



**Jasper Therapeutics, Inc.**  
**33,081,493 Shares of Voting Common Stock**  
**Up to 5,000,000 shares of Voting Common Stock Issuable Upon**  
**Exercise of Warrants**

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This prospectus relates to: (i) the resale by the investors listed in the section of this prospectus entitled “Selling Stockholders” (the “Selling Stockholders”) of up to 33,081,493 shares (the “Resale Shares”) of our voting common stock, par value \$0.0001 per share (“Common Stock”), and (ii) the issuance by us and the resale of up to 5,000,000 shares of Common Stock upon the exercise of outstanding warrants (the “Public Warrants”). The Resale Shares consist of: (i) 2,300,000 shares of Common Stock (the “Sponsor Shares”) held by Amplitude Healthcare Holdings LLC (the “Sponsor”) that were issued upon conversion on September 24, 2021 of 2,300,000 shares of our former Class B Common Stock in connection with the Business Combination (as defined below) that were previously issued to the Sponsor on August 23, 2019 in a private placement to the Sponsor; (ii) 19,485,471 shares of Common Stock (the “Merger Shares”) issued to certain of the Selling Stockholders on September 24, 2021 in connection with the Business Combination; (iii) up to 1,296,022 shares of Common Stock (the “Conversion Shares”) issuable upon conversion of 1,296,022 shares of our non-voting common stock, par value \$0.0001 per share (the “Non-Voting Common Stock”) issued to a Selling Stockholder on September 24, 2021 in connection with the Business Combination; and (iv) 10,000,000 shares of Common Stock (the “PIPE Shares”) issued on September 24, 2021 in a private placement in connection with the closing of the Business Combination pursuant to those certain subscription agreements, dated May 5, 2021 between us and certain of the Selling Stockholders (the “Subscription Agreements”).

On September 24, 2021, we consummated the previously announced business combination (the “Business Combination”) pursuant to that certain Business Combination Agreement, dated May 5, 2021 (the “Business Combination Agreement”), by and among us, Ample Merger Sub, Inc., our then-wholly owned subsidiary (the “Merger Sub”), and the pre-Business Combination Jasper Therapeutics, Inc. (now named Jasper Tx Corp.) (“Legacy Jasper”). We are registering the resale of the Sponsor Shares, the Merger Shares and the Conversion Shares as required by that certain Amended and Restated Registration Rights Agreement by and among us, the Sponsor and certain other stockholders, dated September 24, 2021. We are registering the resale of the PIPE Shares as required by the Subscription Agreements. We are registering the issuance by us and the resale of up to 5,000,000 shares of Common Stock upon the exercise of the Public Warrants as required under the terms of the Public Warrants.

Our registration of the Resale Shares covered by this prospectus does not mean that the Selling Stockholders will offer or sell any of the Resale Shares. The Selling Stockholders may sell the Resale Shares covered by this prospectus in a number of different ways and at varying prices. For additional information on the possible methods of sale that may be used by the Selling Stockholders, you should refer to the section of this prospectus entitled “Plan of Distribution” beginning on page 184 of this prospectus. We will not receive any of the proceeds from the Resale Shares sold by the Selling Stockholders. We will receive the proceeds from any exercise of the Public Warrants for cash, but not from the resale of the Resale Shares registered hereby by the Selling Stockholders.

No underwriter or other person has been engaged to facilitate the sale of the shares of our Common Stock in these offerings. The Selling Stockholders may be deemed to be “underwriters” within the meaning of the Securities Act of 1933, as amended (the “Securities Act”), of the Resale Shares that they are offering pursuant to this prospectus. We will bear all costs, expenses and fees in connection with the registration of the shares of our Common Stock hereunder. The Selling Stockholders will bear all commissions and discounts, if any, attributable to their respective sales of the Resale Shares.

Our Common Stock is listed on the Nasdaq Capital Market under the symbol “JSPR”. On October 25, 2021, the last reported sales price per share of our Common Stock was \$11.79. Our Public Warrