number of shares of Common Stock as the cancelled Stock Award and (y) granted under the Plan or another equity or compensatory plan of the Company; or (C) any other action that is treated as a repricing under generally accepted accounting principles.

(c) Delegation to Committee.

(i) General. The Board may delegate some or all of the administration of the Plan to a Committee or Committees. If administration of the Plan is delegated to a Committee, the Committee will have, in connection with the administration of the Plan, the powers theretofore possessed by the Board that have been delegated to the Committee, including the power to delegate to a subcommittee of the Committee any of the administrative powers the Committee is authorized to exercise (and references in this Plan to the Board will thereafter be to the Committee or subcommittee, as applicable). Any delegation of administrative powers will be reflected in resolutions, not inconsistent with the provisions of the Plan, adopted from time to time by the Board or Committee (as applicable). The Board may retain the authority to concurrently administer the Plan with the Committee and may, at any time, revest in the Board some or all of the powers previously delegated.

(ii) Rule 16b-3 Compliance. The Committee may consist solely of two or more Non-Employee Directors, in accordance with Rule 16b-3.

(d) Delegation to an Officer. The Board may delegate to one (1) or more Officers the authority to do one or both of the following (i) designate Employees who are not Officers to be recipients of Options and SARs (and, to the extent permitted by applicable law, other Stock Awards) and, to the extent permitted by applicable law, the terms of such Awards, and (ii) determine the number of shares of Common Stock to be subject to such Stock Awards granted to such Employees; *provided, however*, that the Board resolutions regarding such delegation will

specify the total number of shares of Common Stock that may be subject to the Stock Awards granted by such Officer and that such Officer may not grant a Stock Award to himself or herself. Any such Stock Awards will be granted on the form of Stock Award Agreement most recently approved for use by the Committee or the Board, unless otherwise provided in the resolutions approving the delegation authority. The Board may not delegate authority to an Officer who is acting solely in the capacity of an Officer (and not also as a Director) to determine the Fair Market Value pursuant to Section 13(y)(iii) below.

(e) Effect of Board's Decision. All determinations, interpretations and constructions made by the Board in good faith will not be subject to review by any person and will be final, binding and conclusive on all persons.

3. SHARES SUBJECT TO THE PLAN.

(a) Share Reserve.

(i) Subject to Section 9(a) relating to Capitalization Adjustments, and the following sentence regarding the annual increase, the aggregate number of shares of Common Stock that may be issued pursuant to Stock Awards will not exceed 3,000,000 shares (the "***Share Reserve***"). In addition, the Share Reserve will automatically increase on January 1st of each calendar year, beginning on January 1 in the calendar year following the calendar year in which the IPO Date occurs and ending on (and including) January 1, 2028 (each, an "***Evergreen Date***") in an amount equal to five percent (5%) of the total number of shares of Capital Stock outstanding on the last day of the preceding year. Notwithstanding the foregoing, the Board may act prior to the Evergreen Date of a given year to provide that there will be no increase in the Share Reserve for such year or that the increase in the Share Reserve for such year will be a lesser number of shares of Common Stock than would otherwise occur pursuant to the preceding sentence.

(i) For clarity, the Share Reserve in this Section 3(a) is a limitation on the number of shares of Common Stock that may be issued pursuant to the Plan. As a single share may be subject to grant more than once (e.g., if a share subject to a Stock Award is forfeited, it may be made subject to grant again as provided in Section 3(b) below), the Share Reserve is not a limit on the number of Stock Awards that can be granted.

(ii) Shares may be issued in connection with a merger or acquisition as permitted by NASDAQ Listing Rule 5635(c) or, if applicable, NYSE Listed Company Manual Section 303A.08, AMEX Company Guide Section 711 or other applicable rule, and such issuance will not reduce the number of shares available for issuance under the Plan.

(b) Reversion of Shares to the Share Reserve. If a Stock Award or any portion thereof (i) expires or otherwise terminates without all of the shares covered by such Stock Award having been issued or (ii) is settled in cash (*i.e.*, the Participant receives cash rather than stock), such expiration, termination or settlement will not reduce (or otherwise offset) the number of shares of Common Stock that may be available for issuance under the Plan. If any shares of Common Stock issued pursuant to a Stock Award are forfeited back to or repurchased by the Company because of the failure to meet a contingency or condition required to vest such shares

in the Participant, then the shares that are forfeited or repurchased will revert to and again become available for issuance under the Plan. Any shares reacquired by the Company in satisfaction of tax withholding obligations on a Stock Award or as consideration for the exercise or purchase price of a Stock Award will again become available for issuance under the Plan.

(c) Incentive Stock Option Limit. Subject to the provisions of Section 9(a) relating to Capitalization Adjustments, the aggregate maximum number of shares of Common Stock that may be issued pursuant to the exercise of Incentive Stock Options will be will be a number of shares of Common Stock equal to three (3) multiplied by the Share Reserve.

(d) Limitation on Compensation of Non-Employee Directors. The maximum number of shares of Common Stock subject to Stock Awards granted under this Plan or otherwise during any one year to any Non-Employee Director, taken together with any cash fees paid by the Company to such Non-Employee Director during such year for service on the Board, will not exceed U.S. $750,000 in total value (calculating the value of any such Stock Awards based on the grant date fair value of such Stock Awards for financial reporting purposes), or, with respect to the calendar year in which a Non-Employee Director is first appointed or elected to the Board, $1,500,000.

(e) Source of Shares. The stock issuable under the Plan will be shares of authorized but unissued or reacquired Common Stock, including shares repurchased by the Company on the open market or otherwise.

4. ELIGIBILITY.

(a) Eligibility for Specific Stock Awards. Incentive Stock Options may be granted only to employees of the Company or a "parent corporation" or "subsidiary corporation" thereof (as such terms are defined in Sections 424(e) and 424(f) of the Code). Stock Awards other than Incentive Stock Options may be granted to Employees, Directors and Consultants; *provided, however*, that Stock Awards may not be granted to Employees, Directors and Consultants who are providing Continuous Service only to any "parent" of the Company, as such term is defined in Rule 405 of the Securities Act, unless (i) the stock underlying such Stock Awards is treated as "service recipient stock" under Section 409A of the Code (for example, because the Stock Awards are granted pursuant to a corporate transaction such as a spin off transaction), (ii) the Company, in consultation with its legal counsel, has determined that such Stock Awards are otherwise exempt from Section 409A of the Code, or (iii) the Company, in consultation with its legal counsel, has determined that such Stock Awards comply with the distribution requirements of Section 409A of the Code.

(b) Ten Percent Stockholders. A Ten Percent Stockholder will not be granted an Incentive Stock Option unless the exercise price of such Option is at least 110% of the Fair Market Value on the date of grant and the Option is not exercisable after the expiration of five years from the date of grant.

5. PROVISIONS RELATING TO OPTIONS AND STOCK APPRECIATION RIGHTS.

Each Option or SAR will be in such form and will contain such terms and conditions as the Board deems appropriate. All Options will be separately designated Incentive Stock Options

or Nonstatutory Stock Options at the time of grant, and, if certificates are issued, a separate certificate or certificates will be issued for shares of Common Stock purchased on exercise of each type of Option. If an Option is not specifically designated as an Incentive Stock Option, or if an Option is designated as an Incentive Stock Option but some portion or all of the Option fails to qualify as an Incentive Stock Option under the applicable rules, then the Option (or portion thereof) will be a Nonstatutory Stock Option. The provisions of separate Options or SARs need not be identical; *provided*, *however*, that each Award Agreement will conform to (through incorporation of provisions hereof by reference in the applicable Award Agreement or otherwise) the substance of each of the following provisions:

(a) Term. Subject to the provisions of Section 4(b) regarding Ten Percent Stockholders, no Option or SAR will be exercisable after the expiration of ten years from the date of its grant or such shorter period specified in the Award Agreement.

(b) Exercise Price. Subject to the provisions of Section 4(b) regarding Ten Percent Stockholders, the exercise or strike price of each Option or SAR will be not less than 100% of the Fair Market Value of the Common Stock subject to the Option or SAR on the date the Award is granted. Notwithstanding the foregoing, an Option or SAR may be granted with an exercise or strike price lower than 100% of the Fair Market Value of the Common Stock subject to the Award if such Award is granted pursuant to an assumption of or substitution for another option or stock appreciation right pursuant to a Corporate Transaction and in a manner consistent with the provisions of Section 409A of the Code and, if applicable, Section 424(a) of the Code. Each SAR will be denominated in shares of Common Stock equivalents.

(c) Purchase Price for Options. The purchase price of Common Stock acquired pursuant to the exercise of an Option may be paid, to the extent permitted by applicable law and as determined by the Board in its sole discretion, by any combination of the methods of payment set forth below. The Board will have the authority to grant Options that do not permit all of the following methods of payment (or otherwise restrict the ability to use certain methods) and to grant Options that require the consent of the Company to use a particular method of payment. The permitted methods of payment are as follows:

(i) by cash, check, bank draft or money order payable to the Company;

(ii) pursuant to a program developed under Regulation T as promulgated by the Federal Reserve Board that, prior to the issuance of the stock subject to the Option, results in either the receipt of cash (or check) by the Company or the receipt of irrevocable instructions to pay the aggregate exercise price to the Company from the sales proceeds;

(iii) by delivery to the Company (either by actual delivery or attestation) of shares of Common Stock;

(iv) if an Option is a Nonstatutory Stock Option, by a “net exercise” arrangement pursuant to which the Company will reduce the number of shares of Common Stock issuable upon exercise by the largest whole number of shares with a Fair Market Value that does not exceed the aggregate exercise price; *provided, however,* that the Company will accept a cash or other payment from the Participant to the extent of any remaining balance of the aggregate

exercise price not satisfied by such reduction in the number of whole shares to be issued. Shares of Common Stock will no longer be subject to an Option and will not be exercisable thereafter to the extent that (A) shares issuable upon exercise are used to pay the exercise price pursuant to the "net exercise," (B) shares are delivered to the Participant as a result of such exercise, and (C) shares are withheld to satisfy tax withholding obligations; or

(v) in any other form of legal consideration that may be acceptable to the Board and specified in the applicable Award Agreement.

(d) Exercise and Payment of a SAR. To exercise any outstanding SAR, the Participant must provide written notice of exercise to the Company in compliance with the provisions of the Stock Appreciation Right Agreement evidencing such SAR. The appreciation distribution payable on the exercise of a SAR will be not greater than an amount equal to the excess of (A) the aggregate Fair Market Value (on the date of the exercise of the SAR) of a number of shares of Common Stock equal to the number of Common Stock equivalents in which the Participant is vested under such SAR, and with respect to which the Participant is exercising the SAR on such date, over (B) the aggregate strike price of the number of Common Stock equivalents with respect to which the Participant is exercising the SAR on such date. The appreciation distribution may be paid in Common Stock, in cash, in any combination of the two or in any other form of consideration, as determined by the Board and contained in the Award Agreement evidencing such SAR.

(e) Transferability of Options and SARs. The Board may, in its sole discretion, impose such limitations on the transferability of Options and SARs as the Board will determine. In the absence of such a determination by the Board to the contrary, the following restrictions on the transferability of Options and SARs will apply:

(i) Restrictions on Transfer. An Option or SAR will not be transferable except by will or by the laws of descent and distribution (or pursuant to subsections (ii) and (iii) below), and will be exercisable during the lifetime of the Participant only by the Participant. The Board may permit transfer of the Option or SAR in a manner that is not prohibited by applicable laws or regulations. Except as explicitly provided in the Plan, neither an Option nor a SAR may be transferred for consideration.

(ii) Domestic Relations Orders. Subject to the approval of the Board or a duly authorized Officer, an Option or SAR may be transferred pursuant to the terms of a domestic relations order, official marital settlement agreement or other divorce or separation instrument as permitted by Treasury Regulations Section 1.421-1(b)(2) or comparable non-U.S. law. If an Option is an Incentive Stock Option, such Option may be deemed to be a Nonstatutory Stock Option as a result of such transfer.

(iii) Beneficiary Designation. Subject to the approval of the Board or a duly authorized Officer, a Participant may, by delivering written notice to the Company or to any third party designated by the Company, in a form approved by the Company (or the designated broker), designate a third party who, upon the death of the Participant, will thereafter be entitled to exercise the Option or SAR and receive the Common Stock or other consideration resulting from such exercise. In the absence of such a designation, upon the death of the Participant, the

executor or administrator of the Participant's estate or the Participant's legal heirs will be entitled to exercise the Option or SAR and receive the Common Stock or other consideration resulting from such exercise. However, the Company may prohibit designation of a beneficiary at any time, including due to any conclusion by the Company that such designation would be inconsistent with the provisions of applicable laws.

(f) Vesting Generally. The total number of shares of Common Stock subject to an Option or SAR may vest and become exercisable in periodic installments that may or may not be equal. The Option or SAR may be subject to such other terms and conditions on the time or times when it may or may not be exercised (which may be based on the satisfaction of Performance Goals or other criteria) as the Board may deem appropriate. The vesting provisions of individual Options or SARs may vary. The provisions of this Section 5(f) are subject to any Option or SAR provisions governing the minimum number of shares of Common Stock as to which an Option or SAR may be exercised.

(g) Termination of Continuous Service. Except as otherwise provided in the applicable Award Agreement or other agreement between the Participant and the Company, if a Participant's Continuous Service terminates (other than for Cause and other than upon the Participant's death or Disability), the Participant may exercise his or her Option or SAR (to the extent that the Participant was entitled to exercise such Award as of the date of termination of Continuous Service) within the period of time ending on the earlier of (i) the date which occurs three (3) months following the termination of the Participant's Continuous Service (or such longer or shorter period specified in the applicable Award Agreement), and (ii) the expiration of the term of the Option or SAR as set forth in the Award Agreement. If, after termination of Continuous Service, the Participant does not exercise his or her Option or SAR (as applicable) within the applicable time frame, the Option or SAR will terminate.

(h) Extension of Termination Date. Except as otherwise provided in the applicable Award Agreement or other agreement between the Participant and the Company, if the exercise of an Option or SAR following the termination of the Participant's Continuous Service (other than for Cause and other than upon the Participant's death or Disability) would be prohibited at any time solely because the issuance of shares of Common Stock would violate the registration requirements under the Securities Act, then the Option or SAR will terminate on the earlier of (i) the expiration of a total period of time (that need not be consecutive) equal to the applicable post termination exercise period after the termination of the Participant's Continuous Service during which the exercise of the Option or SAR would not be in violation of such registration requirements, and (ii) the expiration of the term of the Option or SAR as set forth in the applicable Award Agreement. In addition, unless otherwise provided in a Participant's Award Agreement, if the sale of any Common Stock received upon exercise of an Option or SAR following the termination of the Participant's Continuous Service (other than for Cause) would violate the Company's insider trading policy, then the Option or SAR will terminate on the earlier of (i) the expiration of the period of months (that need not be consecutive) equal to the applicable post-termination exercise period after the termination of the Participant's Continuous Service during which the sale of the Common Stock received upon exercise of the Option or SAR would not be in violation of the Company's insider trading policy, or (ii) the expiration of the term of the Option or SAR as set forth in the applicable Award Agreement.

(i) Disability of Participant. Except as otherwise provided in the applicable Award Agreement or other agreement between the Participant and the Company, if a Participant's Continuous Service terminates as a result of the Participant's Disability, the Participant may exercise his or her Option or SAR (to the extent that the Participant was entitled to exercise such Option or SAR as of the date of termination of Continuous Service), but only within such period of time ending on the earlier of (i) the date which occurs 12 months following such termination of Continuous Service (or such longer or shorter period specified in the Award Agreement), and (ii) the expiration of the term of the Option or SAR as set forth in the Award Agreement. If, after termination of Continuous Service, the Participant does not exercise his or her Option or SAR within the applicable time frame, the Option or SAR (as applicable) will terminate.

(j) Death of Participant. Except as otherwise provided in the applicable Award Agreement or other agreement between the Participant and the Company, if (i) a Participant's Continuous Service terminates as a result of the Participant's death, or (ii) the Participant dies within the period (if any) specified in the Award Agreement for exercisability after the termination of the Participant's Continuous Service for a reason other than death, then the Option or SAR may be exercised (to the extent the Participant was entitled to exercise such Option or SAR as of the date of death) by the Participant's estate, by a person who acquired the right to exercise the Option or SAR by bequest or inheritance or by a person designated to exercise the Option or SAR upon the Participant's death, but only within the period ending on the earlier of (i) the date 18 months following the date of death (or such longer or shorter period specified in the Award Agreement), and (ii) the expiration of the term of such Option or SAR as set forth in the Award Agreement. If, after the Participant's death, the Option or SAR is not exercised within the applicable time frame, the Option or SAR (as applicable) will terminate.

(k) Termination for Cause. Except as explicitly provided otherwise in the applicable Award Agreement or other written agreement between the Participant and the Company, if a Participant's Continuous Service is terminated for Cause, the Option or SAR will terminate immediately upon such Participant's termination of Continuous Service, and the Participant will be prohibited from exercising his or her Option or SAR from and after the date of such termination of Continuous Service. If a Participant's Continuous Service is suspended pending an investigation of the existence of Cause, all of the Participant's rights under the Option or SAR will also be suspended during the investigation period.

(l) Non-Exempt Employees. If an Option or SAR is granted to an Employee who is a non-exempt employee for purposes of the U.S. Fair Labor Standards Act of 1938, as amended, the Option or SAR will not be first exercisable for any shares of Common Stock until at least six months following the date of grant of the Option or SAR (although the Award may vest prior to such date). Consistent with the provisions of the U.S. Worker Economic Opportunity Act, (i) if such non-exempt Employee dies or suffers a Disability, (ii) upon a Corporate Transaction in which such Option or SAR is not assumed, continued, or substituted, (iii) upon a Change in Control, or (iv) upon the Participant's retirement (as such term may be defined in the Participant's Award Agreement in another agreement between the Participant and the Company, or, if no such definition, in accordance with the Company's then current employment policies and guidelines), the vested portion of any Options and SARs may be exercised earlier than six months following the date of grant. The foregoing provision is intended to operate so that any income derived by a non-exempt employee in connection with the exercise or vesting of an

Option or SAR will be exempt from his or her regular rate of pay. To the extent permitted and/or required for compliance with the U.S. Worker Economic Opportunity Act to ensure that any income derived by a non-exempt employee in connection with the exercise, vesting or issuance of any shares under any other Stock Award will be exempt from the employee's regular rate of pay, the provisions of this Section 5(l) will apply to all Stock Awards and are hereby incorporated by reference into such Stock Award Agreements.

6. PROVISIONS OF STOCK AWARDS OTHER THAN OPTIONS AND SARS.

(a) Restricted Stock Awards. Each Restricted Stock Award Agreement will be in such form and will contain such terms and conditions as the Board will deem appropriate. To the extent consistent with the Company's bylaws, at the Board's election, shares of Common Stock may be (x) held in book entry form subject to the Company's instructions until any restrictions relating to the Restricted Stock Award lapse; or (y) evidenced by a certificate, which certificate will be held in such form and manner as determined by the Board. The terms and conditions of Restricted Stock Award Agreements may change from time to time, and the terms and conditions of separate Restricted Stock Award Agreements need not be identical. Each Restricted Stock Award Agreement will conform to (through incorporation of the provisions hereof by reference in the agreement or otherwise) the substance of each of the following provisions:

(i) Consideration. A Restricted Stock Award may be awarded in consideration for (A) cash, check, bank draft or money order payable to the Company, (B) past services to the Company or an Affiliate, or (C) any other form of legal consideration (including future services) that may be acceptable to the Board, in its sole discretion, and permissible under applicable law.

(ii) Vesting. Shares of Common Stock awarded under the Restricted Stock Award Agreement may be subject to forfeiture to the Company in accordance with a vesting schedule to be determined by the Board.

(iii) Termination of Participant's Continuous Service. If a Participant's Continuous Service terminates, the Company may receive through a forfeiture condition or a repurchase right any or all of the shares of Common Stock held by the Participant that have not vested as of the date of termination of Continuous Service under the terms of the Restricted Stock Award Agreement.

(iv) Transferability. Rights to acquire shares of Common Stock under the Restricted Stock Award Agreement will be transferable by the Participant only upon such terms and conditions as are set forth in the Restricted Stock Award Agreement, as the Board will determine in its sole discretion, so long as Common Stock awarded under the Restricted Stock Award Agreement remains subject to the terms of the Restricted Stock Award Agreement.

(v) Dividends. A Restricted Stock Award Agreement may provide that any dividends paid on Restricted Stock will be subject to the same vesting and forfeiture restrictions as apply to the shares subject to the Restricted Stock Award to which they relate.

(b) Restricted Stock Unit Awards. Each Restricted Stock Unit Award Agreement will be in such form and will contain such terms and conditions as the Board will deem

appropriate. The terms and conditions of Restricted Stock Unit Award Agreements may change from time to time, and the terms and conditions of separate Restricted Stock Unit Award Agreements need not be identical. Each Restricted Stock Unit Award Agreement will conform to (through incorporation of the provisions hereof by reference in the Agreement or otherwise) the substance of each of the following provisions:

(i) Consideration. At the time of grant of a Restricted Stock Unit Award, the Board will determine the consideration, if any, to be paid by the Participant upon delivery of each share of Common Stock subject to the Restricted Stock Unit Award. The consideration to be paid (if any) by the Participant for each share of Common Stock subject to a Restricted Stock Unit Award may be paid in any form of legal consideration that may be acceptable to the Board, in its sole discretion, and permissible under applicable law.

(ii) Vesting. At the time of the grant of a Restricted Stock Unit Award, the Board may impose such restrictions on or conditions to the vesting of the Restricted Stock Unit Award as it, in its sole discretion, deems appropriate.

(iii) Payment. A Restricted Stock Unit Award may be settled by the delivery of shares of Common Stock, their cash equivalent, any combination thereof or in any other form of consideration, as determined by the Board and contained in the Restricted Stock Unit Award Agreement.

(iv) Additional Restrictions. At the time of the grant of a Restricted Stock Unit Award, the Board, as it deems appropriate, may impose such restrictions or conditions that delay the delivery of the shares of Common Stock (or their cash equivalent) subject to a Restricted Stock Unit Award to a time after the vesting of such Restricted Stock Unit Award.

(v) Dividend Equivalents. Dividend equivalents may be credited in respect of shares of Common Stock covered by a Restricted Stock Unit Award, as determined by the Board and contained in the Restricted Stock Unit Award Agreement. At the sole discretion of the Board, such dividend equivalents may be converted into additional shares of Common Stock covered by the Restricted Stock Unit Award in such manner as determined by the Board. Any additional shares covered by the Restricted Stock Unit Award credited by reason of such dividend equivalents will be subject to all of the same terms and conditions of the underlying Restricted Stock Unit Award Agreement to which they relate.

(vi) Termination of Participant's Continuous Service. Except as otherwise provided in the applicable Restricted Stock Unit Award Agreement, such portion of the Restricted Stock Unit Award that has not vested will be forfeited upon the Participant's termination of Continuous Service.

(c) Performance Awards.

(i) Performance Stock Awards. A Performance Stock Award is a Stock Award that is payable (including that may be granted, may vest or may be exercised) contingent upon the attainment during a Performance Period of certain Performance Goals. A Performance Stock Award may but need not require the Participant's completion of a specified period of Continuous Service. The length of any Performance Period, the Performance Goals to be

achieved during the Performance Period, and the measure of whether and to what degree such Performance Goals have been attained will be conclusively determined by the Board or Committee, in its sole discretion. In addition, to the extent permitted by applicable law and the applicable Award Agreement, the Board may determine that cash may be used in payment of Performance Stock Awards.

(ii) Performance Cash Awards. A Performance Cash Award is a cash award that is payable contingent upon the attainment during a Performance Period of certain Performance Goals. A Performance Cash Award may also require the completion of a specified period of Continuous Service. At the time of grant of a Performance Cash Award, the length of any Performance Period, the Performance Goals to be achieved during the Performance Period, and the measure of whether and to what degree such Performance Goals have been attained will be conclusively determined by the Board or Committee, in its sole discretion. The Board may specify the form of payment of Performance Cash Awards, which may be cash or other property, or may provide for a Participant to have the option for his or her Performance Cash Award, or such portion thereof as the Board may specify, to be paid in whole or in part in cash or other property.

(iii) Board Discretion. The Board retains the discretion to adjust or eliminate the compensation or economic benefit due upon attainment of Performance Goals and to define the manner of calculating the Performance Criteria it selects to use for a Performance Period.

(d) Other Stock Awards. Other forms of Stock Awards valued in whole or in part by reference to, or otherwise based on, Common Stock, including the appreciation in value thereof (e.g., options or stock rights with an exercise price or strike price less than 100% of the Fair Market Value of the Common Stock at the time of grant) may be granted either alone or in addition to Stock Awards provided for under Section 5 and the preceding provisions of this Section 6. Subject to the provisions of the Plan, the Board will have sole and complete authority to determine the persons to whom and the time or times at which such Other Stock Awards will be granted, the number of shares of Common Stock (or the cash equivalent thereof) to be granted pursuant to such Other Stock Awards and all other terms and conditions of such Other Stock Awards.

7. COVENANTS OF THE COMPANY.

(a) Availability of Shares. The Company will keep available at all times the number of shares of Common Stock reasonably required to satisfy then-outstanding Stock Awards.

(b) Compliance with Law. The Company will seek to obtain from each regulatory commission or agency, as necessary, such authority as may be required to grant Stock Awards and to issue and sell shares of Common Stock upon exercise or vesting of the Stock Awards; *provided*, *however*, that this undertaking will not require the Company to register under the Securities Act the Plan or other securities or applicable laws, any Stock Award or any Common Stock issued or issuable pursuant to any such Stock Award. If, after reasonable efforts and at a reasonable cost, the Company is unable to obtain from any such regulatory commission or agency the authority that counsel for the Company deems necessary or advisable for the lawful issuance and sale of Common Stock under the Plan, the Company will be relieved from any

liability for failure to issue and sell Common Stock upon exercise or vesting of such Stock Awards unless and until such authority is obtained. A Participant will not be eligible for the grant of an Award or the subsequent issuance of cash or Common Stock pursuant to the Award if such grant or issuance would be in violation of any applicable law.

(c) No Obligation to Notify or Minimize Taxes. The Company will have no duty or obligation to any Participant to advise such holder as to the time or manner or tax treatment of exercising such Stock Award. Furthermore, the Company will have no duty or obligation to warn or otherwise advise such holder of a pending termination or expiration of an Award or a possible period in which the Award may not be exercised. The Company has no duty or obligation to minimize the tax consequences of an Award to the holder of such Award.

8. MISCELLANEOUS.

(a) Use of Proceeds from Sales of Common Stock. Proceeds from the sale of shares of Common Stock pursuant to Stock Awards will constitute general funds of the Company.

(b) Corporate Action Constituting Grant of Awards. Corporate action constituting a grant by the Company of an Award to any Participant will be deemed completed as of the date of such corporate action, unless otherwise determined by the Board, regardless of when the instrument, certificate, or letter evidencing the Award is communicated to, or actually received or accepted by, the Participant. In the event that the corporate records (e.g., Board consents, resolutions or minutes) documenting the corporate action constituting the grant contain terms (e.g., exercise price, vesting schedule or number of shares) that are inconsistent with those in the Award Agreement or related grant documents as a result of a clerical error in the papering of the Award Agreement or related grant documents, the corporate records will control and the Participant will have no legally binding right to the incorrect term in the Award Agreement or related grant documents.

(c) Stockholder Rights. No Participant will be deemed to be the holder of, or to have any of the rights of a holder with respect to, any shares of Common Stock subject to an Award unless and until (i) such Participant has satisfied all requirements for exercise of, or the issuance of shares of Common Stock under, the Award pursuant to its terms, and (ii) the issuance of the Common Stock subject to such Award has been entered into the books and records of the Company.

(d) No Employment or Other Service Rights. Nothing in the Plan, any Award Agreement or any other instrument executed thereunder or in connection with any Award granted pursuant thereto will confer upon any Participant any right to continue to serve the Company or an Affiliate in the capacity in effect at the time the Award was granted or will affect the right of the Company or an Affiliate to terminate (i) the employment of an Employee with or without notice and with or without cause, (ii) the service of a Consultant pursuant to the terms of such Consultant's agreement with the Company or an Affiliate, or (iii) the service of a Director pursuant to the bylaws of the Company or an Affiliate, and any applicable provisions of the corporate law of the state or foreign jurisdiction in which the Company or the Affiliate is domiciled or incorporated, as the case may be. Furthermore, to the extent the Company is not the employer of a Participant, the grant of an Award will be not establish an employment or other service relationship between the Company and the Participant.

(e) Change in Time Commitment. In the event a Participant's regular level of time commitment in the performance of his or her services for the Company and any Affiliates is reduced (for example, and without limitation, if the Participant is an Employee of the Company and the Employee has a change in status from a full-time Employee to a part-time Employee or takes an extended leave of absence) after the date of grant of any Award to the Participant, the Board has the right in its sole discretion to (x) make a corresponding reduction in the number of shares or cash amount subject to any portion of such Award that is scheduled to vest or become payable after the date of such change in time commitment, and (y) in lieu of or in combination with such a reduction, extend the vesting or payment schedule applicable to such Award. In the event of any such reduction, the Participant will have no right with respect to any portion of the Award that is so reduced or extended.

(f) Incentive Stock Option Limitations. To the extent that the aggregate Fair Market Value (determined at the time of grant) of Common Stock with respect to which Incentive Stock Options are exercisable for the first time by any Optionholder during any calendar year (under all plans of the Company and any Affiliates) exceeds U.S. $100,000 (or such other limit established in the Code) or otherwise does not comply with the rules governing Incentive Stock Options, the Options or portions thereof that exceed such limit (according to the order in which they were granted) or otherwise do not comply with such rules will be treated as Nonstatutory Stock Options, notwithstanding any contrary provision of the applicable Option Agreement(s).

(g) Investment Assurances. The Company may require a Participant, as a condition of exercising or acquiring Common Stock under any Award, (i) to give written assurances satisfactory to the Company as to the Participant's knowledge and experience in financial and business matters and/or to employ a purchaser representative reasonably satisfactory to the Company who is knowledgeable and experienced in financial and business matters and that such Participant is capable of evaluating, alone or together with the purchaser representative, the merits and risks of exercising the Award; and (ii) to give written assurances satisfactory to the Company stating that the Participant is acquiring Common Stock subject to the Award for the Participant's own account and not with any present intention of selling or otherwise distributing the Common Stock. The foregoing requirements, and any assurances given pursuant to such requirements, will be inoperative if (A) the issuance of the shares upon the exercise or acquisition of Common Stock under the Award has been registered under a then currently effective registration statement under the Securities Act, or (B) as to any particular requirement, a determination is made by counsel for the Company that such requirement need not be met in the circumstances under the then applicable securities laws. The Company may, upon advice of counsel to the Company, place legends on stock certificates issued under the Plan as such counsel deems necessary or appropriate in order to comply with applicable securities laws, including, but not limited to, legends restricting the transfer of the Common Stock.

(h) Withholding Obligations. Unless prohibited by the terms of an Award Agreement, the Company may, in its sole discretion, satisfy any U.S. and non-U.S. federal, state or local tax withholding obligation relating to an Award by any of the following means or by a

combination of such means: (i) causing the Participant to tender a cash payment; (ii) withholding shares of Common Stock from the shares of Common Stock issued or otherwise issuable to the Participant in connection with the Stock Award; *provided*, *however*, that (A) no shares of Common Stock are withheld with a value exceeding the maximum amount of tax that may be required to be withheld by law (or such other amount as may be permitted while still avoiding classification of the Stock Award as a liability for financial accounting purposes)), and (B) with respect to an Award held by any Participant who is subject to the filing requirements of Section 16 of the Exchange Act, any such share withholding must be specifically approved by the Compensation Committee as the applicable method that must be used to satisfy the tax withholding obligation or such share withholding procedure must otherwise satisfy the requirements for an exempt transaction under Section 16(b) of the Exchange Act; (iii) withholding cash from an Award settled in cash; (iv) withholding payment from any amounts otherwise payable to the Participant; (v) by means of a "cashless exercise" pursuant to a program developed under Regulation T as promulgated by the Federal Reserve Board, or (vi) by such other method as may be set forth in the Award Agreement.

(i) Electronic Delivery. Any reference herein to a "written" agreement or document will include any agreement or document delivered electronically, filed publicly at www.sec.gov (or any successor website thereto) or posted on the Company's intranet (or other shared electronic medium controlled by the Company to which the Participant has access).

(j) Deferrals. To the extent permitted by applicable law, the Board, in its sole discretion, may determine that the delivery of Common Stock or the payment of cash, upon the exercise, vesting or settlement of all or a portion of any Award may be deferred and may establish programs and procedures for deferral elections to be made by Participants. Deferrals by Participants will be made in accordance with Section 409A of the Code. Consistent with Section 409A of the Code, the Board may provide for distributions while a Participant is still an employee or otherwise providing services to the Company. The Board is authorized to make deferrals of Awards and determine when, and in what annual percentages, Participants may receive payments, including lump sum payments, following the Participant's termination of Continuous Service, and implement such other terms and conditions consistent with the provisions of the Plan and in accordance with applicable law.

(k) Compliance with Section 409A of the Code. Unless otherwise expressly provided for in an Award Agreement, the Plan and Award Agreements will be interpreted to the greatest extent possible in a manner that makes the Plan and the Awards granted hereunder exempt from Section 409A of the Code, and, to the extent not so exempt, in compliance with Section 409A of the Code. If the Board determines that any Award granted hereunder is not exempt from and is therefore subject to Section 409A of the Code, the Award Agreement evidencing such Award will incorporate the terms and conditions necessary to avoid the consequences specified in Section 409A(a)(1) of the Code, and to the extent an Award Agreement is silent on terms necessary for compliance, such terms are hereby incorporated by reference into the Award Agreement. Notwithstanding anything to the contrary in this Plan (and unless the Award Agreement specifically provides otherwise), if the shares of Common Stock are publicly traded, and if a Participant holding an Award that constitutes "deferred compensation" under Section 409A of the Code is a "specified employee" for purposes of Section 409A of the Code, no distribution or payment of any amount that is due because of a

"separation from service" (as defined in Section 409A of the Code without regard to alternative definitions thereunder) will be issued or paid before the date that is six months following the date of such Participant's "separation from service" or, if earlier, the date of the Participant's death, unless such distribution or payment can be made in a manner that complies with Section 409A of the Code, and any amounts so deferred will be paid in a lump sum on the day after such six month period elapses, with the balance paid thereafter on the original schedule.

(l) Clawback/Recovery. All Awards granted under the Plan will be subject to recoupment in accordance with any clawback policy that the Company is required to adopt pursuant to the listing standards of any national securities exchange or association on which the Company's securities are listed or as is otherwise required by the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act or other applicable law. In addition, the Board may impose such other clawback, recovery or recoupment provisions in an Award Agreement as the Board determines necessary or appropriate, including but not limited to a reacquisition right in respect of previously acquired shares of Common Stock or other cash or property upon the occurrence of an event constituting Cause. No recovery of compensation under such a clawback policy will be an event giving rise to a right to resign for "good reason" or "constructive termination" (or similar term) under any agreement with the Company or an Affiliate.

9. ADJUSTMENTS UPON CHANGES IN COMMON STOCK; OTHER CORPORATE EVENTS.

(a) Capitalization Adjustments. In the event of a Capitalization Adjustment, the Board will appropriately and proportionately adjust: (i) the class(es) and maximum number of securities subject to the Plan pursuant to Section 3(a), (ii) the class(es) and maximum number of securities that may be issued pursuant to the exercise of Incentive Stock Options pursuant to Section 3(c), and (iii) the class(es) and number of securities and price per share of stock subject to outstanding Stock Awards. The Board will make such adjustments, and its determination will be final, binding and conclusive.

(b) Dissolution or Liquidation. Except as otherwise provided in the Stock Award Agreement, in the event of a dissolution or liquidation of the Company, all outstanding Stock Awards (other than Stock Awards consisting of vested and outstanding shares of Common Stock not subject to a forfeiture condition or the Company's right of repurchase) will terminate immediately prior to the completion of such dissolution or liquidation, and the shares of Common Stock subject to the Company's repurchase rights or subject to a forfeiture condition may be repurchased or reacquired by the Company notwithstanding the fact that the holder of such Stock Award is providing Continuous Service; *provided*, *however*, that the Board may, in its sole discretion, cause some or all Stock Awards to become fully vested, exercisable and/or no longer subject to repurchase or forfeiture (to the extent such Stock Awards have not previously expired or terminated) before the dissolution or liquidation is completed but contingent on its completion.

(c) Corporate Transaction. The following provisions will apply to Stock Awards in the event of a Corporate Transaction unless otherwise provided in the Stock Award Agreement or any other written agreement between the Company or any Affiliate and the Participant or unless otherwise expressly provided by the Board at the time of grant of a Stock Award. In the event of a Corporate Transaction, then, notwithstanding any other provision of the Plan, the Board may take one or more of the following actions with respect to Stock Awards, contingent upon the closing or completion of the Corporate Transaction:

(i) arrange for the surviving corporation or acquiring corporation (or the surviving or acquiring corporation's parent company) to assume or continue the Stock Award or to substitute a similar stock award for the Stock Award (including, but not limited to, an award to acquire the same consideration paid to the stockholders of the Company pursuant to the Corporate Transaction);

(ii) arrange for the assignment of any reacquisition or repurchase rights held by the Company in respect of Common Stock issued pursuant to the Stock Award to the surviving corporation or acquiring corporation (or the surviving or acquiring corporation's parent company);

(iii) accelerate the vesting, in whole or in part, of the Stock Award (and, if applicable, the time at which the Stock Award may be exercised) to a date prior to the effective time of such Corporate Transaction as the Board determines (or, if the Board does not determine such a date, to the date that is five days prior to the effective date of the Corporate Transaction), which exercise is contingent upon the effectiveness of such Corporate Transaction with such Stock Award terminating if not exercised (if applicable) at or prior to the effective time of the Corporate Transaction; *provided, however,* that the Board may require Participants to complete and deliver to the Company a notice of exercise before the effective date of a Corporate Transaction

(iv) arrange for the lapse, in whole or in part, of any reacquisition or repurchase rights held by the Company with respect to the Stock Award;

(v) cancel or arrange for the cancellation of the Stock Award, to the extent not vested or not exercised prior to the effective time of the Corporate Transaction, in exchange for such cash consideration, if any, as the Board, in its sole discretion, may consider appropriate; and

(vi) make a payment, in such form as may be determined by the Board equal to the excess, if any, of (A) the per share amount (or value of property per share) payable to holders of Common Stock in connection with the Transaction, over (B) the per share exercise price under the applicable Stock Award, multiplied by the number of shares subject to the Stock Award. For clarity, this payment may be zero (U.S. $0) if the amount per share (or value of property per share) payable to the holders of the Common Stock is equal to or less than the exercise price of the Stock Award. In addition, any escrow, holdback, earnout or similar provisions in the definitive agreement for the Transaction may apply to such payment to the holder of the Stock Award to the same extent and in the same manner as such provisions apply to the holders of Common Stock.

The Board need not take the same action or actions with respect to all Stock Awards or portions thereof or with respect to all Participants. The Board may take different actions with respect to the vested and unvested portions of a Stock Award.

(d) Change in Control. A Stock Award may be subject to additional acceleration of vesting and exercisability upon or after a Change in Control as may be provided in the Stock Award Agreement for such Stock Award or as may be provided in any other written agreement between the Company or any Affiliate and the Participant, but in the absence of such provision, no such acceleration will occur.

10. TERMINATION OR SUSPENSION OF THE PLAN.

The Board may suspend or terminate the Plan at any time. No Incentive Stock Options may be granted after the tenth anniversary of the earlier of (i) the Adoption Date, or (ii) the date the Plan is approved by the stockholders of the Company. No Awards may be granted under the Plan while the Plan is suspended or after it is terminated.

11. EXISTENCE OF THE PLAN; TIMING OF FIRST GRANT OR EXERCISE.

The Plan will come into existence on the Adoption Date; *provided, however,* no Award may be granted prior to the IPO Date (that is, the Effective Date). In addition, no Stock Award will be exercised (or, in the case of a Restricted Stock Award, Restricted Stock Unit Award, Performance Stock Award, or Other Stock Award, will be granted) and no Performance Cash Award will be settled unless and until the Plan has been approved by the stockholders of the Company, which approval will be within 12 months after the Adoption Date.

12. CHOICE OF LAW.

The law of the State of Delaware will govern all questions concerning the construction, validity and interpretation of this Plan, without regard to that state's conflict of laws rules.

13. DEFINITIONS. As used in the Plan, the following definitions will apply to the capitalized terms indicated below:

(a) *"Adoption Date"* means the date the Plan is adopted by the Board.

(b) *"Affiliate"* means, at the time of determination, any "parent" or "subsidiary" of the Company as such terms are defined in Rule 405 of the Securities Act. The Board will have the authority to determine the time or times at which "parent" or "subsidiary" status is determined within the foregoing definition.

(c) *"Award"* means a Stock Award or a Performance Cash Award.

(d) *"Award Agreement"* means a written agreement between the Company and a Participant evidencing the terms and conditions of an Award.

(e) *"Board"* means the Board of Directors of the Company.

(f) *"Capital Stock"* means each and every class of common stock of the Company, regardless of the number of votes per share.

(g) *"Capitalization Adjustment"* means any change that is made in, or other events that occur with respect to, the Common Stock subject to the Plan or subject to any Stock Award after the Adoption Date without the receipt of consideration by the Company through merger,

consolidation, reorganization, recapitalization, reincorporation, stock dividend, dividend in property other than cash, large nonrecurring cash dividend, stock split, reverse stock split, liquidating dividend, combination of shares, exchange of shares, change in corporate structure or any similar equity restructuring transaction, as that term is used in Statement of Financial Accounting Standards Board Accounting Standards Codification Topic 718 (or any successor thereto). Notwithstanding the foregoing, the conversion of any convertible securities of the Company will not be treated as a Capitalization Adjustment.

(h) ***"Cause"*** will have the meaning ascribed to such term in any written agreement between the Participant and the Company defining such term and, in the absence of such agreement, such term means, with respect to a Participant, the occurrence of any of the following events: (i) such Participant's commission of any felony or any crime involving fraud, dishonesty or moral turpitude under the laws of the United States, any state thereof, or any applicable foreign jurisdiction; (ii) such Participant's attempted commission of, or participation in, a fraud or act of dishonesty against the Company or any Affiliate; (iii) such Participant's intentional, material violation of any contract or agreement between the Participant and the Company or any Affiliate or of any statutory duty owed to the Company or any Affiliate; (iv) such Participant's unauthorized use or disclosure of the Company's or any Affiliate's confidential information or trade secrets; or (v) such Participant's gross misconduct. The determination that a termination of the Participant's Continuous Service is either for Cause or without Cause shall be made by the Company in its sole discretion. Any determination by the Company that the Continuous Service of a Participant was terminated by reason of dismissal without Cause for the purposes of outstanding Stock Awards held by such Participant shall have no effect upon any determination of the rights or obligations of the Company or such Participant for any other purpose.

(i) ***"Change in Control"*** means the occurrence, in a single transaction or in a series of related transactions, of any one or more of the following events:

(i) any Exchange Act Person becomes the Owner, directly or indirectly, of securities of the Company representing more than 50% of the combined voting power of the Company's then outstanding securities other than by virtue of a merger, consolidation or similar transaction. Notwithstanding the foregoing, a Change in Control will not be deemed to occur (A) on account of the acquisition of securities of the Company directly from the Company, (B) on account of the acquisition of securities of the Company by an investor, any affiliate thereof or any other Exchange Act Person that acquires the Company's securities in a transaction or series of related transactions the primary purpose of which is to obtain financing for the Company through the issuance of equity securities, (C) on account of the acquisition of securities of the Company by any individual who is, on the IPO Date, either an executive officer or a Director (either, an "***IPO Investor***") and/or any entity in which an IPO Investor has a direct or indirect interest (whether in the form of voting rights or participation in profits or capital contributions) of more than 50% (collectively, the "***IPO Entities***") or on account of the IPO Entities continuing to hold shares that come to represent more than 50% of the combined voting power of the Company's then outstanding securities as a result of the conversion of any class of the Company's securities into another class of the Company's securities having a different number of votes per share pursuant to the conversion provisions set forth in the Company's Amended and Restated Certificate of Incorporation; or (D) solely because the level of Ownership held by any Exchange Act Person (the "***Subject Person***") exceeds the designated percentage threshold of

the outstanding voting securities as a result of a repurchase or other acquisition of voting securities by the Company reducing the number of shares outstanding, provided that if a Change in Control would occur (but for the operation of this sentence) as a result of the acquisition of voting securities by the Company, and after such share acquisition, the Subject Person becomes the Owner of any additional voting securities that, assuming the repurchase or other acquisition had not occurred, increases the percentage of the then outstanding voting securities Owned by the Subject Person over the designated percentage threshold, then a Change in Control will be deemed to occur;

(ii) there is consummated a merger, consolidation or similar transaction involving (directly or indirectly) the Company and, immediately after the consummation of such merger, consolidation or similar transaction, the stockholders of the Company immediately prior thereto do not Own, directly or indirectly, either (A) outstanding voting securities representing more than 50% of the combined outstanding voting power of the surviving Entity in such merger, consolidation or similar transaction or (B) more than 50% of the combined outstanding voting power of the parent of the surviving Entity in such merger, consolidation or similar transaction, in each case in substantially the same proportions as their Ownership of the outstanding voting securities of the Company immediately prior to such transaction; *provided*, *however*, that a merger, consolidation or similar transaction will not constitute a Change in Control under this prong of the definition if the outstanding voting securities representing more than 50% of the combined voting power of the surviving Entity or its parent are owned by the IPO Entities;

(iii) there is consummated a sale, lease, exclusive license or other disposition of all or substantially all of the consolidated assets of the Company and its Subsidiaries, other than a sale, lease, license or other disposition of all or substantially all of the consolidated assets of the Company and its Subsidiaries to an Entity, more than 50% of the combined voting power of the voting securities of which are Owned by stockholders of the Company in substantially the same proportions as their Ownership of the outstanding voting securities of the Company immediately prior to such sale, lease, license or other disposition; *provided*, *however*, that a sale, lease, exclusive license or other disposition of all or substantially all of the consolidated assets of the Company and its Subsidiaries will not constitute a Change in Control under this prong of the definition if the outstanding voting securities representing more than 50% of the combined voting power of the acquiring Entity or its parent are owned by the IPO Entities; or

(iv) individuals who, on the date the Plan is adopted by the Board, are members of the Board (the "***Incumbent Board***") cease for any reason to constitute at least a majority of the members of the Board; provided, however, that if the appointment or election (or nomination for election) of any new Board member was approved or recommended by a majority vote of the members of the Incumbent Board then still in office, such new member will, for purposes of this Plan, be considered as a member of the Incumbent Board.

Notwithstanding the foregoing or any other provision of the Plan, the term Change in Control will not include a sale of assets, merger or other transaction effected exclusively for the purpose of changing the domicile of the Company and the definition of Change in Control (or any analogous term) in an individual written agreement between the Company or any Affiliate and the Participant will supersede the foregoing definition with respect to Awards subject to such

agreement; *provided, however,* that if no definition of Change in Control or any analogous term is set forth in such an individual written agreement, the foregoing definition will apply. To the extent required for compliance with Section 409A of the Code, in no event will a Change in Control be deemed to have occurred if such transaction is not also a "change in the ownership or effective control of" the Company or "a change in the ownership of a substantial portion of the assets of" the Company as determined under Treasury Regulations Section 1.409A-3(i)(5) (without regard to any alternative definition thereunder). The Board may, in its sole discretion and without a Participant's consent, amend the definition of "Change in Control" to conform to the definition of "Change in Control" under Section 409A of the Code, and the regulations thereunder.

(j) ***"Code"*** means the Internal Revenue Code of 1986, as amended, including any applicable regulations and guidance thereunder.

(k) ***"Committee"*** means a committee of one or more Directors to whom authority has been delegated by the Board in accordance with Section 2(c).

(l) ***"Common Stock"*** means, as of the IPO Date, the common stock of the Company, having one vote per share.

(m) ***"Company"*** means Forty Seven, Inc., a Delaware corporation.

(n) ***"Consultant"*** means any person, including an advisor, who is (i) engaged by the Company or an Affiliate to render consulting or advisory services and is compensated for such services, or (ii) serving as a member of the board of directors of an Affiliate and is compensated for such services. However, service solely as a Director, or payment of a fee for such service, will not cause a Director to be considered a "Consultant" for purposes of the Plan. Notwithstanding the foregoing, a person is treated as a Consultant under this Plan only if a Form S-8 Registration Statement under the Securities Act is available to register either the offer or the sale of the Company's securities to such person.

(o) ***"Continuous Service"*** means that the Participant's service with the Company or an Affiliate, whether as an Employee, Director or Consultant, is not interrupted or terminated. A change in the capacity in which the Participant renders service to the Company or an Affiliate as an Employee, Consultant or Director or a change in the entity for which the Participant renders such service, provided that there is no interruption or termination of the Participant's service with the Company or an Affiliate, will not terminate a Participant's Continuous Service; *provided*, *however*, that if the Entity for which a Participant is rendering services ceases to qualify as an Affiliate, as determined by the Board, in its sole discretion, such Participant's Continuous Service will be considered to have terminated on the date such Entity ceases to qualify as an Affiliate. For example, a change in status from an Employee of the Company to a Consultant of an Affiliate or to a Director will not constitute an interruption of Continuous Service. To the extent permitted by law, the Board or the chief executive officer of the Company, in that party's sole discretion, may determine whether Continuous Service will be considered interrupted in the case of (i) any leave of absence approved by the Board or chief executive officer, including sick leave, military leave or any other personal leave, or (ii) transfers between the Company, an Affiliate, or their successors. Notwithstanding the foregoing, a leave

of absence will be treated as Continuous Service for purposes of vesting in an Award only to such extent as may be provided in the Company's leave of absence policy, in the written terms of any leave of absence agreement or policy applicable to the Participant, or as otherwise required by law. In addition, to the extent required for exemption from or compliance with Section 409A of the Code, the determination of whether there has been a termination of Continuous Service will be made, and such term will be construed, in a manner that is consistent with the definition of "separation from service" as defined under Treasury Regulation Section 1.409A-1(h) (without regard to any alternative definition thereunder).

(p) ***"Corporate Transaction"*** means the consummation, in a single transaction or in a series of related transactions, of any one or more of the following events:

(i) a sale or other disposition of all or substantially all, as determined by the Board, in its sole discretion, of the consolidated assets of the Company and its Subsidiaries;

(ii) a sale or other disposition of more than 50% of the outstanding securities of the Company;

(iii) a merger, consolidation or similar transaction following which the Company is not the surviving corporation; or

(iv) a merger, consolidation or similar transaction following which the Company is the surviving corporation but the shares of Common Stock outstanding immediately preceding the merger, consolidation or similar transaction are converted or exchanged by virtue of the merger, consolidation or similar transaction into other property, whether in the form of securities, cash or otherwise.

If required for compliance with Section 409A of the Code, in no event will a Corporate Transaction be deemed to have occurred if such transaction is not also a "change in the ownership or effective control of" the Company or "a change in the ownership of a substantial portion of the assets of" the Company as determined under Treasury Regulation Section 1.409A-3(i)(5) (without regard to any alternative definition thereunder).

(q) ***"Director"*** means a member of the Board.

(r) ***"Disability"*** means, with respect to a Participant, the inability of such Participant to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or that has lasted or can be expected to last for a continuous period of not less than 12 months, as provided in Sections 22(e)(3) and 409A(a)(2)(c)(i) of the Code, and will be determined by the Board on the basis of such medical evidence as the Board deems warranted under the circumstances.

(s) ***"Effective Date"*** means the IPO Date.

(t) ***"Employee"*** means any person employed by the Company or an Affiliate. However, service solely as a Director, or payment of a fee for such services, will not cause a Director to be considered an "Employee" for purposes of the Plan.

(u) ***"Entity"*** means a corporation, partnership, limited liability company or other entity.

(v) ***"Exchange Act"*** means the U.S. Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

(w) ***"Exchange Act Person"*** means any natural person, Entity or "group" (within the meaning of Section 13(d) or 14(d) of the Exchange Act), except that "Exchange Act Person" will not include (i) the Company or any Subsidiary of the Company, (ii) any employee benefit plan of the Company or any Subsidiary of the Company or any trustee or other fiduciary holding securities under an employee benefit plan of the Company or any Subsidiary of the Company, (iii) an underwriter temporarily holding securities pursuant to a registered public offering of such securities, (iv) an Entity Owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their Ownership of stock of the Company; or (v) any natural person, Entity or "group" (within the meaning of Section 13(d) or 14(d) of the Exchange Act) that, as of the Effective Date, is the Owner, directly or indirectly, of securities of the Company representing more than 50% of the combined voting power of the Company's then outstanding securities.

(x) ***"Fair Market Value"*** means, as of any date, the value of the Common Stock determined as follows:

(i) If the Common Stock is listed on any established stock exchange or traded on any established market, the Fair Market Value of a share of Common Stock will be, unless otherwise determined by the Board, the closing sales price for such stock as quoted on such exchange or market (or the exchange or market with the greatest volume of trading in the Common Stock) on the date of determination, as reported in a source the Board deems reliable.

(ii) Unless otherwise provided by the Board, if there is no closing sales price for the Common Stock on the date of determination, then the Fair Market Value will be the closing selling price on the last preceding date for which such quotation exists.

(iii) In the absence of such markets for the Common Stock, the Fair Market Value will be determined by the Board in good faith and in a manner that complies with Sections 409A and 422 of the Code.

(y) ***"Incentive Stock Option"*** means an option granted pursuant to Section 5 of the Plan that is intended to be, and qualifies as, an "incentive stock option" within the meaning of Section 422 of the Code.

(z) ***"IPO Date"*** means the date of the underwriting agreement between the Company and the underwriter(s) managing the initial public offering of the Common Stock, pursuant to which the Common Stock is priced for the initial public offering.

(aa) ***"Non-Employee Director"*** means a Director who either (i) is not a current employee or officer of the Company or an Affiliate, does not receive compensation, either directly or indirectly, from the Company or an Affiliate for services rendered as a consultant or in any capacity other than as a Director (except for an amount as to which disclosure would not

be required under Item 404(a) of Regulation S-K promulgated pursuant to the Securities Act ("***Regulation S-K***")), does not possess an interest in any other transaction for which disclosure would be required under Item 404(a) of Regulation S-K, and is not engaged in a business relationship for which disclosure would be required pursuant to Item 404(b) of Regulation S-K; or (ii) is otherwise considered a "non-employee director" for purposes of Rule 16b-3.

(bb) ***"Nonstatutory Stock Option"*** means any Option granted pursuant to Section 5 of the Plan that does not qualify as an Incentive Stock Option.

(cc) ***"Officer"*** means a person who is an officer of the Company within the meaning of Section 16 of the Exchange Act.

(dd) ***"Option"*** means an Incentive Stock Option or a Nonstatutory Stock Option to purchase shares of Common Stock granted pursuant to the Plan.

(ee) ***"Option Agreement"*** means a written agreement between the Company and an Optionholder evidencing the terms and conditions of an Option grant. Each Option Agreement will be subject to the terms and conditions of the Plan.

(ff) ***"Optionholder"*** means a person to whom an Option is granted pursuant to the Plan or, if applicable, such other person who holds an outstanding Option.

(gg) ***"Other Stock Award"*** means an award based in whole or in part by reference to the Common Stock which is granted pursuant to the terms and conditions of Section 6(d).

(hh) ***"Other Stock Award Agreement"*** means a written agreement between the Company and a holder of an Other Stock Award evidencing the terms and conditions of an Other Stock Award grant. Each Other Stock Award Agreement will be subject to the terms and conditions of the Plan.

(ii) ***"Own," "Owned," "Owner," "Ownership"*** means a person or Entity will be deemed to "Own," to have "Owned," to be the "Owner" of, or to have acquired "Ownership" of securities if such person or Entity, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has or shares voting power, which includes the power to vote or to direct the voting, with respect to such securities.

(jj) ***"Parent"*** means any corporation (other than the Company) in an unbroken chain of corporations ending with the Company, if each of the corporations other than the Company owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain. A corporation that attains the status of a Parent on a date after the adoption of the Plan shall be considered a Parent commencing as of such date.

(kk) "Participant" means a person to whom an Award is granted pursuant to the Plan or, if applicable, such other person who holds an outstanding Stock Award.

(ll) ***"Performance Cash Award"*** means an award of cash granted pursuant to the terms and conditions of Section 6(c)(ii).

(mm) *"Performance Criteria"* means the one or more criteria that the Board or Committee (as applicable) will select for purposes of establishing the Performance Goals for a Performance Period. The Performance Criteria that will be used to establish such Performance Goals may be based on any one of, or combination of, the following as determined by the Board or Committee (as applicable): (1) earnings (including earnings per share and net earnings); (2) earnings before interest, taxes and depreciation; (3) earnings before interest, taxes, depreciation and amortization; (4) total stockholder return; (5) return on equity or average stockholder's equity; (6) return on assets, investment, or capital employed; (7) stock price; (8) margin (including gross margin); (9) income (before or after taxes); (10) operating income; (11) operating income after taxes; (12) pre-tax profit; (13) operating cash flow; (14) sales or revenue targets; (15) increases in revenue or product revenue; (16) expenses and cost reduction goals; (17) improvement in or attainment of working capital levels; (18) economic value added (or an equivalent metric); (19) market share; (20) cash flow; (21) cash flow per share; (22) share price performance; (23) debt reduction; (24) implementation or completion of projects or processes; (25) subscriber satisfaction; (26) stockholders' equity; (27) capital expenditures; (28) debt levels; (29) operating profit or net operating profit; (30) workforce diversity; (31) growth of net income or operating income; (32) billings; (33) the number of subscribers, including but not limited to unique subscribers; (34) employee retention; and (35) other measures of performance selected by the Board.

(nn) *"Performance Goals"* means, for a Performance Period, the one or more goals established by the Board or Committee (as applicable) for the Performance Period based upon the Performance Criteria. Performance Goals may be based on a Company-wide basis, with respect to one or more business units, divisions, Affiliates, or business segments, and in either absolute terms or relative to the performance of one or more comparable companies or the performance of one or more relevant indices. Unless specified otherwise by the Board or Committee (as applicable) (i) in the Award Agreement at the time the Award is granted or (ii) in such other document setting forth the Performance Goals at the time the Performance Goals are established, the Board or Committee (as applicable) will appropriately make adjustments in the method of calculating the attainment of Performance Goals for a Performance Period as follows: (1) to exclude restructuring and/or other nonrecurring charges; (2) to exclude exchange rate effects; (3) to exclude the effects of changes to generally accepted accounting principles; (4) to exclude the effects of items that are "unusual" in nature or occur "infrequently" as determined under generally accepted accounting principles; (6) to exclude the dilutive effects of acquisitions or joint ventures; (7) to assume that any business divested by the Company achieved performance objectives at targeted levels during the balance of a Performance Period following such divestiture; (8) to exclude the effect of any change in the outstanding shares of common stock of the Company by reason of any stock dividend or split, stock repurchase, reorganization, recapitalization, merger, consolidation, spin-off, combination or exchange of shares or other similar corporate change, or any distributions to common stockholders other than regular cash dividends; (9) to exclude the effects of stock based compensation and the award of bonuses under the Company's bonus plans; (10) to exclude costs incurred in connection with potential acquisitions or divestitures that are required to be expensed under generally accepted accounting principles; and (11) to exclude the goodwill and intangible asset impairment charges that are required to be recorded under generally accepted accounting principles. In addition, the Board or Committee (as applicable) retains the discretion to reduce or eliminate the compensation or economic benefit due upon attainment of Performance Goals and to define the manner of

calculating the Performance Criteria it selects to use for such Performance Period. Partial achievement of the specified criteria may result in the payment or vesting corresponding to the degree of achievement as specified in the Stock Award Agreement or the written terms of a Performance Cash Award.

(oo) *"Performance Period"* means the period of time selected by the Board or Committee (as applicable) over which the attainment of one or more Performance Goals will be measured for the purpose of determining a Participant's right to and the payment of a Stock Award or a Performance Cash Award. Performance Periods may be of varying and overlapping duration, at the sole discretion of the Board or Committee (as applicable).

(pp) *"Performance Stock Award"* means a Stock Award granted under the terms and conditions of Section 6(c)(i).

(qq) *"Plan"* means this Forty Seven, Inc. 2018 Equity Incentive Plan, as it may be amended.

(rr) *"Restricted Stock Award"* means an award of shares of Common Stock which is granted pursuant to the terms and conditions of Section 6(a).

(ss) *"Restricted Stock Award Agreement"* means a written agreement between the Company and a holder of a Restricted Stock Award evidencing the terms and conditions of a Restricted Stock Award grant. Each Restricted Stock Award Agreement will be subject to the terms and conditions of the Plan.

(tt) *"Restricted Stock Unit Award"* means a right to receive shares of Common Stock which is granted pursuant to the terms and conditions of Section 6(b).

(uu) *"Restricted Stock Unit Award Agreement"* means a written agreement between the Company and a holder of a Restricted Stock Unit Award evidencing the terms and conditions of a Restricted Stock Unit Award grant. Each Restricted Stock Unit Award Agreement will be subject to the terms and conditions of the Plan.

(vv) *"Rule 16b-3"* means Rule 16b-3 promulgated under the Exchange Act or any successor to Rule 16b-3, as in effect from time to time.

(ww) *"Securities Act"* means the Securities Act of 1933, as amended.

(xx) *"Stock Appreciation Right"* or ***"SAR"*** means a right to receive the appreciation on Common Stock that is granted pursuant to the terms and conditions of Section 5.

(yy) *"Stock Appreciation Right Agreement"* means a written agreement between the Company and a holder of a Stock Appreciation Right evidencing the terms and conditions of a Stock Appreciation Right grant. Each Stock Appreciation Right Agreement will be subject to the terms and conditions of the Plan.

(zz) *"Stock Award"* means any right to receive Common Stock granted under the Plan, including an Incentive Stock Option, a Nonstatutory Stock Option, a Restricted Stock Award, a Restricted Stock Unit Award, a Stock Appreciation Right, a Performance Stock Award or any Other Stock Award.

(aaa) ***"Stock Award Agreement"*** means a written agreement between the Company and a Participant evidencing the terms and conditions of a Stock Award grant. Each Stock Award Agreement will be subject to the terms and conditions of the Plan.

(bbb) ***"Subsidiary"*** means, with respect to the Company, (i) any corporation of which more than 50% of the outstanding capital stock having ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether, at the time, stock of any other class or classes of such corporation will have or might have voting power by reason of the happening of any contingency) is at the time, directly or indirectly, Owned by the Company, and (ii) any partnership, limited liability company or other entity in which the Company has a direct or indirect interest (whether in the form of voting or participation in profits or capital contribution) of more than 50%.

(ccc) ***"Ten Percent Stockholder"*** means a person who Owns (or is deemed to Own pursuant to Section 424(d) of the Code) stock possessing more than 10% of the total combined voting power of all classes of stock of the Company or any Affiliate.

Exhibit 10.5

FORTY SEVEN, INC.
STOCK OPTION GRANT NOTICE
(2018 EQUITY INCENTIVE PLAN)

Forty Seven, Inc. (the "***Company***"), pursuant to its 2018 Equity Incentive Plan (the "***Plan***"), hereby grants to Optionholder an option to purchase the number of shares of the Company's Common Stock set forth below. This option is subject to all of the terms and conditions as set forth in this stock option grant notice (this "***Stock Option Grant Notice***"), in the Option Agreement (the "***Agreement***"), the Plan and the Notice of Exercise, all of which are attached hereto and incorporated herein in their entirety. Capitalized terms not explicitly defined herein but defined in the Plan or the Agreement will have the same definitions as in the Plan or the Agreement. If there is any conflict between the terms herein and the Plan, the terms of the Plan will control.

Optionholder:	_____
Date of Grant:	_____
Vesting Commencement Date:	_____
Number of Shares Subject to Option:	_____
Exercise Price (Per Share):	_____
Total Exercise Price:	_____
Expiration Date:	_____

Type of Grant: ☐ Incentive Stock Option[1] ☐ Nonstatutory Stock Option

Exercise Schedule: Same as Vesting Schedule

Vesting Schedule: [_____]

Payment: By one or a combination of the following items (described in the Agreement):

☐ By cash, check, bank draft, wire transfer or money order payable to the Company

☐ Pursuant to a Regulation T Program if the shares are publicly traded

☐ By delivery of already-owned shares if the shares are publicly traded

☐ If and only to the extent this option is a Nonstatutory Stock Option, and subject to the Company's consent at the time of exercise, by a "net exercise" arrangement

Additional Terms/Acknowledgements: Optionholder acknowledges receipt of, and understands and agrees to all of the terms and conditions set forth in, this Stock Option Grant Notice, the Agreement and the Plan. Optionholder acknowledges and agrees that this Stock Option Grant Notice and the Agreement may not be modified, amended or revised except as provided in the Plan. Optionholder further acknowledges that as of the Date of Grant, this Stock Option Grant Notice, the Agreement, and the Plan set forth the entire understanding between Optionholder and the Company regarding this option award and supersede all prior oral and written agreements, promises and/or representations on that subject with the exception of (i) options previously granted and delivered to Optionholder, (ii) any compensation

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1 If this is an Incentive Stock Option, it (plus other outstanding Incentive Stock Options) cannot be first *exercisable* for more than $100,000 in value (measured by exercise price) in any calendar year. Any excess over $100,000 is a Nonstatutory Stock Option.

recovery policy that is adopted by the Company or is otherwise required by applicable law and (iii) any written employment or severance arrangement that would provide for vesting acceleration of this option upon the terms and conditions set forth therein.

By accepting this option, Optionholder consents to receive such documents by electronic delivery and to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

FORTY SEVEN, INC.

By: _____
Signature

Title: _____

Date: _____

OPTIONHOLDER:

_____
Signature

Date: _____

ATTACHMENTS: Agreement, 2018 Equity Incentive Plan, and Notice of Exercise

ATTACHMENT I

FORTY SEVEN, INC.
2018 EQUITY INCENTIVE PLAN
OPTION AGREEMENT
(INCENTIVE STOCK OPTION OR NONSTATUTORY STOCK OPTION)

Pursuant to your Stock Option Grant Notice ("***Stock Option Grant Notice***") and this Option Agreement (this "***Agreement***"), Forty Seven, Inc. (the "***Company***") has granted you an option under its 2018 Equity Incentive Plan (the "***Plan***") to purchase the number of shares of the Company's Common Stock indicated in your Stock Option Grant Notice at the exercise price indicated in your Stock Option Grant Notice. The option is granted to you effective as of the date of grant set forth in the Stock Option Grant Notice (the "***Date of Grant***"). If there is any conflict between the terms in this Agreement and the Plan, the terms of the Plan will control. Capitalized terms not explicitly defined in this Agreement or in the Stock Option Grant Notice but defined in the Plan will have the same definitions as in the Plan.

The details of your option, in addition to those set forth in the Stock Option Grant Notice and the Plan, are as follows:

1. VESTING. Your option will vest as provided in your Stock Option Grant Notice. Vesting will cease upon the termination of your Continuous Service, as described in Section 8 below.

2. NUMBER OF SHARES AND EXERCISE PRICE. The number of shares of Common Stock subject to your option and your exercise price per share in your Stock Option Grant Notice will be adjusted for Capitalization Adjustments.

3. EXERCISE RESTRICTION FOR NON-EXEMPT EMPLOYEES. If you are an Employee eligible for overtime compensation under the U.S. Fair Labor Standards Act of 1938, as amended (that is, a "***Non-Exempt Employee***"), and except as otherwise provided in the Plan, you may not exercise your option until you have completed at least six (6) months of Continuous Service measured from the Date of Grant, even if you have already been an employee for more than six (6) months. Consistent with the provisions of the U.S. Worker Economic Opportunity Act, you may exercise your option as to any vested portion prior to such six (6) month anniversary in the case of (i) your death or disability, (ii) a Corporate Transaction in which your option is not assumed, continued or substituted, (iii) a Change in Control or (iv) your termination of Continuous Service on your "retirement" (as defined in the Company's benefit plans).

4. INCENTIVE STOCK OPTION LIMITATION. If your option is an Incentive Stock Option, then, to the extent that the aggregate Fair Market Value (determined at the Date of Grant) of the shares of Common Stock with respect to which your option plus all other Incentive Stock Options you hold are exercisable for the first time by you during any calendar year (under all plans of the Company and its Affiliates) exceeds one hundred thousand dollars ($100,000), your option(s) or portions thereof that exceed such limit (according to the order in which they were granted) will be treated as Nonstatutory Stock Options.

5. METHOD OF PAYMENT. You must pay the full amount of the exercise price for the shares you wish to exercise. You may pay the exercise price in cash or by check, bank draft, wire transfer or money order payable to the Company or in any other manner permitted by your Stock Option Grant Notice, which may include one or more of the following:

(a) Provided that at the time of exercise the Common Stock is publicly traded, pursuant to a program developed under Regulation T as promulgated by the Federal Reserve Board that,

prior to the issuance of Common Stock, results in either the receipt of cash (or check) by the Company or the receipt of irrevocable instructions to pay the aggregate exercise price to the Company from the sales proceeds. This manner of payment is also known as a "broker-assisted exercise", "same day sale", or "sell to cover,"

(b) Provided that at the time of exercise the Common Stock is publicly traded, by delivery to the Company (either by actual delivery or attestation) of already-owned shares of Common Stock that are owned free and clear of any liens, claims, encumbrances or security interests, and whose Fair Market Value is equal to the aggregate exercise price on the date of exercise. "Delivery" for these purposes, in the sole discretion of the Company at the time you exercise your option, will include delivery to the Company of your attestation of ownership of such shares of Common Stock in a form approved by the Company. You may not exercise your option by delivery to the Company of Common Stock if doing so would violate the provisions of any law, regulation or agreement restricting the redemption of the Company's stock.

6. WHOLE SHARES. You may exercise your option only for whole shares of Common Stock.

7. COMPLIANCE. In no event may you exercise your option unless the shares of Common Stock issuable upon exercise are then registered under the Securities Act or, if not registered, the Company has determined that your exercise and the issuance of the shares would be exempt from the registration requirements of the Securities Act. The exercise of your option also must comply with all other applicable laws and regulations governing your option, including any U.S. state, federal and local laws, and you may not exercise your option if the Company determines that such exercise would not be in material compliance with such laws and regulations (including any restrictions on exercise required for compliance with Treas. Reg. 1.401(k)-1(d)(3), if applicable).

8. TERM. You may not exercise your option before the Date of Grant or after the expiration of the option's term. The term of your option expires, subject to the provisions of Section 5(h) of the Plan, upon the earliest of the following:

(a) immediately upon the termination of your Continuous Service for Cause;

(b) three (3) months after the termination of your Continuous Service for any reason other than Cause, your Disability, or your death (except as otherwise provided in Section 8(d) below); *provided*, *however*, that if during any part of such three-month period your option is not exercisable solely because of the condition set forth in the section above relating to "Compliance," your option will not expire until the earlier of the Expiration Date or until it has been exercisable for an aggregate period of three (3) months after the termination of your Continuous Service; *provided further*, that if (i) you are a Non-Exempt Employee, (ii) your Continuous Service terminates within six (6) months after the Date of Grant, and (iii) you have vested in a portion of your option at the time of your termination of Continuous Service, your option will not expire until the earlier of (x) the later of (A) the date that is seven (7) months after the Date of Grant, and (B) the date that is three (3) months after the termination of your Continuous Service, and (y) the Expiration Date;

(c) twelve (12) months after the termination of your Continuous Service due to your Disability (except as otherwise provided in Section 8(d) below);

(d) eighteen (18) months after your death if you die either during your Continuous Service or within three (3) months after your Continuous Service terminates for any reason other than Cause;

(e) the Expiration Date indicated in your Stock Option Grant Notice; and

(f) the day before the tenth (10th) anniversary of the Date of Grant.

If your option is an Incentive Stock Option, note that to obtain the U.S. federal income tax advantages associated with an Incentive Stock Option, the Code requires that at all times beginning on the Date of Grant and ending on the day three (3) months before the date of your option's exercise, you must be an employee of the Company or an Affiliate, except in the event of your death or Disability. The Company has provided for extended exercisability of your option under certain circumstances for your benefit but cannot guarantee that your option will necessarily be treated as an Incentive Stock Option if you continue to provide services to the Company or an Affiliate as a Consultant or Director after your employment terminates or if you otherwise exercise your option more than three (3) months after the date your employment with the Company or an Affiliate terminates.

For purposes of your option, your Continuous Service will be considered terminated (regardless of the reason of termination, whether or not later found to be invalid or in breach of employment or other laws or rules in the jurisdiction where you are providing services or the terms of your employment or service agreement, if any) effective as of the date that you cease to actively provide services to the Company or any Affiliate and will not be extended by any notice period (*e.g.*, employment or service would not include any contractual notice period or any period of "garden leave" or similar period mandated under employment or other laws in the jurisdiction where you are employed or providing services or the terms of your employment or service agreement, if any). The Board shall have exclusive discretion to determine when you are no longer actively employed or providing services for purposes of the Plan (including whether you still may be considered to be providing services while on a leave of absence).

9. EXERCISE.

(a) You may exercise the vested portion of your option during its term by (i) delivering a Notice of Exercise (in a form designated by the Company) or completing such other documents and/or procedures designated by the Company for exercise and (ii) paying the exercise price and any applicable Tax-Related Items (as defined in Section 11 below) to the Company's Secretary, stock plan administrator, or such other person as the Company may designate, together with such additional documents as the Company may then require.

(b) By exercising your option you agree that, as a condition to any exercise of your option, the Company may require you to enter into an arrangement providing for the payment by you to the Company of any Tax-Related Items.

(c) If your option is an Incentive Stock Option, by exercising your option you agree that you will notify the Company in writing within fifteen (15) days after the date of any disposition of any of the shares of the Common Stock issued upon exercise of your option that occurs within two (2) years after the Date of Grant or within one (1) year after such shares of Common Stock are transferred upon exercise of your option.

(d) By exercising your option you agree that you will not sell, dispose of, transfer, make any short sale of, grant any option for the purchase of, or enter into any hedging or similar

transaction with the same economic effect as a sale with respect to any shares of Common Stock or other securities of the Company held by you, for a period of one hundred eighty (180) days following the effective date of a registration statement of the Company filed under the Securities Act (the "***Lock-Up Period***"); *provided*, *however*, that nothing contained in this section will prevent the exercise of a repurchase option, if any, in favor of the Company during the Lock-Up Period. You further agree to execute and deliver such other agreements as may be reasonably requested by the Company or the underwriters that are consistent with the foregoing or that are necessary to give further effect thereto. In order to enforce the foregoing covenant, the Company may impose stop-transfer instructions with respect to your shares of Common Stock until the end of such period. You also agree that any transferee of any shares of Common Stock (or other securities) of the Company held by you will be bound by this Section 9(d). The underwriters of the Company's stock are intended third party beneficiaries of this Section 9(d) and will have the right, power and authority to enforce the provisions hereof as though they were a party hereto.

10. TRANSFERABILITY. Except as otherwise provided in this Section 10, your option is not transferable, except by will or by the laws of descent and distribution, and is exercisable during your life only by you.

(a) Certain Trusts. Upon receiving written permission from the Board or its duly authorized designee, you may transfer your option to a trust if you are considered to be the sole beneficial owner (determined under Section 671 of the Code and applicable U.S. state law) while the option is held in the trust. You and the trustee must enter into transfer and other agreements required by the Company.

(b) Domestic Relations Orders. Upon receiving written permission from the Board or its duly authorized designee, and provided that you and the designated transferee enter into transfer and other agreements required by the Company, you may transfer your option pursuant to the terms of a domestic relations order, official marital settlement agreement or other divorce or separation instrument as permitted by Treasury Regulation 1.421-1(b)(2) that contains the information required by the Company to effectuate the transfer. You are encouraged to discuss the proposed terms of any division of this option with the Company prior to finalizing the domestic relations order or marital settlement agreement to help ensure the required information is contained within the domestic relations order or marital settlement agreement. If this option is an Incentive Stock Option, this option may be deemed to be a Nonstatutory Stock Option as a result of such transfer.

(c) Beneficiary Designation. Upon receiving written permission from the Board or its duly authorized designee, you may, by delivering written notice to the Company, in a form approved by the Company and any broker designated by the Company to handle option exercises, designate a third party who, on your death, will thereafter be entitled to exercise this option and receive the Common Stock or other consideration resulting from such exercise. In the absence of such a designation, your executor or administrator of your estate or your legal heirs will be entitled to exercise this option and receive, on behalf of your estate, the Common Stock or other consideration resulting from such exercise.

11. RESPONSIBILITY FOR TAXES.

(a) You acknowledge that, regardless of any action the Company or, if different, your employer (the "***Employer***") takes with respect to any or all income tax, social insurance, payroll tax, fringe benefit tax, payment on account or other tax related items related to your participation in the Plan and legally applicable to you ("***Tax-Related Items***"), the ultimate liability for all Tax-Related Items is and remains your responsibility and may exceed the amount actually withheld by the Company or the Employer, if any. You further acknowledge that the Company and the Employer (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any

aspect of your option, including, but not limited to, the grant, vesting or exercise of your option, the subsequent sale of shares of Common Stock acquired pursuant to such exercise and the issuance of any dividends; and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of your option to reduce or eliminate your liability for Tax-Related Items or achieve any particular tax result. You acknowledge and agree that you will not make any claim against the Company, or any of its Officers, Directors, Employees or Affiliates for Tax-Related Items arising from your option. In particular, you acknowledge that this option is exempt from Section 409A of the Code only if the exercise price per share specified in the Grant Notice is at least equal to the "fair market value" per share of the Common Stock on the Date of Grant and there is no other impermissible deferral of compensation associated with the option. Further, if you are subject to Tax-Related Items in more than one jurisdiction, you acknowledge that the Company and/or the Employer may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

(b) Prior to the relevant taxable or tax withholding event, as applicable, you agree to make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items. In this regard, you authorize the Company and/or the Employer, or their respective agents, at their discretion, to satisfy their withholding obligations with regard to all Tax-Related Items by: (i) withholding from your wages or other cash compensation paid to you by the Company and/or the Employer, (ii) withholding from the proceeds of the sale of shares of Common Stock acquired at exercise of your option and sold either through a voluntary sale or through a mandatory sale arranged by the Company (on your behalf pursuant to this authorization without further consent); and/or (iii) if this option is a Nonstatutory Stock Option, withholding a number of shares of Common Stock that are otherwise deliverable to you upon exercise.

(c) Depending on the withholding method, the Company or the Employer may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding amounts or other applicable withholding rates, including maximum applicable rates, in which case you may receive a refund of any over-withheld amount in cash and will have no entitlement to the Common Stock equivalent. If the obligation for Tax-Related Items is satisfied by withholding a number of shares of Common Stock, for tax purposes, you are deemed to have been issued the full number of shares of Common Stock, notwithstanding that a number of the shares of Common Stock is held back solely for the purpose of paying the Tax-Related Items.

(d) You agree to pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of your participation in the Plan that cannot be satisfied by the means previously described. You acknowledge and agree that the Company may refuse to honor the exercise and refuse to issue or deliver the shares of Common Stock, or the proceeds of the sale of the shares of Common Stock, if you fail to comply with your obligations in connection with the Tax-Related Items.

12. NATURE OF GRANT. In accepting your option, you acknowledge, understand and agree that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time, to the extent permitted under the Plan;

(b) the grant of this option is exceptional, voluntary and occasional and does not create any contractual or other right to receive future grants of options (whether on the same or different terms), or benefits in lieu of options, even if options have been granted in the past;

(c) all decisions with respect to future options or other grants, if any, will be at the sole discretion of the Company;

(d) you are voluntarily participating in the Plan;

(e) this option and the shares of Common Stock subject to this option, and the income and value of same, are not intended to replace any pension rights or compensation;

(f) the future value of the shares of Common Stock underlying the option is unknown, indeterminable, and cannot be predicted with certainty;

(g) if the underlying shares of Common Stock do not increase in value, the option will have no value;

(h) if you exercise the option and acquire shares of Common Stock, the value of such shares of Common Stock may increase or decrease in value, even below the exercise price

(i) no claim or entitlement to compensation or damages shall arise from forfeiture of this option resulting from the termination of your Continuous Service (for any reason whatsoever, whether or not later found to be invalid or in breach of employment laws in the jurisdiction where you are employed or rendering services or the terms of your employment or service agreement, if any), and in consideration of the grant of this option, you irrevocably agree not to institute any claim against the Company or any Affiliate,

(j) unless otherwise provided in the Plan or by the Company in its discretion, the option and the benefits evidenced by this Agreement do not create any entitlement to have the option or any such benefits transferred to, or assumed by, another company nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the shares of Common Stock; and

(k) unless otherwise agreed with the Company, this option and any shares of Common Stock acquired under the Plan, and the income and value of same, are not granted as consideration for, or in connection with, the service you may provide as a director of an Affiliate.

13. NO ADVICE REGARDING GRANT. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding your participation in the Plan, or your acquisition or sale of the underlying shares of Common Stock. You are hereby advised to consult with your own personal tax, legal and financial advisors regarding your participation in the Plan before taking any action related to the Plan.

14. RIGHT OF REPURCHASE. The Company will have the right to repurchase all of the shares of Common Stock you acquire pursuant to the exercise of your option upon termination of your Continuous Service for Cause. Such repurchase will be at the exercise price you paid to acquire the shares and will be effected pursuant to such other terms and conditions, and at such time, as the Company will determine.

15. OPTION NOT A SERVICE CONTRACT. Your option is not an employment or service contract, and nothing in your option will be deemed to create in any way whatsoever any obligation on your part to continue in the employ of the Employer, or of the Employer to continue your employment. In addition, nothing in your option will obligate the Company or an Affiliate, their respective stockholders, boards of directors, officers or employees to continue any relationship that you might have

as a Director or Consultant for the Company or an Affiliate. Finally, the grant of the option shall not be interpreted as forming an employment or service contract with the Company.

16. NOTICES. Any notices provided for in your option or the Plan will be given in writing (including electronically) and will be deemed effectively given upon receipt or, in the case of notices delivered by mail by the Company to you, five (5) days after deposit in the United States mail, postage prepaid, addressed to you at the last address you provided to the Company. The Company may, in its sole discretion, decide to deliver any documents related to participation in the Plan and this option by electronic means or to request your consent to participate in the Plan by electronic means. By accepting this option, you consent to receive such documents by electronic delivery and to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

17. GOVERNING PLAN DOCUMENT. Your option is subject to all the provisions of the Plan, the provisions of which are hereby made a part of your option, and is further subject to all interpretations, amendments, rules and regulations, which may from time to time be promulgated and adopted pursuant to the Plan. If there is any conflict between the provisions of your option and those of the Plan, the provisions of the Plan will control. In addition, your option (and any compensation paid or shares issued under your option) is subject to recoupment in accordance with The U.S. Dodd–Frank Wall Street Reform and Consumer Protection Act and any implementing regulations thereunder, any clawback policy adopted by the Company and any compensation recovery policy otherwise required by applicable law. No recovery of compensation under such a clawback policy will be an event giving rise to a right to voluntarily terminate employment upon a resignation for "good reason," or for a "constructive termination" or any similar term under any plan of or agreement with the Company.

18. OTHER DOCUMENTS. You hereby acknowledge receipt of and the right to receive a document providing the information required by Rule 428(b)(1) promulgated under the Securities Act, which includes the Plan prospectus. In addition, you acknowledge receipt of the Company's policy permitting certain individuals to sell shares only during certain "window" periods and the Company's insider trading policy, in effect from time to time.

19. VOTING RIGHTS. You will not have voting or any other rights as a shareholder of the Company with respect to the shares to be issued pursuant to this option until such shares are issued to you. Upon such issuance, you will obtain full voting and other rights as a shareholder of the Company. Nothing contained in this option, and no action taken pursuant to its provisions, will create or be construed to create a trust of any kind or a fiduciary relationship between you and the Company or any other person.

20. SEVERABILITY. If all or any part of this Agreement or the Plan is declared by any court or governmental authority to be unlawful or invalid, such unlawfulness or invalidity will not invalidate any portion of this Agreement or the Plan not declared to be unlawful or invalid. Any Section of this Agreement (or part of such a Section) so declared to be unlawful or invalid shall, if possible, be construed in a manner which will give effect to the terms of such Section or part of a Section to the fullest extent possible while remaining lawful and valid.

21. INSIDER TRADING RESTRICTIONS/MARKET ABUSE LAWS. You acknowledge that you may be subject to insider trading restrictions and/or market abuse laws, which may affect your ability to acquire or sell the shares of Common Stock or rights to the shares of Common Stock under the Plan during such times as you are considered to have "inside information" regarding the Company (as defined by the laws). Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. You acknowledge

that it is your responsibility to comply with any applicable restrictions, and you are advised to speak to your personal advisor on this matter.

22. IMPOSITION OF OTHER REQUIREMENTS. The Company reserves the right to impose other requirements on your participation in the Plan, and on any shares of Common Stock acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require you to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

23. GOVERNING LAW/VENUE. The interpretation, performance and enforcement of this Agreement will be governed by the law of the State of Delaware without regard to that state's conflicts of laws rules. For purposes of any action, lawsuit or other proceedings brought to enforce this Agreement, including its Exhibit, relating to it, or arising from it, the parties hereby submit to and consent to the sole and exclusive jurisdiction of the courts within Santa Clara County, State of California, and no other courts, where this grant is made and/or to be performed.

24. MISCELLANEOUS.

(a) The rights and obligations of the Company under your option will be transferable to any one or more persons or entities, and all covenants and agreements hereunder will inure to the benefit of, and be enforceable by the Company's successors and assigns.

(b) You agree upon request to execute any further documents or instruments necessary or desirable in the sole determination of the Company to carry out the purposes or intent of your option.

(c) You acknowledge and agree that you have reviewed your option in its entirety, have had an opportunity to obtain the advice of counsel prior to executing and accepting your option, and fully understand all provisions of your option.

(d) All obligations of the Company under the Plan and this Agreement will be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or otherwise, of all or substantially all of the business and/or assets of the Company.

* * *

This Agreement will be deemed to be signed by you upon the signing by you or otherwise by your acceptance of the Grant Notice to which it is attached.

ATTACHMENT II

2018 EQUITY INCENTIVE PLAN

ATTACHMENT III

NOTICE OF EXERCISE

FORTY SEVEN, INC.
1490 O'BRIEN DRIVE, SUITE A
MENLO PARK, CA 94025

Date of Exercise: _____

This constitutes notice to Forty Seven, Inc. (the "***Company***") under my stock option that I elect to purchase the below number of shares of Common Stock of the Company (the "***Shares***") for the exercise price set forth below.

Type of option (check one):	Incentive ☐	Nonstatutory ☐
Stock option dated:		
Number of Shares as to which option is exercised:		
Certificates to be issued in name of:		
Total exercise price:	$	$
Cash payment delivered herewith:	$	$
Regulation T Program (cashless exercise[1]):	$	$
Value of Shares delivered herewith[2]:	$	$

By this exercise, I agree (i) to provide such additional documents as you may require pursuant to the terms of the Forty Seven, Inc. 2018 Equity Incentive Plan, (ii) to provide for the payment by me to you (in the manner designated by you) of your withholding obligation, if any, relating to this option, and (iii) if this exercise relates to an incentive stock option, to notify you in writing within fifteen (15) days after the date of any disposition of any of the Shares issued upon exercise of this option that occurs within two (2) years after the date of grant of this option or within one (1) year after such Shares are issued upon exercise of this option.

I hereby make the following certifications and representations with respect to the number of Shares listed above, which are being acquired by me for my own account upon exercise of the option as set forth above:

I acknowledge that the Shares have not been registered under the Securities Act of 1933, as amended (the "***Securities Act***"), and are deemed to constitute "restricted securities" under Rule 701 and

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1 Shares must meet the public trading requirements set forth in the option agreement.

2 Shares must meet the public trading requirements set forth in the option agreement. Shares must be valued in accordance with the terms of the option being exercised, and must be owned free and clear of any liens, claims, encumbrances or security interests. Certificates must be endorsed or accompanied by an executed assignment separate from certificate.

Rule 144 promulgated under the Securities Act. I warrant and represent to the Company that I have no present intention of distributing or selling said Shares, except as permitted under the Securities Act and any applicable state securities laws.

I further acknowledge that I will not be able to resell the Shares for at least ninety (90) days after the stock of the Company becomes publicly traded (*i.e.*, subject to the reporting requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934) under Rule 701 and that more restrictive conditions apply to affiliates of the Company under Rule 144.

I further acknowledge that all certificates representing any of the Shares subject to the provisions of the option will have endorsed thereon appropriate legends reflecting the foregoing limitations, as well as any legends reflecting restrictions pursuant to the Company's Articles of Incorporation, Bylaws and/or applicable securities laws.

I further acknowledge and agree that, except for such information as required to be delivered to me by the Company pursuant to the option or the Plan (if any), I will have no right to receive any information from the Company by virtue of the grant of the option or the purchase of shares of Common Stock through exercise of the option, ownership of such shares of Common Stock, or as a result of my being a holder of record of stock of the Company. Without limiting the foregoing, to the fullest extent permitted by law, I hereby waive all inspection rights under Section 220 of the Delaware General Corporation Law and all such similar information and/or inspection rights that may be provided under the law of any jurisdiction, or any federal, state or foreign regulation, that are, or may become, applicable to the Company or the Company's capital stock (the "***Inspection Rights***"). I hereby covenant and agree never to directly or indirectly commence, voluntarily aid in any way, prosecute, assign, transfer, or cause to be commenced any claim, action, cause of action, or other proceeding to pursue or exercise the Inspection Rights.

I further agree that, if required by the Company (or a representative of the underwriters) in connection with the first underwritten registration of the offering of any securities of the Company under the Securities Act, I will not sell, dispose of, transfer, make any short sale of, grant any option for the purchase of, or enter into any hedging or similar transaction with the same economic effect as a sale with respect to any shares of Common Stock or other securities of the Company for a period of one hundred eighty (180) days following the effective date of a registration statement of the Company filed under the Securities Act (or such longer period as the underwriters or the Company will request to facilitate compliance with FINRA Rule 2241 or any successor or similar rule or regulation) (the "***Lock-Up Period***"). I further agree to execute and deliver such other agreements as may be reasonably requested by the Company or the underwriters that are consistent with the foregoing or that are necessary to give further effect thereto. In order to enforce the foregoing covenant, the Company may impose stop-transfer instructions with respect to securities subject to the foregoing restrictions until the end of such period.

Very truly yours,

_____

Signature

_____

Print Name

Address of Record:

Exhibit 10.6

FORTY SEVEN, INC.
RESTRICTED STOCK UNIT GRANT NOTICE
(2018 EQUITY INCENTIVE PLAN)

Forty Seven, Inc. (the "***Company***"), pursuant to its 2018 Equity Incentive Plan (the "***Plan***"), hereby awards to Participant a Restricted Stock Unit Award for the number of shares of the Company's Common Stock ("***Restricted Stock Units***") set forth below (the "***Award***"). The Award is subject to all of the terms and conditions as set forth in this notice of grant (this "***Restricted Stock Unit Grant Notice***"), the Restricted Stock Unit Award Agreement (the "***Award Agreement***"), and in the Plan, all of which are attached hereto and incorporated herein in their entirety. Capitalized terms not otherwise defined herein will have the meanings set forth in the Plan or the Award Agreement. In the event of any conflict between the terms in the Award and the Plan, the terms of the Plan will control.

Participant:	_____
Date of Grant:	_____
Vesting Commencement Date:	_____
Number of Restricted Stock Units/Shares:	_____

Vesting Schedule: [_____]

Issuance Schedule: The shares of Common Stock to be issued in respect of the Award will be issued in accordance with the issuance schedule set forth in Section 6 of the Restricted Stock Unit Agreement.

Additional Terms/Acknowledgements: Participant acknowledges receipt of, and understands and agrees to all of the terms and conditions set forth in this Restricted Stock Unit Grant Notice, the Award Agreement and the Plan. Participant acknowledges and agrees that this Restricted Stock Unit Grant Notice and the Award Agreement may not be modified, amended or revised except as provided in the Plan. Participant further acknowledges that as of the Date of Grant, this Restricted Stock Unit Grant Notice, the Award Agreement and the Plan set forth the entire understanding between Participant and the Company regarding the acquisition of Common Stock pursuant to the Award and supersede all prior oral and written agreements on that subject with the exception, if applicable, of (i) equity awards previously granted and delivered to Participant, (ii) any compensation recovery policy that is adopted by the Company or is otherwise required by applicable law, and (iii) any written employment or severance arrangement that would provide for vesting acceleration of this Award upon the terms and conditions set forth therein.

By accepting this Award, Participant consents to receive such documents by electronic delivery and to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

FORTY SEVEN, INC.

By: _____
Signature

Title: _____

Date: _____

PARTICIPANT

_____
Signature

Date: _____

ATTACHMENTS: Award Agreement and 2018 Equity Incentive Plan

ATTACHMENT I

FORTY SEVEN, INC.
2018 EQUITY INCENTIVE PLAN
RESTRICTED STOCK UNIT AWARD AGREEMENT

Pursuant to the Restricted Stock Unit Grant Notice (the "***Grant Notice***") and this Restricted Stock Unit Agreement (the "***Award Agreement***") Forty Seven, Inc. (the "***Company***") has awarded you a Restricted Stock Unit Award (the "***Award***") pursuant to Section 6 of the Company's 2018 Equity Incentive Plan (the "***Plan***") for the number of Restricted Stock Units/shares indicated in the Grant Notice. Capitalized terms not explicitly defined in this Award Agreement or the Grant Notice will have the same meanings given to them in the Plan. The terms of your Award, in addition to those set forth in the Grant Notice and the Plan, are as follows.

1. GRANT OF THE AWARD. This Award represents the right to be issued on a future date one (1) share of Common Stock for each Restricted Stock Unit that vests on the applicable vesting date(s) (subject to any adjustment under Section 3 below) as indicated in the Grant Notice. As of the Date of Grant, the Company will credit to a bookkeeping account maintained by the Company, or a third party designated by the Company, for your benefit (the "***Account***") the number of Restricted Stock Units/shares of Common Stock subject to the Award. Except as otherwise provided herein, you will not be required to make any payment to the Company or an Affiliate (other than services to the Company or an Affiliate) with respect to your receipt of the Award, the vesting of the Restricted Stock Units or the delivery of the Company's Common Stock to be issued in respect of the Award. Notwithstanding the foregoing, the Company reserves the right to issue you the cash equivalent of Common Stock, in part or in full satisfaction of the delivery of Common Stock upon vesting of your Restricted Stock Units, and, to the extent applicable, references in this Award Agreement and the Grant Notice to Common Stock issuable in connection with your Restricted Stock Units will include the potential issuance of its cash equivalent pursuant to such right, unless otherwise provided for your country in the Appendix.

2. VESTING. Subject to the limitations contained herein, your Award will vest, if at all, in accordance with the vesting schedule provided in the Grant Notice, provided that vesting will cease upon the termination of your Continuous Service. Upon such termination of your Continuous Service, the Restricted Stock Units/shares of Common Stock credited to the Account that were not vested on the date of such termination will be forfeited at no cost to the Company and you will have no further right, title or interest in or to such underlying shares of Common Stock.

For purposes of your Award, your Continuous Service will be considered terminated (regardless of the reason of termination, whether or not later found to be invalid or in breach of employment or other laws or rules in the jurisdiction where you are providing services or the terms of your employment or service agreement, if any) effective as of the date that you cease to actively provide services to the Company or any Affiliate and will not be extended by any notice period (*e.g.*, employment or service would not include any contractual notice period or any period of "garden leave" or similar period mandated under employment or other laws in the jurisdiction where you are employed or providing services or the terms of your employment or service agreement, if any). The Board shall have exclusive discretion to determine when you are no longer actively employed or providing services for purposes of the Plan (including whether you still may be considered to be providing services while on a leave of absence).

3. NUMBER OF SHARES. The number of Restricted Stock Units/shares subject to your Award may be adjusted from time to time for Capitalization Adjustments, as provided in the Plan. Any additional Restricted Stock Units, shares, cash or other property that become subject to the Award

pursuant to this Section 3, if any, will be subject, in a manner determined by the Board, to the same forfeiture restrictions, restrictions on transferability, and time and manner of delivery as applicable to the other Restricted Stock Units and shares covered by your Award. Notwithstanding the provisions of this Section 3, no fractional shares or rights for fractional shares of Common Stock will be created pursuant to this Section 3. Any fraction of a share will be rounded down to the nearest whole share.

4. COMPLIANCE. You may not be issued any Common Stock under your Award unless the shares of Common Stock underlying the Restricted Stock Units are either (i) then registered under the Securities Act, or (ii) the Company has determined that such issuance would be exempt from the registration requirements of the Securities Act. Your Award must also comply with other applicable laws and regulations governing the Award, including any U.S. state, federal and local laws, and you will not receive such Common Stock if the Company determines that such receipt would not be in material compliance with such laws and regulations.

5. TRANSFER RESTRICTIONS. Prior to the time that shares of Common Stock have been delivered to you, you may not transfer, pledge, sell or otherwise dispose of this Award or the shares issuable in respect of your Award, except as expressly provided in this Section 5. For example, you may not use shares that may be issued in respect of your Restricted Stock Units as security for a loan. The restrictions on transfer set forth herein will lapse upon delivery to you of shares in respect of your vested Restricted Stock Units. Notwithstanding the foregoing, by delivering written notice to the Company, in a form satisfactory to the Company, you may designate a third party who, in the event of your death, will thereafter be entitled to receive any distribution of Common Stock to which you were entitled at the time of your death pursuant to this Award Agreement. In the absence of such a designation, your legal representative will be entitled to receive, on behalf of your estate, such Common Stock or other consideration.

(a) **Death**. Your Award is transferable by will and by the laws of descent and distribution. At your death, vesting of your Award will cease and your executor or administrator of your estate will be entitled to receive, on behalf of your estate, any Common Stock or other consideration that vested but was not issued before your death.

(b) **Domestic Relations Orders.** Upon receiving written permission from the Board or its duly authorized designee, and provided that you and the designated transferee enter into transfer and other agreements required by the Company, you may transfer your right to receive the distribution of Common Stock or other consideration hereunder, pursuant to a domestic relations order, official marital settlement agreement or other divorce or separation instrument that contains the information required by the Company to effectuate the transfer. You are encouraged to discuss the proposed terms of any division of this Award with the Company General Counsel prior to finalizing the domestic relations order or marital settlement agreement to verify that you may make such transfer, and if so, to help ensure the required information is contained within the domestic relations order or marital settlement agreement.

6. DATE OF ISSUANCE.

(a) The issuance of shares in respect of the Restricted Stock Units is intended to comply with Treasury Regulations Section 1.409A-1(b)(4) and will be construed and administered in such a manner. Subject to the satisfaction any withholding obligation for Tax-Related Items (as defined in Section 10 below), in the event one or more Restricted Stock Units vests, the Company will issue to you one (1) share of Common Stock for each Restricted Stock Unit that vests on the applicable vesting date(s) (subject to any adjustment under Section 3 above, and subject to any different provisions in the Grant Notice). The issuance date determined by this paragraph is referred to as the "***Original Issuance Date***".

(b) If the Original Issuance Date falls on a date that is not a business day, delivery will instead occur on the next following business day. In addition, if:

(i) the Original Issuance Date does not occur (1) during an "open window period" applicable to you, as determined by the Company in accordance with the Company's then-effective policy on trading in Company securities, or (2) on a date when you are otherwise permitted to sell shares of Common Stock on an established stock exchange or stock market (including but not limited to under a previously established written trading plan that meets the requirements of Rule 10b5-1 under the Exchange Act and was entered into in compliance with the Company's policies (a "***10b5-1 Plan***")), *and*

(ii) either (1) withholding obligations for Tax-Related Items (as defined in Section 10 below) do not apply, or (2) the Company decides, prior to the Original Issuance Date, (A) not to satisfy the withholding obligation for Tax-Related Items (as defined in Section 10 below) by withholding shares of Common Stock from the shares otherwise due, on the Original Issuance Date, to you under this Award, and (B) not to permit you to enter into a "same day sale" commitment with a broker-dealer pursuant to Section 10 of this Award Agreement (including but not limited to a commitment under a 10b5-1 Plan) and (C) not to permit you to pay the Tax-Related Items in cash or from other compensation otherwise payable to you by the Company (as defined in Section 10 below),

then the shares that would otherwise be issued to you on the Original Issuance Date will not be delivered on such Original Issuance Date and will instead be delivered on the first business day when you are not prohibited from selling shares of the Company's Common Stock in the open public market, but in no event later than December 31 of the calendar year in which the Original Issuance Date occurs (that is, the last day of your taxable year in which the Original Issuance Date occurs), or, if and only if permitted in a manner that complies with Treasury Regulations Section 1.409A-1(b)(4), no later than the date that is the 15th day of the third calendar month of the applicable year following the year in which the shares of Common Stock under this Award are no longer subject to a "substantial risk of forfeiture" within the meaning of Treasury Regulations Section 1.409A-1(d).

(c) The form of delivery of the shares of Common Stock in respect of your Award (*e.g.*, a stock certificate or electronic entry evidencing such shares) will be determined by the Company.

7. DIVIDENDS. You will receive no benefit or adjustment to your Award with respect to any cash dividend, stock dividend or other distribution that does not result from a Capitalization Adjustment; provided, however, that this sentence will not apply with respect to any shares of Common Stock that are delivered to you in connection with your Award after such shares have been delivered to you.

8. RESTRICTIVE LEGENDS. The shares of Common Stock issued under your Award will be endorsed with appropriate legends as determined by the Company.

9. EXECUTION OF DOCUMENTS. You hereby acknowledge and agree that the manner selected by the Company by which you indicate your consent to your Grant Notice is also deemed to be your execution of your Grant Notice and of this Award Agreement. You further agree that such manner of indicating consent may be relied upon as your signature for establishing your execution of any documents to be executed in the future in connection with your Award.

10. RESPONSIBILITY FOR TAXES.

(a) You acknowledge that, regardless of any action the Company or, if different, your employer (the "***Employer***") takes with respect to any or all income tax, social insurance, payroll tax,

fringe benefit tax, payment on account or other tax related items related to your participation in the Plan and legally applicable to you ("***Tax-Related Items***"), the ultimate liability for all Tax-Related Items is and remains your responsibility and may exceed the amount actually withheld by the Company or the Employer, if any. You further acknowledge that the Company and the Employer (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of your Restricted Stock Units, including, but not limited to, the grant of the Restricted Stock Units, the vesting and settlement of the Restricted Stock Units, the delivery or sale of any shares of Common Stock and the issuance of any dividends, and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of your Award to reduce or eliminate your liability for Tax-Related Items or achieve any particular tax result. You acknowledge and agree that you will not make any claim against the Company, or any of its Officers, Directors, Employees or Affiliates for Tax-Related Items arising from your Award. Further, if you are subject to Tax-Related Items in more than one jurisdiction, you acknowledge that the Company and/or the Employer may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

(b) Prior to the relevant taxable or tax withholding event, as applicable, you agree to make adequate arrangements satisfactorily to the Company and/or the Employer to satisfy all Tax-Related Items. In this regard, you authorize the Company and/or the Employer, or their respective agents, at their discretion, to satisfy their withholding obligations with regard to all Tax-Related Items by: (i) withholding from your wages or any other cash compensation otherwise payable to you by the Company and/or Employer; (ii) causing you to tender a cash payment; (iii) permitting or requiring you to enter into a "same day sale" commitment, if applicable, with a broker-dealer that is a member of the Financial Industry Regulatory Authority (a "***FINRA Dealer***") (pursuant to this authorization and without further consent) whereby you irrevocably elect to sell a portion of the shares to be delivered in connection with your Restricted Stock Units to satisfy the Tax-Related Items and whereby the FINRA Dealer irrevocably commits to forward the proceeds necessary to satisfy the Tax-Related Items directly to the Company and its Affiliates; or (iv) withholding shares of Common Stock from the shares of Common Stock issued or otherwise issuable to you in connection with the Award with a Fair Market Value (measured as of the date shares of Common Stock are issued to you pursuant to Section 6) equal to the amount of such Tax-Related Items; *provided, however* that if you are an Officer, then the Company will withhold a number of shares of Common Stock upon the relevant taxable or tax withholding event, as applicable, unless the use of such withholding method is not feasible under applicable tax or securities law or has materially adverse accounting consequences, in which case, the obligation for Tax-Related Items may be satisfied by one or a combination of methods (i)-(iii) above. Depending on the withholding method, the Company or the Employer may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding amounts or other applicable withholding rates, including maximum applicable rates, in which case you may receive a refund of any over-withheld amount in cash and will have no entitlement to the Common Stock equivalent. If the obligation for Tax-Related Items is satisfied by withholding in s number of shares of Common Stock, for tax purposes, you will be deemed to have been issued the full number of shares of Common Stock subject to the vested Restricted Stock Units, notwithstanding that a number of the shares of Common Stock are held back solely for the purpose of paying the Tax-Related Items. However, the Company does not guarantee that you will be able to satisfy the Tax-Related Items through any of the methods described in the preceding provisions and in all circumstances you remain responsible for timely and fully satisfying the Tax-Related Items.

(c) Unless the Tax-Related Items of the Company and any Affiliate are satisfied, the Company will have no obligation to deliver to you any Common Stock or other consideration pursuant to this Award.

(d) In the event the Company's obligation to withhold arises prior to the delivery to you of Common Stock or it is determined after the delivery of Common Stock to you that the amount of

the Company's withholding obligation was greater than the amount withheld by the Company, you agree to indemnify and hold the Company harmless from any failure by the Company to withhold the proper amount.

11. AWARD NOT A SERVICE CONTRACT.

(a) Your Continuous Service with the Company, the Employer or any other Affiliate is not for any specified term and may be terminated by you or by the Company, the Employer or any other Affiliate at any time, for any reason, with or without cause and with or without notice. Nothing in this Award Agreement (including, but not limited to, the vesting of your Award or the issuance of the shares subject to your Award), the Plan or any covenant of good faith and fair dealing that may be found implicit in this Award Agreement or the Plan will: (i) confer upon you any right to continue in the employ of, or affiliation with the Employer; (ii) constitute any promise or commitment by the Company, the Employer or any other Affiliate regarding the fact or nature of future positions, future work assignments, future compensation or any other term or condition of employment or affiliation; (iii) confer any right or benefit under this Award Agreement or the Plan unless such right or benefit has specifically accrued under the terms of this Award Agreement or Plan; or (iv) deprive the Company or the Employer of the right to terminate you at any time and without regard to any future vesting opportunity that you may have. Finally, the grant of the Award shall not be interpreted as forming an employment or service contract with the Company.

(b) By accepting this Award, you acknowledge and agree that the right to continue vesting in the Award is earned only by continuing as an Employee, Director or Consultant at the will of the Company, the Employer or any other Affiliate and that the Company has the right to reorganize, sell, spin-out or otherwise restructure one or more of its businesses or Affiliates at any time or from time to time, as it deems appropriate (a "***reorganization***"). You further acknowledge and agree that such a reorganization could result in the termination of your Continuous Service, or the termination of Affiliate status of the Employer and the loss of benefits available to you under this Award Agreement, including but not limited to, the termination of the right to continue vesting in the Award. You further acknowledge and agree that this Award Agreement, the Plan, the transactions contemplated hereunder and the vesting schedule set forth herein or any covenant of good faith and fair dealing that may be found implicit in any of them do not constitute an express or implied promise of continued engagement as an employee or consultant for the term of this Award Agreement, for any period, or at all, and will not interfere in any way with your right or the right of the Company, the Employer or any other Affiliate to terminate your Continuous Service at any time, with or without cause and with or without notice, and will not interfere in any way with the Company's right to conduct a reorganization.

12. NATURE OF GRANT. In accepting your Award, you acknowledge, understand and agree that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time, to the extent permitted under the Plan;

(b) the Award is exceptional, voluntary and occasional and does not create any contractual or other right to receive future Awards (whether on the same or different terms), or benefits in lieu of an Award, even if an Award has been granted in the past;

(c) all decisions with respect to future awards of Restricted Stock Units or other grants, if any, will be at the sole discretion of the Company;

(d) you are voluntarily participating in the Plan;

(e) the future value of the shares of Common Stock underlying the Award is unknown, indeterminable and cannot be predicted with certainty;

(f) no claim or entitlement to compensation or damages shall arise from forfeiture of the Award resulting from the termination of your Continuous Service (for any reason whatsoever whether or not later found to be invalid or in breach of employment laws in the jurisdiction where you are employed or rendering services or the terms of your employment agreement, if any), and in consideration of the grant of the Award, you agree not to institute any claim against the Company or any Affiliate;

(g) unless otherwise provided herein, in the Plan or by the Company in its discretion, the Award and the benefits evidenced by this Award Agreement do not create any entitlement to have the Award or any such benefits transferred to, or assumed by, another company nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the shares of Common Stock; and

(h) unless otherwise agreed with the Company, the Award and the shares of Common Stock subject to the Award, and the income and value of same, are not granted as consideration for, or in connection with, the service you may provide as a director of an Affiliate.

13. NO ADVICE REGARDING GRANT. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding your participation in the Plan, or your acquisition or sale of the underlying shares of Common Stock. You are hereby advised to consult with your own personal tax, legal and financial advisors regarding your participation in the Plan before taking any action related to the Plan.

14. UNSECURED OBLIGATION. Your Award is unfunded, and as a holder of a vested Award, you will be considered an unsecured creditor of the Company with respect to the Company's obligation, if any, to issue shares or other property pursuant to this Award Agreement. You will not have voting or any other rights as a stockholder of the Company with respect to the shares to be issued pursuant to this Award Agreement until such shares are issued to you pursuant to Section 6 of this Award Agreement. Upon such issuance, you will obtain full voting and other rights as a stockholder of the Company. Nothing contained in this Award Agreement, and no action taken pursuant to its provisions, will create or be construed to create a trust of any kind or a fiduciary relationship between you and the Company or any other person.

15. NOTICES. Any notice or request required or permitted hereunder will be given in writing to each of the other parties hereto and will be deemed effectively given on the earlier of (i) the date of personal delivery, including delivery by express courier, or delivery via electronic means, or (ii) the date that is five (5) days after deposit in the United States Post Office (whether or not actually received by the addressee), by registered or certified mail with postage and fees prepaid, addressed to the Company at its primary executive offices, attention: Stock Plan Administrator, and addressed to you at your address as on file with the Company at the time notice is given.

16. HEADINGS. The headings of the Sections in this Award Agreement are inserted for convenience only and will not be deemed to constitute a part of this Award Agreement or to affect the meaning of this Award Agreement.

17. GOVERNING PLAN DOCUMENT. Your Award is subject to all the provisions of the Plan, the provisions of which are hereby made a part of your Award, and is further subject to all interpretations,

amendments, rules and regulations which may from time to time be promulgated and adopted pursuant to the Plan. Your Award (and any compensation paid or shares issued under your Award) is subject to recoupment in accordance with The U.S. Dodd–Frank Wall Street Reform and Consumer Protection Act and any implementing regulations thereunder, any clawback policy adopted by the Company and any compensation recovery policy otherwise required by applicable law. No recovery of compensation under such a clawback policy will be an event giving rise to a right to voluntarily terminate employment upon a resignation for "good reason," or for a "constructive termination" or any similar term under any plan of or agreement with the Company.

18. OTHER DOCUMENTS. You hereby acknowledge receipt of and the right to receive a document providing the information required by Rule 428(b)(1) promulgated under the Securities Act, which includes the Plan prospectus. In addition, you acknowledge receipt of the Company's policy permitting certain individuals to sell shares only during certain "window" periods and the Company's insider trading policy, in effect from time to time.

19. SEVERABILITY. If all or any part of this Award Agreement or the Plan is declared by any court or governmental authority to be unlawful or invalid, such unlawfulness or invalidity will not invalidate any portion of this Award Agreement or the Plan not declared to be unlawful or invalid. Any Section of this Award Agreement (or part of such a Section) so declared to be unlawful or invalid will, if possible, be construed in a manner which will give effect to the terms of such Section or part of a Section to the fullest extent possible while remaining lawful and valid.

20. INSIDER TRADING RESTRICTIONS/MARKET ABUSE LAWS. You acknowledge that you may be subject to insider trading restrictions and/or market abuse laws, which may affect your ability to acquire or sell the shares of Common Stock or rights to the shares of Common Stock under the Plan during such times as you are considered to have "inside information" regarding the Company (as defined by the laws). Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. You acknowledge that it is your responsibility to comply with any applicable restrictions, and you are advised to speak to your personal advisor on this matter.

21. IMPOSITION OF OTHER REQUIREMENTS. The Company reserves the right to impose other requirements on your participation in the Plan, and on any shares of Common Stock acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require you to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

22. GOVERNING LAW/VENUE. The interpretation, performance and enforcement of this Award Agreement will be governed by the law of the State of Delaware without regard to that state's conflicts of laws rules. For purposes of any action, lawsuit or other proceedings brought to enforce this Award Agreement, including its Exhibit, relating to it, or arising from it, the parties hereby submit to and consent to the sole and exclusive jurisdiction of the courts within Santa Clara County, State of California, and no other courts, where this grant is made and/or to be performed.

23. MISCELLANEOUS.:

(a) The rights and obligations of the Company under your Award will be transferable by the Company to any one or more persons or entities, and all covenants and agreements hereunder will inure to the benefit of, and be enforceable by, the Company's successors and assigns.

(b) You agree upon request to execute any further documents or instruments necessary or desirable in the sole determination of the Company to carry out the purposes or intent of your Award.

(c) You acknowledge and agree that you have reviewed your Award in its entirety, have had an opportunity to obtain the advice of counsel prior to executing and accepting your Award and fully understand all provisions of your Award.

(d) All obligations of the Company under the Plan and this Award Agreement will be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or otherwise, of all or substantially all of the business and assets of the Company.

24. AMENDMENT. This Award Agreement may not be modified, amended or terminated except by an instrument in writing, signed by you and by a duly authorized representative of the Company. Notwithstanding the foregoing, this Award Agreement may be amended solely by the Board by a writing which specifically states that it is amending this Award Agreement, so long as a copy of such amendment is delivered to you, and provided that, except as otherwise expressly provided in the Plan, no such amendment materially adversely affecting your rights hereunder may be made without your written consent. Without limiting the foregoing, the Board reserves the right to change, by written notice to you, the provisions of this Award Agreement in any way it may deem necessary or advisable to carry out the purpose of the Award as a result of any change in applicable laws or regulations or any future law, regulation, ruling, or judicial decision, provided that any such change will be applicable only to rights relating to that portion of the Award which is then subject to restrictions as provided herein.

25. COMPLIANCE WITH SECTION 409A OF THE CODE. This Award is intended to comply with the "short-term deferral" rule set forth in Treasury Regulation Section 1.409A-1(b)(4). Notwithstanding the foregoing, if it is determined that the Award fails to satisfy the requirements of the short-term deferral rule and is otherwise deferred compensation subject to Section 409A, and if you are a "Specified Employee" (within the meaning set forth in Section 409A(a)(2)(B)(i) of the Code) as of the date of your "separation from service" (within the meaning of Treasury Regulation Section 1.409A-1(h) and without regard to any alternative definition thereunder), then the issuance of any shares that would otherwise be made upon the date of the separation from service or within the first six (6) months thereafter will not be made on the originally scheduled date(s) and will instead be issued in a lump sum on the earlier of: (i) the fifth business day following your death, or (ii) the date that is six (6) months and one day after the date of the separation from service, with the balance of the shares issued thereafter in accordance with the original vesting and issuance schedule set forth above, but if and only if such delay in the issuance of the shares is necessary to avoid the imposition of adverse taxation on you in respect of the shares under Section 409A of the Code. Each installment of shares that vests is intended to constitute a "separate payment" for purposes of Treasury Regulation Section 1.409A-2(b)(2).

* * * * *

This Award Agreement will be deemed to be signed by the Company and you upon your signing or otherwise by your acceptance of the Restricted Stock Unit Grant Notice to which it is attached.

ATTACHMENT II

2018 EQUITY INCENTIVE PLAN

Exhibit 10.7

FORTY SEVEN, INC.

2018 EMPLOYEE STOCK PURCHASE PLAN

ADOPTED BY THE BOARD OF DIRECTORS: JUNE 13, 2018
APPROVED BY THE STOCKHOLDERS: JUNE 14, 2018
IPO DATE/EFFECTIVE DATE: [_____], 2018

1. GENERAL; PURPOSE.

(a) The Plan provides a means by which Eligible Employees of the Company and certain designated Related Corporations may be given an opportunity to purchase shares of Common Stock. The Plan permits the Company to grant a series of Purchase Rights to Eligible Employees under an Employee Stock Purchase Plan.

(b) The Company, by means of the Plan, seeks to retain the services of such Employees, to secure and retain the services of new Employees and to provide incentives for such persons to exert maximum efforts for the success of the Company and its Related Corporations.

2. ADMINISTRATION.

(a) The Board will administer the Plan unless and until the Board delegates administration of the Plan to a Committee or Committees, as provided in Section 2(c). References herein to the Board shall be deemed to refer to the Committee where such administration has been delegated.

(b) The Board will have the power, subject to, and within the limitations of, the express provisions of the Plan:

(i) To determine how and when Purchase Rights will be granted and the provisions of each Offering (which need not be identical).

(ii) To designate from time to time which Related Corporations of the Company will be eligible to participate in the Plan.

(iii) To construe and interpret the Plan and Purchase Rights, and to establish, amend and revoke rules and regulations for its administration. The Board, in the exercise of this power, may correct any defect, omission or inconsistency in the Plan, in a manner and to the extent it deems necessary or expedient to make the Plan fully effective.

(iv) To settle all controversies regarding the Plan and Purchase Rights granted under the Plan.

(v) To suspend or terminate the Plan at any time as provided in Section 12.

(vi) To amend the Plan at any time as provided in Section 12.

(vii) Generally, to exercise such powers and to perform such acts as it deems necessary or expedient to promote the best interests of the Company and its Related Corporations and to carry out the intent that the Plan be treated as an Employee Stock Purchase Plan.

(viii) To adopt such rules, procedures and sub-plans relating to the operation and administration of the Plan as are necessary or appropriate under applicable local laws, regulations and procedures to permit or facilitate participation in the Plan by Employees who are foreign nationals or employed or located outside the United States.

(c) The Board may delegate some or all of the administration of the Plan to a Committee or Committees. If administration is delegated to a Committee, the Committee will have, in connection with the administration of the Plan, the powers theretofore possessed by the Board that have been delegated to the Committee, including the power to delegate to a subcommittee any of the administrative powers the Committee is authorized to exercise (and references in this Plan to the Board will thereafter be to the Committee or subcommittee), subject, however, to such resolutions, not inconsistent with the provisions of the Plan, as may be adopted from time to time by the Board. The Board may retain the authority to concurrently administer the Plan with the Committee and may, at any time, revest in the Board some or all of the powers previously delegated. Whether or not the Board has delegated administration of the Plan to a Committee, the Board will have the final power to determine all questions of policy and expediency that may arise in the administration of the Plan.

(d) All determinations, interpretations and constructions made by the Board in good faith will not be subject to review by any person and will be final, binding and conclusive on all persons.

3. SHARES OF COMMON STOCK SUBJECT TO THE PLAN.

(a) Subject to the provisions of Section 11(a) relating to Capitalization Adjustments, the maximum number of shares of Common Stock that may be issued under the Plan will not exceed 450,000 shares of Common Stock, plus the number of shares of Common Stock that are automatically added on January 1st of each year for a period of up to ten years, commencing on the first January 1 following the year in which the IPO Date occurs and ending on (and including) January 1, 2028, in an amount equal to the lesser of (i) 1% of the total number of shares of Capital Stock outstanding on December 31st of the preceding calendar year, and (ii) 450,000 shares of Common Stock. Notwithstanding the foregoing, the Board may act prior to the first day of any calendar year to provide that there will be no January 1st increase in the share reserve for such calendar year or that the increase in the share reserve for such calendar year will be a lesser number of shares of Common Stock than would otherwise occur pursuant to the preceding sentence.

(b) If any Purchase Right granted under the Plan terminates without having been exercised in full, the shares of Common Stock not purchased under such Purchase Right will again become available for issuance under the Plan.

(c) The stock purchasable under the Plan will be shares of authorized but unissued or reacquired Common Stock, including shares repurchased by the Company on the open market.

4. GRANT OF PURCHASE RIGHTS; OFFERING.

(a) The Board may from time to time grant or provide for the grant of Purchase Rights to Eligible Employees under an Offering (consisting of one or more Purchase Periods) on an Offering Date or Offering Dates selected by the Board. Each Offering will be in such form and will contain such terms and conditions as the Board will deem appropriate, and will comply with the requirement of Section 423(b)(5) of the Code that all Employees granted Purchase Rights will have the same rights and privileges. The terms and conditions of an Offering shall be incorporated by reference into the Plan and treated as part of the Plan. The provisions of separate Offerings need not be identical, but each Offering will include (through incorporation of the provisions of this Plan by reference in the document comprising the Offering or otherwise) the period during which the Offering will be effective, which period will not exceed 27 months beginning with the Offering Date, and the substance of the provisions contained in Sections 5 through 8, inclusive.

(b) If a Participant has more than one Purchase Right outstanding under the Plan, unless he or she otherwise indicates in forms delivered to the Company: (i) each form will apply to all of his or her Purchase Rights under the Plan, and (ii) a Purchase Right with a lower exercise price (or an earlier-granted Purchase Right, if different Purchase Rights have identical exercise prices) will be exercised to the fullest possible extent before a Purchase Right with a higher exercise price (or a later-granted Purchase Right if different Purchase Rights have identical exercise prices) will be exercised.

(c) The Board will have the discretion to structure an Offering so that if the Fair Market Value of a share of Common Stock on the first Trading Day of a new Purchase Period within that Offering is less than or equal to the Fair Market Value of a share of Common Stock on the Offering Date for that Offering, then (i) that Offering will terminate immediately as of that first Trading Day, and (ii) the Participants in such terminated Offering will be automatically enrolled in a new Offering beginning on the first Trading Day of such new Purchase Period.

5. ELIGIBILITY.

(a) Purchase Rights may be granted only to Employees of the Company or, as the Board may designate in accordance with Section 2(b), to Employees of a Related Corporation. Except as provided in Section 5(b), an Employee will not be eligible to be granted Purchase Rights unless, on the Offering Date, the Employee has been in the employ of the Company or the Related Corporation, as the case may be, for such continuous period preceding such Offering Date as the Board may require, but in no event will the required period of continuous employment be equal to or greater than two years. In addition, the Board may (unless prohibited by law) provide that no Employee will be eligible to be granted Purchase Rights under the Plan unless, on the Offering Date, such Employee's customary employment with the Company or the Related Corporation is more than 20 hours per week and more than five months per calendar year or such other criteria as the Board may determine consistent with Section 423 of the Code. The Board may also exclude from participation in the Plan or any Offering Employees who are

"highly compensated employees" (within the meaning of Section 414(q) of the Code) of the Company or a Related Corporation or a subset of such highly compensated employees.

(b) The Board may provide that each person who, during the course of an Offering, first becomes an Eligible Employee will, on a date or dates specified in the Offering which coincides with the day on which such person becomes an Eligible Employee or which occurs thereafter, receive a Purchase Right under that Offering, which Purchase Right will thereafter be deemed to be a part of that Offering. Such Purchase Right will have the same characteristics as any Purchase Rights originally granted under that Offering, as described herein, except that:

(i) the date on which such Purchase Right is granted will be the "Offering Date" of such Purchase Right for all purposes, including determination of the exercise price of such Purchase Right;

(ii) the period of the Offering with respect to such Purchase Right will begin on its Offering Date and end coincident with the end of such Offering; and

(iii) the Board may provide that if such person first becomes an Eligible Employee within a specified period of time before the end of the Offering, he or she will not receive any Purchase Right under that Offering.

(c) No Employee will be eligible for the grant of any Purchase Rights if, immediately after any such Purchase Rights are granted, such Employee owns stock possessing five percent or more of the total combined voting power or value of all classes of stock of the Company or of any Related Corporation. For purposes of this Section 5(c), the rules of Section 424(d) of the Code will apply in determining the stock ownership of any Employee, and stock which such Employee may purchase under all outstanding Purchase Rights and options will be treated as stock owned by such Employee.

(d) As specified by Section 423(b)(8) of the Code, an Eligible Employee may be granted Purchase Rights only if such Purchase Rights, together with any other rights granted under all Employee Stock Purchase Plans of the Company and any Related Corporations, do not permit such Eligible Employee's rights to purchase stock of the Company or any Related Corporation to accrue at a rate which, when aggregated, exceeds US $25,000 of Fair Market Value of such stock (determined at the time such rights are granted, and which, with respect to the Plan, will be determined as of their respective Offering Dates) for each calendar year in which such rights are outstanding at any time.

(e) Officers of the Company and any designated Related Corporation, if they are otherwise Eligible Employees, will be eligible to participate in Offerings under the Plan. Notwithstanding the foregoing, the Board may (unless prohibited by law) provide in an Offering that Employees who are highly compensated Employees within the meaning of Section 423(b)(4)(D) of the Code will not be eligible to participate.

6. PURCHASE RIGHTS; PURCHASE PRICE.

(a) On each Offering Date, each Eligible Employee, pursuant to an Offering made under the Plan, will be granted a Purchase Right to purchase up to that number of shares of

Common Stock purchasable either with a percentage or with a maximum dollar amount, as designated by the Board, but in either case not exceeding 15% of such Employee's earnings (as defined by the Board in each Offering) during the period that begins on the Offering Date (or such later date as the Board determines for a particular Offering) and ends on the date stated in the Offering, which date will be no later than the end of the Offering.

(b) The Board will establish one or more Purchase Dates during an Offering on which Purchase Rights granted for that Offering will be exercised and shares of Common Stock will be purchased in accordance with such Offering.

(c) In connection with each Offering made under the Plan, the Board may specify (i) a maximum number of shares of Common Stock that may be purchased by any Participant on any Purchase Date during such Offering, (ii) a maximum aggregate number of shares of Common Stock that may be purchased by all Participants pursuant to such Offering and/or (iii) a maximum aggregate number of shares of Common Stock that may be purchased by all Participants on any Purchase Date under the Offering. If the aggregate purchase of shares of Common Stock issuable upon exercise of Purchase Rights granted under the Offering would exceed any such maximum aggregate number, then, in the absence of any Board action otherwise, a pro rata (based on each Participant's accumulated Contributions) allocation of the shares of Common Stock (rounded down to the nearest whole share) available will be made in as nearly a uniform manner as will be practicable and equitable.

(d) The purchase price of shares of Common Stock acquired pursuant to Purchase Rights will be not less than the lesser of:

(i) an amount equal to 85% of the Fair Market Value of the shares of Common Stock on the Offering Date; or

(ii) an amount equal to 85% of the Fair Market Value of the shares of Common Stock on the applicable Purchase Date.

7. PARTICIPATION; WITHDRAWAL; TERMINATION.

(a) An Eligible Employee may elect to participate in an Offering and authorize payroll deductions as the means of making Contributions by completing and delivering to the Company, within the time specified in the Offering, an enrollment form provided by the Company. The enrollment form will specify the amount of Contributions not to exceed the maximum amount specified by the Board. Each Participant's Contributions will be credited to a bookkeeping account for such Participant under the Plan and will be deposited with the general funds of the Company except where applicable law or regulations requires that Contributions be deposited with a third party. If permitted in the Offering, a Participant may begin such Contributions with the first payroll occurring on or after the Offering Date (or, in the case of a payroll date that occurs after the end of the prior Offering but before the Offering Date of the next new Offering, Contributions from such payroll will be included in the new Offering). If permitted in the Offering, a Participant may thereafter reduce (including to zero) or increase his or her Contributions. If required under applicable law or regulations or if specifically provided in the Offering, in addition to or instead of making Contributions by payroll deductions, a Participant may make Contributions through the payment by cash, check or wire transfer prior to a Purchase Date.

(b) During an Offering, a Participant may cease making Contributions and withdraw from the Offering by delivering to the Company a withdrawal form provided by the Company. The Company may impose a deadline before a Purchase Date for withdrawing. Upon such withdrawal, such Participant's Purchase Right in that Offering will immediately terminate and the Company will distribute as soon as practicable to such Participant all of his or her accumulated but unused Contributions and such Participant's Purchase Right in that Offering shall thereupon terminate. A Participant's withdrawal from that Offering will have no effect upon his or her eligibility to participate in any other Offerings under the Plan, but such Participant will be required to deliver a new enrollment form to participate in subsequent Offerings.

(c) Unless otherwise required by applicable law or regulations, Purchase Rights granted pursuant to any Offering under the Plan will terminate immediately if the Participant either (i) is no longer an Employee for any reason or for no reason (subject to any post-employment participation period required by law) or (ii) is otherwise no longer eligible to participate. The Company will distribute as soon as practicable to such individual all of his or her accumulated but unused Contributions.

(d) During a Participant's lifetime, Purchase Rights will be exercisable only by such Participant. Purchase Rights are not transferable by a Participant, except by will, by the laws of descent and distribution, or, if permitted by the Company, by a beneficiary designation as described in Section 10.

(e) Unless otherwise specified in the Offering or required by applicable law or regulations, the Company will have no obligation to pay interest on Contributions.

8. EXERCISE OF PURCHASE RIGHTS.

(a) On each Purchase Date, each Participant's accumulated Contributions will be applied to the purchase of shares of Common Stock, up to the maximum number of shares of Common Stock permitted by the Plan and the applicable Offering, at the purchase price specified in the Offering. No fractional shares will be issued unless specifically provided for in the Offering.

(b) Unless otherwise provided in the Offering, if any amount of accumulated Contributions remains in a Participant's account after the purchase of shares of Common Stock on the final Purchase Date of an Offering, then such remaining amount will not roll over to the next Offering and will instead be distributed in full to such Participant after the final Purchase Date of such Offering without interest (unless otherwise required by applicable law or regulations).

(c) No Purchase Rights may be exercised to any extent unless the shares of Common Stock to be issued upon such exercise under the Plan are covered by an effective registration statement pursuant to the Securities Act and the Plan is in material compliance with all applicable federal, state, foreign and other securities and other laws applicable to the Plan. If on

a Purchase Date the shares of Common Stock are not so registered or the Plan is not in such compliance, no Purchase Rights will be exercised on such Purchase Date, and the Purchase Date will be delayed until the shares of Common Stock are subject to such an effective registration statement and the Plan is in material compliance, except that the Purchase Date will in no event be more than 27 months from the Offering Date. If, on the Purchase Date, as delayed to the maximum extent permissible, the shares of Common Stock are not registered and the Plan is not in material compliance with all applicable laws and regulations, no Purchase Rights will be exercised and all accumulated but unused Contributions will be distributed to the Participants without interest.

9. COVENANTS OF THE COMPANY.

The Company will seek to obtain from each federal, state, foreign or other regulatory commission or agency having jurisdiction over the Plan such authority as may be required to grant Purchase Rights and issue and sell shares of Common Stock thereunder unless the Company determines, in its sole discretion, that doing so would cause the Company to incur costs that are unreasonable. If, after commercially reasonable efforts, the Company is unable to obtain the authority that counsel for the Company deems necessary for the grant of Purchase Rights or the lawful issuance and sale of Common Stock under the Plan, and at a commercially reasonable cost, the Company will be relieved from any liability for failure to grant Purchase Rights and/or to issue and sell Common Stock upon exercise of such Purchase Rights.

10. DESIGNATION OF BENEFICIARY.

(a) The Company may, but is not obligated to, permit a Participant to submit a form designating a beneficiary who will receive any shares of Common Stock and/or Contributions from the Participant's account under the Plan if the Participant dies before such shares and/or Contributions are delivered to the Participant. The Company may, but is not obligated to, permit the Participant to change such designation of beneficiary. Any such designation and/or change must be on a form approved by the Company.

(b) If a Participant dies, and in the absence of a valid beneficiary designation, the Company will deliver any shares of Common Stock and/or Contributions to the executor or administrator of the estate of the Participant. If no executor or administrator has been appointed (to the knowledge of the Company), the Company, in its sole discretion, may deliver such shares of Common Stock and/or Contributions, without interest, to the Participant's spouse, dependents or relatives, or if no spouse, dependent or relative is known to the Company, then to such other person as the Company may designate.

11. ADJUSTMENTS UPON CHANGES IN COMMON STOCK; CORPORATE TRANSACTIONS.

(a) In the event of a Capitalization Adjustment, the Board will appropriately and proportionately adjust: (i) the class(es) and maximum number of securities subject to the Plan pursuant to Section 3(a), (ii) the class(es) and maximum number of securities by which the share reserve is to increase automatically each year pursuant to Section 3(a), (iii) the class(es) and number of securities subject to, and the purchase price applicable to outstanding Offerings and Purchase Rights, and (iv) the class(es) and number of securities that are the subject of the

purchase limits under each ongoing Offering. The Board will make these adjustments, and its determination will be final, binding and conclusive.

(b) In the event of a Corporate Transaction, then: (i) any surviving corporation or acquiring corporation (or the surviving or acquiring corporation's parent company) may assume or continue outstanding Purchase Rights or may substitute similar rights (including a right to acquire the same consideration paid to the stockholders in the Corporate Transaction) for outstanding Purchase Rights, or (ii) if any surviving or acquiring corporation (or its parent company) does not assume or continue such Purchase Rights or does not substitute similar rights for such Purchase Rights, then the Participants' accumulated Contributions will be used to purchase shares of Common Stock (rounded down to the nearest whole share) within ten business days prior to the Corporate Transaction under the outstanding Purchase Rights, and the Purchase Rights will terminate immediately after such purchase.

12. AMENDMENT, TERMINATION OR SUSPENSION OF THE PLAN.

(a) The Board may amend the Plan at any time in any respect the Board deems necessary or advisable. However, except as provided in Section 11(a) relating to Capitalization Adjustments, stockholder approval will be required for any amendment of the Plan for which stockholder approval is required by applicable law, regulations or listing requirements.

(b) The Board may suspend or terminate the Plan at any time. No Purchase Rights may be granted under the Plan while the Plan is suspended or after it is terminated.

(c) Any benefits, privileges, entitlements and obligations under any outstanding Purchase Rights granted before an amendment, suspension or termination of the Plan will not be materially impaired by any such amendment, suspension or termination except (i) with the consent of the person to whom such Purchase Rights were granted, (ii) as necessary to comply with any laws, listing requirements, or governmental regulations (including, without limitation, the provisions of Section 423 of the Code and the regulations and other interpretive guidance issued thereunder relating to Employee Stock Purchase Plans) including without limitation any such regulations or other guidance that may be issued or amended after the date the Plan is adopted by the Board, or (iii) as necessary to obtain or maintain favorable tax, listing, or regulatory treatment. To be clear, the Board may amend outstanding Purchase Rights without a Participant's consent if such amendment is necessary to ensure that the Purchase Right and/or the Plan complies with the requirements of Section 423 of the Code.

13. EFFECTIVE DATE OF PLAN.

The Plan will become effective immediately prior to and contingent upon the IPO Date. No Purchase Rights will be exercised unless and until the Plan has been approved by the stockholders of the Company, which approval must be within 12 months before or after the date the Plan is adopted (or if required under Section 12(a) above, materially amended) by the Board.

14. MISCELLANEOUS PROVISIONS.

(a) Proceeds from the sale of shares of Common Stock pursuant to Purchase Rights will constitute general funds of the Company.

(b) A Participant will not be deemed to be the holder of, or to have any of the rights of a holder with respect to, shares of Common Stock subject to Purchase Rights unless and until the Participant's shares of Common Stock acquired upon exercise of Purchase Rights are recorded in the books of the Company (or its transfer agent).

(c) The Plan and Offering do not constitute an employment contract. Nothing in the Plan or in the Offering will in any way alter the at will nature of a Participant's employment, if applicable, or be deemed to create in any way whatsoever any obligation on the part of any Participant to continue in the employ of the Company or a Related Corporation, or on the part of the Company or a Related Corporation to continue the employment of a Participant.

(d) The provisions of the Plan will be governed by the laws of the State of Delaware without resort to that state's conflicts of laws rules.

(e) If any particular provision of the Plan is found to be invalid or otherwise unenforceable, such provision will not affect the other provisions of the Plan, but the Plan will be construed in all respects as if such invalid provision were omitted.

(f) If any provision of the Plan does not comply with applicable law or regulations, such provision shall be construed in such a manner as to comply with applicable law or regulations.

15. DEFINITIONS.

As used in the Plan, the following definitions will apply to the capitalized terms indicated below:

(a) "***Board***" means the Board of Directors of the Company.

(b) "***Capital Stock***" means each and every class of common stock of the Company, regardless of the number of votes per share.

(c) "***Capitalization Adjustment***" means any change that is made in, or other events that occur with respect to, the Common Stock subject to the Plan or subject to any Purchase Right after the date the Plan is adopted by the Board without the receipt of consideration by the Company through merger, consolidation, reorganization, recapitalization, reincorporation, stock dividend, dividend in property other than cash, large nonrecurring cash dividend, stock split, liquidating dividend, combination of shares, exchange of shares, change in corporate structure or other similar equity restructuring transaction, as that term is used in Financial Accounting Standards Board Accounting Standards Codification Topic 718 (or any successor thereto). Notwithstanding the foregoing, the conversion of any convertible securities of the Company will not be treated as a Capitalization Adjustment.

(d) "***Code***" means the Internal Revenue Code of 1986, as amended, including any applicable regulations and guidance thereunder.

(e) "***Committee***" means a committee of one or more members of the Board to whom authority has been delegated by the Board in accordance with Section 2(c).

(f) "***Common Stock***" means, as of the IPO Date, the common stock of the Company, having one vote per share.

(g) "***Company***" means Forty Seven, Inc., a Delaware corporation.

(h) "***Contributions***" means the payroll deductions and other additional payments specifically provided for in the Offering that a Participant contributes to fund the exercise of a Purchase Right. A Participant may make additional payments into his or her account if specifically provided for in the Offering, and then only if the Participant has not already had the maximum permitted amount withheld during the Offering through payroll deductions.

(i) "***Corporate Transaction***" means the consummation, in a single transaction or in a series of related transactions, of any one or more of the following events:

(i) a sale or other disposition of all or substantially all, as determined by the Board in its sole discretion, of the consolidated assets of the Company and its Subsidiaries;

(ii) a sale or other disposition of more than 50% of the outstanding securities of the Company;

(iii) a merger, consolidation or similar transaction following which the Company is not the surviving corporation; or

(iv) a merger, consolidation or similar transaction following which the Company is the surviving corporation but the shares of Common Stock outstanding immediately preceding the merger, consolidation or similar transaction are converted or exchanged by virtue of the merger, consolidation or similar transaction into other property, whether in the form of securities, cash or otherwise.

(j) "***Director***" means a member of the Board.

(k) "***Eligible Employee***" means an Employee who meets the requirements set forth in the document(s) governing the Offering for eligibility to participate in the Offering, provided that such Employee also meets the requirements for eligibility to participate set forth in the Plan.

(l) "***Employee***" means any person, including an Officer or Director, who is "employed" for purposes of Section 423(b)(4) of the Code by the Company or a Related Corporation. However, service solely as a Director, or payment of a fee for such services, will not cause a Director to be considered an "Employee" for purposes of the Plan.

(m) "***Employee Stock Purchase Plan***" means a plan that grants Purchase Rights intended to be options issued under an "employee stock purchase plan," as that term is defined in Section 423(b) of the Code.

(n) "***Exchange Act***" means the Securities Exchange Act of 1934, as amended and the rules and regulations promulgated thereunder.

(o) "***Fair Market Value***" means, as of any date, the value of the Common Stock determined as follows:

(i) If the Common Stock is listed on any established stock exchange or traded on any established market, the Fair Market Value of a share of Common Stock will be the closing sales price for such stock as quoted on such exchange or market (or the exchange or market with the greatest volume of trading in the Common Stock) on the date of determination, as reported in such source as the Board deems reliable. Unless otherwise provided by the Board, if there is no closing sales price for the Common Stock on the date of determination, then the Fair Market Value will be the closing sales price on the last preceding date for which such quotation exists.

(ii) In the absence of such markets for the Common Stock, the Fair Market Value will be determined by the Board in good faith in compliance with applicable laws and regulations and in a manner that complies with Sections 409A of the Code

(iii) Notwithstanding the foregoing, for any Offering that commences on the IPO Date, the Fair Market Value of the shares of Common Stock on the Offering Date will be the price per share at which shares are first sold to the public in the Company's initial public offering as specified in the final prospectus for that initial public offering.

(p) "***IPO Date***" means the date of the underwriting agreement between the Company and the underwriters managing the initial public offering of the Common Stock, pursuant to which the Common Stock is priced for the initial public offering.

(q) "***Offering***" means the grant to Eligible Employees of Purchase Rights, with the exercise of those Purchase Rights automatically occurring at the end of one or more Purchase Periods. The terms and conditions of an Offering will generally be set forth in the "***Offering Document***" approved by the Board for that Offering.

(r) "***Offering Date***" means a date selected by the Board for an Offering to commence.

(s) "***Officer***" means a person who is an officer of the Company or a Related Corporation within the meaning of Section 16 of the Exchange Act.

(t) "***Participant***" means an Eligible Employee who holds an outstanding Purchase Right.

(u) "***Plan***" means this Forty Seven, Inc. 2018 Employee Stock Purchase Plan.

(v) "***Purchase Date***" means one or more dates during an Offering selected by the Board on which Purchase Rights will be exercised and on which purchases of shares of Common Stock will be carried out in accordance with such Offering.

(w) "***Purchase Period***" means a period of time specified within an Offering, generally beginning on the Offering Date or on the first Trading Day following a Purchase Date, and ending on a Purchase Date. An Offering may consist of one or more Purchase Periods.

(x) "***Purchase Right***" means an option to purchase shares of Common Stock granted pursuant to the Plan.

(y) "***Related Corporation***" means any "parent corporation" or "subsidiary corporation" of the Company whether now or subsequently established, as those terms are defined in Sections 424(e) and (f), respectively, of the Code.

(z) "***Securities Act***" means the Securities Act of 1933, as amended.

(aa) "***Trading Day***" means any day on which the exchange(s) or market(s) on which shares of Common Stock are listed, including but not limited to the NYSE, Nasdaq Global Select Market, the Nasdaq Global Market, the Nasdaq Capital Market or any successors thereto, is open for trading.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

Exhibit 10.12

EXCLUSIVE (EQUITY) AGREEMENT

This Agreement between THE BOARD OF TRUSTEES OF THE LELAND STANFORD JUNIOR UNIVERSITY ("Stanford"), an institution of higher education having powers under the laws of the State of California, and Forty Seven, Inc. ("Forty Seven"), a corporation having a principal place of business at 353 Lowell Avenue, Palo Alto, California 94301, is effective on the 19th day of November, 2015 ("Effective Date").

1. BACKGROUND

Stanford has an assignment of one or more inventions that are useful in for the treatment and diagnosis of cancer and other diseases and immunological disorders. Certain invention(s) were made in the course of research supported by grants from the California Institute for Regenerative Medicine ("CIRM"), The National Institutes of Health ("NIH"), the Leukemia and Lymphoma Society ("LLS"), and The New York Stem Cell Foundation ("NYSCF"), and under a gift from the Trustees of the Virginia and D.K. Ludwig Fund for Cancer Research ("Ludwig"). In addition, certain inventions were, in part, invented in the lab of Dr. Christopher Garcia, a Howard Hughes Medical Institute ("HHMI") investigator and therefore were supported by HHMI. Stanford previously licensed nonexclusively, inventions defined below as Limited Exclusive Patents to a third party. In addition, [*] was previously licensed nonexclusively [*] to another third party. Stanford wants to have the inventions perfected and marketed as soon as possible so that resulting products may be available for public use and benefit.

2. DEFINITIONS

2.1 "Affiliates" means any person, corporation, or other business entity which controls, is controlled by, or is under common control with Forty Seven; and for this purpose, "control" of a corporation means the direct or indirect ownership of 50% or more of its voting stock, and "control" of any other business entity means the direct or indirect ownership of 50% or more interest in the income of such entity.

2.2 "[*] Product" means Licensed Product that [*].

2.3 "[*] Product" means a Licensed Product that [*].

2.4 "[*] Product" means a Licensed Product that [*].

2.5 "Change of Control" means the following, as applied only to the entirety of that part of Forty Seven's business that exercises all of the rights granted under this Agreement:

(A) acquisition of ownership—directly or indirectly, beneficially or of record—by any non-Affiliate third person or group (within the meaning of the Exchange Act and the rules of the SEC or equivalent body under a different jurisdiction) of the capital stock of Forty Seven representing 50% or more of either the aggregate ordinary voting power or the aggregate equity value represented by the issued and outstanding capital stock of Forty Seven; and/or

(B) sale of all or substantially all Forty Seven's assets and/or business in one transaction or in a series of related transactions to a non-Affiliate third party;

provided, however, that in no event shall the sale of equity or other securities for the primary purpose of financing Forty Seven be a Change of Control.

2.6 “Covered Product” means any product or part of a product, the manufacture, use, sale or importation of which would, but for the license granted by Stanford in the license agreement, infringe, induce infringement or contribute to infringement of a Valid Claim.

2.7 “[*] Product” means a Licensed Product that [*].

2.8 “Exclusive” means that, subject to Section 3.3 and Article 5, Stanford will not grant further licenses or covenants not to sue under the Licensed Patents, and Licensed Information, in the Licensed Field of Use in the Licensed Territory.

2.9 “Exclusive Field of Use” means all fields of use.

2.10 “Exclusive Patents” means the patents and patent applications listed in Appendix D, any foreign patent application corresponding thereto, and any divisional, continuation, or reexamination application, extension, and each patent that claims priority to, or issues or reissues from any of these patent applications, and any extensions or renewals of any such patents.

2.11 “EMA” shall mean the European Medicines Agency.

2.12 “FDA” shall mean the United States Food and Drug Administration.

2.13 “Forty Seven Patent Matters” means preparing, filing, and prosecuting broad and extensive patent claims (including any interference or reexamination actions) in Stanford’s name in the Licensed Territory and maintaining all Exclusive Patents and the Limited Exclusive Patents.

2.14 “Fully Diluted Basis” means the total number of shares of Forty Seven’s issued and outstanding common stock, assuming:

(A) the conversion of all issued and outstanding securities convertible into common stock;

(B) the exercise of all issued and outstanding warrants or options, regardless of whether then exercisable; and

(C) the issuance, grant, and exercise of all securities reserved for issuance pursuant to any Forty Seven stock or stock option plan then in effect.

2.15 “HHMI Indemnitees” means HHMI and its trustees, officers, employees, and agents.

2.16 “Hu5F9” means the antibody defined by the antibody sequence set forth in the Appendix H.

2.17 “Hu5F9 Licensed Product” means a Licensed Product that is the anti-CD47 antibody designated Hu5F9 and described in the Licensed Information submitted to the FDA.

2.18 “Information Product” means any product which (i) is not a Covered Product, but which incorporated into the BLA with FDA, or equivalent filing, directly or by reference, any Licensed Information, and (ii) is a product for which Forty Seven has data and/or market exclusivity based on such Licensed Information, and against which a biosimilar or biogeneric would have to certify.

2.19 “Licensed Field of Use” means (i) with respect to the Exclusive Licensed Patents, the Exclusive Field of Use, (ii) with respect to the SIRPα Component Patents, the field of use outside the SIRPα Component Field of Use, and (iii) with respect to the Limited Exclusive Patents, the Licensed Technology and the Licensed Information, all fields of use.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

2.20 “Licensed Information” means technical and clinical information and data, including human trial results, associated with a Licensed Patent as set forth in Appendix E. Licensed Information does not include any information or data [*].

2.21 “Licensed Patent(s)” means Exclusive Patents, SIRPα Component Patents, and Limited Exclusive Patents. Any claim of an unexpired Licensed Patent is presumed to be valid unless it has been held to be invalid by a final judgment of a court of competent jurisdiction from which no appeal can be or is taken. “Licensed Patent” excludes [*], provided that [*] without mutual agreement of the Parties.

2.22 “Licensed Product” means Covered Product and Information Product.

2.23 “Licensed Technology” means the materials associated with a Licensed Patent that are available and that the inventors are willing to supply, as set forth in Appendix F, which may or may not be confidential and is not subject to paragraph 19.1 of this Agreement. Licensed Technology does not include [*].

2.24 “Licensed Territory” means worldwide.

2.25 “Limited Exclusive Patents” means Stanford’s U.S. Patent Application Serial Nos. [*], the U.S. patent application to be filed with respect to provisional patent [*], and U.S. Patent Application Serial Nos. [*]; any foreign patent application corresponding thereto, and any divisional, continuation, or reexamination application, extension, and each patent that claims priority to, or issues or reissues from any of these patent applications, and any extensions or renewals of any such patents.

2.26 “Net Sales” means all gross revenue received by Forty Seven, its Affiliates, or sublicensees, from the sale, transfer or other disposition of Licensed Product to an end user. Net Sales excludes the following items (but only as they pertain to the making, using, importing or selling of Licensed Products, are included in gross revenue, and are separately accounted for):

(A) import, export, excise, value-added, and sales taxes, and custom duties;

(B) costs of insurance, packing, and transportation from the place of manufacture to the customer’s premises or point of installation;

(C) costs of installation at the place of use; and

(D) credit for returns, allowances, trades, discounts, rebates and chargebacks.

2.27 “Nonroyalty Sublicensing Consideration” means any consideration attributable to a Sublicense under the Licensed Patents received by Forty Seven from a sublicensee hereunder, but excluding any consideration for:

(A) Sublicensees’ product sales (royalties on product sales by sublicensees will be treated as if Forty Seven made the sale of such product; for clarity, no double payments will be made on such product sales);

(B) investments in Forty Seven stock;

(C) research and development expenses calculated on a fully burdened basis;

(D) debt;

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(E) reimbursement of out-of-pocket patent prosecution and maintenance expenses for Forty Seven Patent Matters; an

(F) the sale of substantially all of the business or assets of Forty Seven (or its assignee), whether by merger, sale of stock or assets, or otherwise.

2.28 "Other Licensed Product" means a Licensed Product that is not [*] Licensed Product; for clarity, such Licensed Product may include [*] product other than [*].

2.29 "Regulatory Approval" means approval by the FDA, EMA, or equivalent agency or government body of another country permitting commercial sale of a Licensed Product in a particular country.

2.30 "SIRPα Component Field of Use" means the following:

(A) A SIRPα Component for use (a) [*] or (b) [*].

(B) The SIRPα Component [*], provided that [*].

(C) The SIRPα Component [*].

(D) [*] containing SIRPα or [*] to be used solely for the purposes of [*].

(E) [*] means [*].

"SIRPα Component" means [*]

2.31 "SIRPα Component Patents" means Stanford's U.S. Patent Application, Serial Number [*], any foreign patent application corresponding thereto, and any divisional, continuation, or reexamination application, extension, and each patent that claims priority to, or issues or reissues from any of these patent applications, and any extensions or renewals of any such patents.

2.32 "[*] Product" means a Licensed Product that [*].

2.33 "Stanford Indemnitees" means Stanford and Stanford Hospitals and Clinics, and their respective trustees, officers, employees, students, agents, faculty, representatives, and volunteers.

2.34 "Sublicense" means any agreement between Forty Seven and a third party other than Forty Seven's Affiliates that contains a grant of rights to Stanford's Licensed Patents, regardless of the name given to the agreement by the parties; however, an agreement to make, have made, use or sell Licensed Products on behalf of Forty Seven or its affiliate is not considered a Sublicense.

2.35 "Valid Claim" means (a) any claim of an issued and unexpired Licensed Patent which has not been held unenforceable or invalid by a court or other governmental agency of competent jurisdiction from which no appeal can be taken and which has not been disclaimed or admitted to be invalid or unenforceable through abandonment, reissue, disclaimer or otherwise, or (b) a pending claim in a pending Licensed Patent application, provided that if such pending claim does not issue as a valid and enforceable claim within [*] years from its earliest priority date, such pending claim will cease to be a Valid Claim unless and until actually issued.

2.36 Additional Definitions. Each of the following terms shall have the meaning described in the corresponding Section of this Agreement indicated below:

Term	Section Defined
Adjustment Event	7.4(A)(1)
Board of Directors	7.4(A)(2)
[*]	[*]
[*]	[*]
CIRM	1
Claims	10.1(B)
Deficient Product	6.4
Disputed Breach Arbitration	17.1
Effective Date	Preamble
First Round	7.3
Forty Seven	Preamble
Generic Competition	7.10
HHMI	1
HHMI License	3.5
HHMI Patents	3.5
LLS	1
Ludwig	1
NIH	1
Notice Period	7.5(B)(3)
NYSCF	1
Purchase Right	7.4(A)
Qualifying Offering	7.4(A)(3)
Rights Agreement	7.4(B)(1)
Share	7.4(A)(4)
SIRPα Component Patent Matters	14.1(D)
Stanford	Preamble
Terminated Patent Rights	6.4
Termination Event	7.4(B)
Threshold Qualifying Offering	7.4(A)(5)

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3. GRANT

3.1 **Grant**. Subject to the terms and conditions of this Agreement, Stanford grants Forty Seven:

(A) An Exclusive license under the Exclusive Patents in the Exclusive Field of Use to make, have made, use, import, offer to sell and sell Licensed Product in the Licensed Territory;

(B) An Exclusive license under the SIRPα Component Patents outside the SIRPα Component Field of Use to make, have made, use, import, offer to sell and sell Licensed Product in the Licensed Territory.

(C) An Exclusive license under the Limited Exclusive Patents to make, have made, use, import, offer to sell and sell Licensed Product in the Licensed Territory, but for the non-exclusive licenses Stanford has granted to: (i) one third party [*] prior to the Effective Date, and (ii) another third party [*] prior to the Effective Date.

(D) An Exclusive license under the Licensed Information to make, have made, use, import, copy, perform, display, distribute, and transmit Licensed Information for submission to the FDA and equivalent foreign regulatory agencies, and otherwise non-exclusive.

(E) An non-exclusive license for Licensed Technology to make, have made, use, import, copy, perform, display, distribute, and transmit Licensed Technology in all fields of use, subject to Stanford's retained rights.

It is understood by the Parties that solely with respect to the rights conveyed by Stanford pursuant to Section 3.1(A) under any patent applications and patents based on [*] that such rights are [*]. Stanford will [*] patent applications and patents based on [*]. In addition, without providing prior written notice to Forty Seven, Stanford will not [*].

In the event [*], Stanford shall provide prompt written notice to Forty Seven and [*].

3.2 **Exclusivity**. The licenses set forth in Section 3.1 include the right to grant Sublicense(s) under Article 4, on a Licensed Product-by-Licensed Product and country-by-country basis in the Licensed Field of Use beginning on the Effective Date and ending on the later of:

(A) the expiration of the last-to-expire Valid Claim included in the Licensed Patents; or

(B) the 10 year anniversary of the date of first commercial sale of a Licensed Product by Forty Seven or a sublicensee. Forty Seven agrees to promptly inform Stanford in writing of this first commercial sale.

Thereafter the licenses will be fully paid up and royalty free.

3.3 **Retained Rights**. Stanford retains the right, on behalf of itself, Stanford Hospital and Clinics, and all other non-profit research institutions, to practice the Licensed Patents and Licensed Information, and to use Licensed Technology, for any non-profit purpose, including sponsored research and collaborations. Forty Seven agrees that, notwithstanding any other provision of this Agreement, it has no right to enforce the Licensed Patents against any such institution. Stanford and any such other institution have the right to publish any information included in the Licensed Technology or a Licensed Patent.

Stanford's retained rights set forth in this Section 3.3 with respect to Licensed Information shall be subject to Section 19.1; provided that in the event that the inventors intend to publish or disclose any Licensed Information, the inventors will send such publication or disclosure to Forty Seven, and Forty Seven will respond within [*] days of receipt by Forty Seven from the inventors. In the

event that there is not agreement of what information is subject to Section 19.1, the parties agree to meet and discuss within [*] days from the date of receipt of the response from Forty Seven, to come to a mutual agreement, in good faith with Stanford, about any publication of Licensed Information. Stanford certifies that [*]. Accordingly, the parties agree that [*].

3.4 **Specific Exclusion**. Stanford does not:

(A) grant to Forty Seven any other licenses, implied or otherwise, to any patents or other rights of Stanford other than those rights granted under Licensed Patents, Licensed Information, and Licensed Technology, regardless of whether the patents or other rights are dominant or subordinate to any Licensed Patent, or are required to exploit any Licensed Patent, Licensed Information or Licensed Technology;

(B) commit to Forty Seven to bring suit against third parties for infringement, except as described in Article 14; and

(C) agree to furnish to Forty Seven any technology or technological information other than the Licensed Information and Licensed Technology or to provide Forty Seven with any assistance (other than transferring the Licensed Information and Licensed Technology).

3.5 **HHMI Research License**. Forty Seven acknowledges that it has been informed that the [*] Patents and any patent applications and patents based on [*] ("HHMI Patents") were developed, at least in part, by employees of HHMI and that HHMI has a paid-up, non-exclusive, irrevocable license to use the HHMI Patents for HHMI's research purposes, but with no right to assign or sublicense (the "HHMI License"). This Agreement is explicitly made subject to the HHMI License.

3.6 **Transfers**. Upon written election from Forty Seven, Stanford will, using reasonable efforts, and at Forty Seven's option sublicense, transfer, and/or assign to Forty Seven any or all of the rights under any agreements or contracts between Stanford and any third party related to any of the Licensed Information and/or Licensed Technology, except to the extent prohibited by such agreements existing as of the Effective Date. In addition, upon written election from Forty Seven, Stanford shall assign and transfer to Forty Seven all of the rights in and to the IND (as defined in Appendix E).

4. SUBLICENSING

4.1 **Permitted Sublicensing**. Forty Seven may grant Sublicenses through multiple tiers of sublicensing in the Licensed Field of Use only during the Exclusive term and only if Forty Seven is developing or selling Licensed Products directly or through its Affiliates or sublicensees. Sublicenses with any exclusivity must include diligence requirements commensurate with the diligence requirements of Appendix A. Stanford agrees that Forty Seven may apportion without discrimination between Forty Seven and Stanford patents a commercially reasonable percentage of sublicensing payments made to Stanford pursuant to Section 4.6, provided however that Forty Seven provides Stanford with the proposed apportionment and justification prior to Forty Seven's payment pursuant to Section 8.1. Stanford and Forty Seven agree to meet to discuss such proposed apportionment if in Stanford's opinion the apportionment does not reasonably reflect the value of the Licensed Patents.

4.2 **Required Sublicensing**. If Forty Seven directly or through its Affiliates or sublicensees is unable or unwilling to serve or develop a potential market or market territory for which there is a reputable company with adequate resources willing to be a sublicensee, and such sublicensee has provided Stanford and Forty Seven with a bona fide, detailed proposal to develop a Licensed Product for a potential market or potential territory that would not interfere with any existing or future Licensed Products of Forty Seven as reasonably demonstrated by Forty Seven in a written document to Stanford, then Forty Seven will, at Stanford's request, negotiate in good faith a

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Sublicense with any such sublicensee. Stanford would like licensees to address unmet needs, such as those of neglected patient populations or geographic areas, giving particular attention to improved therapeutics, diagnostics and agricultural technologies for the developing world, as applicable.

4.3 Sublicense Requirements. Any Sublicense:

(A) is subject to this Agreement, except that financial terms may differ;

(B) will prohibit sublicensee from paying royalties to an escrow or other similar account;

(C) will expressly include the provisions of 8, 9, 10 and Section 3.5 and 19.3 for the benefit of Stanford and HHMI, and provisions that allow Forty Seven to comply with its obligations to Stanford and/or HHMI under Article 8; and

(D) will include the provisions of Section 4.4 and require the transfer of all the sublicensee's obligations to Forty Seven, including the payment of royalties specified in the Sublicense (up to the earned royalty rates set forth in this Agreement), to Stanford or its designee, if this Agreement is terminated by Stanford. If the sublicensee is a spin-out from Forty Seven, Forty Seven must guarantee the sublicensee's performance with respect to the payment of Stanford's share of Sublicense royalties.

4.4 Litigation by Sublicensee. Any Sublicense must include the following clauses:

(A) In the event sublicensee brings an action seeking to invalidate any Licensed Patent:

(1) sublicensee will [*] during the pendency of such action. Moreover, should the outcome of such action determine that any claim of a patent challenged by the sublicensee is both valid and infringed by a Licensed Product, sublicensee will [*];

(2) sublicensee will [*] during the period challenge;

(3) any dispute regarding the validity of any Licensed Patent shall be [*], and the parties agree [*]; and

(4) sublicensee shall [*].

(B) Sublicensee will provide written notice to Stanford at least [*] prior to bringing an action seeking to invalidate a Licensed Patent. Sublicensee will include with such written notice [*].

(C) Notwithstanding the foregoing, in the event a sublicensee files a counterclaim asserting invalidity of one or more Licensed Patents in response to an actual infringement suit directed to the Licensed Patents by Stanford, such sublicensee shall not be deemed to have initiated an action to invalidate a Licensed Patent and Sections 4.4(A) and 4.4(B) above shall not apply.

4.5 Copy of Sublicenses and Sublicensee Royalty Reports. Forty Seven will submit to Stanford a copy of each Sublicense, any subsequent amendments, and all copies of sublicensees' royalty reports, which may in each case be reasonably redacted for information not relevant to this Agreement. Beginning with the first Sublicense, the Chief Financial Officer or equivalent will certify annually regarding the name and number of sublicensees.

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4.6 **Sharing of Sublicensing Income**. Forty Seven will pay to Stanford a portion of all Nonroyalty Sublicensing Consideration for the Sublicense of Licensed Patents and Technology, as provided below:

(A) [*]% of Nonroyalty Sublicensing Consideration attributable to the Licensed Patents, up to the time [*];

(B) thereafter, [*]% of Nonroyalty Sublicensing Consideration attributable to the Licensed Patents, up to the time [*]; and

(C) thereafter, [*]% of Nonroyalty Sublicensing Consideration attributable to the Licensed Patents.

4.7 **Royalty-Free Sublicenses**. If Forty Seven pays all royalties due Stanford from a sublicensee's Net Sales, Forty Seven may grant that sublicensee a royalty-free or non-cash:

(A) Sublicense or

(B) cross-license.

5. SPONSOR RIGHTS

This Agreement is subject to Title 35 Sections 200-204 of the United States Code. Among other things, these provisions provide the United States Government with nonexclusive rights in the Licensed Patent. They also impose the obligation that Licensed Product sold or produced in the United States be "manufactured substantially in the United States," (subject to waivers available under applicable laws). In addition, due to CIRM funding, Forty Seven understands that this Agreement is subject to Title 17, California Code of Regulations and the provisions of section 100607 under Title 17 place requirements on Forty Seven for access to Licensed Product in California. Forty Seven will ensure all obligations of these provisions applicable to Forty Seven are met. Stanford will be responsible for all of Stanford's obligations to sponsors of the Licensed Patent(s), Licensed Information, and Licensed Technology, including such obligations to NIH, CIRM, LLS, NYSCF, and Ludwig, and all of its obligations under the agreement between Stanford and [*], and, as between Forty Seven and Stanford, will ensure all such obligations are met.

6. DILIGENCE

6.1 **Milestones**. Because the invention is not yet commercially viable as of the Effective Date, Forty Seven directly or through its Affiliates, sublicensees or partners will use commercially reasonable efforts to develop, manufacture, and sell Licensed Product and will use commercially reasonable efforts to develop markets for Licensed Product. In addition, Forty Seven will meet the milestones shown in Appendix A, and notify Stanford in writing promptly after each milestone is met. To the extent that there are delays in any of the milestones shown in Appendix A for reasons beyond the reasonable control of Forty Seven, then the timeframe for the performance of the milestones will be subject to a day-for-day extension. Without limiting the foregoing, Forty Seven shall have the right to obtain, [*], extensions to such milestone dates shown in Appendix A. The Parties agree that, subject to Forty Seven's right to extend the timeline for any milestone pursuant to this Section 6.1 above, failure to meet any milestone set forth in Appendix A for [*] shall not give Stanford the right to terminate or otherwise affect the license granted to Forty Seven for any other Licensed Product; and further, that the remedy for any such failure with respect to such [*], shall be as set forth in Section 6.4.

6.2 **Progress Report**. By [*] of each year, Forty Seven will submit a written annual report to Stanford covering the preceding calendar year. The report will include information sufficient to enable Stanford to satisfy reporting requirements of the U.S. Government, CIRM and for Stanford to

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

ascertain progress by Forty Seven toward meeting this Agreement's diligence requirements. Each report will describe, where relevant: Forty Seven's progress toward commercialization of Licensed Product, including work completed, key scientific discoveries, summary of work-in-progress, current schedule of anticipated events or milestones, market plans for introduction of Licensed Product, and significant corporate transactions involving Licensed Product. Forty Seven will specifically describe how each Licensed Product is related to each Licensed Patent, and/or Licensed Information.

6.3 **Clinical Trial Notice**. Forty Seven will notify the Stanford University Office of Technology Licensing prior to commencing any clinical trials at Stanford.

6.4 **Remedy for Failure**. If Forty Seven (itself or through its Affiliates, sublicensees, or partners) has failed to meet the requirements of Section 6.1 with respect to [*] ("Deficient Product"), then Stanford shall have the right to terminate the license for such Deficient Product under this Agreement and any Licensed Patent(s) solely covering such Deficient Product in accordance with and subject to Section 15.2(B) (such Licensed Patent(s) if terminated, the "Terminated Patent Rights").

7. ROYALTIES

7.1 **Issue Royalty**. Forty Seven will pay to Stanford a noncreditable, nonrefundable license issue royalty of $100,000, payable within [*] days of the Effective Date.

7.2 **Equity Interest**. As further consideration, Forty Seven will grant to Stanford [*] shares of common stock in Forty Seven. When issued, those [*] shares of common stock will represent not less than [*]% of the common stock in Forty Seven on a Fully-Diluted Basis. The per share valuation of these shares will be provided to Stanford within [*] days of the Effective Date. Forty Seven agrees to provide Stanford with the capitalization table upon which the above calculation is made. Forty Seven will issue shares granted to Stanford pursuant to this Section 7.2 and Section 7.3 directly to and in the name of the inventors listed in Exhibit 1 and allocated as stated in Exhibit 1, which will be provided by Stanford to Forty Seven after the contract is fully executed. Stanford acknowledges that, in partial consideration for Forty Seven issuing such shares directly to the inventors listed above in Exhibit 1, Forty Seven intends to require such inventors to execute inventors certificates certifying that the inventors have assigned and do assign their rights in the Licensed Patents, Licensed Technology, and Licensed Information to Stanford, and disclosing any agreements that would provide any third party rights in or to any of the foregoing.

7.3 **Anti-Dilution Protection**. In addition, Forty Seven will issue Stanford, without further consideration, any additional shares of stock of the class issued pursuant to the above necessary to ensure that the total number of shares issued Stanford does not represent less than [*]% of the shares issued and outstanding on a Fully-Diluted Basis at any time through the completion of issuance of all shares to be issued in connection with the First Round of bona fide equity investment in Forty Seven from a single or group of investors which is both (i) at least $[*] in size and (ii) at a price per share which, when applied to stock actually outstanding immediately after such round, implies a post-financing equity valuation of Forty Seven of at least $[*] (provided that if more than $[*] is raised as of such time, the calculation of Stanford's percentage ownership shall be determined as if only $[*] was raised). A "First Round" is a bona fide round of equity, warrant, option or convertible equity investment which includes all the tranches prior to the completion of the financing. This right will expire upon the issuance of all shares to be issued in connection with such First Round, but will apply to all shares to be issued in or in connection with such First Round.

7.4 Purchase Right.

(A) Stanford shall have the right, but not the obligation, to purchase for cash up to its Share of the securities issued in any Qualifying Offering on the terms, and subject to the conditions, set forth in this Section 7.4 and Section 7.5 (the "Purchase Right"). For purposes of this Section 7.4 and Section 7.5:

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

(1) "Adjustment Event" means the final closing of the first Threshold Qualifying Offering occurring after the date of this Agreement.

(2) "Board of Directors" means (i) if Forty Seven is organized as a corporation, its board of directors, and (ii) if Forty Seven is organized as a limited liability company, Forty Seven manager(s) or member(s) or both that have the power to direct the principal management and activities of Forty Seven, whether through ownership of voting securities, by agreement, or otherwise.

(3) "Qualifying Offering" means a private offering of Forty Seven's equity securities (or securities convertible into or exercisable for Forty Seven's equity securities) for cash (or in satisfaction of debt issued for cash) having its final closing on or after the date of this Agreement and which includes investment by one or more venture capital, professional angel, corporate or other similar institutional investors other than Stanford. For the avoidance of doubt, if Forty Seven is a limited liability company, then "equity securities" means limited liability company interests in Forty Seven.

(4) "Share" means:

(i) [*]% with respect to any Qualifying Offering having a closing on or before the date of an Adjustment Event; or

(ii) with respect to any Qualifying Offering having a closing after an Adjustment Event, but before a Termination Event, the percentage necessary for Stanford to maintain its pro rata ownership interest in Forty Seven on a Fully-Diluted Basis.

(5) "Threshold Qualifying Offering" means any Qualifying Offering which either (i) is at least $[*] in size or (ii) involves the sale to outside investors of at least [*]% of the equity securities outstanding after such round on a Fully-Diluted Basis.

(6) The parties shall construe the term "Fully-Diluted Basis" mutatis mutandis in the case where Forty Seven is organized as a limited liability company.

(B) The Purchase Right shall terminate upon the earliest to occur of the following (each a "Termination Event"):

(1) Stanford's execution of an investor rights agreement or similar agreement (each a "Rights Agreement") in connection with a Threshold Qualifying Offering so long the Rights Agreement satisfies the terms of this Section 7.4 and Section 7.5 below;

(2) Stanford purchases less than its entire Share of a Qualifying Offering;

(3) Stanford fails to give an election notice within the Notice Period for a Qualifying Offering which has its final closing within [*] days of the date such notice is received by Stanford and which is closed on terms that are the same or less favorable to the investors as the terms stated in Forty Seven's notice to Stanford;

(4) The closing of a firm commitment underwritten public offering of Forty Seven's common stock; or

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(5) The closing of the sale of all or substantially all of Forty Seven's assets to a company publicly traded on one of the major recognized exchanges.

(C) The Purchase Right shall not apply to the issuance of securities: (i) to employees, individuals who are members of Forty Seven's Board of Directors as of the time of issuance, and service providers to Forty Seven pursuant to a plan approved by Forty Seven's Board of Directors; or (ii) as additional consideration in lending or leasing transactions; or (iii) to an entity pursuant to an arrangement that Forty Seven's Board of Directors determines in good faith is a strategic partnership or similar arrangement of Forty Seven (i.e., an arrangement in which the entity's purchase of securities is not primarily for the purpose of financing Forty Seven); or (iv) to owners of another entity in connection with the acquisition of that entity by Forty Seven.

(D) For the avoidance of doubt: (i) any securities Stanford may acquire or have the right to acquire under Section 7.2 or 7.3 shall not reduce the number of securities Stanford may purchase under this Section 7.4 or under any applicable Rights Agreement; and (ii) Stanford shall not be obligated to purchase under this Section 7.4 any Forty Seven securities it has the right to acquire under Section 7.2 or 7.3 above.

7.5 **Rights Agreements; Information Rights; Notice; Elections**.

(A) Forty Seven shall ensure that each Rights Agreement executed by Stanford in connection with a Qualifying Offering will grant to Stanford the same rights as all other investors who are parties to that Rights Agreement. In particular, Forty Seven shall ensure that each such Rights Agreement will grant to Stanford the same right to purchase additional securities in future offerings, the same information rights, and the same registration rights as are granted to other parties thereto, including all such rights granted to any investor designated as a "Major Investor" or other similar designation, even if Stanford is not so designated.

(B) Notwithstanding any terms to the contrary contained in any applicable Rights Agreement:

(1) Stanford shall not have any representation on the Board of Directors or rights to attend meetings of the Board of Directors;

(2) In connection with all Qualifying Offerings, Forty Seven shall give Stanford notice of the terms of the offering, including: (i) the names of the investors, the allocation of equity securities among them and the total amounts to be invested by each of them in such offering; (ii) pre- and post- (projected) financing capitalization table; (iii) investor presentation (if available); (iv) an introduction to the lead investor in such offering for the purpose of discussing the lead investor's due diligence process; and (v) such other documents and information as Stanford may reasonably request for the purpose of making an investment decision or verifying the amount of equity securities it is entitled to purchase in such offering; and

(3) Stanford may elect to exercise its Purchase Right, in whole or in part, by notice given to Forty Seven within 15 Stanford business days (i.e., days other than Saturdays, Sundays, and holidays or other days on which Stanford is officially closed) after receipt of Forty Seven's notice ("Notice Period").

(C) If Stanford has no information rights under a Rights Agreement and to the extent that such information has been prepared by Forty Seven for other purposes, so long as Stanford holds Forty Seven securities, Forty Seven shall furnish to Stanford, upon request and as promptly as reasonably practicable, Forty Seven's annual consolidated

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financial statements and annual operating plan, including an annual report of the holders of Forty Seven's securities, and such other information as Stanford may reasonably request from time to time for the purpose of valuing its interest in Forty Seven.

(D) Notwithstanding any notice provision in this Agreement to the contrary, any notice given under this Agreement that refers or relates to any of Section 7.4 above or this Section 7.5 shall be copied concurrently to pvfnotices@stanford.edu; provided, however, that delivery of the copy will not by itself constitute notice for any purpose under this Agreement.

7.6 **License Maintenance Fee**. Beginning on the first anniversary of the Effective Date and each anniversary thereafter, Forty Seven will pay Stanford a yearly license maintenance fee as set forth in this Section 7.6 below. Yearly maintenance payments are nonrefundable, but they are creditable each year as described in Section 7.13.

(A) $20,000 on the [*] anniversary of the Effective Date;

(B) $[*] on the [*] anniversary of the Effective Date; and

(C) $70,000 on each anniversary of the Effective Date thereafter, until the expiration of the last Valid Claim included in the Licensed Patents.

7.7 **Milestone Payments**. Forty Seven will pay Stanford the following milestone payments:

(A) Due one time on the first Licensed Product to achieve the milestones set forth in this Section 7.7(A) below:

(1) $75,000 upon initiation of Phase II clinical trial with FDA or equivalent in foreign jurisdiction, whichever one occurs first;

(2) $[*] upon [*];

(3) $[*] upon [*];

(4) $[*] upon [*];

(5) $[*] upon [*].

(B) Due one time on the second Licensed Product to achieve the milestones set forth in this Section 7.7(B) below:

(1) $[*] upon [*];

(2) $[*] upon [*];

(3) $[*] upon [*];

(4) $[*] upon [*];

(5) $[*] upon [*].

(C) Due one time on the third Licensed Product to achieve the milestones set forth in this Section 7.7(C) below:

(1) $[*] upon [*];

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(2) $[*] upon [*];

(3) $[*] upon [*]

(4) $[*] upon [*];

(5) $[*] upon [*].

Notwithstanding anything to the contrary in this Agreement, [*], as set forth in this Section 7.7 above, shall be payable only one time, upon [*]; provided, however, that if [*] then the milestone payment will be [*].

It is further understood that in the event Forty Seven receives a milestone payment from a sublicensee and the milestone event giving rise to such payment would also trigger a payment obligation on the part of Forty Seven under this Section 7.7, Forty Seven shall [*], which shall [*], and [*].

7.8 **Earned Royalty**.

(A) Forty Seven will pay Stanford earned royalties on annual Net Sales of Hu5F9 Licensed Product as follows:

Annual Net Sales of Licensed Product	Royalty Rate
[*]	[*]
[*]	[*]
[*]	[*]
>$3 billion	[*]
[*]	[*]

(B) Forty Seven will pay Stanford earned royalties on annual Net Sales of Other Licensed Product as follows:

Annual Net Sales of Licensed Product	Royalty Rate
[*]	[*]
[*]	[*]
[*]	[*]
[*]	[*]
[*]	[*]

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(C) If Forty Seven is required to pay any amounts with respect to any Licensed Product under agreements for patent rights or other technologies which Forty Seven or its affiliate, in its reasonable judgment, determines are desirable to license or acquire (including for the method of use or manufacture thereof), Forty Seven may deduct up to [*] of the amounts actually paid on Net Sales with respect to such Licensed Product from the royalty payments due Stanford with respect to such Licensed Product. Notwithstanding the foregoing provisions of this Section 7.8(C), in no event shall the royalties due to Stanford pursuant to Section 7.8 be so reduced to less than fifty percent (50%) of the amount that would otherwise be due to Stanford hereunder.

7.9 **Combination Product**. In the event that a Licensed Product is sold in combination with another product, component or service for which no royalty would be due hereunder if sold separately, Net Sales from such combination sales for purposes of calculating the amounts due under this Article 7 shall be calculated by multiplying the Net Sales of the combination product or service by the fraction A/(A + B), where A is the average gross selling price during the preceding calendar quarter of the Licensed Product sold separately and B is the average gross selling price during the preceding calendar quarter of the other product(s), component(s) or service(s). In the event that separate sales of the Licensed Product and/or of the other product(s), component(s) or service(s) were not made during the preceding calendar quarter, then the Net Sales on the combination product shall be reasonably allocated between such Licensed Product, and such other product(s), component(s) or service(s) based upon their relative importance and proprietary protection as mutually agreed upon by Stanford and Forty Seven.

7.10 **Generic Competition**. In any country where Generic Competition exists, as long as such Generic Competition exists in such country, the royalty otherwise due under Section 7.8 above with respect to Net Sales of the corresponding Licensed Product in such country shall be reduced by [*]. For purposes of this Agreement, “Generic Competition” means that a product is being sold by a third party in such country and such product [*]. Notwithstanding the foregoing provisions of this Section 7.10, in no event shall the royalties due to Stanford pursuant to Section 7.8 be so reduced to less than [*] of the amount that would otherwise be due to Stanford hereunder.

7.11 **Single Royalty**. No more than one royalty payment under this Agreement shall be due to Stanford with respect to a sale of a particular Licensed Product (e.g., even if such Licensed Product is covered by multiple Valid Claims and Licensed Information). Multiple royalties shall not be payable because any Licensed Product, or its manufacture, sale or use, is covered by more than one claim within the Licensed Patents. No royalty shall be payable under Section 7.8 with respect to sales or other transfers of Licensed Products among Forty Seven, its Affiliates and sublicensees for resale (but the subsequent resale of such Licensed Product shall be included within the computation of Net Sales), nor shall a royalty be payable under Section 7.8 with respect to any Licensed Products transferred (for no more than the cost of the Licensed Product) for use in research and/or development, clinical trials, compassionate use programs, as donations to non-profit institutions or government agencies, as promotional free samples or the like.

7.12 **Earned Royalty if Forty Seven Challenges the Patent**. Notwithstanding the above, should Forty Seven bring an action seeking to invalidate any Licensed Patent, Forty Seven will pay royalties to Stanford [*] during the pendency of such action. Moreover, should the outcome of such action determine that any claim of a patent challenged by Forty Seven is both valid and infringed by a Licensed Product, Forty Seven will pay royalties [*]. Notwithstanding the foregoing, in the event Forty Seven files a counterclaim asserting invalidity of one or more Licensed Patents in response to an actual infringement suit directed to the Licensed Patents by Stanford, Forty Seven shall not be deemed to have initiated an action to invalidate a Licensed Patent and this Section 7.12 shall not apply. For the purposes of this Section 7.12, [*].

7.13 **Creditable Payments**. The license maintenance fee for a year may be offset against earned royalty payments due on Net Sales occurring in that year.

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For example:

(A) if Forty Seven pays Stanford a $10 maintenance payment for year Y, and according to Section 7.8 $15 in earned royalties are due Stanford for Net Sales in year Y, Forty Seven will only need to pay Stanford an additional $5 for that year's earned royalties.

(B) if Forty Seven pays Stanford a $10 maintenance payment for year Y, and according to Section 7.8 $3 in earned royalties are due Stanford for Net Sales in year Y, Forty Seven will not need to pay Stanford any earned royalty payment for that year. Forty Seven will not be able to offset the remaining $7 against a future year's earned royalties.

7.14 **Obligation to Pay Royalties**. A royalty is due Stanford under this Agreement for each Licensed Product sold under the licenses granted. For convenience's sake, the amount of that royalty is calculated using Net Sales. Nonetheless, if certain Licensed Products are [*], and those Licensed Products are [*], Forty Seven will pay Stanford an earned royalty for its exercise of rights based on the Net Sales of those Licensed Products.

7.15 **No Escrow**. Forty Seven shall not pay royalties into any escrow or other similar account.

7.16 **Currency**. Forty Seven will calculate the royalty on sales in currencies other than U.S. Dollars using the appropriate foreign exchange rate for the currency quoted by the Wall Street Journal on the close of business on the last banking day of each calendar quarter. Forty Seven will make royalty payments to Stanford in U.S. Dollars.

7.17 **Non-U.S. Taxes**. Forty Seven will pay all non-U.S. taxes related to royalty payments. These payments are not deductible from any payments due to Stanford.

7.18 **Interest**. Any payments not made when due will bear interest at the lower of (a) the Prime Rate published in the Wall Street Journal plus [*] basis points, or (b) the maximum rate permitted by law.

8. ROYALTY REPORTS, PAYMENTS, AND ACCOUNTING

8.1 **Quarterly Earned Royalty Payment and Report**. Beginning with the first sale of a Licensed Product by Forty Seven, its affiliate, or a sublicensee, Forty Seven will submit to Stanford a written report (even if there are no sales) and an earned royalty payment within [*] days after the end of each calendar quarter. This report will be in the form of Appendix B and will state the number, description, and aggregate Net Sales of Licensed Product during the completed calendar quarter. The report will include an overview of the process and documents relied upon to permit Stanford to understand how the earned royalties are calculated. With each report Forty Seven will include any earned royalty payment due Stanford for the completed calendar quarter (as calculated under Section 7.8).

8.2 **No Refund**. In the event that a validity or non-infringement challenge of a Licensed Patent brought by Forty Seven is successful, Forty Seven will have no right to recoup any royalties paid before or during the period challenge.

8.3 **Termination Report**. Forty Seven will pay to Stanford all applicable unpaid royalties accrued as of the date of termination and submit to Stanford a written report within [*] days after the license terminates. Forty Seven will continue to submit earned royalty payments and reports to Stanford after the license terminates, until all Licensed Products made or imported under the license have been sold.

8.4 **Accounting**. Forty Seven will maintain records showing manufacture, importation, sale, and use of a Licensed Product for [*] years from the date of sale of that Licensed Product. Records will

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include general-ledger records showing cash receipts and expenses, and records that include: production records, customers, invoices, serial numbers, and related information in sufficient detail to enable Stanford to determine the royalties payable under this Agreement.

8.5 **Audit by Stanford**. Upon reasonable advance notice and during normal business hours, Forty Seven will allow Stanford or its designee to examine Forty Seven's records kept in accordance with Section 8.4, no more than [*], to verify payments made by Forty Seven under this Agreement.

8.6 **Paying for Audit**. Stanford will pay for any audit done under Section 8.5. But if the audit reveals an underreporting of earned royalties due Stanford of [*] or more for the period being audited, Forty Seven will pay the out-of-pocket audit costs reasonably incurred by Stanford.

8.7 **Self-audit**. Forty Seven will conduct an independent audit of sales and royalties at least [*] if annual sales of Licensed Product are over $[*]. The audit will address, at a minimum, the amount of gross sales by or on behalf of Forty Seven during the audit period, the amount of funds owed to Stanford under this Agreement, and whether the amount owed has been paid to Stanford and is reflected in the records of Forty Seven. Forty Seven will submit the auditor's report promptly to Stanford upon completion. Forty Seven will pay for the entire cost of the audit.

9. EXCLUSIONS AND NEGATION OF WARRANTIES

9.1 **Negation of Warranties**. Stanford provides Forty Seven the rights granted in this Agreement AS IS and WITH ALL FAULTS. Stanford makes no representations and extends no warranties of any kind, either express or implied. Among other things, Stanford disclaims any express or implied warranty:

(A) of merchantability, of fitness for a particular purpose;

(B) of non-infringement; or

(C) arising out of any course of dealing.

9.2 **No Representation of Licensed Patent**. Forty Seven also acknowledges that Stanford does not represent or warrant:

(A) the validity or scope of any Licensed Patent; or

(B) that the exploitation of Licensed Patent, Licensed Information or Licensed Technology will be successful.

10. INDEMNITY

10.1 **Indemnification**.

(A) Forty Seven will indemnify, hold harmless, and defend all Stanford Indemnitees against any claim of any kind arising out of or related to the exercise of any rights granted Forty Seven under this Agreement or the breach of this Agreement by Forty Seven. Stanford agrees to inform Forty Seven promptly in writing of any claim or threatened claim that may give rise to an obligation of indemnity under this Agreement of which Stanford becomes aware. Forty Seven's obligations to a Stanford Indemnitee under this section shall be relieved only to the extent that Forty Seven can demonstrate material prejudice caused by (1) Stanford's failure to provide adequate or timely notice of the claim; (2) the Stanford Indemnitee making an admission regarding such claim without the prior written consent of Forty Seven, which consent shall not be unreasonably withheld; and (3) the

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gross negligence or willful misconduct of the Stanford Indemnitee. Stanford will provide Forty Seven with the first right to defend and settle and exclusive control of the defense or settlement of each such claim, provided that Forty Seven must do so in a manner that does not adversely affect Stanford's interests and it must obtain Stanford's prior consent to any settlement (such consent not to be unreasonably withheld or delayed). Notwithstanding the foregoing, Forty Seven shall have no obligation for any claim that may be the subject of this Section 10.1(A) to the extent resulting from any Stanford Indemnitee's conduct of the clinical trials of Hu5F9 until and to the extent Forty Seven and Stanford enter into an agreement for the conduct of any such clinical trial in which Forty Seven shall indemnify Stanford for claims arising from such clinical trial, which agreement, upon execution by the parties shall govern their respective indemnification obligations with respect to such clinical trial.

(B) HHMI Indemnitees will be indemnified, defended by counsel acceptable to HHMI, and held harmless by Forty Seven from and against any claim, liability, cost, expense, damage, deficiency, loss, or obligation, of any kind or nature (including, without limitation, reasonable attorneys' fees and other costs and expenses of defense) (collectively, "Claims"), based upon, arising out of, or otherwise relating to this Agreement, including without limitation any cause of action relating to product liability. The previous sentence will not apply to any Claim that is determined with finality by a court of competent jurisdiction to result solely from the gross negligence or willful misconduct of an HHMI Indemnitee. Notwithstanding Section 10.2 or any other provision of this Agreement, Forty Seven's obligation to defend, indemnify and hold harmless the HHMI Indemnitees under this paragraph will not be subject to any limitation or exclusion of liability or damages or otherwise limited in any way.

10.2 **No Indirect Liability**. Neither party shall be liable for any special, consequential, lost profit, expectation, punitive or other indirect damages in connection with any claim arising out of or related to this Agreement, whether grounded in tort (including negligence), strict liability, contract, or otherwise.

10.3 **Workers' Compensation**. Forty Seven will comply with all statutory workers' compensation and employers' liability requirements for activities performed under this Agreement.

10.4 **Insurance**. Prior to the first testing of a Licensed Product by Forty Seven in a human and thereafter during the term of this Agreement, Forty Seven will maintain Comprehensive General Liability Insurance, including Product Liability Insurance, with a reputable and financially secure insurance carrier to cover the activities of Forty Seven and its sublicensees. The insurance will provide minimum limits of liability of $[*] and will include all Stanford Indemnitees and HHMI Indemnitees as additional insureds. Insurance must cover claims incurred, discovered, manifested, or made during or after the expiration of this Agreement and must be placed with carriers with ratings of at least A- as rated by A.M. Best. Within [*] days of the Effective Date of this Agreement, Forty Seven will furnish a Certificate of Insurance evidencing primary coverage and additional insured requirements. Forty Seven will provide to Stanford [*] days prior written notice of cancellation or material change to this insurance coverage. Forty Seven will advise Stanford in writing that it maintains excess liability coverage (following form) over primary insurance for at least the minimum limits set forth above. All insurance of Forty Seven will be primary coverage; insurance of Stanford Indemnitees and HHMI Indemnitees will be excess and noncontributory.

11. EXPORT

Forty Seven and its Affiliates and sublicensees shall comply with all United States laws and regulations controlling the export of licensed commodities and technical data. (For the purpose of this paragraph, "licensed commodities" means any article, material, or supply, but does not include information; and "technical data" means tangible or intangible technical information that is subject to U.S. export

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regulations, including blueprints, plans, diagrams, models, formulae, tables, engineering designs and specifications, manuals, and instructions.) These laws and regulations may include, but are not limited to, the Export Administration Regulations (15 CFR 730-774), the International Traffic in Arms Regulations (22 CFR 120-130) and the various economic sanctions regulations administered by the U.S. Department of the Treasury (31 CFR 500-600).

Among other things, these laws and regulations prohibit or require a license for the export or retransfer of certain commodities and technical data to specified countries, entities and persons. Forty Seven hereby gives written assurance that it will comply with, and will cause its Affiliates and sublicensees to comply with, all United States export control laws and regulations, that it bears sole responsibility for any violation of such laws and regulations by itself or its Affiliates or sublicensees, and that it will indemnify, defend and hold Stanford and HHMI Indemnitees harmless for the consequences of any such violation.

12. MARKING

Before any Licensed Patent issues, Forty Seven will mark Licensed Product with the words “Patent Pending.” Otherwise, Forty Seven will mark Licensed Product with the number of any issued Licensed Patent, to the extent required by the applicable patent marking laws.

13. STANFORD NAMES AND MARKS

Forty Seven will not use (i) Stanford’s or HHMI’s name or other trademarks, (ii) the name or trademarks of any organization related to Stanford or HHMI, or (iii) the name of any Stanford or HHMI faculty member, employee, student, or volunteer, without the prior written consent of the party (Stanford or HHMI, as the case may be) whose name or trademark is being used. Permission may be withheld at Stanford’s or HHMI’s sole discretion. This prohibition includes, but is not limited to, use in press releases, advertising, marketing materials, other promotional materials, presentations, case studies, reports, websites, application or software interfaces, and other electronic media. Notwithstanding the foregoing, Forty Seven may, without prior permission of Stanford, reasonably utilize Stanford’s name in statements of fact (provided such statements do not imply endorsement of Forty Seven’s products), in legal proceedings, patent filings, and regulatory filings, and/or any such individual’s name upon his or her prior written consent.

14. PROSECUTION AND PROTECTION OF PATENTS

14.1 **Patent Prosecution.**

(A) Following the Effective Date, Forty Seven will be responsible for Forty Seven Patent Matters. Forty Seven will use commercially reasonable efforts with respect to the Forty Seven Patent Matters and in doing so will act in good faith irrespective of other patents, patent applications, or other rights that Forty Seven may possess. Forty Seven will consult with Stanford on Forty Seven Patent Matters and advise Stanford of any substantive actions in prosecuting the claims. Stanford will have final approval on any Forty Seven Patent Matters, such approval not to be unreasonably withheld, conditioned, or delayed. To aid Forty Seven in this process, Stanford will promptly provide all information, execute and deliver all documents, and do all other acts as Forty Seven shall reasonably request from time to time. If at any time Forty Seven fails to satisfy the standards of this Section 14.1(A), Stanford may, upon [*] days’ notice, terminate this Section 14.1(A).

(B) Forty Seven will reimburse Stanford for Stanford’s reasonable out-of-pocket costs incurred in complying with such requests. Stanford and Forty Seven agree that Stanford is the client of record for the attorney prosecuting the Licensed Patents included in the Forty Seven Patent Matters and agree to have Appendix C fully executed by the appropriate parties upon execution of this Agreement. At Stanford’s request, Forty Seven

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will provide all information and assistance to Stanford to ensure that the Licensed Patent is as extensive as possible. If Stanford has terminated Section 14.1(A), any agreement in the form of Appendix C will be deemed to be amended immediately without prior action by any party to revise Appendix C, Section 1 to require the Firm (as defined in Appendix C) to interact directly with Stanford only.

(C) In the event Forty Seven decides to abandon any Licensed Patent(s) included in the Forty Seven Patent Matters, Forty Seven shall give Stanford reasonable prior written notice. Stanford may in its discretion continue to prosecute and maintain such Licensed Patent(s) at its expense, in which case such Licensed Patent(s) shall [*].

(D) Subject to the following terms of this Section 14.1(D) below, Stanford will be solely responsible for preparing, filing, and prosecuting and maintaining the SIRPα Component Patents ("SIRPα Component Patent Matters"). With respect to SIRPα Component Patent Matters, and/or in the event Stanford controls the preparation, filing, prosecution and maintenance of any of the other Licensed Patents, Stanford agrees to (i) keep Forty Seven reasonably informed as to the SIRPα Component Patent Matters, and the preparation, filing, prosecution and maintenance of such other Licensed Patents, (ii) furnish to Forty Seven copies of material documents and communications relevant to such filing, prosecution and maintenance, and (iii) allow Forty Seven a reasonable opportunity to comment on patent strategy and material documents filed with any patent office with respect to the SIRPα Component Patent Matters and such other Licensed Patents and incorporate Forty Seven's reasonable comments and suggestions with respect thereto as mutually agreed. In the event Stanford elects to abandon any patent or application within the Licensed Patents, it shall notify Forty Seven and any other licensee(s) of the Licensed Patents at least [*] days in advance of the next applicable deadline with the applicable patent office, in which case Forty Seven and any such other licensee(s) shall discuss and agree on the control and expense of the prosecution and maintenance of such patents and applications (including any patent issuing therefrom). In the event of any disagreement as between Forty Seven and the one third party licensee to which Stanford has granted a license under the SIRPα Component Patent in the SIRPα Component Field of Use prior to the Effective Date concerning the preparation, filing, prosecution, maintenance or other matters in respect of the SIRPα Component Patent Matters, Stanford and Forty Seven shall meet and discuss such disagreement, and Stanford shall be responsible for final decisions concerning such disagreement with respect to the SIRPα Component Patent Matters, taking into account the rights and interests of such licensees of the SIRPα Component Patent.

14.2 **Patent Costs**. Within [*] days after receiving a statement from Stanford, Forty Seven will reimburse Stanford:

(A) for the following approximate amounts to offset Exclusive Patent's and Limited Exclusive Patent's patenting expenses, including any interference or reexamination matters, incurred by Stanford before the Effective Date: (i) $466,262.92 to be invoiced upon the Effective Date; and $466,262.92 to be invoiced upon the [*] of the Effective Date; and

(B) for the following out-of-pocket Exclusive Patent's and Limited Exclusive Patent's patenting expenses, including any interference or reexamination matters, reasonably incurred by Stanford after the Effective Date, other than any such expenses incurred by Stanford for any Terminated Patent Rights:

(1) [*] of Forty Seven Patent Matters with respect to the Exclusive Patents;

(2) [*] of Forty Seven Patent Matters with respect to the Limited Exclusive Patents.

In all instances, Stanford will pay the fees prescribed for large entities to the United States Patent and Trademark Office.

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14.3 **Infringement Procedure**. Forty Seven will promptly notify Stanford if it believes a third party infringes a Licensed Patent or if a third party files a declaratory judgment action with respect to any Licensed Patent. During the Exclusive term of this Agreement and if Forty Seven is developing Licensed Product, Forty Seven will have the right to institute a suit against or defend any declaratory judgment action initiated by this third party that relates to a Limited Exclusive Patent and/or an Exclusive Patent as provided in Section 14.4 through and including Section 14.9. Without limiting the foregoing, in the event that any action described in this Section 14.3 relates to any claims in the SIRPα Component Patents, the parties agree to meet and discuss any action as to the SIRPα Component Patents, and come to a mutual agreement with respect to such actions before moving forward as provided in Section 14.7.

14.4 **Forty Seven Suit**. Forty Seven, itself or through a designee, has the first right to institute suit, or defend any action for declaratory judgment, relating to the Exclusive Patents and/or the Limited Exclusive Patents, and may name Stanford, subject to the requirements of this Section 14.4, as a party for standing purposes. If Forty Seven decides to institute suit, it will notify Stanford in writing. Forty Seven will bear the entire cost of the litigation. Stanford may be named as a party in a suit initiated by Forty Seven (other than in accordance with Section 14.5 below) only if:

(A) Forty Seven's and Stanford's respective counsel recommend that such action is necessary in their reasonable opinion to achieve standing, or a court has required or will require such joinder to pursue the action;

(B) Stanford is not the first named party in the action; and

(C) the pleadings and any public statements about the action state that Forty Seven is pursuing the action and that Forty Seven has the right to join Stanford as a party.

14.5 **Joint Suit**. If Stanford and Forty Seven so agree, they may institute suit or defend the declaratory judgment action jointly. If so, they will:

(A) prosecute the suit in both their names;

(B) bear the out-of-pocket costs [*];

(C) share any recovery or settlement [*]; and

(D) agree how they will exercise control over the action.

14.6 **Stanford Suit**. If Forty Seven does not initiate an enforcement action within [*] days of a request by Stanford to do so or Forty Seven does not elect to control a declaratory judgment action within [*] days of receiving notice that such action has been filed, in each case relating to the Exclusive Patents and/or the Limited Exclusive Patents, Stanford has the right to institute and prosecute such a suit or defend any such declaratory judgment action. If Stanford decides to institute suit, it will notify Forty Seven in writing. If Forty Seven does not notify Stanford in writing that it desires to jointly prosecute the suit within [*] days after the date of the notice, Forty Seven will [*]. Stanford will bear the entire cost of the litigation and will [*].

14.7 **SIRP**α **Component Patents Suit**. In the event of an infringement or declaratory action relating to a Licensed Patent that is SIRPα Component Patent, Forty Seven and Stanford will advise the other, and will meet to discuss next steps to take about the known or suspected infringement. Such steps will also consider the rights and interests of the one third party licensee to which Stanford has granted a license under the SIRPα Component Patent in the SIRPα Component Field of Use prior to the Effective Date.

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14.8 **Recovery**. If Forty Seven sues under Section 14.4, then any recovery in excess of any unrecovered litigation costs and fees will be shared with Stanford as follows:

[*]

14.9 **Abandonment of Suit**. If either Stanford or Forty Seven commences a suit and then wants to abandon the suit, it will give timely notice to the other party. The other party if it so desires may continue prosecution of the suit at its own expense, in which case after Stanford and Forty Seven shall agree on the sharing of expenses and any recovery in the suit.

15. TERMINATION

15.1 **Termination by Forty Seven**. Forty Seven may terminate this Agreement in its entirety or with respect to any Licensed Patent by giving Stanford written notice at least 30 days in advance of the effective date of termination selected by Forty Seven.

15.2 **Termination by Stanford**.

(A) Stanford may also terminate this Agreement if Forty Seven on 30 days' written notice:

(1) is in material default in the payment of amounts due hereunder or the provision on any report;

(2) is not using commercially reasonable efforts in developing and commercializing Licensed Product;

(3) is in material breach of any provision; or

(4) provides any materially false report.

(B) In the event Forty Seven misses a milestone described in Appendix A, Stanford may terminate the license for the applicable Deficient Product under this Agreement for which such milestone was missed and any Licensed Patent(s) solely covering such Deficient Product, subject to Forty Seven's right to extend the timeline for milestones pursuant to Section 6.1.

(C) Termination under this Section 15.2 will take effect 30 days after written notice by Stanford unless Forty Seven remedies the problem in that 30-day period.

15.3 **Surviving Provisions**. Surviving any termination or expiration are:

(A) Forty Seven's obligation to pay royalties accrued or accruable;

(B) any claim of Forty Seven or Stanford, accrued or to accrue, because of any breach or default by the other party;

(C) the provisions of Articles 8, 9, 10, 13, 17, and 19; and Section 3.5 and 15.3.

(D) any Sublicenses granted hereunder.

16. CHANGE OF CONTROL AND NON-ASSIGNABILITY

16.1 **Change of Control**. If there is a Change of Control, Forty Seven will [*] upon assignment of this Agreement per Section 16.2. In no event shall [*].

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

16.2 **Conditions of Assignment under Change of Control**. Forty Seven may assign this Agreement as part of a Change of Control upon prior and complete performance of the following conditions:

(A) Forty Seven must give Stanford [*] written notice of the assignment, including the new assignee's contact information; and

(B) the new assignee must agree in writing to Stanford to be bound by this Agreement; and

(C) [*], provided that [*] Change of Control under this Agreement only.

16.3 **After the Assignment**. Upon a permitted assignment of this Agreement pursuant to Article 16, Forty Seven will be released of liability under this Agreement and the term "Forty Seven" in this Agreement will mean the assignee.

16.4 **Bankruptcy**. In the event of a bankruptcy or insolvency, assignment is permitted only to a party that can provide adequate assurance of future performance, including diligent development and sales of Licensed Product.

16.5 **Nonassignability of Agreement**. Except in conformity with Sections 16.2 and 16.4, this Agreement is not assignable by Forty Seven under any other circumstances and any attempt to assign this Agreement by Forty Seven is null and void.

17. DISPUTE RESOLUTION

17.1 **Dispute Resolution by Arbitration**. Subject to Section 17.5, any dispute between the parties regarding [*], or regarding [*] under this Agreement will be settled by arbitration in accordance with the JAMS Arbitration Rules and Procedures. In addition, if Forty Seven disputes in good faith any alleged material breach or default of the Agreement within the [*] cure period specified in Section 15.2 such dispute shall settled by arbitration in accordance with the JAMS Arbitration Rules and Procedures ("Disputed Breach Arbitration") and this Agreement shall not terminate until the arbitrator determines that such default or material breach was committed, and Forty Seven fails to cure such breach within [*] after such determination; provided that the Parties will use good faith efforts to complete the Disputed Breach Arbitration within [*] following the initiation of such arbitration, and will instruct the arbitrator to establish reasonable procedures to facilitate and complete such arbitration within such [*] period. The parties are not obligated to settle any other dispute that may arise under this Agreement by arbitration. Notwithstanding the foregoing, no dispute affecting the rights or property of HHMI shall be subject to the arbitration provisions set forth in this Article 17.

17.2 **Request for Arbitration**. Either party may request such arbitration. Stanford and Forty Seven will mutually agree in writing on a third party arbitrator within [*] of the arbitration request. The arbitrator's decision will be final and nonappealable and may be entered in any court having jurisdiction.

17.3 **Discovery**. The parties will be entitled to discovery as if the arbitration were a civil suit in the California Superior Court. The arbitrator may limit the scope, time, and issues involved in discovery.

17.4 **Place of Arbitration**. The arbitration will be held in Stanford, California unless the parties mutually agree in writing to another place.

17.5 **Patent Validity**. Any dispute regarding the validity of any Licensed Patent shall be litigated in the courts located in Santa Clara County, California, and the parties agree not to challenge personal jurisdiction in that forum.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

18. NOTICES

18.1 **Legal Action**. Forty Seven will provide written notice to Stanford at least [*] prior to bringing an action seeking to invalidate any Licensed Patent or a declaration of non-infringement. Forty Seven will include with such written notice [*].

18.2 **All Notices**. All notices under this Agreement are deemed fully given when written, addressed, and sent as follows:

All general notices to Forty Seven are mailed or emailed to:

Jonathan MacQuitty
Forty Seven Inc.
[*]

With a copy to:

Vern Norviel
Wilson Sonsini Goodrich & Rosati
650 Page Mill Road
Palo Alto, CA 94304
vnorviel@wsgr.com

All financial invoices to Forty Seven (i.e., accounting contact) are e-mailed to:

Jonathan MacQuitty
[*]

All progress report invoices to Forty Seven (i.e., technical contact) are e-mailed to:

Jonathan MacQuitty
[*]

All general notices to Stanford are e-mailed or mailed to:

Office of Technology Licensing
3000 El Camino Real
Building 5, Suite 300
Palo Alto, CA 94306-2100
info@otlmail.stanford.edu

All payments to Stanford are mailed to:

Stanford University
Office of Technology Licensing
Department #44439
P.O. Box 44000
San Francisco, CA 94144-4439

All progress reports to Stanford are e-mailed or mailed to:

Office of Technology Licensing
3000 El Camino Real
Building 5, Suite 300
Palo Alto, CA 94306-2100
info@otlmail.stanford.edu

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Any notice related to Section 7.4 or Section 7.5 (Stanford Purchase Rights) shall be copied concurrently to pvfnotices@stanford.edu

Either party may change its address with written notice to the other party.

19. MISCELLANEOUS

19.1 **Confidentiality**. Stanford shall maintain the terms of this Agreement as well as the reports and any information provided by Forty Seven to Stanford hereunder, including information provided pursuant to Sections 4.5, 6.2, 8.1, 8.3, 8.5, and 8.7 of this Agreement, and the Licensed Information (including without limitation the IND, as defined in Appendix E), in confidence and not disclose such information or reports to any third party, except as required by law and except that Stanford may share the terms of this Agreement with HHMI under terms of confidentiality. Stanford's obligation of confidentiality hereunder shall be fulfilled by using at least the same degree of care with Forty Seven's confidential information as Stanford uses to protect its own confidential information. Stanford's shall have no obligation hereunder to refrain from disclosing or using the following:

(a) Information that, at the time of disclosure, is generally available to the public;

(b) Information that becomes part of the public domain or publicly known or available by publication or otherwise, not due to any unauthorized act or omission on the part of Stanford;

(c) Information that is disclosed to the Stanford by third parties who was not under a duty of confidentiality to Forty Seven;

(d) Information that has been independently developed by Stanford without use of or reference to information provided by Forty Seven; and

(e) Information that is required to be disclosed by a court of competent jurisdiction.

19.2 **Waiver**. No term of this Agreement can be waived except by the written consent of the party waiving compliance.

19.3 **Third Party Beneficiary**. HHMI is not a party to this Agreement and has no liability to any licensee, sublicensee, or user of anything covered by this Agreement, but HHMI is an intended third-party beneficiary of this Agreement and certain of its provisions are for the benefit of HHMI and are enforceable by HHMI in its own name.

19.4 **Choice of Law**. This Agreement and any dispute arising under it is governed by the laws of the State of California, United States of America, applicable to agreements negotiated, executed, and performed within California.

19.5 **Entire Agreement**. The parties have read this Agreement and agree to be bound by its terms, and further agree that it constitutes the complete and entire agreement of the parties and supersedes all previous communications, oral or written, and all other communications between them relating to the license and to the subject hereof. This Agreement may not be amended except by writing executed by authorized representatives of both parties. No representations or statements of any kind made by either party, which are not expressly stated herein, will be binding on such party.

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19.6 **Exclusive Forum**. The state and federal courts having jurisdiction over Stanford, California, United States of America, provide the exclusive forum for any court action between the parties relating to this Agreement. Forty Seven submits to the jurisdiction of such courts, and waives any claim that such a court lacks jurisdiction over Forty Seven or constitutes an inconvenient or improper forum.

19.7 **Headings**. No headings in this Agreement affect its interpretation.

19.8 **Electronic Copy**. The parties to this document agree that a copy of the original signature (including an electronic copy) may be used for any and all purposes for which the original signature may have been used. The parties further waive any right to challenge the admissibility or authenticity of this document in a court of law based solely on the absence of an original signature.

The parties execute this Agreement in duplicate originals by their duly authorized officers or representatives.

THE BOARD OF TRUSTEES OF THE LELAND STANFORD JUNIOR UNIVERSITY

Signature: */s/ Katherine Ku*
Name: Katherine Ku
Title: Executive Director

Date: November 19, 2015

FORTY SEVEN, INC.

Signature */s/ Jonathan MacQuitty*
Name: Jonathan MacQuitty
Title: CEO

Date: November 19, 2015

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Appendix A - Milestones

[*]

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Appendix B – Sample Reporting Form

Stanford Docket No. S-

This report is provided pursuant to the license agreement between Stanford University and (Company Name)

License Agreement Effective Date:

Name(s) of Licensed Products being reported:

Report Covering Period	
Yearly Maintenance Fee	$
Number of Sublicenses Executed	
Gross Revenue	
U.S. Gross Revenue	$
Non-U.S. Gross Revenue	$
Net Sales	
U.S. Net Sales	$
Non-U.S. Net Sales	$
Royalty Calculation	
Royalty Subtotal	$
Credit	$
Royalty Due	$

Comments:

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Appendix C – Client and Billing Agreement

The Board of Trustees of the Leland Stanford Junior University ("STANFORD"); and a Corporation of the State of , with a principal place of business at , ("COMPANY"); have agreed to use the law firm of ("FIRM") to prepare, file and prosecute the pending patent applications listed in Exhibit A attached hereto and maintain the patents that issue thereon ("Patents").

WHEREAS, FIRM desires to perform the legal services related to obtaining and maintaining the Patents; and

WHEREAS, STANFORD remains the client of the FIRM; and

WHEREAS, COMPANY is the licensee of STANFORD's interest in the Patents;

NOW THEREFORE, in consideration of the premises and the faithful performance of the covenants herein contained, IT IS AGREED:

1 FIRM can interact directly with COMPANY on all patent prosecution matters related to the Patents and will copy STANFORD on all correspondence. STANFORD will be notified by FIRM prior to any substantive actions and will have final approval on proceeding with such actions. In addition, as prosecution proceeds, FIRM will notify STANFORD if there is any change in inventorship from the originally filed application.

2 COMPANY is responsible for the payment of all charges and fees by FIRM related to the prosecution and maintenance of the Patents. FIRM will invoice COMPANY and COMPANY must pay FIRM directly for all charges. If STANFORD requests, STANFORD will be copied on all invoices and payments. FIRM must inform STANFORD within 90 days if the licensee is delinquent on payment. Otherwise, STANFORD will not be responsible for those expenses.

3 Notices and copies of all correspondence should be sent to the following:

To COMPANY:

Name, Title
Company Name
Address

To STANFORD:

Name
Office of Technology Licensing
Stanford University
3000 El Camino Real
Building 5, Suite 300
Palo Alto, CA 94306-2100

To FIRM:

Attorney Name
Law Firm Address

4 The parties to this document agree that a copy of the original signature (including an electronic copy) may be used for any and all purposes for which the original signature may have been used. The parties further waive any right to challenge the admissibility or authenticity of this document in a court of

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law based solely on the absence of an original signature.

ACCEPTED AND AGREED TO:

STANFORD

By:_____
Name: Katharine Ku
Title: Director

Date:

Company Name

By:_____
Name:
Title:

Date:

Law Firm Name

By:_____
Name:
Title:

Date:

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Appendix D

Exclusive Patents

Docket	Docket Title	Serial Number	Issued Patent Number
[*]	[*]	[*]	[*]

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

Appendix E

Licensed Information

[*]

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

Appendix F

Licensed Technology

[*]

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Appendix G – [*] Sequence

[*]

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Appendix H – Hu5F9 Sequence

[*]

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Exhibit 1 – Inventors and Share Allocation - To be provided by Stanford

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Forty Seven
April 19, 2017

Amendment No. 1 to Exclusive (Equity) Agreement

This Amendment No. 1 (this **"Amendment"**) to the Exclusive (Equity) Agreement, dated the 19th of November, 2015 (the **"Agreement"**) is entered into as of April 19, 2017 (the **"Amendment No. 1 Effective Date"**) by and between Forty Seven, Inc. (**"Forty Seven"**) and The Board of Trustees of the Leland Stanford Junior University (**"Stanford"**).

Background

A. The parties entered into the Agreement pursuant to which Stanford licensed to Forty Seven certain inventions, patent applications, patents, and technologies relating to [*].

B. The parties understand that Stanford, pursuant to the Third Party Option Agreement, has granted to one third party an exclusive option to acquire an exclusive license under the [*] Patents in Third Party [*] Field of Use (each, as defined below).

C. The parties agree to amend the Licensed Field of Use in the Agreement all on the terms and conditions below. The parties also agree to omit the Purchase Right clauses, update the insurances clause, and amend Appendices D, E and F.

Amendment

The parties hereby agree to amend the Agreement as follows:

1. Capitalized terms used in this Amendment and not otherwise defined herein shall have the meanings given to them in the Agreement.

2. Section 2.19 of the Agreement is hereby deleted in its entirety and replaced with the following:

> 2.19 "Licensed Field of Use" means (i) with respect to the Exclusive Patents, the Exclusive Field of Use, (ii) with respect to the SIRPa Component Patents, the field of use outside the SIRPa Component Field of Use, and (iii) with respect to the Limited Exclusive Patents, the Licensed Technology and the Licensed Information, all fields of use. With respect only to the [*] Patents, Forty Seven acknowledges that the [*] Patents are subject to an option granted to a third party for an exclusive license to the Third Party [*] Field of Use, under an Investigator Sponsored Research Agreement between Stanford and the third party including the amendment effective February 27, 2017. For clarity, Forty Seven agrees that Stanford is free to grant an exclusive license under this option to the third party to the [*] Patents in the Third Party [*] Field of Use, in the event the third party exercises its option.
>
> (A) "[*] Patents" means any patents and patent applications that claim priority to provisional [*] under Docket [*].
>
> (B) "Third Party [*] Field of Use" means the use of [*] for the purpose of [*].

3. Section 2.36 of the Agreement is hereby amended by deleting the defined terms table in its entirety and replacing it with the following:

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

Term	Section Defined
[*]	[*]
[*]	[*]
CIRM	.l
[*] Patents	2.19(B)
Claims	10.l(B)
Deficient Product	6.4
Disputed Breach Arbitration	17.1
Effective Date	Preamble
First Round	7.3
Forty Seven	Preamble
Generic Competition	7.10
HHMI	l
HHMI License	3.5
HHMI Patents	3.5
LLS	1
Ludwig	l
NIH	l
NYSCF	l
SIRPa. Component Patent Matters	14.l(D)
Stanford	Preamble
Terminated Patent Rights	6.4
Third Party [*] Field of Use	2.19(B)
Third Party License Agreement.	3.1
Third Party Negotiation Period	2.19(A)
Third Party Option Agreement	2.19(A)
Third Party Option Period	2.19(A)
Triggering Event	3.1

5. Section 7.2 of the Agreement is hereby deleted in its entirety and replaced with the following:

7.2 **Equity Interest.** As further consideration, Forty Seven will grant to Stanford 7,751,242 shares of common stock in Forty Seven. When issued, those 7,751,242 shares of common stock will represent not less than [*]% of the common stock in Forty Seven on a Fully-Diluted Basis. The per share valuation of these shares will be provided to Stanford within [*] days of the Effective Date. Forty Seven agrees to provide Stanford with the capitalization table upon which the above calculation is made. Forty Seven will issue shares granted to Stanford pursuant to this Section 7.2 and Section 7.3 directly to Stanford. Stanford acknowledges that, in partial consideration for Forty Seven issuing shares under this Agreement, Forty Seven intends to require inventors to execute inventors certificates certifying that inventors have assigned and do assign their rights in the Licensed Patents, Licensed Technology, and Licensed Information to Stanford, and disclosing any agreements to which inventor is a party that grant any third party license or ownership in or to any of the Licensed Patents. Except as set forth in the foregoing sentence, Forty Seven shall not require inventors to execute any additional certification, or otherwise provide any additional representations or warranties, with respect to the Licensed Patents, Licensed Technology, and Licensed Information. Inventors shall be third party beneficiaries to the foregoing provisions.

6. The text of Section 7.4 is hereby deleted in its entirety and replaced with the word “OMITTED”.

7. The text of Section 7.5 is hereby deleted in its entirety and replaced with the word “OMITTED”.

8. Section 10.4 of the Agreement is hereby deleted in its entirety and replaced with the following:

10.4 **Insurance.** Prior to the first testing of a Licensed Product by Forty Seven in a human and thereafter during the term of this Agreement, Forty Seven will maintain Comprehensive General Liability Insurance, including Product Liability Insurance, with a reputable and financially secure insurance carrier (except for permitted self-insurance, described below) to cover the activities of Forty Seven and its sublicensees. The insurance will provide minimum limits of liability of $[*] and will include all Stanford Indemnitees and HHMI Indemnitees as additional insureds. Insurance must cover claims incurred, discovered, manifested, or made during or after the expiration of this

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Agreement and (except for permitted self-insurance, described below) must be placed with carriers with ratings of at least A- as rated by A.M. Best. Within [*] days of the Effective Date of this Agreement, Forty Seven will furnish a Certificate of Insurance evidencing primary coverage and additional insured requirements. Forty Seven will provide to Stanford [*] days prior written notice of cancellation or material change to this insurance coverage. Forty Seven will advise Stanford in writing that it maintains excess liability coverage (following form) over primary insurance for at least the minimum limits set forth above. All insurance of Forty Seven will be primary coverage; insurance of Stanford Indemnitees and HHMI Indemnitees will be excess and noncontributory. Notwithstanding this Section 10.4 and Section 4.3 above, in any Sublicense between Forty Seven and a third party that is engaged in the business of selling pharmaceutical products, whose revenues from such sales (on a consolidated basis in the last full fiscal year) was in excess of [*], such third party may self-insure all or any portion of the required insurance.

9. Appendix D of the Agreement is hereby deleted in its entirety and replaced with the Appendix D attached hereto as Schedule 1.

10. Appendix E of the Agreement is hereby deleted in its entirety and replaced with the Appendix E attached hereto as Schedule 2. Forty-Seven confirms that Stanford has fulfilled its obligations to provide the Licensed Information under this Amendment.

11. Appendix F of the Agreement is hereby deleted in its entirety and replaced with the Appendix F attached hereto as Schedule 3. Forty-Seven confirms that Stanford has fulfilled its obligations to provide the Licensed Technology under this Amendment.

12. In consideration for this Amendment No. 1, Forty-Seven will pay Stanford $[*] within [*] days of the Amendment No. 1 Effective Date.

13. Except as specifically set forth in this Amendment, the terms and conditions of the Agreement shall remain in full force and effect. This Amendment constitutes the entire agreement among the parties with respect to the amendment of the Agreement, and supersedes all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof. No waiver of the performance of any obligation under this Amendment shall be effective unless it has been given in writing and signed by the party giving such waiver. No provision of this Amendment may be amended or modified other than by a written document signed by authorized representatives of each party.

14. This Amendment shall be governed by and construed in accordance with the laws of the State of California, United States of America, without reference to any rules of conflict of laws.

{Signatures to follow}

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

The parties execute this Amendment in duplicate originals by their duly authorized officers or representatives.

THE BOARD OF TRUSTEES OF THE LELAND STANFORD JUNIOR UNIVERSITY

Signature: /s/ Katharine Ku
Name: Katharine Ku
Title: Executive Director

Date: April 19, 2017

FORTY SEVEN, INC.

Signature: /s/ Jonathan MacQuitty
Name: Jonathan MacQuitty
Title: CEO

Date: April 18, 2017

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SCHEDULE 1

Appendix D

Exclusive Patents

Docket	Docket Title	Serial Number	Issued Patent Number
[*]	[*]	[*]	[*]

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SCHEDULE 2

Appendix E

Licensed Information

[*]

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SCHEDULE 3

Appendix F

Licensed Technology

[*]

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Lonza

CONFIDENTIAL

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

Assigned Capacity and Manufacturing Agreement

(the "Agreement")

by and between

Lonza Sales AG
Münchensteinerstrasse 38
CH-4002 Basel
Switzerland

- hereinafter "Lonza" -

and

Forty Seven Inc.,
1490 O'Brien Drive, Suite A
Menlo Park, CA 94025 USA

- hereinafter "Forty Seven" -

Effective as of 30th of August, 2016 (the "Effective Date")

CONFIDENTIAL

Table of Contents

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CONFIDENTIAL

Recitals

WHEREAS, Forty Seven is engaged in the development and research of certain products for the treatment of various indications (as further defined below, "Products");

WHEREAS, Lonza and its Affiliates have expertise in the evaluation, development and manufacture of such Products;

WHEREAS, Forty Seven wishes to engage Lonza for Services relating to the development and manufacture of the Product as described in this Agreement; and

WHEREAS, Lonza, or its Affiliate, is prepared to perform such Services for Forty Seven in accordance with the terms and subject to the conditions set out herein.

NOW, THEREFORE, in consideration of the mutual promises contained herein, and for other good and valuable consideration, the parties intending to be legally bound, agree as follows:

1. Definitions and Interpretation

"Affiliate"	means any company, partnership or other entity which directly or indirectly Controls, is Controlled by or is under common Control with the relevant Party. "Control" means the ownership of more than fifty percent (50%) of the issued share capital or the legal power to direct or cause the direction of the general management and policies of the relevant Party.
"Agreement"	means this agreement incorporating all Appendices, as amended from time to time by written agreement of the Parties.
"*Alternate Product(s)*"	*means any product(s) which the Parties agree may be substituted in place of or manufactured in addition to the CD47 Product in accordance with Clause 6.2, and after such substitution all references in this Agreement to "Product" shall be deemed to apply to such Alternate Product(s).*
"Applicable Laws"	means all relevant U.S., U.K. and European Union, federal, state and local laws, statutes, rules, and regulations which are applicable to a Party's activities hereunder, including, without limitation, the applicable regulations and guidelines of any Governmental Authority and cGMP together with amendments thereto.
"Assigned Capacity"	means the annual capacity at the Facility assigned by Lonza to Forty Seven for the manufacture of cGMP Batches as described in clause 6.1.

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"Background Intellectual Property"	means any intellectual Property either (i) owned or controlled by a Party prior to the Effective Date or (ii) developed or acquired by a Party independently from the performance of the Services hereunder during the Term of this Agreement.
"Batch"	means the Product derived from a single run of the Manufacturing Process at the Facility [*] and associated analytical testing required for the release of the Product.
"CD47 Product"	means the human IgG antibody produced by the Cell Line, known as SSCI047 that binds to CD47 and of which Forty Seven is the proprietor as set out in Appendix D.
"Cell Line"	means the GS-CHO cell line expressing Product, created by Lonza under the Prior MSA, the particulars of which are set out in Appendix D, and which does not include Lonza's host cell lines.
"Certificate of Analysis"	means a document prepared by Lonza listing tests performed by Lonza or approved External Laboratories, the Specifications and test results.
"Certificate of Compliance"	means a document prepared by Lonza: (i) listing the manufacturing date, unique Batch number, and concentration of Product in such Batch, (i¡) certifying that such Batch was manufactured in accordance with the Master Batch Record and cGMP
"cGMP"	means those laws and regulations applicable in the U.S., U.K. and European Union, relating to the manufacture of medicinal products for human use, including, without limitation, current good manufacturing practices as specified in the ICH guidelines, including without limitation, ICH Q7A "ICH Good Manufacturing Practice Guide for Active Pharmaceutical ingredients", US Federal Food Drug and Cosmetic Act at 21CFR (Chapters 210, 211, 600 and 610) and the Guide to Good Manufacturing Practices for Medicinal Products as promulgated under European Directive 91/356/EEC. For the avoidance of doubt, Lonza's operational quality standards are defined in internal cGMP policy documents.
"cGMP Batches"	means any Batches which are required under the Project Plan to be manufactured in accordance with cGMP.

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"Commencement Date"	means the date of removal of the vial of cells from frozen storage for the production of a Batch.
"Confidential Information"	means Forty Seven Information and/or Lonza Information, as the context requires.
"EMA"	means the European Medicines Agency, or any successor agency thereto.
"External Laboratories"	means any Third Party instructed by Lonza, with Forty Seven's prior consent, which is to conduct activities required to complete the Services.
"Facility"	means Lonza's manufacturing facility at Slough, United Kingdom.
"FDA"	means the United States Food and Drug Administration, or any successor agency thereto.
"Forty Seven Information"	means all technical and other information (i) from time to time supplied by Forty Seven to Lonza under this Agreement which, at the time of disclosure by Forty Seven, was not known to Lonza or in the public domain or (ii) which was owned by Forty Seven pursuant to the Prior MSA and/or is specific to the Cell Line or Product, or any other materials or information supplied by Forty Seven to Lonza under this Agreement.
"Forty Seven Materials"	means any components of Product, or other materials of any nature as may be provided by Forty Seven to Lonza under this Agreement; provided that the Cell Line will be subject always to the terms of the GS Licence.
"Governmental Authority"	means any Regulatory Authority and any national, multi-national, regional, state or local regulatory agency, department, bureau, or other governmental entity in the U.S., U.K. or European Union.
"GS Licence"	means the licence agreement between the Parties dated 24 May 2016 for the use of Lonza's proprietary glutamine synthetase gene expression system, as amended by the Parties from time to time.
"Intellectual Property"	means (i) inventions (whether or not patentable), patents, trade secrets, copyrights, trademarks, trade names and domain names, rights in designs, rights in computer software, database rights, rights in confidential information

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	(including know-how) and any other intellectual property rights, in each case whether registered or unregistered, (ii) all applications (or rights to apply) for, and renewals or extensions of, any of the rights described in the foregoing sub-clause (i) and (ii) and all rights and applications that are similar or equivalent to the rights and application described in the foregoing sub-clauses (i) and (ii), which exist now, or which come to exist in the future, in any part of the world.
"Lonza Information"	means all information that is proprietary to Lonza or any Affiliate of Lonza and that is maintained in confidence by Lonza or any Affiliate of Lonza and that is disclosed by Lonza or any Affiliate of Lonza to Forty Seven under or in connection with this Agreement, including without limitation, any and all Lonza know-how and trade secrets, but excluding any Forty Seven Information.
"Manufacturing Process"	means Lonza's production process for the manufacture of Product.
"Master Batch Record"	means the document, proposed by Lonza and approved by Forty Seven, which defines the manufacturing methods, test methods and other procedures, directions and controls associated with the manufacture and testing of Product.
"MHRA"	means the Medicines and Healthcare products Regulatory Agency, or any successor agency thereto.
"New Forty Seven Intellectual Property"	has the meaning given in Clause 10.2.
"New General Application Intellectual Property"	has the meaning given in Clause 10.3.
"Party"	means each of Lonza and Forty Seven and, together, the "Parties".
"Price"	means the price for the Services and Products as set out in part I of Appendix B.
"Prior MSA"	means the sub-award agreement dated 25 August 2010, as novated and amended by the novation and amendment agreement between the Parties dated 01 March 2016 and as amended by the Parties from time to time.
"Product(s)"	means the CD47 Product and/or the Alternate Product(s) to be manufactured by Lonza under this Agreement.

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"Project Plan"	means the plan(s) describing the Services to be performed by Lonza under this Agreement, including any update and amendment of the Project Plan to which the Parties may agree from time to time. The initial Project Plan is attached hereto as Appendix A.
"Quality Agreement"	means the quality agreement, attached hereto as Appendix C, setting out the responsibilities of the Parties in relation to quality as required for compliance with cGMP.
"Raw Materials"	means all ingredients, solvents and other components of the Product required to perform the Manufacturing Process or Services set forth in the bill of materials detailing the same [*].
"Raw Materials Fee"	means the procurement and handling fee of [*] of the amount incurred by Lonza to be paid to a Third Party ("Lonza's Cost") for the acquisition of Raw Materials (other than Resins) that is charged to Forty Seven in addition to Lonza's Cost of such Raw Materials.
"Regulatory Approval"	means, with respect to a Product, all approvals, licenses, registrations or authorizations necessary for the commercialization of such Product in a particular jurisdiction.
"Regulatory Authority"	means the FDA, MHRA, EMA and any other similar regulatory authorities as may be agreed upon in writing by the Parties.
"Release"	has the meaning given in Clause 7.1
"Resin"	means the chromatographic media and/or UF membranes intended to refine or purify the Product, as specified in the Master Batch Record [*].
"Safety Stock"	has the meaning set out in Clause 2.4.
"Services"	means all or any part of the services to be performed by Lonza under this Agreement, particulars of which are set out in a Project Plan.
"Specifications"	means the specifications of the Product as specified in Appendix D, which may be amended from time to time in accordance with this Agreement.
"Suite Fee"	has the meaning set out in Clause 8.1.
"Term"	has the meaning given in Clause 14.1.
"Third Party"	means any party other than Forty Seven, Lonza and their respective Affiliates.

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ln this Agreement references to the Parties are to the Parties to this Agreement, headings are used for convenience only and do not affect its interpretation, references to a statutory provision include references to the statutory provision as modified or re-enacted or both from time to time and to any subordinate legislation made under the statutory provision, references to the singular include the plural and vice versa, and references to the word “including” are to be construed without limitation.

2. Performance of Services

2.1 Performance of Services. Subject to clause 2.3, Lonza shall itself and through its Affiliates, diligently carry out the Services at the Facility as provided in the Project Plan and use commercially reasonable efforts to perform the Services without any material defect and according to the estimated timelines as set forth in the Project Plan (owing to the unpredictable nature of the biological processes involved in the Services, the timescales set down for the performance of the Services are estimated only). Lonza shall retain appropriately qualified and trained personnel with the requisite knowledge and experience to perform the Services in accordance with this Agreement. Lonza may subcontract or delegate any of its rights or obligations under this Agreement to perform the Services to its Affiliate(s); provided that Lonza shall be responsible for each such Affiliate’s performance or non-performance under this Agreement as if Lonza itself were performing such activities. Lonza may engage an External Laboratory to provide some of the Services provided, that any External Laboratories shall be subject to the same obligations and other provisions contained in this Agreement or any applicable Project Plan. In the event of a dispute Lonza shall use its reasonable endeavours to enforce such obligations upon such External Laboratories and pass onto the Customer whatever remedies it obtains from such External Laboratories provided always that Lonza shall not be responsible for any services performed by such External Laboratories.

2.2 cGMP Batches. With respect to the cGMP Batches of Product manufactured, it is agreed that Lonza shall manufacture the cGMP Batches of Product to meet the Specification provided that there shall be no obligation (other than to use commercially reasonable efforts) to meet the Specification in respect of the first [*] cGMP Batches of Product manufactured, or in respect of the first [*] cGMP Batches of Product manufactured following any change in the process for such Product agreed to or requested by Forty Seven.

2.3 Manufacturing Process. Any changes to the Specifications or the Manufacturing Process for a Product shall be carried out in accordance with the Quality Agreement and Lonza’s standard operating procedures.

2.4 Supply of Forty Seven Information and Forty Seven Materials. Forty Seven shall supply to Lonza all Forty Seven Information and Forty Seven Materials, and other information or materials that may be reasonably required by Lonza to perform the Services. Lonza shall not be responsible for any delays arising out of Forty Seven’s failure to provide such Forty Seven Information, Forty Seven Materials, or other information or materials reasonably required to perform the Services to Lonza, and [*], including, if applicable, any [*].

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2.5 Forty Seven Materials.

2.5.1 Sale or License. All Forty Seven Materials shall remain the property of Forty Seven, and the transfer of physical possession of any such Forty Seven Materials to, and the physical possession of such Forty Seven Materials by, Lonza, including its Affiliates and/or any External Laboratory shall not be (nor be construed as) a sale, lease, offer to sell or lease, or other transfer of title of such materials to Lonza including its Affiliates and/or any External Laboratories, provided that the Cell Line shall be subject always to the terms of the GS Licence.

2.5.2 Limited Use. Lonza including its Affiliates and any External Laboratories shall not use the Forty Seven Materials for any purpose other than as necessary for the performance of the Services. Subject to clause 2.1, Lonza, including its Affiliates and any External Laboratories will not provide or transfer any Forty Seven Materials to any Third Party without the prior written consent of the Forty Seven. Lonza, its Affiliates and/or any External Laboratories shall only use the Forty Seven Materials in accordance with this Agreement and Applicable Laws.

2.5.3 No Modification or Derivation. Lonza, its Affiliates and External Laboratories shall not attempt to alter or modify the Forty Seven Materials in any way, or to make any derivatives or analogs thereof, without the express prior written consent of Forty Seven, and shall not under any circumstances attempt, directly or indirectly, to analyze, characterize, reverse engineer or otherwise derive the structures, sequences, or constructs of the Forty Seven Materials.

2.5.4 Care in Use. Subject to clause 2.8, Lonza agrees to use, and shall Cause its Affiliates and External Laboratories to use reasonable care in the use, handling, storage, containment, transportation and disposition of the Forty Seven Materials. Lonza shall not use, nor authorize the use of, any Forty Seven Materials on or in humans for any purpose under any circumstances.

2.6 Raw Materials. Lonza shall procure all required Raw Materials as well as consumables, other than those Raw Materials that are Forty Seven Materials. Forty Seven shall be responsible for payment in accordance with this Clause 2.6, Clause 8.5 and Clause 14.3.2(b) for all consumables and Raw Materials ordered or irrevocably committed to be procured by Lonza in accordance with this Agreement. Upon cancellation of any Batch by Forty Seven, or termination of this Agreement all such unused Raw Materials shall be paid for by Forty Seven, at the cost incurred by Lonza plus the Raw Materials Fee, within [*] days of invoice and at Forty Seven's option, either (a) delivered to Forty Seven or (b) disposed of by Lonza; provided that upon any such cancellation or termination, Lonza shall use commercially reasonable efforts to cancel or mitigate any obligation to purchase Raw Materials.

2.7 Safety Stock. Lonza will, unless Forty Seven instructs Lonza otherwise, and subject to Forty Seven paying the appropriate Raw Materials Fee, maintain a sufficient safety stock of Raw Materials (including a safety stock of Resin) in accordance with Lonza's standard policies or as otherwise agreed in writing by the Parties.

2.8 Immediately following the Effective Date, Forty Seven shall supply to Lonza the Forty Seven Information with full details of any hazards relating to the Forty Seven Materials, their storage and use. On review and approval by Lonza's safety committee of this Forty Seven Information and the referenced Forty Seven Materials, Forty Seven Background Intellectual Property, and any other necessary Intellectual Property shall be provided to Lonza at Lonza's request.

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2.9 Records. Lonza will maintain in accordance with the Quality Agreement records and samples relating to the manufacture of the Product.

3. Project Management / Steering Committee

3.1 Project Plans. With respect to a new project to be governed by this Agreement, a new Project Plan shall be added by agreement in a writing signed by the Parties and appended to Appendix A. Each Project Plan shall include a description of the Services to be provided, the Product to be manufactured, Specifications, a schedule for completion of the Project Plan, pricing details, and such other information as is necessary for relevant Services. ln the event of a conflict between the terms of a Project Plan and this Agreement, the terms of this Agreement will govern unless the Parties expressly agree otherwise in writing. Any modifications or amendments to the Project Plans shall be expressly agreed in writing and signed by the Parties

3.2 Project Management. With respect to each Project Plan, each party will appoint a project manager who will be the party responsible for overseeing the Project Plan.

3.3 Steering Committee. Each Party shall name a mutually agreed upon equal number of representatives for the Steering Committee, which shall meet twice per calendar year, or as otherwise mutually agreed by the Parties. ln the event that a Steering Committee dispute cannot be resolved, such dispute shall be escalated to a senior executive of each of Forty Seven and Lonza.

The primary function of the Steering Committee is to ensure the ongoing communication between the Parties and discuss and resolve any issues arising under this Agreement. ln addition to the primary function described above, the Steering Committee shall also take on the following responsibilities:

3.3.1 discuss and seek resolution of issues around management of the Services;

3.3.2 agree and monitor deadlines and milestones for the Services;

3.3.3 discuss and seek resolution for any Batch failures and unreleased Batches; and

3.3.4 discuss and recommend any changes to the Services (although such changes will not take effect until they have been incorporated into a written amendment to the Project Plan which has been signed by the Parties).

3.4 Person in Plant. Forty Seven shall be permitted to have, at no additional cost, [*] at the Facility as reasonably requested by Forty Seven, at any time during the Manufacturing Process for the purpose of observing, reporting on, and consulting as to the performance of the Services. Such employee shall be subject to and agree to abide by confidentiality obligations to Third Parties and Lonza's customary practices and operating procedures regarding persons in plant, and such employee agrees to comply with all instructions of Lonza's employees at the Facility.

4. Quality

4.1 Responsibility for quality assurance and quality control of Product shall be allocated between Forty Seven and Lonza as set forth in the Quality Agreement and in Lonza standard operating procedures. If there is a conflict between the terms and conditions of this Agreement and the Quality Agreement, the terms and conditions of this Agreement shall prevail. If the Quality Agreement is not in place at the Effective Date, Lonza and Forty Seven commit to enter into the Quality Agreement in a timely manner, but in no event later than the commencement of cGMP manufacturing under this Agreement.

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4.2 Provisions regarding inspections by Regulatory Authorities and audits shall be set out in the Quality Agreement.

5. Insurance

5.1 Each Party shall, during the Term and for [*] years after delivery of the last Product manufactured or Services provided under this Agreement, obtain and maintain at its own cost and expense from a qualified insurance company, comprehensive general liability insurance including, but not limited to, contractual liability coverage and product liability coverage in the amount of at least [*] per claim. Each Party shall provide the respective other Party with a certificate of such insurance upon reasonable request.

6. Assigned Capacity, Alternate Product, Forecasting, Ordering and Cancellation

6.1 Assigned Capacity.

(a) Lonza shall manufacture [*] cGMP Batches during the Assigned Capacity. Lonza will use commercially reasonable efforts to accommodate Forty Seven's Forecast as set out in clause 6.3 below, provided however that, except as expressly set forth in this Agreement (including Section 6.1(b)), [*] and subject to [*], Lonza shall [*].

(b) Whether a cGMP Batch is manufactured within the Assigned Capacity shall be measured from the Commencement Date of such cGMP Batch and for the purposes of clarity, such Assigned capacity shall be (a) from [*] to [*] at [*] çGMP Batches at [*] scale at Lonza's Facility and (b) from [*] until [*] al [*] cGMP Batches at [*] scale per calendar year at Lonza's Facility. Notwithstanding any provision to the contrary herein, Lonza shall manufacture the first cGMP Batch within the Assigned Capacity in [*] and Lonza shall not manufacture more than [*] cGMP Batches in any calendar quarter unless otherwise agreed in writing between the Parties. Subject to the foregoing provisions, the above cGMP Batches shall be regarded as a binding commitment on the Parties for the Term, and (except as set forth in Clauses [*]) [*].

6.2 Alternate Product. Forty Seven may request Lonza to manufacture Alternate Product(s) in place of or in addition to the CD47 Product within the Assigned Capacity provided always that any such Alternate Products does not exceed Lonza's then current standard processing times and subject to Lonza's agreement, and the negotiation and execution of an amended Project Plan agreed between the Parties that shall set out the price and terms for the transfer of the Alternate Product into the Facility and for payment of all such additional costs as reasonably incurred by Lonza in the completion of such transfer. If an Alternate Product is introduced, the number of cGMP Batches to be manufactured within the Assigned Capacity in each year may be revised as agreed in writing by the Parties.

6.3 Forecasting. No later than the first (1st) day of each calendar quarter, Forty Seven shall supply Lonza with a written forecast showing Forty Seven's good faith estimated quarterly Commencement Date requirements for cGMP Batches to be manufactured within the Assigned Capacity in the following [*] month period (the "Forecast") provided that in no event shall more than [*] such Batches per year be forecast.

6.4 Rescheduling. Except as set forth in Clause 7.3.3 and subject to Clause 6.1, [*] reschedule the Commencement Date with respect to any cGMP Batch.

6.5 Cancellation of cGMP Batches. If Forty Seven cancels any cGMP Batch it shall not receive any refund or rebate of the Suite Fee (except as set forth in this Clause 6.5 or Clause 6.7). In addition, Forty Seven shall pay for all costs associated with the cancelled cGMP Batch that Lonza has incurred, or is irrevocably committed to pay, including the costs of Raw Materials and the Raw Materials Fee, in accordance with Clause 2.6. Lonza shall use commercially reasonable efforts to sell all or any part of the Assigned Capacity that Forty Seven has notified Lonza that it does not wish to use, but Lonza does not make any commitment, warranty or representation that it will be successful in finding any Third Party customer (existing or new) to fill such excess Assigned Capacity. If Lonza is able to sell all or any part of such excess Assigned Capacity to a Third Party, Lonza shall refund to Forty Seven [*] the Suite Fee for such year with respect to each manufacturing slot Lonza is able to sell to a Third Party. In addition, Forty Seven may refer potential Third Party customers to Lonza in respect of any such excess Assigned Capacity, provided that Lonza shall at all times have the sole and absolute discretion whether or not it decides to enter into discussions with such referred Third Party customers.

6.6 In the event that the parties agree any additional stages of work to be added to the Project Plan ("Additional Work"), the prices for such Additional Work shall be calculated based on Lonza's standard pricing at the time of agreement on such Additional Work. Once the Additional Work has been added into this Agreement, the pricing for such Additional Work shall be subject to review in accordance with the provisions of Clause 8.4.

6.7 Scale Up: lf Forty Seven is able to secure a minimum of [*] scale manufacturing cGMP Batch with Lonza (subject to availability) through contractually binding commitment then Lonza will release Forty Seven for [*] and the [*]; provided that a notice for such change must be given by Forty Seven at least [*].

7. Delivery and Acceptance

7.1 Delivery. All Product shall be delivered [*] (as defined by lncoterms@2010) [*]. Lonza shall deliver to Forty Seven the Certificate of Analysis, the Certificate of Compliance and such other documentation as is reasonably required to meet all applicable regulatory requirements of the Governmental Authorities not later than the date of delivery of Batches (the "Release"). With respect to any Forty Seven Materials title and risk of loss shall [*] and with respect to the Product, title and risk of loss shall transfer to Forty Seven upon Release in accordance with this provision. For the avoidance of doubt, shipping or transportation of the Products, whether or not any arrangements are made by Lonza on behalf of the Forty Seven, shall be made at the sole risk and expense of the Forty Seven.

7.2 Storage.

7.2.1 Forty Seven shall arrange for shipment and take delivery of each Batch from the Facility, at Forty Seven's expense, within [*] days after Release or pay applicable storage costs. Lonza shall provide storage on a bill and hold basis for such Batch(es) at no charge for up to [*] days; provided that any additional storage beyond [*] days will be subject to availability and, if available, will be charged to Forty Seven and will be subject to a separate agreement. ln addition to clause 8.2, Forty Seven shall be responsible for all value added tax (VAT) and any other applicable taxes, levies, import, duties and fees of

whatever nature imposed as a result of any storage (other than taxes on Lonza's income). Notwithstanding anything to the contrary contained in this Agreement, in no event shall Lonza be required to store any Batch for more than [*] calendar days after Release. Within [*] days following a written request from Lonza, Forty Seven shall provide Lonza with a letter in form satisfactory to Lonza confirming the bill and hold status of each stored Batch.

7.2.2 The Products shall be stored by Lonza at Lonza's premises in accordance with Lonza's standard operating procedures, subject always to audit by Forty Seven in accordance with the Quality Agreement, and clause 7.2.1. Lonza shall keep all such Products and Forty Seven Materials free of all security interests, liens and other encumbrances and Lonza shall retain control thereof and shall not transfer the same to any Third Party unless otherwise agreed in writing by the Parties.

7.3 Acceptance/Rejection of Product.

7.3.1 Promptly following Release of cGMP Batches, Forty Seven shall inspect such cGMP Batches and shall have the right to test such Batches to determine compliance with the Specifications. Forty Seven shall notify Lonza in writing of any rejection of a cGMP Batch based on any claim that it fails to meet Specifications within [*] days of Release, after which time all unrejected cGMP Batches shall be deemed accepted, subject to Forty Seven's right to reject any cGMP Batch for latent defects set out in this clause 7.3.1. Forty Seven shall inform Lonza in writing in case of latent defects (i.e. not discovered by routine quality control means), promptly upon discovery of such defects but no later than [*] after delivery of the Product.

7.3.2 ln the event that Lonza believes that a cGMP Batch has been incorrectly rejected by Forty Seven, Lonza must notify Forty Seven in writing within [*] days (such notice, the "Dispute Notice") and Lonza may require that Forty Seven provide to it cGMP Batch samples for testing. Lonza may retain and test the samples of such cGMP Batch. ln the event of a discrepancy between Forty Seven's and Lonza's test results such that Lonza's test results determine that the cGMP Batch conforms with the Specifications, or there otherwise exists a dispute between the Parties over whether such cGMP Batch fails to conform to the Specifications or the extent to which such failure is attributable to a given Party, the Parties shall use good faith efforts to resolve any such discrepancy or dispute; provided that if such dispute cannot be settled within [*] days from the receipt of the Dispute Notice, then the Parties will submit a sample of the cGMP Batch to an independent laboratory and require the independent laboratory promptly to review records, test data and perform comparative tests and/or analyses on samples of the Product that allegedly fails to conform to Specifications. Such independent laboratory shall be mutually agreed upon by the Parties. The independent laboratory's results shall be in writing and shall be final and binding save for manifest error. Unless otherwise agreed to by the Parties in writing, the costs associated with such testing and review shall be borne by the Party against whom the independent laboratory rules.

7.3.3 Subject to clause 2.2, in the event that it is determined (by the Parties or the independent laboratory) that any cGMP Batch failed to conform with the Specifications (each a "Failed Batch") and such failure was [*] ("Lonza Responsibility") then Lonza shall replace such Failed Batch at its sole cost and expense, including bearing the cost of obtaining any Raw Material, Resin or

other material required for the manufacture of such replacement cGMP Batch. Such replacement shall be made as promptly as practicable, subject to available manufacturing capacity after the confirmation of Lonza Responsibility and in any case as soon as reasonably possible after confirmation of Lonza Responsibility. [*] acknowledges and agrees that [*] with respect to a Failed Batch that is a Lonza Responsibility [*], and in furtherance thereof, [*]. Lonza shall not be responsible for the cost of Raw Materials or Forty Seven Materials consumed in any Batch which failed to meet Specifications except to the extent set forth in this Clause 7.3.3.

8. Price and Payment

8.1 Signature Fee and Suite Fee. Forty Seven shall pay a non-refundable signature fee of [*] upon signing this Agreement ("Signature Fee"). In addition to the Signature Fee, Forty Seven shall pay Lonza an annual Suite Fee of [*]. Except as set forth under this Agreement, the Suite Fee is payable in full regardless of utilization by Forty Seven and the Suite Fee shall not be reduced or refunded if Forty Seven does not make full use of the Assigned Capacity.

8.2 Other Services. ln addition to Clause 8.1, pricing for the Services (other than the manufacture of Batches within the Assigned Capacity) provided by Lonza are set out in, and based on the assumptions and information set out in, the applicable Project Plan. In the event of changes to the Services based on Forty Seven's request which result in additional costs, the Parties shall execute a written amendment to this Agreement.

8.3 Raw Materials, Resins, Raw Materials Fees and Safety Stock. In addition to the Suite Fee in accordance with Clause 8.1, and the prices payable under Clause 8.2, Forty Seven shall pay for all Raw Materials, Resins, Safety Stock and the Raw Materials Fee.

8.4 Unless otherwise indicated in writing by Lonza, all Prices and charges are exclusive of value added tax (VAT) and of any other applicable taxes, levies, import, duties and fees of whatever nature imposed by or under the authority of any government or public authority and all such charges applicable to the Services (other than taxes on Lonza's income) shall be paid by Forty Seven. When sending payment to Lonza, the Forty Seven shall quote the relevant invoice number in its remittance advice.

8.5 Payment Terms.

8.5.1 Signature Fee and Suite Fee. The Signature Fee shall be immediately payable by the Forty Seven upon signing this Agreement. The Suite Fee shall be payable in [*] instalments each year, with the first payment due on [*] and the second payment due on [*] and thereafter payable [*] during the Term. Subject to clause 14, Forty Seven will pay the Suite Fee to Lonza for the Term of this Agreement.

8.5.2 Raw Materials and Raw Materials Fee. Lonza's Cost for Raw Materials and the Raw Materials Fee for each Batch shall be invoiced upon the Release of each such Batch. Lonza will provide a list of the Raw Materials and the unit price reflecting Lonza's Cost for each component of the Raw Materials (excluding any Lonza Intellectual Property). Resins shall be invoiced at Lonza's Cost for such Resins [*].

8.5.3 All invoices are strictly net and payment must be made within [*] days of date of invoice. Payment shall be made without deduction, deferment, set-off, lien or counterclaim.

8.6 lf in default of payment of any undisputed invoice on the due date, interest shall accrue on any amount overdue at the lesser of (i) rate of [*] above the London Interbank Offered Rate (LIBOR) or (ii) the maximum rate allowable by applicable law, interest to accrue on a day to day basis until full payment; and Lonza shall, at its sole discretion, and without prejudice to any other of its accrued rights, be entitled to suspend the provision of the Services and or delivery of Product until all overdue amounts have been paid in full including interest for late payments.

8.6.1 Price adjustments. Not more than once per calendar year and with effect from [*], Lonza may adjust the Price for Services in accordance with [*] based upon any change in the index from the previous calendar year or increase the Price by [*], by providing Forty Seven [*] days prior written notice of such adjustment. The new Price reflecting such Price adjustment shall be effective for any Services and/or Batch for which the Commencement Date is on or after the effective date of Lonza's notice to Forty Seven of the Price adjustment.

8.6.2 ln addition to the above, the Price may be changed by Lonza not more than once per calendar year, upon prior written notice to Forty Seven (providing reasonable detail in support thereof), to reflect an increase of more than [*] (based on the initial Price or any previously amended Price) in Lonza's costs to manufacture the Product (other than any change in the cost of Raw Materials), including any change in an environmental, safety or regulatory standard that is outside of Lonza's control and substantially impacts Lonza's cost and ability to perform the Services. Notwithstanding the foregoing, in no event shall the Price be increased by more than [*] for the purposes of this clause 8.6.2 in any calendar year.

9. [Intentionally Omitted.]

10. Intellectual Property

10.1 Background Intellectual Property. Neither Party will, as a result of this Agreement, acquire any right, title, or interest in any Background Intellectual Property of the other Party or any of its Affiliates.

10.2 New Forty Seven Intellectual Property. Subject to Clauses 10.1 and 10.3, Forty Seven shall own all right, title, and interest in and to any and all Intellectual Property that Lonza and/or its Affiliates, the External Laboratories or other contractors or agents of Lonza develops, conceives, invents, first reduces to practice or makes, solely or jointly with Forty Seven or others as a result of the receipt of the Forty Seven Information, Forty Seven Materials and/or any Products (collectively, the "New Forty Seven Intellectual Property"). For avoidance of doubt, "New Forty Seven Intellectual Property" shall include any material, processes or other items that solely embody, or that solely are claimed or covered by, any of the foregoing Intellectual Property, but excluding any New General Application Intellectual Property. Lonza shall, and shall cause its Affiliates to, promptly disclose to Forty Seven in writing all New Forty Seven Intellectual Property.

10.3 New General Application Intellectual Property. Notwithstanding clause 10.2 and subject to the license granted in Clause 10.5, Lonza shall own all right, title and interest in Intellectual Property that Lonza and/or its Affiliates, the External Laboratories or other

contractors or agents of Lonza, solely or jointly with Forty Seven, develops, conceives, invents, or first reduces to practice or makes in the course of performance of the Services (i) that is generally applicable to the development or manufacture of chemical or biological products or product components and not specific to the Product and the use or practice of which would not require the use or disclosure of Forty Seven Information, Forty Seven Materials or Forty Seven Background Intellectual Property or (ii) is an improvement of, or direct derivative of, any Lonza Background Intellectual Property and/or Lonza Information (collectively the "New General Application Intellectual Property"). For avoidance of doubt, "New General Application Intellectual Property" shall include any material, processes or other items that embody, or that are claimed or covered by, any of the foregoing Intellectual Property.

10.4 Assignment of New Forty Seven Intellectual Property. Lonza hereby assigns, and shall cause its Affiliates to assign, to Forty Seven all of its right, title and interest in any New Forty Seven Intellectual Property. Lonza shall execute, and shall cause its personnel as well as its Affiliates, External Laboratories or other contractors or agents and their personnel involved in the performance of the Services to execute, any documents reasonably required to confirm Forty Seven's ownership of the New Forty Seven Intellectual Property, and any documents required to apply for, maintain and enforce any patent or other right in the New Forty Seven Intellectual Property. This clause 10.4 shall be subject to the terms of the Prior MSA and the GS Licence. Subject to the terms and conditions as set forth in this Agreement and the GS Licence, the Cell Line (excluding any Lonza Background Intellectual Property and New General Application Intellectual Property), shall be the sole and exclusive property of Forty Seven, and Lonza hereby assigns to Forty Seven all of its right, title and interest in and to the Cell Line.

10.5 Subject to the terms and conditions set forth herein, Lonza hereby grants to Forty Seven a non-exclusive, world-wide, fully paid-up, irrevocable, transferable license, including the right to grant and authorize sublicenses, under the New General Application Intellectual Property (a) to make, have made, use, sell, offer for sale and import the Products manufactured under this Agreement and (b) to the extent necessary to practice and exploit Forty Seven's rights in and to the New Forty Seven Intellectual Property in the Products.

10.6 Forty Seven hereby grants Lonza the non-exclusive right to use the Forty Seven Information, Forty Seven Background Intellectual Property, Forty Seven Materials, New Forty Seven Intellectual Property, the Cell Line, and any and all other intellectual property supplied by or on behalf of the Forty Seven, during the Term solely for the purpose of fulfilling its obligations under this Agreement.

10.7 ln the event that Forty Seven is not in breach of clause 11.2 and clause 13 and provided that Lonza has not terminated this Agreement pursuant to clause 14.2, Forty Seven will have the right to transfer the Manufacturing Process to itself and/or any Third Party [*]; provided, however, to the extent such technology transfer includes Lonza Confidential Information, Lonza Background Intellectual Property or New General Application Intellectual Property, such technology transfer shall be subject to the terms of a technology transfer agreement between the Parties ("Technology Transfer Agreement") in accordance with the outline terms set out in part II of Appendix B, including the price and payment terms set forth therein. Lonza shall provide reasonably necessary documents and reasonably cooperate with Forty Seven to complete such technology transfer.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

11. Warranties

11.1 Lonza warrants that:

11.1.1 the Services shall be performed in accordance with this Agreement (including all Appendices hereto) and Applicable Laws;

11.1.2 subject to the provisions set out in clause 2.2 and clause 7.3.3, the manufacture of Product shall be performed in accordance with Applicable Law and cGMP and the Products will, at the date of delivery, meet the Specifications;

11.1.3 to the best of Lonza's knowledge and as on the Effective Date of this Agreement, the use by Lonza of the Manufacturing Process will not infringe any rights (including without limitation any intellectual or industrial property rights) vested in any Third Party, and Lonza will not knowingly include in the Manufacturing Process any elements that infringe any such intellectual or industrial property rights vested in any Third Party; provided however that Lonza gives no warranty that the use by Lonza including its Affiliates of the Manufacturing Process in association with Forty Seven Materials and/or Forty Seven Information in undertaking the Services shall not infringe any Third Party intellectual or industrial property rights;

11.1.4 it or its Affiliate holds all necessary permits, approvals, consents and licenses to enable it or such Affiliate to perform the Services to be performed by it or such Affiliate, as applicable, at the Facility (subject always to Clause 11.2.3) or such other Lonza facility where the Parties may agree in writing that Product may be manufactured;

11.1.5 it has the necessary corporate authorizations to enter into and perform this Agreement;

11.1.6 as on the Effective Date of this Agreement, Lonza including its Affiliates have not been debarred by a Regulatory Authority nor have debarment proceedings against Lonza including its Affiliates been commenced. Lonza will promptly notify Forty Seven in writing if any such proceedings have commenced or if Lonza including its Affiliates is debarred by a Regulatory Authority. ln the event that Forty Seven receives such notice from Lonza or otherwise becomes aware that Lonza including its Affiliates is debarred by a Regulatory Authority, then Forty Seven shall have the right to terminate this Agreement in accordance with clause 14.2.1 and in such an event the Forty Seven shall pay to Lonza of all accrued and unpaid obligations up to the date of termination, to the extent not previously been paid by Forty Seven;

11.1.7 title to all Product shall pass to Forty Seven as set forth in Clause 7.1 free and clear of any security interest, lien or other encumbrance in favour of Lonza; and

11.1.8 each employee of Lonza, a Lonza Affiliate and/or each External Laboratory who will receive or have access to Forty Seven Information or who will perform services will be subject to written obligations (i) to assign to Lonza any and all right, title and interest in and to all Intellectual Property developed by such employee or External Laboratory in connection with the performance of services in accordance with this Agreement and (ii) to protect the Forty seven Information in accordance with terms at least as protective of the Forty seven Information as the terms of this Agreement, in each case prior to the earlier of any disclosure of Forty Seven Information to such employee or External Laboratory or the commencement of any such performance by such employee or External Laboratory.

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11.2 Forty Seven warrants that:

11.2.1 to the best of the Forty seven's knowledge, Forty Seven has all the rights necessary to permit Lonza and its Affiliates to perform the Services in accordance with the terms of this Agreement without infringing the Intellectual Property rights of any Third Party;

11.2.2 Forty Seven will promptly notify Lonza in writing if it receives or is notified of a formal written claim from a Third Party that Forty Seven Information and/or Forty Seven Background Intellectual Property, Forty Seven Materials, New Forty Seven Intellectual Property, the Cell Line, and/or any and all other information, materials and Intellectual Property supplied by or on behalf of the Forty Seven, or that the use by Lonza thereof for the provision of the Services infringes any Intellectual Property or other rights of any Third Party;

11.2.3 to the best of Forty Seven's knowledge, Forty Seven has all the rights necessary to provide, and permit Lonza and its Affiliates and the External Laboratories to use for the purposes of this Agreement, the Forty Seven Information, Forty Seven Background Intellectual Property, Forty Seven Materials, New Forty Seven Intellectual Property, the Cell Line (subject to the terms of the GS Licence) and any and all other information, materials and Intellectual Property supplied by or on behalf of the Forty Seven, and that the use of anything referred to in this clause 11.2.3 will not infringe the Intellectual Property rights of any Third Party; and

11.2.4 Forty Seven has the necessary corporate authorizations to enter into this Agreement.

11.2.5 as on the Effective Date of this Agreement, Forty Seven including its Affiliates have not been debarred by a Regulatory Authority nor have debarment proceedings against Forty Seven including its Affiliates been commenced. Forty Seven will promptly notify Lonza in writing if any such proceedings have commenced or if Forty Seven including its Affiliates is debarred by a Regulatory Authority.

11.3 DISCLAIMER: THE WARRANTIES EXPRESSLY SET FORTH IN THIS AGREEMENT ARE IN LIEU OF ALL OTHER WARRANTIES, AND ALL OTHER WARRANTIES, BOTH EXPRESS AND IMPLIED, ARE EXPRESSLY DISCLAIMED, INCLUDING WITHOUT LIMITATION ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

12. Indemnification and Liability

12.1 Indemnification by Lonza. Lonza shall indemnify the Forty Seven, its Affiliates, and their respective officers, employees and agents ("Forty Seven Indemnitees") for any loss, damage, costs, liability and expenses (including reasonable attorney fees) that Forty Seven Indemnitees may suffer as a result of any Third Party claim arising directly out of (i) any material breach of the warranties given by Lonza in Clause 11.1 above and/or (ii) any claims alleging that the Services (excluding use by Lonza, Lonza's Affiliates, contractors or the External Laboratories of the Forty Seven Information, Forty Seven Background Intellectual Property, Forty Seven Materials, New Forty Seven Intellectual property, and/or any and all information, materials and other Intellectual

Property supplied by or on behalf of the Forty Seven (excluding Lonza's host cell lines)) infringe any Intellectual Property rights of a Third Party except, in each case, to the extent that such claims resulted from the negligence, intentional misconduct or breach of this Agreement by any Forty Seven Indemnitees.

12.2 Indemnification by Forty Seven. Forty Seven shall indemnity Lonza, its Affiliates, and their respective officers, employees and agents ("Lonza Indemnitees") from and against any loss, damage, costs, liability and expenses (including reasonable attorney fees) that any Lonza Indemnitees may suffer as a result of any Third Party claim arising directly out of (i) any material breach of the warranties given by Forty Seven in Clause 11.2 above; and/or (ii) any claims alleging that the performance of Services infringes any Intellectual Property rights of third parties; and/or (iii) the manufacture, use, sale, or distribution by or on behalf of any Forty Seven Indemnitee of any Product, including any claims of product liability; and/or (iv) the use by Lonza, any of Lonza's Affiliates, or any External Laboratory in accordance with this Agreement of any Forty Seven Information, Forty Seven Materials, Forty Seven Background Intellectual Property, New Forty Seven Intellectual Property and/or any other information, materials or Intellectual Property provided by or on behalf of Forty Seven for the purposes of this Agreement (excluding Lonza's host cell lines); except, in each case, to the extent that such claims resulted from the negligence, intentional misconduct or breach of this Agreement by any Lonza Indemnitees.

12.3 Indemnification Procedure. lf the Party to be indemnified intends to claim indemnification under this Clause 12, it shall promptly notify the indemnifying Party in writing of such claim. The indemnitor shall have the right to control the defense and/or settlement thereof; provided, however, that the indemnitor must obtain the prior written consent of the indemnitee (not to be unreasonably withheld) before entering into any settlement of such Third Party claim that admits fault, wrongdoing or damages (to the extent not readily payable by the indemnitor at the time of settlement) and any indemnitee shall have the right to retain its own counsel at its own expense. The indemnitee, its employees and agents, shall reasonably cooperate with the indemnitor in the investigation of any liability covered by this Clause 12. The failure to deliver prompt written notice to the indemnitor of any claim, to the extent prejudicial to its ability to defend such claim, shall relieve the indemnitor of any obligation to the indemnitee under this Clause 12.

12.4 DISCLAIMER OF CERTAIN DAMAGES. SUBJECT ALWAYS TO CLAUSE 12.6 IN NO EVENT SHALL EITHER PARTY OR ANY OF ITS AFFILIATES BE LIABLE TO THE OTHER PARTY AND/OR ANY OF THE OTHER PARTY'S AFFILIATES AND/OR ANY OF THE OTHER PARTY'S INDEMNITEES (IN EACH CASE WHETHER IN CONTRACT, TORT, NEGLIGENCE, BREACH OF STATUTORY DUTY OR OTHERWISE HOWSOEVER ARISING) FOR ANY LOSS OF PROFITS, LOSS OF REVENUES, LOSS OF GOODWILL, LOSS OF REPUTATION, OR FOR ANY INCIDENTAL, INDIRECT, SPECIAL, PUNITIVE OR CONSEQUENTIAL LOSSES OR DAMAGES, ARISING FROM OR RELATED TO THIS AGREEMENT, PROVIDED THAT THIS SHALL NOT PRECLUDE ANY CLAIM BY LONZA FOR ANY UNPAID INVOICES.

12.5 LIMITATION OF LIABILITY. SUBJECT ALWAYS TO CLAUSE 12.6, THE AGGREGATE LIABILITY OF EACH PARTY AND ITS AFFILIATES TO THE OTHER PARTY AND ITS AFFILIATES WITH RESPECT TO ANY CLAIM UNDER OR IN RELATION TO THIS AGREEMENT (WHETHER IN CONTRACT, TORT, NEGLIGENCE, BREACH OF STATUTORY DUTY, UNDER ANY INDEMNITY OR OTHERWISE HOWSOEVER ARISING) SHALL NOT EXCEED, IN THE AGGREGATE, THREE TIMES THE TOTAL AMOUNTS PAID BY FORTY SEVEN TO LONZA UNDER THIS AGREEMENT IN THE TWELVE (12) MONTH PERIOD PRIOR TO SUCH CLAIM.

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12.6 NOTHING IN THIS AGREEMENT SHALL OPERATE SO AS TO EXCLUDE OR IN ANY WAY LIMIT A PARTY'S, OR ITS AFFILIATE'S, LIABILITY (i) FOR FRAUD, INTENTIONAL MISCONDUCT OR GROSS NEGLIGENCE, OR (ii) FOR DEATH OR PERSONAL INJURY CAUSED BY ITS FRAUD, INTENTIONAL MISCONDUCT OR GROSS NEGLIGENCE OR (iii) FOR ANY OTHER LIABILITY THAT MAY NOT BE EXCLUDED OR LIMITED AS A MATTER OF LAW.

13. Confidentiality

13.1 A Party receiving Confidential Information (the "Receiving Party") agrees to strictly keep secret any and all Confidential Information received during the Term from or on behalf of the other Party (the "Disclosing Party") as well as the terms of this Agreement using at least the same level of measures as it uses to protect its own Confidential Information, but in any case at least commercially reasonable and customary efforts. Confidential Information shall include information disclosed in any form including but not limited to in writing, orally, graphically or in electronic or other form to the Receiving Party, observed by the Receiving Party or its employees, agents, consultants, or representatives, or otherwise learned by the Receiving Party under this Agreement, which the Receiving Party knows or reasonably should know is confidential or proprietary. For the avoidance of doubt, Forty Seven shall be deemed the Disclosing Party with respect to Forty Seven Information and Lonza shall be deemed the Disclosing Party with respect to Lonza Information.

13.2 Notwithstanding the foregoing, Receiving Party may disclose to any courts and/or other authorities Confidential Information which is or will be required pursuant to applicable governmental or administrative or public law, rule, regulation or order. ln such case the Party that received the Confidential Information will, to the extent legally permitted, inform the other Party promptly in writing and cooperate with the Disclosing Party in seeking to minimize the extent of Confidential Information which is required to be disclosed to the courts and/or authorities. If the Disclosing Party fails to obtain any protective order or other remedy, the Receiving Party shall furnish only that portion of the Confidential Information that is legally required to be disclosed and any Confidential Information so disclosed shall be treated as confidential for all purposes other than such legally compelled disclosure.

13.3 The obligation to maintain confidentiality under this Agreement does not apply to Confidential Information, which:

13.3.1 at the time of disclosure was publicly available; or

13.3.2 is or becomes publicly available other than as a result of a breach of this Agreement by the Receiving Party; or

13.3.3 as the Receiving Party can establish by competent proof, was rightfully in its possession at the time of disclosure by the Disclosing Party and had not been received from or on behalf of Disclosing Party (or anyone for whom it is responsible); or

13.3.4 is supplied to a Party by a Third Party which was not in breach of an obligation of confidentiality to Disclosing Party or any other party; or

13.3.5 is developed by the Receiving Party independently from and without use of or reference to the Confidential Information, as evidenced by contemporaneous written records.

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13.4 The Receiving Party will use Confidential Information of the Disclosing Party only for the purposes of exercising its rights and fulfilling its obligations under this Agreement and will not otherwise make any use of the Confidential Information of the Disclosing Party for its own separate benefit or the benefit of any Third Party including, without limitation, with respect to research or product development or any reverse engineering or similar testing. The Receiving Party agrees to return or destroy promptly (and certify such destruction) on Disclosing Party's request all Confidential Information of the Disclosing Party, except that one copy of such Confidential Information may be kept by the Receiving Party in its confidential files for record keeping purposes only.

13.5 Each Party will restrict the disclosure of Confidential Information of the other Party to such officers, employees, professional advisers, consultants, and actual finance-providers of itself and its Affiliates ("Representatives") who have been informed of the confidential nature of the Confidential Information and who have a need to know such Confidential Information solely for the purpose of this Agreement; provided that each Party may disclose the terms of this Agreement to potential finance-providers, acquirers and sublicensees in connection with an applicable financing or acquisition of or sublicense by such Party. Prior to disclosure to such persons, the Party in receipt of the Confidential Information shall bind its and its Affiliates' Representatives, potential finance provider, potential acquirer and/or potential sublicensee (as applicable) to confidentiality and non-use obligations no less stringent than those set forth herein and shall be fully responsible and liable for all acts and omissions of such persons in violation of this Clause 13. The Receiving Party shall notify the Disclosing Party as promptly as practicable of any unauthorized use or disclosure of the Confidential Information. Lonza may disclose Forty Seven's Confidential Information to Lonza's Affiliates and the External Laboratories, in each case who have a need to know such Confidential Information for the purposes of this Agreement and who are bound by written confidentiality and non-use obligations no less protective than those set forth herein.

13.6 The Receiving Party shall at any time be fully liable for any and all breaches of the confidentiality obligations in this Clause 13 by any of its Affiliates or the employees, consultants and representatives of itself or its Affiliates

13.7 Each Party hereto expressly agrees that any breach or threatened breach of the undertakings of confidentiality provided under this Clause 13 by a Party may cause irreparable harm to the other Party and that money damages may not provide a sufficient remedy to the non-breaching Party for any breach or threatened breach. In the event of any breach and/or threatened breach, then, in addition to all other remedies available at law or in equity, the non-breaching party shall be entitled to seek injunctive relief and any other relief deemed appropriate by the non-breaching Party.

14. Term and Termination

14.1 Term. This Agreement shall commence on the Effective Date and shall end on the later of the completion of the final cGMP Batch to be manufactured within the Assigned Capacity or the fifth (5^{th}) anniversary of the Effective Date in 2021 unless terminated earlier as provided herein or extended by mutual written consent of the Parties or otherwise in accordance with the terms of this Agreement (the "Term"). The Term may be extended by Forty Seven at its sole option and discretion for a further period of one (1) year by providing written notice of such extension to Lonza, such notice shall be provided no later than [*] and the Parties shall execute a written amendment for such extension.

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14.2 Termination. This Agreement may be terminated as follows

14.2.1 by either Party if the other Party breaches a material provision of this Agreement or a Project Plan and fails to cure such breach to the reasonable satisfaction of the non-breaching Party within [*] days ([*] days for non-payment) following written notification of such breach from the non-breaching party to the breaching party; provided, however, that such [*] day period shall be extended as agreed by the Parties if the identified breach is incapable of cure within [*] days and if the breaching Party provides a plan and timeline to cure the breach, promptly commences efforts to cure the breach and diligently prosecutes such cure (it being understood that this extended period shall be unavailable for any breach regarding non-payment);

14.2.2 by either Party, immediately, if the other Party enters into administration, is declared insolvent, is dissolved or liquidated, makes a general assignment for the benefit of its creditors, or files or has filed against it, a petition in bankruptcy or has an administrator or receiver appointed for a substantial part of its assets;

14.2.3 by either Party pursuant to Clause 15;

14.2.4 by Customer for any reason upon providing a written notice of no less than [*] to Lonza.

14.3 Consequences of Termination. ln the event of termination of this Agreement and subject to always to Clauses 8.5,14.4 and 14.5:

14.3.1 all Batches scheduled or in-process with respect to any Product on the effective date of termination shall be deemed to have been cancelled, unless this Agreement is terminated by Forty Seven under Clause 14.2.1 or 14.2.2, in which case Forty Seven may elect, by provision of written notice to Lonza, for Lonza to complete manufacture of and deliver in accordance with the terms of this Agreement any such cGMP Batch in-process;

14.3.2 Subject to the other terms of this Agreement, within [*] days of receipt of an invoice therefor, Lonza shall be compensated for:

(a) all Services rendered in accordance with this Agreement up to the date of termination, including in respect of any Product in process; and

(b) all costs through the date of termination, including Raw Materials costs and Raw Materials Fees for Raw Materials used or purchased for use in connection with the Project Plan (as set forth in Section 2.6), in each case, to the extent such costs were incurred in accordance with this Agreement.

14.3.3 Provided that Forty Seven has made all payments to Lonza in accordance with this Agreement, upon termination or expiration all unused Raw Materials and Forty Seven Materials and Product created pursuant to this Agreement shall, at Forty Seven's election, be delivered to Customer or disposed of by Lonza and in each case, at cost to Forty Seven.

14.4 ln the event of termination of this Agreement by Lonza pursuant to Clause 14.2.1 or 14.2.2, then in addition to Clause 14.3, [*] terminated by Lonza in accordance with Clause 14.2.1 or 14.2.2.

14.5 ln the event of termination of this Agreement by Forty Seven pursuant to Clause 14.2.4, then [*] in accordance with the terms of this Agreement and [*] obligations hereunder [*] until the earliest of [*] terminated by Forty Seven in accordance with Clause 14.2.4, or (iii) the termination of this Agreement in accordance with the terms of Clause 14.2].

14.6 General. Expiration or termination of this Agreement for any reason shall not release any Party hereto from any obligation or liability which, as of the effective date of termination, has already accrued to the other Party or which is attributable to a period prior to the effective date of termination nor preclude either Party from pursuing all rights and remedies it may have hereunder or at law or in equity with respect to any breach of this Agreement. Except as set forth in this Section 14.6 or 14.7, upon expiration or termination this Agreement shall be of no further force or effect.

14.7 Survival. Clauses 2.5, 2.9 (the last sentence thereof), 5, 7, 9, 10, 11.1.6, 11.2.5, 12, 13, 14, 15, and 16 shall survive the expiration or termination of this Agreement.

15. Force Majeure

15.1 lf Lonza is prevented or delayed in the performance of any of its obligations under the Agreement by Force Majeure and gives written notice thereof to Forty Seven specifying the matters constituting Force Majeure together with such evidence as Lonza reasonably can give and specifying the period for which it is estimated that such prevention or delay will continue, Lonza shall be excused from the performance or the punctual performance of such obligations as the case may be from the date of such notice for so long as such cause of prevention or delay shall continue. In such event, Forty Seven's obligations under Clause B shall be suspended for so long as such Force Majeure shall continue. Provided that, if such Force Majeure persists for a period of [*] months or more, either Party may terminate this Agreement by delivering written notice to the other Party.

15.2 "Force Majeure" shall be deemed to include any reason or cause beyond Lonza's reasonable control affecting the performance by Lonza of its obligations under the Agreement, including, but not limited to, any cause arising from or attributable to acts of God, strike, lockouts, labor troubles, restrictive governmental orders or decrees, riots, insurrection, war, terrorists acts, or the inability of Lonza to obtain any required raw material, energy source, equipment, labor or transportation.

15.3 With regard to Lonza, any such event of Force Majeure affecting services or production at its Affiliates or suppliers shall be regarded as an event of Force Majeure.

16. Miscellaneous

16.1 Severability. If any provision hereof is or becomes at any time illegal, invalid or unenforceable in any respect, neither the legality, validity nor enforceability of the remaining provisions hereof shall in any way be affected or impaired thereby. The Parties hereto undertake to substitute any illegal, invalid or unenforceable provision by a provision which is as far as possible commercially equivalent considering the legal interests and the purpose.

16.2 Amendments. Modifications and/or amendments of this Agreement must be in writing and signed by the Parties.

16.3 Performance by Affiliates. Lonza shall be entitled to instruct one or more of its Affiliates to perform any of Lonza's obligations contained in this Agreement, but Lonza shall remain fully responsible in respect of those obligations and shall be responsible for any action or omission of such Affiliate that would constitute a breach of this Agreement had such action or omission been conducted by Lonza itself.

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16.4 Assignment. Neither Party shall be entitled to assign, transfer, charge or in any way make over the benefit and/or the burden of this Agreement without the prior written consent of the other which consent shall not be unreasonably withheld or delayed, save that Lonza shall be entitled without the prior written consent of the Licensee to assign, transfer, charge, sub-contract, deal with or in any other manner make over the benefit and/or burden of this Agreement (i) to an Affiliate or (ii) to any joint venture company of which Lonza is the beneficial owner of at least fifty per cent (50%) of the issued share capital thereof or (iii) to any company with which Lonza may merge or (iv) to any company to which Lonza may transfer substantially all of its business or assets and undertakings. Notwithstanding the foregoing, Forty Seven may, [*], assign this Agreement to [*].

16.5 Notice. All notices must be written and sent to the address of the Party first set forth above. All notices must be given (a) by personal delivery, with receipt acknowledged, (b) by facsimile followed by hard copy delivered by the methods under (c) or (d), (c) by prepaid certified or registered mail, return receipt requested, or (d) by prepaid recognized next business day delivery service. Notices will be effective upon receipt or at a later date stated in the notice.

16.6 Governing Law/Jurisdiction.

16.6.1 This Agreement is governed in all respects by the laws of the State of New York without regard to its conflict of laws rules. Subject to Clause 16.6.2, the Parties agree to submit to the jurisdiction of the courts in the State of New York.

16.6.2 Any dispute arising between the Parties under this Agreement will be referred to and finally settled by binding arbitration under the Rules of Arbitration of the International Chamber of Commerce by a single arbitrator knowledgeable in biopharmaceutical research and development related matters and familiar with the biopharmaceutical industry, appointed in accordance with the said Rules. The place of arbitration shall be New York, New York and the arbitration shall be conducted in the English language. The arbitrator's award shall be final and binding. The Parties covenant and agree that they will participate in the arbitration in good faith and that they will share equally the costs of the arbitration, except as otherwise provided herein. Judgment upon the award rendered in any such arbitration may be entered in any court of competent jurisdiction, or application may be made to such court for a judicial acceptance of the award and an enforcement, as the law of such jurisdiction may require or allow, Notwithstanding the foregoing, nothing in this Clause 16.6 shall prevent either Party from applying to a court of competent jurisdiction for equitable or injunctive relief.

16.7 Rights of Third Parties. The parties to this Agreement do not intend that any term hereof should be enforceable by any person who is not a party to this Agreement, save that Affiliates of Lonza and Affiliates of Forty Seven respectively may rely on the indemnities granted to them and limitations and exclusions of liability contained herein. The Parties may amend this Agreement without the consent of the Affiliates of either Party.

16.8 Announcements / Press Releases. Neither Party shall make any press release or announcement regarding the subject matter of this Agreement without the prior written consent of the other. The Parties shall use reasonable efforts to issue a joint press release within thirty (30) days of the Effective Date regarding the entry into this Agreement.

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16.9 Entire Agreement. This Agreement, including for clarity the Appendices hereto, prior MSA and GS Licence, contains the entire agreement between the Parties as to the subject matter hereof and supersedes all prior and contemporaneous agreements solely with respect to the subject matter hereof. To the extent that any inconsistencies or conflicts exist among the terms of this Agreement and the Prior MSA, the order of governance shall be (1) this Agreement and (2) the Prior MSA.

16.10 Stage 51. That certain amendment to the Prior MSA for a scope of Services known as "Stage 51" is hereby terminated by the Parties without incurring any payment obligation to Lonza, notwithstanding any provision of the stage 51 amendment to the contrary, and the Services to be performed thereunder shall be performed under this Agreement.

16.11 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of which together shall constitute one and the same document. Each party acknowledges that an original signature or a copy thereof transmitted by facsimile or by .pdf shall constitute an original signature for purposes of this Agreement.

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IN WITNESS WHEREOF, each of the Parties hereto has caused this Agreement to be executed by its duly authorized representative effective as of the date written above.

LONZA SALES AG

By: */s/ Bart A. M. van Aamhem*
Name Bart A. M. van Aamhem
Title Senior Legal Counsel

By: */s/ Nadia Zieger*
Name Nadia Zieger
Title Associate Director
Key Account Management

FORTY SEVEN, INC.

By: */s/ Jonathan MacQuitty*
Name Jonathan MacQuitty
Title CEO

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CONFIDENTIAL

APPENDIX A
Product and Project Plan

[*] (3 pages omitted)

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CONFIDENTIAL

APPENDIX B

I) Price

[*]

II) OUTLINE TERMS FOR TECHNOLOGY TRANSFER FROM LONZA TO FORTY SEVEN

[*] (4 pages omitted)

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CONFIDENTIAL

APPENDIX C
Quality Agreement

(TO BE ATTACHED)

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CONFIDENTIAL

APPENDIX D
Example Specifications

[*] (4 pages omitted)

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CONFIDENTIAL

APPENDIX E

[*]

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CONFIDENTIAL

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Assigned Capacity and Manufacturing Agreement for 2,000 L Scale

(the "Agreement")

by and between·

Lonza Biologics Tuas Pte Ltd
35 Tuas South Avenue 6, SG-Singapore, 637377

-hereinafter "Lonza"-

and

Forty Seven Inc.,
1490 O'Brien Drive, Suite A
Menlo Park, CA 94025 USA

-hereinafter "Forty Seven" or"Customer"-

Effective as of December 21, 2017 (the "Effective Date")

2k Singapore

CONFIDENTIAL

Table of Contents

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CONFIDENTIAL

Recitals

WHEREAS, Forty Seven is engaged in the development and research of certain products for the treatment of various indications (as further defined below, "Products");

WHEREAS, Lonza and its Affiliates have expertise in the evaluation, development and manufacture of such Products;

WHEREAS, Forty Seven wishes to engage Lonza for Services relating to the development and manufacture of the Product as described in this Agreement; and

WHEREAS, Lonza or its Affiliate; is prepared to perform such Services for Forty Seven in accordance with the terms and subject to the conditions set out herein.

NOW, THEREFORE, in consideration of the mutual promises contained herein, and for other good and valuable consideration, the parties intending to be legally bound, agree as follows:

1 Definitions and Interpretation

"Affiliate"	means any company, partnership or other entity which directly or indirectly, Controls, is Controlled by or is under common control with the relevant Party. "Control" means the ownership of more than fifty percent (50%) of the issued share capital or the legal power to direct or cause the direction of the general management and policies of the relevant Party.
"Agreement"	means this agreement incorporating all Appendices, as amended from time to time by written agreement of the Parties.
"Alternate Product(s)"	*means any product(s) which the Parties agree may be substituted in place of or manufactured in addition to the CD47 Product in accordance with Clause 6.2, and after such substitution all references in this Agreement to "Product" shall be deemed to apply to such Alternate Product(s).*
"Applicable Laws"	means all relevant U.S., U.K. and European Union, federal, state and local laws, statutes, rules, and regulations which are applicable to a Party's activities hereunder, including, without limitation, the applicable regulations and guidelines of any Governmental Authority and cGMP together with amendments thereto.
"Approval"	means the first marketing approval by the FDA or EMA of Production from the Facility for commercial supply.

"Assigned Capacity"	means the annual capacity at the Facility assigned by Lonza to Forty Seven for the manufacture of cGMP Batches as described in clause 6.1.
"Background Intellectual Property"	means any Intellectual Property either (i) owned or controlled by a Party prior to the Effective Date or (ii) developed or acquired by a Party independently from the performance of the Services hereunder during the Term of this Agreement.
"Batch"	means the Product derived from a single run of the Manufacturing Process at the Facility at 2,000 litre scale and associated analytical testing required for the release of the Product.
"CD47 Product"	means the human IgG antibody produced by the Cell Line, known as SSCI047 that binds to CD47 and of which Forty Seven is the proprietor as set out in Appendix D.
"Cell Line"	means the GS-CHO cell line expressing Product, created by Lonza under the Prior MSA, an example of the particulars of which are set out in Appendix D, and which does not include Lonza's host cell lines.
"Certificate of Analysis"	means a document prepared by Lonza listing tests performed by Lonza or approved External Laboratories, the Specifications and test results.
"Certificate of Compliance"	means a document prepared by Lonza: (i) listing the manufacturing date, unique Batch number, and concentration of Product in such Batch, (ii) certifying that such Batch was manufactured in accordance with the Master Batch Record and cGMP.
"cGMP"	means those laws and regulations applicable in the U.S., U.K. and European Union, relating to the manufacture of medicinal products for human use, including, without limitation, current good manufacturing practices as specified in the ICH guidelines, including without limitation, ICH Q7A "ICH Good Manufacturing Practice Guide for Active Pharmaceutical Ingredients", US Federal Food Drug and Cosmetic Act at 21CFR (Chapters 210, 211, 600 and 610) and the Guide to Good Manufacturing Practices for Medicinal Products as promulgated under European Directive 91/356/EEC. For the avoidance of doubt, Lonza's operational quality standards are defined in internal cGMP policy documents.

"cGMP Batches"	means any Batches which are required under the Project Plan to be manufactured in accordance with cGMP.
"Commencement Date"	means the date of removal of the vial of cells from frozen storage for the production of a Batch.
"Confidential Information"	means Forty Seven Information and/or Lonza Information, as the context requires.
"EMA"	means the European Medicines Agency, or any successor agency thereto.
"Engineering Batches"	means a Batch that is intended to demonstrate the transfer of the Manufacturing Process to the Facility, as described in Clause 2.2.
"External Laboratories"	means any Third Party instructed by Lonza, with Forty Seven's prior consent, which is to conduct activities required to complete the Services.
"Facility"	means Lonza's manufacturing facility in Singapore.
"FDA"	means the United States Food and Drug Administration, or any successor agency thereto.
"Forty Seven Information"	means all technical and other information (i) from time to time supplied by Forty Seven to Lonza under this Agreement which, at the time of disclosure by Forty Seven, was not known to Lonza or in the public domain or (ii) which was owned by Forty Seven pursuant to the Prior MSA and/or is specific to the Cell Line or Product, or any other materials or information supplied by Forty Seven to Lonza under this Agreement.
"Forty Seven Materials"	means any components of Product, or other materials of any nature as may be provided by Forty Seven to Lonza under this Agreement provided that the Cell Line will be subject always to the terms of the GS Licence.
"Governmental Authority"	means any Regulatory Authority and any national, multi-national, regional, state or local regulatory agency, department, bureau, or other governmental entity in the U.S., U.K. or European Union.

“GS Licence”	means the licence agreement between Forty Seven and Lonza Sales AG dated 24 May 2016 for the use of Lonza’s proprietary glutamine synthetase gene expression system, as amended from time to time.
“Intellectual Property”	means (i) inventions (whether or not patentable), patents, trade secrets, copyrights, trademarks, trade names and domain names, rights in designs, rights in computer software, database rights, rights in confidential information (including know-how) and any other intellectual property rights, in each case whether registered or unregistered, (ii) all applications (or rights to apply) for, and renewals or extensions of, any of the rights described in the foregoing sub-clause (i) and (ii) and all rights and applications that are similar or equivalent to the rights and application described in the foregoing sub-clauses (i) and (ii), which exist now, or which come to exist in the future, in any part of the world.
“Lonza Information”	means all information that is proprietary to Lonza or any Affiliate of Lonza and that is maintained in confidence by Lonza or any Affiliate of Lonza and that is disclosed by Lonza or any Affiliate of Lonza to Forty Seven under or in connection with this Agreement, including without limitation, any and all Lonza know-how and trade secrets, but excluding any Forty Seven Information.
“Manufacturing Process”	means Lonza’s production process for the manufacture of Product.
“Master Batch Record”	means the document, proposed by Lonza and approved by Forty Seven, which defines the manufacturing methods, test methods and other procedures, directions and controls associated with the manufacture and testing of Product.
“New Forty Seven Intellectual Property”	has the meaning given in Clause 10.2.
“New General Application Intellectual Property”	has the meaning given in Clause 10.3.
“Party”	means each of Lonza and Forty Seven and, together, the ”Parties”.
“Price”	means the price for the Services and Products as set out in Clause 8 and/or Appendix B.

"Prior MSA"	means the (i) sub-award agreement between Forty·Seven and Lonza Sales AG dated 25 August 2010; as novated and amended by the novation and amendment agreement .between the Parties dated 01 March 2016 and as amended from time to time, and (ii) the Assigned Capacity and Manufacturing Agreement between Forty Seven and Lonza Sales AG dated 30 August 2016 as amended.
"Process Validation Batch"	means a Batch that is produced with the intent to show reproducibility of the Manufacturing Process and Is required to complete process validation studies.
"Product(s)"	means the CD47 Product and/or the Alternate Product(s) to be manufactured by Lonza under this Agreement.
"Project Plan"	means the Plan(s) describing the Services to be performed by Lonza under this Agreement, including any update and amendment of the Project Plan to which the Parties may agree from time to time.
"Quality Agreement"	means the quality agreement, attached hereto as Appendix C, setting out the responsibilities of the Parties in relation to quality as required for compliance with cGMP.
"Raw Materials"	means all ingredients, solvents and other components of the Product required to perform the Manufacturing Process or Services set forth in the bill of materials detailing the· same [*].
"Raw Materials Fee"	means the procurement and handling fee of [*] of the amount incurred by Lonza to be paid to a Third Party ("Lonza's Cost") for the acquisition of Raw Materials (other than Resins) that is charged to Forty Seven in addition to Lonza's Cost of such Raw Materials.
"Regulatory Approval"	means, with respect to a Product, all approvals, licenses, registrations or authorizations necessary for the commercialization of such Product in a particular jurisdiction.
"Regulatory Authority"	means the FDA, EMA and any other similar regulatory authorities: as may be agreed upon in writing by the Parties.
"Release"	has the meaning given in Clause 7.1.

"Resin"	means the chromatographic media and/or UF membranes intended to refine or purify the Product, as specified in the Master Batch Record.
"Safety Stock"	has the meaning set out in Clause 2.9.
"Services"	means all or any part of the services to be performed by Lonza under this Agreement, particulars of which are set out in a Project Plan.
"Specifications"	means the specifications of the Product; an example of which is specified in Appendix D, which may be amended from time to time in accordance with this Agreement.
"Suite Fee"	has the meaning set out in Clause 8.1.
"Term"	has the meaning given in Clause 14.1.
"Third Party"	means any party other than Forty Seven, Lonza and their respective Affiliates.

In this Agreement references to the Parties are to the Parties to this Agreement, headings are used for convenience only and· do not affect its interpretation, references to a statutory provision include references to the statutory provision as modified or re-enacted or both from time to time and to any subordinate legislation made under the statutory provision, references to the singular include the plural and vice versa, and references to the word "including" are to be construed without limitation.

2 Performance of Services

2.1 Performance of Services. Subject to clause 2.5, Lonza shall itself and/or through its affiliates, diligently carry out the Services at the Facility as provided in the Project Plan and use commercially reasonable efforts to perform the Services without any material defect and according to the estimated timelines as set forth in the Project Plan (owing to the unpredictable nature of the biological processes involved in the Services, the timescales set down for the performance of the Services are estimated only). Lonza shall retain appropriately qualified and trained personnel with the requisite knowledge and experience to perform the Services in accordance with this Agreement. Lonza may subcontract or delegate any of its rights or obligations under this Agreement to perform the Services to its Affiliate(s); provided that Lonza shall be responsible for each such Affiliate's performance or non-performance under this Agreement as if Lonza itself were performing such activities. Lonza may engage an External Laboratory to provide some of the Services provided, that any External Laboratories shall be subject to the same obligations and other provisions contained in this Agreement or any applicable Project Plan. In the event of a dispute Lonza shall use its reasonable endeavours to enforce such obligations upon such External Laboratories and pass onto the Customer whatever remedies it obtains from such External Laboratories provided always that Lonza shall not be responsible for any services performed by such External laboratories.

2.2 Engineering Batches. Lonza shall manufacture Engineering Batches in accordance with the Project Plan, the other applicable terms of this Agreement and the Quality Agreement. Forty Seven shall have the right to make whatever further use of the non-cGMP Engineering Batches as it shall determine, provided that Forty Seven pays for any such Batches manufactured in accordance with this Section 2.2 at the rate set forth in Clause 8.1, such use is not for human use and does not violate any Applicable Laws. Lonza makes no warranty that Engineering Batches will meet CGMP and Specifications, but Lonza will use commercially reasonable efforts to meet CGMP and Specifications with respect to each Engineering Batch. If Lonza determines that an Engineering Batch does meet cGMP and the Specifications, it will release such Engineering Batch as a cGMP Batch. Regardless of whether any Engineering Batch meets cGMP or the Specifications, Forty Seven shall pay to Lonza the Price for such Engineering Batch plus the Raw Materials Fee associated with such Engineering Batches.

2.3 cGMP Batches. Lonza will, in accordance with the terms of this Agreement and Quality Agreement, manufacture at the Facility and release to Forty Seven, cGMP Batches that comply with the Manufacturing Process, cGMP and the Specifications, together with a Certificate of Analysis (such manufacture, "cGMP manufacture"); provided, however, that (i) Lonza is not obligated to commence cGMP manufacture until at least [*] has been manufactured in compliance with cGMP and Specifications and (ii) after any change in the process for such Product agreed to or requested by Forty Seven, Lonza shall not be obligated to recommence cGMP manufacture until at least [*] has been manufactured in compliance with cGMP and Specifications. Prior to commencement of cGMP manufacturing, Lonza shall review the process assumptions. In the event that there is a material difference in the process assumptions as compared with the process results demonstrated during the manufacture of Engineering Batches, the Parties shall meet to discuss in good faith a revision to the Batch Price to reflect such difference.

2.4 Process Validation Batches. Lonza shall manufacture and deliver Process Validation Batches as mutually agreed by Parties sufficient to document the operability and reproducibility of the Manufacturing Process and permit the Parties to complete and file the necessary regulatory documents.

2.4.1 Prior to commencement of Process Validation Batches, Lonza and Forty Seven shall agree a process validation plan identifying the validation requirements of the Manufacturing Process. All process validation activities are excluded from the Price of Process Validation Batches shall be approved by Forty Seven in advance and shall be paid for by Forty Seven at the Price set out in the applicable Project Plan. Any regulatory support activities (including pre-Approval inspection) required and agreed to by Forty Seven to support the Approval of the Product from the Facility shall be performed and supported by Lonza as reasonably requested by Forty Seven. The cost of all such regulatory support activities are excluded from the Price of Process Validation Batches, shall be approved by Forty Seven in advance, and shall be paid for by Forty Seven at the Price set out in the applicable Project Plan.

2.5 Manufacturing Process. Any changes to the Specifications or the Manufacturing Process for a Product shall be carried out in accordance with the Quality Agreement and Lonza's standard operating procedures.

2.6 Supply of Forty Seven Information and Forty Seven Materials. Forty Seven shall supply to Lonza all Forty Seven Information and Forty Seven Materials, and other information or materials that may be reasonably required by Lonza to perform the Services. Lonza shall not be responsible for any delays arising out of Forty Seven's failure to provide such Forty Seven Information, Forty Seven Materials, or other information or materials reasonably required to perform the Services to Lonza, and [*], including, if applicable, [*].

2.7 Forty Seven Materials.

2.7.1 Sale or License. All Forty Seven Materials shall remain the property of Forty Seven, and the transfer of physical possession of any such Forty Seven Materials to, and the physical possession of such Forty Seven Materials by, Lonza, including its Affiliates and/or any External Laboratory shall not be (nor be construed as) a sale, lease, offer to sell or lease, or other transfer of title of such materials to Lonza including its Affiliates and/or any External Laboratories, provided that the Cell Line shall be subject always to the terms of the GS License.

2.7.2 Limited Use. Lonza including its Affiliates and any External Laboratories shall not use the Forty Seven Materials for any purpose other than as necessary for the performance of the Services. Subject to clause 2.1, Lonza, including its Affiliates and any External Laboratories will not provide or transfer any Forty Seven Materials to any Third Party without the prior written consent of the Forty Seven. Lonza, its Affiliates and/or any External Laboratories shall only use the Forty Seven Materials in accordance with this Agreement and Applicable Laws.

2.7.3 No Modification or Derivation. Lonza, its Affiliates and External Laboratories shall not attempt to alter or modify the Forty Seven Materials in any way, or to make any derivatives or analogs thereof, without the express prior written consent of Forty Seven, and shall not under any circumstances attempt, directly or indirectly, to analyze, characterize, reverse engineer or otherwise derive the structures, sequences, or constructs of the Forty Seven Materials.

2.7.4 Care of Use. Lonza agrees to use, and shall cause its Affiliates and External Laboratories to use reasonable care in the use, handling, storage, containment, transportation and disposition of the Forty Seven Materials. Lonza shall not use, nor authorize the use of, any Forty Seven Materials on or in humans for any purpose under any circumstances.

2.8 Raw Materials. Lonza shall procure all required Raw Materials as well as consumables, other than those Raw Materials that are Forty Seven Materials, Forty Seven shall be responsible for payment in accordance with this Clause 2.8, Clause 8.5 and Clause 14.3.2(b) for all consumables and Raw Materials ordered or irrevocably committed to be procured by Lonza in accordance with this Agreement. Upon cancellation of any Batch by Forty Seven, or termination of this Agreement all such unused Raw Materials shall be paid for by Forty Seven, at the cost incurred by Lonza plus the Raw Materials Fee, within [*] days of invoice and at Forty Seven's option, either (a) delivered to Forty Seven or (b) disposed of by Lonza; provided that upon any such cancellation or termination, Lonza shall use commercially reasonable efforts to cancel or mitigate any obligation to purchase Raw Materials.

2.9 Safety Stock. Lonza will, unless Forty Seven instructs Lonza otherwise, and subject to Forty Seven paying the appropriate Raw Materials Fee, maintain a sufficient safety stock of Raw Materials (including a safety stock of Resin) in accordance with Lonza's standard policies or as otherwise agreed in writing by the Parties.

2.10 Records. Lonza will maintain in accordance with the Quality Agreement records and samples relating to the manufacture of the Product.

3 Project Management / Steering Committee

3.1 Project Plans. With respect to a new project to be governed by this Agreement, a new Project Plan shall be added by agreement in a writing signed by the Parties and appended to Appendix A. Each Project Plan shall include a description of the Services to be provided, the Product to be manufactured, Specifications, a schedule for completion of the Project Plan, pricing details, and such other information as is necessary for relevant Services. In the event of a conflict between the terms of a Project Plan and this Agreement, the terms of this Agreement will govern unless the Parties expressly agree otherwise in writing. Any modifications or amendments to the Project Plans shall be expressly agreed in writing and signed by the Parties.

3.2 Project Management. With respect to each Project Plan, each party will appoint a project manager who will be the party responsible for overseeing the Project Plan.

3.3 Steering Committee. Each Party shall name a mutually agreed upon equal number of representatives for the Steering Committee, which shall meet twice per calendar year, or as otherwise mutually agreed by the Parties. In the event that a Steering Committee dispute cannot be resolved, such dispute shall be escalated to a senior executive of each of Forty Seven and Lonza.

The primary function of the Steering Committee is to ensure the ongoing communication between the Parties and discuss and resolve any issues arising under this Agreement. In addition to the primary function described above, the Steering Committee shall also take on the following responsibilities:

3.3.1 discuss and seek resolution of issues around management of the Services;

3.3.2 agree and monitor deadlines and milestones for the Services;

3.3.3 discuss and seek resolution for any Batch failures and unreleased Batches; and

3.3.4 discuss and recommend any changes to the Services (although such changes will not take effect until they have been incorporated into a written amendment to the Project Plan which has been signed by the Parties).

3.4 Person in Plant. Forty Seven shall be permitted to have, at no additional cost, [*] at the Facility as reasonably requested by Forty Seven, at any time during the Manufacturing Process for the purpose of observing, reporting on, and consulting as to the performance of the Services. Such employee shall be subject to and agree to abide by confidentiality obligations to Third Parties and Lonza's customary practices and operating procedures regarding persons in plant, and such employee agrees to comply with all instructions of Lonza's employees at the Facility.

4 Quality

4.1 Responsibility for quality assurance and quality control of Product shall be allocated between Forty Seven and Lonza as set forth in the Quality Agreement and in Lonza standard operating procedures. If there is a conflict between the terms and conditions of this Agreement and the Quality Agreement, the terms and conditions of this Agreement shall prevails. If the Quality Agreement is not in place at the Effective Date, Lonza and Forty Seven commit to enter into the Quality Agreement in a timely manner, but in no event later than the commencement of cGMP manufacturing under this Agreement.

4.2 Provisions regarding inspections by Regulatory Authorities and audits shall be set out in the Quality Agreement.

5 Insurance

5.1 Each Party shall, during the Term and for [*] years after delivery of the last Product manufactured or Services provided under this Agreement, obtain and maintain at its own cost and expense from a qualified insurance company, comprehensive general liability insurance including, but not limited to, contractual liability coverage and product liability coverage in the amount of at least [*] per claim. Each Party shall provide the respective other Party with a certificate of such insurance upon reasonable request.

6 Assigned Capacity, Alternate Product, Forecasting, Ordering and Cancellation

6.1 Assigned Capacity.

(a) Lonza shall manufacture [*] Engineering Batch in [*] and such Engineering Batch is non-cancellable. Lonza shall manufacture [*] cGMP Batches per year during the Assigned Capacity. Lonza will use commercially reasonable efforts to accommodate Forty Seven's Forecast as set out in clause 6.3 below, provided however that, except as expressly set forth in this Agreement (including Section 6.1(b)), [*] and subject to [*], Lonza shall [*].

(b) Whether a cGMP Batch is manufactured within the Assigned Capacity shall be measured from the Commencement Date of such cGMP Batch and for the purposes of clarity, such Assigned Capacity shall be from [*] to [*], unless (i) the Term is extended pursuant to Clause 14.1, in which case the Assigned Capacity shall continue through [*] or (ii) Lonza and Forty Seven mutually agree on terms of a commercial agreement that modifies or replaces the Assigned Capacity and/or (iii) Forty Seven provides written notice ("[*] Notice") to Lonza that Forty Seven wishes to [*] with the intention that [*], provided Forty Seven provides such [*] Notice to Lonza no later than [*], provided further that if Lonza does not receive such [*] Notice on or before [*], the Assigned Capacity [*]. The Assigned Capacity shall be [*] cGMP Batches per year at 2,000 litre scale at Lonza's Facility. Subject to the foregoing provisions, the above cGMP Batches shall be regarded as a binding commitment on the Parties for the Term, and (except as set forth in Clauses [*]) [*].

6.2 Alternate Product. Forty-Seven may request Lonza to manufacture Alternate Product(s) in place of or in addition to the CD47 Product within the Assigned Capacity provided always that any such Alternate Products does not exceed Lonza's then current standard

processing times and subject to Lonza's agreement, and the negotiation and execution of an amended Project Plan agreed between the Parties that shall set out the price and terms for the transfer of the Alternate Product into the Facility and for payment of all such additional costs as reasonably incurred by Lonza in completion of such transfer. If an Alternate Product is introduced, the number of cGMP Batches to be manufactured within the Assigned Capacity in each year may be revised as agreed in writing by the Parties.

6.3 Forecasting and Ordering.

(a) No later than the first (1st) day of each calendar quarter, Forty Seven shall supply Lonza with a written forecast showing Forty Seven's good faith estimated quarterly Commencement Date requirements for Batches to be manufactured within the Assigned Capacity at Lonza's Facility and any Additional cGMP Batches (as defined below) requested by Forty Seven to be manufactured at Lonza's Facility in the following [*] month period or the remainder of the Term, whichever is less (the "Forecast"). No later than [*] days following Lonza's receipt of a Forecast, Lonza shall provide written notice to Forty Seven of whether it has (as of the date of receipt of the Forecast) capacity available to manufacture the number of Batches forecasted therein in accordance with the schedule proposed by Forty Seven and shall provide Forty Seven with an estimated production schedule showing the estimated Commencement Date and estimated delivery date of each Batch ("Forecast Response"). The forecast and notice of available capacity given in this Clause 6.3 shall not be binding on Forty Seven or Lonza, except as otherwise set forth in Clause 6.1. For the avoidance of doubt, no notice from Lonza to Forth Seven provided pursuant to this Clause 6.3 shall relieve Lonza of its obligations under Clause 6.1, except as permitted by Clause 6.4.

(b) Forty Seven may place firm purchase orders for its requirement for Additional cGMP Batches at least [*] months prior to the desired Commencement Date of each such Batch unless otherwise mutually agreed. Lonza shall accept or reject Forty Seven's orders for Additional cGMP Batches within [*] calendar days of Lonza's receipt of the purchase order; provided that if Lonza fails to accept or reject a purchase order within such [*] calendar day period, [*]. Lonza shall use commercially reasonable efforts to accept all purchase orders submitted by Forty Seven in accordance with this Section 6.3(b). Each accepted purchase order is a "Binding Purchase Order." All Binding Purchase Orders shall be subject to the cancellation provisions in Clause 6.5.

6.4 Rescheduling. [*] reschedule the Commencement Date with respect to any cGMP Batch, provided that the rescheduled Commencement Date is no earlier or no later than [*] days from the Commencement Date originally estimated (i) in the portion of the Forecast Response relating to the then-current first [*] months of the Assigned Capacity or (ii) at the time of Lonza's acceptance of the binding purchase order for any Additional cGMP Batches.

6.5 Cancellation of cGMP Batches. If Forty Seven cancels (i) any cGMP Batch within the Assigned Capacity it shall not receive any refund or rebate of the Suite Fee (except as set forth in this Clause 6.5 or Clause 6.7), and (ii) any Additional cGMP Batch, as defined below, for which Lonza accepted a purchase order, (A) Forty Seven shall pay [*] of the Price for such cancelled Additional cGMP Batch if Forty Seven provides written notice of

cancellation of such Additional cGMP Batch to Lonza less than or equal to [*] months prior to the Commencement Date of such Additional cGMP Batch or (B) Forty Seven shall pay [*] of the Price for such cancelled Additional cGMP Batch if Forty Seven provides written notice of cancellation of such Additional cGMP Batch to Lonza more than [*] months but less than or equal to [*] months prior to the Commencement Date of such Additional cGMP Batch. In addition, Forty Seven shall pay for all costs associated with the cancelled cGMP Batch that Lonza has incurred, or is irrevocably committed to pay, including the costs of Raw Materials and the Raw Materials Fee, in accordance with Clause 2.8. Lonza shall use commercially reasonable efforts to sell all or any part of the Assigned Capacity ("Additional cGMP Batch Capacity") that Forty Seven has notified Lonza that it does not wish to use, but Lonza does not make any commitment, warranty or representation that it will be successful in finding any Third Party customer (existing or new) to fill such excess Assigned Capacity and/or Additional cGMP Batch Capacity. If Lonza is able to sell all or any part of such excess Assigned Capacity to a Third Party for a new project, Lonza shall refund to Forty Seven [*] the Suite Fee for such year with respect to each manufacturing slot Lonza is able to sell to a Third Party. If Lonza is able to sell all or any part of such excess Additional cGMP Batch Capacity to a Third Party for a new project, Lonza shall refund to Forty Seven [*] the Price paid by Forty Seven for the cancelled Additional cGMP to the extent [*]. In addition, Forty Seven may refer potential Third Party customers to Lonza in respect of any such excess Assigned Capacity and/or Additional cGMP Batch Capacity, provided that Lonza shall at all times have the sole and absolute discretion whether or not it decides to enter into discussions with such referred Third Party customers.

6.6 In the event that the parties agree any additional stages of work to be added to the Project Plan ("Additional Project"), the prices for such Additional Work shall be calculated based on Lonza's standard pricing at the time of agreement on such Additional Work. ·Once the Additional Work has been added into this Agreement, the pricing for such Additional Work shall be subject to review in accordance with the provisions of Clause 8.4.

7 Delivery and Acceptance

7.1 Delivery. All Product shall be delivered [*] (as defined by incoterms®2010) [*] and with respect to the Product, title and risk of loss shall transfer to Forty Seven upon Release in accordance with this provision. For the avoidance of doubt, shipping or transportation of the Products, whether or not any arrangements are made by Lonza on behalf of the Forty Seven, shall be made at the sole risk and expense of the Forty Seven.

7.2 Storage

7.2.1 Forty Seven shall arrange for shipment and take delivery of each Batch from the Facility, at Forty Seven's expense, within [*] days after Release or pay applicable storage costs. Lonza shall provide storage on a bill and hold basis for such Batch(es) at no charge for up to [*] days; provided that any additional storage beyond [*] days will be subject to availability and, if available, will be charged to Fort Seven and will be subject to a separate agreement. In addition to clause 8.2, Forty Seven shall be responsible for all value added tax (VAT) and any other applicable taxes, levies, import, duties and fees of whatever nature imposed as a result of any storage (other than taxes on Lonza's income). Notwithstanding anything to the contrary contained in this Agreement, in no event shall Lonza be required to store any Batch for more than [*] calendar days after Release. Within [*] days following a written request from Lonza, Forty Seven shall provide Lonza with a letter in form satisfactory to Lonza confirming the bill and hold status of each stored Batch.

7.2.2 The Products shall be stored by Lonza at Lonza's premises in accordance with Lonza's standard operating procedure, subject always to audit by Forty Seven in accordance with the Quality Agreement and clause 7.2.1. Lonza shall keep all such Products and Forty Seven Materials free of all security interests, liens and other encumbrances and Lonza shall retain control thereof and shall not transfer the same to any Third party unless otherwise agreed in writing by the Parties.

7.3 Acceptance/Rejection of Product

7.3.1 Promptly following Release of cGMP Batches, Forty Seven shall inspect such cGMP Batches and shall have the right to test such Batches to determine compliance with the Specifications. Forty Seven shall notify Lonza in writing of any rejection of a cGMP Batch based on any claim that it fails to meet Specifications within [*] days of Release, after which time all unrejected cGMP Batches shall be deemed accepted, subject to Forty Seven's right to reject any cGMP Batch for latent defects set out in this clause 7.3.1. Forty Seven shall inform Lonza in writing in case of latent defects (i.e. not discovered by routine quality control means), promptly upon discovery of such defects but no later than [*] after delivery of the Product.

7.3.2 In the event that Lonza believes that a cGMP Batch has been incorrectly rejected by Forty Seven, Lonza must notify Forty Seven in writing within [*] days (such notice, the "Dispute Notice") and Lonza may require, that Forty Seven provide to it cGMP Batch samples for testing. Lonza may retain and test the samples of such cGMP Batch. In the event of a discrepancy between Forty Seven's and Lonza's test results such that Lonza's test results determine that the cGMP Batch conforms with the Specifications, or there otherwise exists a dispute between the Parties over whether such cGMP Batch fails to conform to the Specifications or the extent to which such failure is attributable to a given Party, the Parties shall use good faith efforts to resolve any such discrepancy or dispute; provided that if such dispute cannot be settled within [*] days from the receipt of the Dispute Notice, then the Parties will submit a sample of the cGMP Batch to an independent laboratory and require the independent laboratory promptly to review records, test data and perform comparative tests and/or analyses on samples of the Product that allegedly fails to conform to Specifications. Such Independent laboratory shall be mutually agreed upon by the Parties. The independent laboratory's results shall be in writing and shall be final and binding save for manifest error. Unless otherwise agreed to by the Parties in writing, the costs associated switch such testing and review shall be borne by the Party against whom the Independent laboratory rules.

7.3.3 Subject to clauses 2.2 and 2.3, in the event that it is determined (by the Parties or the independent laboratory) that any cGMP Batch failed to conform with the Specifications (each a "Failed Batch") and such failure was [*] ("Lonza Responsibility") then Lonza shall replace such Failed Bath at its sole cost and expense, including bearing the cost of obtaining any Raw Material, Resin or other material required for the manufacture of such replacement cGMP Batch. Such replacement shall be made as promptly as practicable, subject to available

manufacturing capacity after the confirmation of Lonza Responsibility and in any case as soon as reasonably possible after confirmation of Lonza Responsibility. [*] acknowledges and agrees that [*] with respect to a Failed Batch that is a Lonza Responsibility [*], and in furtherance thereof, [*]. Lonza shall not be responsible for the cost of Raw Materials or Forty Severn Materials consumed in any Batch which failed to meet Specifications except to the extent set forth in this Clause 7.3.3.

8 Price and Payment

8.1 Suite Fee and Batch Fees. Forty Seven shall pay Lonza an annual Suite Fee of [*]. Except as set forth under this agreement, the Suite Fee is payable in full regardless of utilization by Forty Seven and the Suite Fee shall not be reduced or refunded if Forty Seven does not make full use of the Assigned Capacity. In addition to the foregoing, Forty Seven shall pay Lonza (i) [*] for each Engineering Batch manufactured by Lonza and (ii) [*] for each additional cGMP Batch, including any process Validation Batches), manufactured in any calendar year after the first [*] cGMP Batch(es), manufactured in such year (each an "Additional cGMP Batch")

8.2 Other Services. In addition to Clause 8.1, pricing for the Services (other than the manufacture of Batches within the Assigned Capacity, Engineering Batches and Additional cGMP Batches) provided by Lonza are set out in, and based on the assumptions and information set out in, the applicable Project Plan. In the event of changes to the Services based on Forty Seven's request which result in additional costs, the Parties shall execute a written amendment to this Agreement.

8.3 Raw Materials, Resins, Raw Materials Fees and Safety Stock. In addition to the Suite Fee and Batch fees in accordance with Clause 8.1, and he prices payable under Clause 8.2, Forty Seven shall pay for all Raw Materials, Resins, Safety Stock and the Raw materials Fee.

8.4 Unless otherwise indicated in writing by Lonza, all prices and charges are exclusive of value added tax (VAT0 and of any other applicable taxes, levies, import, duties an fees of whatever nature imposed by or under the authority of any government or public authority and all such charges applicable to the Services (other than taxes on Lonza's income) shall be paid by Forty Seven. When sending payment to Lonza, the Forty Seven shall quote the relevant Invoice number in its remittance advice.

8.5 Payment Terms.

8.5.1 Suite Fee. The Suite Fee shall be payable in [*] instalments each year, with the first payment due on [*] and the second payment due on [*] and thereafter payable [*] during the Term. Subject to clause 14, Forty Seven will pay the Suite Fee to Lonza for the Term of this Agreement.

8.5.2 Batch Fees. Lonza shall issue invoices to Forty Seven for [*] of the Price for each Engineering Batch and each Additional cGMP Batch upon commencement thereof and [*] upon Release of each such applicable Batch, unless otherwise stated in the Project Plan.

8.5.3 Raw Materials and Raw Materials Fee. Lonza's Cost for Raw Materials and the Raw Materials Fee for each Batch shall be invoiced upon the Release of each such Batch. Lonza will provide a list of the Raw Materials and the unit price reflecting Lonza's Cost for each component of the Raw Materials (excluding any Lonza Intellectual Property). Resins shall be invoiced at [*].

8.5.4 All invoices are strictly net and payment must be made within [*] days of date of Invoice. Payment shall be made without deduction, deferment, set-off, lien or counterclaim.

8.6 If in default of payment of any undisputed invoice on the due date, Interest shall accrue on any amount overdue at the lesser of (i) rate of [*] above the London Interbank Offered Rate (LIBOR) or (ii) the maximum rate allowable by applicable law, Interest to accrue on a day to day basis until full payment; and Lonza shall, at its sole discretion, and without prejudice o any other of its accrued rights, be entitled to suspend the provision of the Services and or delivery of Product until all overdue amounts have been paid in full including interest for late payments.

8.6.1 Price Adjustment. Not more than once per calendar year and with effect from [*], Lonza may adjust the Price for Services in accordance with [*] based upon any change in the index from the previous calendar year or increase the Price by [*], by providing Forty Seven [*] days prior written notice of such adjustment. The new Price reflecting such Price adjustment shall be effective for any Services and/or Batch for which the Commencement Date is on or after the effective date of Lonza's notice to Forty Seven of the Price adjustment.

8.6.2 In addition to the above, the Price may be changed by Lonza not more than once per calendar year, upon prior written notice to Forty Seven (providing reasonable detail in support thereof), to reflect an increase of more than [*], as compared to the prior calendar year, in Lonza's costs to manufacture the Product (other than any change in the cost of Raw Materials), including any change In an environmental, safety or regulatory standard that is outside of Lonza's control and substantially impacts Lonza's cost and ability to perform the Services, provided that (i) any such Increase up to [*] shall be [*] and (ii) to the extent any such increase is more than [*], the amount of such increase above [*] shall be [*] such that the Price shall be Increased by [*]. Notwithstanding the foregoing, in no event shall the Price be increased by more than [*] for the purposes of this clause 8.6.2 in any calendar year, except with respect to any such increase to the extent attributable to [*], in which case [*].

9 [Intentionally Omitted.]

10 Intellectual Property

10.1 Background Intellectual Property. Neither Party will as a result of this Agreement, acquire any right, title, or interest in any Background Intellectual Property of the other Party or any of Its Affiliates.

10.2 New Forty Seven intellectual Property. Subject to Clauses 10.1 and 10.3, Forty Seven shall own all right, title, and interest in and to any and all Intellectual Property that Lonza and/or its Affiliates, the External Laboratories or other contractors or agents of Lonza develops,

conceives, invents, first reduces to practice or makes, solely or jointly with Forty Seven or others as a result of the receipt of the Forty Seven information, Forty Seven Materials and/or any Products (collectively; the "New Forty Seven Intellectual Property"). For avoidance of doubt "New Forty Seven Intellectual Property"' shall include any material, processes or other items that solely embody, or that solely are claimed or covered by, any of the foregoing Intellectual Property, but excluding any New General Application Intellectual Property. Lonza shall, and shall cause its Affiliates to, promptly disclose to Forty Seven in writing all New Forty Seven Intellectual Properly.

10.3 New General Application Intellectual Property. Notwithstanding clause 10.2 and subject to the license granted in Clause 10.5, Lonza shall own all right, title and interest in intellectual Property that Lonza and/or its Affiliates, the External Laboratories or other contractors or agents of Lonza, solely or jointly with Forty Seven, develops, conceives, invents, or first reduces to practice or makes in the course of performance of the Services (i) that is, generally applicable to, the development or manufacture of chemical or biological products or product components and not specific to the Product and the use or practice of which would not require the use or disclosure of Forty Seven Information, Forty Seven Materials or Forty Seven Background Intellectual Property, or (ii) is an improvement of or direct derivative of any Lonza Background Intellectual Property and/or Lonza Information (collectively the "New General Application Intellectual Property"). For avoidance of doubt, "New General Application Intellectual Property" shall include any material, processes or other items that embody, or that are claimed or covered by, any of the foregoing Intellectual Property.

10.4 Assignment of New Forty Seven Intellectual Property. Lonza hereby assigns, and shall cause its Affiliates to assign, to Forty Seven all of its right, title and interest in any New Forty Seven Intellectual Property. Lonza shall execute, and shall cause its personnel as well as its Affiliates, External Laboratories or other contractors or agents and their personnel, involved in the performance of the Services to execute, any documents reasonably required to confirm Forty Seven's ownership of the New Forty Seven Intellectual Property, and any documents required to apply for, maintain and enforce any patent or other right in the New Forty Seven intellectual Property. This clause 10.4 shall be subject to the terms of the Prior MSA and the GS Licence. Subject to the terms and conditions as set forth in this Agreement and the GS Licence, the Cell Line (excluding any Lonza Background Intellectual Property and New General Application Intellectual Property), shall be the sole and exclusive property of Forty Seven, and Lonza hereby assigns to Forty Seven all of its right, title and interest in and to the Cell Line.

10.5 Subject to the terms and conditions set forth herein, Lonza hereby grants to Forty Seven, a non-exclusive, world-wide, fully paid-up, irrevocable, transferable license, including the right to grant and authorize sublicenses, under the New General Application Intellectual Property (a) to make, have made, use, sell, offer for sale and import the Products manufactured under this Agreement and (b) to the extent necessary to practice and exploit Forty Seven's rights in and to the New Forty Seven Intellectual Property in the Products.

10.6 Forty Seven hereby grants Lonza the non-exclusive right to use the Forty Seven Information, Forty Seven Background Intellectual Property, Forty Seven Materials, New Forty Seven Intellectual Property, the Cell Line, and any and all other intellectual property supplied by or on behalf of the Forty Seven, during the Term solely for the purpose of fulfilling its obligations under this Agreement.

10.7 In the event that Forty Seven is not in breach of clause 11.2 and clause 13 and provided that Lonza has not terminated this Agreement pursuant to clause 14.2, Forty Seven will have the right to transfer the Manufacturing Process to itself and/or any Third Party that is (a) listed on Appendix E hereto upon providing a written notice of five (5) business days to Lonza or (b) approved by Lonza in writing for the manufacture of that Product (but no other product): provided, however, to the extent such technology transfer includes Lonza Confidential Information, Lonza Background Intellectual Property or New General Application Intellectual Property, such technology transfer shall be subject to the terms of a technology transfer agreement between the Parties ("Technology Transfer Agreement") in accordance with terms to be agreed by the Parties, including price and payment terms. Lonza shall provide reasonably necessary documents and reasonably cooperate with Forty Seven to complete such technology transfer.

11 Warranties

11.1 Lonza warrants that:

11.1.1 The Services shall be performed in accordance with this Agreement (including all Appendices hereto) and Applicable Laws;

11.1.2 subject to the provisions set out in clause 2.2 and clause 7.3.3, the manufacture of Product shall be performed in accordance with Applicable Law and cGMP and the Products will, at the date of delivery, meet the Specifications;

11.1.3 to the best of Lonza's knowledge and as on the Effective Date of this Agreement, the use by Lonza of the Manufacturing Process wilt not infringe any rights (including without limitation any intellectual or industrial property rights) vested in any Third Party, and Lonza will not knowingly include in the Manufacturing Process any elements that infringe any such intellectual or industrial property rights vested in any Third Party; provided however that Lonza gives no warranty that the use by Lonza including its Affiliates of the Manufacturing Process in association with Forty Seven Materials and/or Forty Seven Information in undertaking the Services shall not infringe any Third Party intellectual or industrial property rights;

11.1.4 it or its Affiliate holds all necessary permits, approvals, consents and licenses to, enable it or such Affiliate to perform the Services to be performed by it or such Affiliate, as applicable, at the Facility (subject always to Clause 11.2.3) or such other Lonza facility where the Parties may agree in writing that Product may be manufactured;

11.1.5 it has the necessary corporate authorizations to enter into and perform this Agreement;

11.1.6 as on the Effective Date of this Agreement, Lonza including its Affiliates have not been debarred by a Regulatory Authority nor have debarment proceedings against Lonza including its Affiliates been commenced. Lonza will promptly notify Forty Seven in writing if any such proceedings have commenced or if Lonza including its Affiliates is debarred by a Regulatory Authority. In the event that Forty Seven receives such notice from Lonza or otherwise becomes aware that Lonza including its Affiliates is debarred by a Regulatory Authority; then Forty Seven shall have the right to terminate this Agreement In accordance with clause 14.2.1 and in such an event the Forty Seven shall pay to Lonza of all accrued and unpaid obligations up to the date of termination, to the extent not previously been paid by Forty Seven;

11.1.7 title to all Product shall pass to Forty Seven as set forth in Clause 7.1 free and clear of any security interest, lien or other encumbrance in favour of Lonza; and

11.1.8 each employee of Lonza, a Lonza Affiliate and/or each External Laboratory who will receive or have access to Forty Seven Information or who will perform Services will be subject to written obligations (i) to assign to Lonza any and all right, title and interest in and to all Intellectual Property developed by such employee or External Laboratory in connection with the performance of Services in accordance with this Agreement and (ii) to protect the Forty Seven Information in accordance with terms at least as protective of the Forty Seven Information as the terms of this Agreement, in each case prior to the earlier of any disclosure of Forty Seven Information to such employee or External Laboratory or the commencement of any such performance by such employee or External Laboratory.

11.2 Forty Seven warrants that:

11.2.1 to the best of the Forty Seven's knowledge, Forty Seven has all the rights necessary to permit Lonza and its Affiliates to perform the Services in accordance with the terms of this Agreement without infringing the Intellectual Property rights of any Third Party;

11.2.2 Forty Seven will promptly notify Lonza in writing if it receives or is notified of a formal written claim from a Third Party that Forty Seven Information and/or Forty Seven Background Intellectual Property, Forty Seven Materials, New Forty Seven Intellectual Property, the Cell Line; and/or any and all other information, materials and Intellectual Property supplied by or on behalf of the Forty Seven, or that the use by Lonza thereof for the provision of the Services infringes any Intellectual Property or other rights of any Third Party;

11.2.3 to the best of Forty Seven's knowledge, Forty Seven has all the rights necessary to provide, and permit Lonza and its Affiliates and the External Laboratories to use for the purposes of this Agreement, the Forty Seven Information, Forty Seven Background Intellectual Property, Forty Seven Materials, New Forty Seven Intellectual Property, the Cell Line (subject to the terms of the GS Licence) and any and all other information, materials and Intellectual Property supplied by or on behalf of the Forty Seven, and that the use of anything referred to in this clause 11.2.3 will not infringe the Intellectual Property rights of any Third Party; and

11.2.4 Forty Seven has the necessary corporate authorizations to enter into this Agreement.

11.2.5 as on the Effective Date of this Agreement, Forty Seven including its Affiliates have not been debarred by a Regulatory Authority nor have debarment proceedings against Forty Seven including its Affiliates been commenced. Forty Seven will promptly notify Lonza in writing if any such proceedings have commenced or if Forty Seven including its Affiliates is debarred by a Regulatory Authority.

11.3 DISCLAIMER: THE WARRANTIES EXPRESSLY SET FORTH IN THIS AGREEMENT ARE IN LIEU OF ALL OTHER WARRANTIES, AND ALL OTHER WARRANTIES, BOTH EXPRESS AND IMPLIED, ARE EXPRESSLY DISCLAIMED, INCLUDING WITHOUT LIMITATION ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

12 Indemnification and Liability

12.1 Indemnification by Lonza. Lonza shall indemnify the Forty Seven, its Affiliates, and their respective officers, employees and agents ("Forty Seven Indemnitees") for any loss, damage, costs, liability and expenses (including reasonable attorney fees) that Forty Seven Indemnitees may suffer as a result of any Third Party claim arising directly out of (i) any material breach of the warranties given by Lonza in Clause 11.1 above and/or (ii) any claims alleging that the Services (excluding use by Lonza, Lonza's Affiliates, contractors

or the External Laboratories of the Forty Seven Information, Forty Seven Background Intellectual Property, Forty Seven Materials, New Forty Seven Intellectual Property, and/or any and all information, materials and other intellectual Property supplied by or on behalf of the Forty Seven (excluding Lonza's host cell lines)) infringe any Intellectual Property rights of a Third Party except, in each case, to the extent that such claims resulted from the negligence, intentional misconduct or breach of this Agreement by any Forty Seven Indemnitees.

12.2 Indemnification by Forty Seven. Forty Seven shall indemnify Lonza, its Affiliates, and their respective officers, employees and agents ("Lonza Indemnitees") from and against any loss, damage, costs, liability and expenses (including reasonable attorney fees) that any Lonza Indemnitees may suffer as a result of any Third Party claim arising directly out of (i) any material breach of the warranties given by Forty Seven in Clause 11.2 above; and/or (ii) any claims alleging that the performance of Services infringes any Intellectual Property rights of third parties; and/or (iii) the manufacture, use, sale, or distribution by or on behalf of any Forty Seven Indemnitee of any Product, including any claims of product liability; and/or (iv) the use by Lonza, any of Lonza's Affiliates, or any External Laboratory in accordance with this Agreement of any Forty Seven Information, Forty Seven Materials, Forty Seven Background Intellectual Property, New Forty Seven intellectual Property and/or any other information, materials or Intellectual Property provided by or on behalf of Forty Seven for the purposes of this Agreement (excluding Lonza's host cell lines); except, in, each case, to the extent that such claims resulted from the negligence, intentional misconduct or breach of this Agreement by any Lonza Indemnitees.

12.3 Indemnification Procedure. If the Party to be indemnified intends to claim indemnification under this Clause 12, it shall promptly notify the Indemnifying Party in writing of such claim. The indemnitor shall have the right to control the defense and/or settlement thereof; provided, however, that the Indemnitor must obtain the prior written consent of the Indemnitee (not to be unreasonably withheld) before entering into any settlement of such Third Party claim that admits fault, wrongdoing or damages (to the extent not readily payable by the indemnitor at the time of settlement) and any indemnitee shall have the right to retain its own counsel at its own expense. The Indemnitee, its employees and agents, shall reasonably cooperate with the indemnitor in the investigation of any liability covered by this Clause 12. The failure to deliver prompt written notice to the indemnitor of any claim, to the extent prejudicial to its ability to defend such claim, shall relieve the indemnitor of any obligation to the indemnitee under this Clause 12.

12.4 DISCLAIMER OF CERTAIN DAMAGES. SUBJECT ALWAYS TO CLAUSE 12.6, IN NO EVENT SHALL EITHER PARTY OR ANY OF ITS AFFILIATES BE LIABLE TO THE OTHER PARTY AND/OR ANY OF THE OTHER PARTY'S AFFILIATES AND/OR ANY OF THE OTHER PARTY'S INDEMNITEES (IN EACH CASE WHETHER IN CONTRACT, TORT, NEGLIGENCE, BREACH OF STATUTORY DUTY OR OTHERWISE, HOWSOEVER ARISING) FOR ANY LOSS OF PROFITS, LOSS OF REVENUES, LOSS OF GOODWILL, LOSS OF REPUTATION, OR FOR ANY INCIDENTAL, INDIRECT, SPECIAL, PUNITIVE OR CONSEQUENTIAL LOSSES OR DAMAGES, ARISING FROM OR RELATED TO THIS AGREEMENT, PROVIDED THAT THIS SHALL NOT PRECLUDE ANY CLAIM BY LONZA FOR ANY UNPAID INVOICES.

12.5 LIMITATION OF LIABILITY. SUBJECT ALWAYS TO CLAUSE 12.6, THE AGGREGATE LIABILITY OF EACH PARTY AND ITS AFFILIATES TO THE OTHER PARTY AND ITS AFFILIATES WITH RESPECT TO ANY CLAIM UNDER OR IN RELATION TO THIS AGREEMENT (WHETHER IN CONTRACT, TORT, NEGLIGENCE, BREACH OF STATUTORY DUTY, UNDER ANY INDEMNITY OR OTHERWISE HOWSOEVER ARISING) SHALL NOT EXCEED, IN THE AGGREGATE, THREE TIMES THE TOTAL AMOUNTS PAID BY FORTY SEVEN TO LONZA UNDER THIS AGREEMENT IN THE TWELVE (12) MONTH PERIOD PRIOR TO SUCH CLAIM.

12.6 NOTHING IN THIS AGREEMENT SHALL OPERATE SO AS TO EXCLUDE OR IN ANY WAY LIMIT A PARTY'S, OR ITS AFFILIATE'S, LIABILITY (i) FOR FRAUD, INTENTIONAL MISCONDUCT OR GROSS NEGLIGENCE, OR (ii) FOR DEATH OR PERSONAL INJURY CAUSED BY ITS FRAUD, INTENTIONAL MISCONDUCT OR GROSS NEGLIGENCE OR (iii) FOR ANY OTHER LIABILITY THAT MAY NOT BE EXCLUDED OR LIMITED AS A MATTER OF LAW.

13 Confidentiality

13.1 A Party receiving Confidential Information (the "Receiving Party") agrees to strictly keep secret any and all Confidential Information received during the Term from or on behalf of the other Party (the "Disclosing Party") as well as the terms of this Agreement using at least the same level of measures as it uses to protect its own Confidential Information, but in any case at least commercially reasonable and customary efforts. Confidential Information shall include information disclosed in any form including but not limited to in writing, orally, graphically or in electronic or other form to the Receiving Party, observed by the Receiving Party or its employees, agents, consultants, or representatives, or otherwise learned by the Receiving Party under this Agreement, which the Receiving Party knows or reasonably should know is confidential or proprietary. For the avoidance of doubt, Forty Seven shall be deemed the Disclosing Party with respect to Forty Seven Information and Lonza shall be deemed the Disclosing Party with respect to Lonza information.

13.2 Notwithstanding the foregoing, Receiving Party may disclose to any courts and/or other authorities Confidential Information which is or will be required pursuant to applicable governmental or administrative or public law, rule, regulation or order. In such case the Party that received the Confidential Information will, to the extent legally permitted, inform the other Party promptly in writing and cooperate with the Disclosing Party in seeking to minimize the extent of Confidential Information which is required to be disclosed to the courts and/or authorities. If the Disclosing Party fails to obtain any protective order or other remedy, the Receiving Party shall furnish only that portion of the Confidential Information that is legally required to be disclosed and any Confidential Information so disclosed shall be treated as confidential for all purposes other than such legally compelled disclosure.

13.3 The obligation to maintain confidentiality under this Agreement does not apply to Confidential Information, which:

13.3.1 at the time of disclosure was publicly available; or

13.3.2 is or becomes publicly available other than as a result of a breach of this Agreement by the Receiving Party; or

13.3.3 as the Receiving Party can establish, by competent proof, was rightfully in its possession at the time of disclosure by the Disclosing Party and had not been received from or on behalf of Disclosing Party (or anyone for whom it is responsible); or

13.3.4 is supplied to a Party by a Third Party which was not in breach of an obligation of confidentiality to Disclosing Party or any other party; or

13.3.5 is developed by the Receiving Party independently from and without use of or reference to the Confidential Information, as evidenced by contemporaneous written records.

13.4 The Receiving Party will use Confidential Information of the Disclosing Party only for the purposes of exercising its rights and fulfilling its obligations under this Agreement and will not otherwise make any use of the Confidential Information of the Disclosing Party for its own separate benefit or the benefit of any Third Party including, without limitation, with respect to research or product development or any reverse engineering or similar testing. The Receiving Party agrees to return or destroy promptly (and certify such destruction) on Disclosing Party's request all Confidential Information of the Disclosing Party, except that one copy of such Confidential Information may be kept by the Receiving Party in its confidential files for record keeping purposes only.

13.5 Each Party will restrict the disclosure of Confidential Information of the other Party to such officers, employees, professional advisers, consultants, and actual finance providers of itself and its Affiliates ("Representatives") who have been informed of the confidential nature of the Confidential Information and who have a need to know such Confidential Information solely for the purpose of this Agreement; provided that each Party may disclose the terms of this Agreement to potential finance-providers, acquirers and sublicensees in connection with an applicable financing or acquisition, of or sublicense by such Party. Prior to disclosure to such persons, the Party in receipt of the Confidential Information shall bind its and its Affiliates' Representatives, potential finance provider, potential acquirer and/or potential sublicensee (as applicable) to confidentiality and non-use obligations no less stringent than those set forth herein and shall be fully responsible and liable for all acts and omissions of such persons in violation of this Clause 13. The Receiving Party shall notify the Disclosing Party as promptly as practicable of any unauthorized use or disclosure of the Confidential Information. Lonza may disclose Forty Seven's Confidential Information to Lonza's Affiliates and the External Laboratories, in each case who have a need to know such Confidential Information for the purposes of this Agreement and who are bound by written confidentiality and non-use obligations no less protective than those set forth herein.

13.6 The Receiving Party shall at any time be fully liable for any and all breaches of the confidentiality obligations in this Clause 13 by any of its Affiliates or the employees, consultants and representatives of itself or its Affiliates

13.7 Each Party hereto expressly agrees that any breach or threatened breach of the undertakings of confidentiality provided under this Clause 13 by a Party may cause irreparable harm to the other Party and that money damages may not provide a sufficient remedy to the non-breaching Party for any breach or threatened breach. In the event of any breach and/or threatened breach, then, in addition to all other remedies available at law or in equity, the non-breaching Party shall be entitled to seek injunctive relief and any other relief deemed appropriate by the non-breaching Party.

14 Term and Termination

14.1 Term. This Agreement shall commence on the Effective Date and shall end on the later of the completion of the final cGMP Batch to be manufactured within the Assigned Capacity or the fourth (4th) anniversary of the Effective Date in 2021 unless terminated earlier as provided herein or extended by mutual written consent of the Parties or otherwise in accordance with the terms of this Agreement (the "Term"). The Term may be extended by Forty Seven at its sole option and discretion for a further period of one (1) year by providing written notice of such extension to Lonza, such notice shall be provided no later than [*] and the Parties shall execute a written amendment for such extension.

14.2 Termination. This Agreement may be terminated as follows:

14.2.1 by either Party if the other Party breaches a material provision of this Agreement or a Project Plan and fails to cure such breach to the reasonable satisfaction of the non-breaching Party within [*] days ([*] days for non-payment) following written notification of such breach from the non-breaching party to the breaching party; provided, however, that such [*] day period shall be extended as agreed by the Parties if the identified breach is incapable of cure within [*] days and if the breaching Party provides a plan and timeline to cure the breach, promptly commences efforts to cure the breach and diligently prosecutes such cure (it being understood that this extended period shall be unavailable for any breach regarding non-payment);

14.2.2 by either Party, immediately, if the other Party enters into administration, is declared insolvent is dissolved or liquidated, makes a general assignment for the benefit of its creditors, or files or has filed against it, a petition in bankruptcy or has an administrator or receiver appointed for a substantial part of its assets;

14.2.3 by either Party pursuant to Clause 15;

14.2.4 by customer for any reason upon providing a written notice of no less than [*] to Lonza.

14.3 Consequences of Termination. In the event of termination of this Agreement and subject to always to Clauses is 8.5, 14.4 in 14.5;

14.3.1 all Batches scheduled or in-process with respect to any Product on the effective date of termination shall be deemed to have been canceled, unless this Agreement is terminated by Forty Seven under Clause 14.2.1 or 14.2.2, in which case Forty Seven may elect, by provision of written notice to Lonza, for Lonza to complete manufacture of and deliver in accordance with the terms of this Agreement any such cGMP Batch in-process;

14.3.2 Subjects to the other terms of this Agreement, within [*] days of receipt of an invoice therefor, Lonza shall be compensated for:

(a) all Services rendered in accordance with this Agreement up to the date of termination, including in respect of any Product in-process (including any additional cGMP Batches); and

(b) all costs through the date of termination, including Raw Materials costs and Raw Materials Fees for Raw Materials used or purchased for use in connection with the Project Plan (as set forth in Section 2.8), in each case, to the extent such costs were incurred in accordance with this agreement.

14.3.3 Provided that Forty Seven has made all payments to Lonza in accordance with this Agreement, upon termination or expiration all unused Raw Materials and Forty Seven Materials and Product created pursuant to this Agreement shall, at Forty Seven's election, be delivered to a Customer or disposed of by Lonza and in each case, at cost to Forty Seven.

14.4 In the event of termination of this Agreement by Lonza pursuant to Clause 14.2.1 or 14.2.2, then in addition to Clause 14.3, [*] terminated by Lonza in accordance with Clause 14.2.1 or 14.2.2.

14.5 In the event of termination of this Agreement by Forty Seven pursuant to Clause 14.2.4, then [*] in accordance with the terms of this Agreement and [*] obligations hereunder [*] until the earliest of [*] terminated by Forty Seven in accordance with Clause 14.2.4, or (iii) the termination of this Agreement in accordance with the terms of Clause 14.2.

14.6 General. Expiration or termination of this Agreement for any reason shall not release any Party hereto from any obligation or liability which, as of the effective date of termination, has already accrued to the other Party or which is attributable to a period prior to the effective date of termination nor preclude either Party from pursuing all rights and remedies it may have hereunder or at law or in equity with respect to any breach of this Agreement. Except as set forth in this Section 14.6 or 14.7, upon expiration or termination this Agreement shall be of no further force or effect.

14.7 Survival. Clauses 2.7, 2.10, 5, 7, 8.6 Error Reference source not found., 10, 11.1.6, 11.2.5, 12, 13, 14, 15, and 16 shall survive the expiration or termination of this Agreement.

15 Force Majeure

15.1 If Lonza is prevented or delayed in the performance of any of its obligations under the Agreement by Force Majeure and gives written notice thereof to Forty Seven specifying the matters constituting Force Majeure together with such evidence as Lonza reasonably can give and specifying the period for which it is estimated that such prevention or delay will continue, Lonza shall be excused from the performance or the punctual performance of such obligations as the case may be from the date of such notice for so long as such cause of prevention or delay shall continue. In such event, Forty Seven's obligations under Clause 8 shall be suspended for so long as such Force Majeure shall continue. Provided that, if such Force Majeure persists for a period of [*] months or more, either Party may terminate this Agreement by delivering written notice to the other Party.

15.2 "Force Majeure" shall be deemed to include any reason or cause beyond Lonza's reasonable control affecting the performance by Lonza of its obligations under the Agreement, including, but not limited to, any cause arising from or attributable to acts of God, strike, lockouts, labor troubles, restrictive governmental orders or decrees, riots, insurrection, war, terrorists acts, or the inability of Lonza to obtain any required raw material, energy source, equipment, labor or transportation.

15.3 With regard to Lonza, any such event of Force Majeure affecting services or production at its affiliates or suppliers shall be regarded as an event of Force Majeure.

16 Miscellaneous

16.1 Severability. If any provision hereof is or becomes at any time illegal, invalid or unenforceable in any respect, neither the legality, validity nor enforceability of the remaining provisions hereof shall in any way be affected or impaired thereby. The Parties hereto undertake to substitute any illegal, invalid or unenforceable provision by a provision which is as far as possible commercially equivalent considering the legal interests and the purpose.

16.2 Amendments. Modifications and/or amendments of this Agreement must be in writing and signed by the Parties.

16.3 Performance by Affiliates. Lonza shall be entitled to instruct one or more of its Affiliates to perform any of Lonza's obligations contained in this Agreement, but Lonza shall remain fully responsible in respect of those obligations and shall be responsible for any action or omission of such Affiliate that would constitute a breach of this Agreement had such action or omission been conducted by Lonza itself.

16.4 Assignment. Neither Party shall be entitled to assign, transfer, charge or in any way make over the benefit and/or the burden of this Agreement without the prior written consent of the other which consent shall not be unreasonably withheld or delayed, save that Lonza shall be entitled without the prior written consent Forty Seven to assign, transfer, charge, sub-contract, deal with or in any other manner make over the benefit and/or burden of this Agreement (i) to an Affiliate or (ii) to any joint venture company of which Lonza is the beneficial owner of at least fifty percent (50%) of the issued share capital thereof or (iii) to any company with which Lonza may merge or (iv) to any company to which Lonza may transfer substantially all of its business or assets and undertakings. Notwithstanding the foregoing, Forty Seven may, [*], assign this Agreement to [*].

16.5 Notice. All notices must be written and sent to the address of the Party first set forth above. All notices must be given (a) by personal delivery, with receipt acknowledged, (b) by facsimile followed by hard copy delivered by the methods under (c) or (d), (c) by prepaid certified or registered mail, return receipt requested, or (d) by prepaid recognized next business day delivery service. Notices will be effective upon receipt or at a later date stated in the notice.

16.6 Governing Law/Jurisdiction.

16.6.1 This Agreement is governed in all respects by the laws of the State of New York without regard to its conflict of laws rules. Subject to Clause 16.6.2, the Parties agree to submit to the jurisdiction of the courts in the State of New York.

16.6.2 Any dispute arising between the Parties under this Agreement will be referred to and finally settled by binding arbitration under the Rules of Arbitration of the International Chamber of Commerce by a single arbitrator knowledgeable in biopharmaceutical research and development related matters and familiar with the biopharmaceutical industry, appointed in accordance with the said Rules. The place of arbitration shall be New York, New York and the arbitration shall be conducted in the English language. The arbitrator's award shall be final and binding. The Parties covenant and agree that they will participate in the arbitration in good faith and that they will share equally the costs of the arbitration, except as

otherwise provided herein. Judgment upon the award rendered in any such arbitration may be entered in any court of competent jurisdiction, or application may be made to such court for a judicial acceptance of the award and an enforcement, as the law of such jurisdiction may require or allow. Notwithstanding the foregoing, nothing in this Clause 16.6 shall prevent either Party from applying to a court of competent jurisdiction for equitable or injunctive relief.

16.7 Rights of Third Parties. The parties to this Agreement do not intend that any term hereof should be enforceable by any person who is not a party to this Agreement, save that Affiliates of Lonza and Affiliates of Forty Seven respectively may rely on the indemnities granted to them and limitations and exclusions of liability contained herein. The Parties may amend this Agreement without the consent of the Affiliates of either Party.

16.8 Announcements / Press Releases. Neither Party shall make any press release or announcement regarding the subject matter of this Agreement without the prior written consent of the other. The Parties shall use reasonable efforts to issue a joint press release within thirty (30) days of the Effective Date regarding the entry into this Agreement.

16.9 Entire Agreement. This Agreement, including for clarity the Appendices hereto, contains the entire agreement between the Parties as to the subject matter hereof and supersedes all prior and contemporaneous agreements solely with respect to the subject matter hereof. For the avoidance of doubt, nothing in this Agreement is intended to or otherwise affects or amends the prior MSA, as amended or the GS Licence between Forty Seven and Lonza Sales AG.

16.10 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of which together shall constitute one and the same document. Each party acknowledges that an original signature or a copy thereof transmitted by facsimile or by .pdf shall constitute an original signature for purposes of this Agreement.

CONFIDENTIAL

IN WITNESS WHEREOF, each of the parties here too has caused this Agreement to be executed by its duly authorized representative effective as of the date written above.

LONZA BIOLOGICS TUAS PTE LTD

By: /s/ Sylke Hassel
Name: Sylke Hassel
Title: Head of Mammalian Manufacturing Business Unit

By /s/ Andrew Morgan
Name: Andrew Morgan
Title: General Manager, Singapore

FORTY SEVEN INC

By /s/ Mark McCamish
Name: Mark McCamish
Title: CEO

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

CONFIDENTIAL

Appendix A
Product and Project Plan

See attached.

[*] (23 pages omitted)

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

CONFIDENTIAL

Appendix B

Price

[*]

30

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

CONFIDENTIAL

Appendix C
Quality Agreement

See Attached.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

CONFIDENTIAL

Appendix D
Specifications

[*] (4 pages omitted)

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

CONFIDENTIAL

Appendix E

[*]

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

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 March 22, 2018 (except for the last paragraph of Note 1, as to which the date is June 15, 2018) in Amendment No. 2 to the Registration Statement (Form S-1 No. 333-225390) and related Prospectus of Forty Seven, Inc. for the registration of 6,700,000 shares of its common stock.

/s/ Ernst & Young LLP

San Jose, California
June 15, 2018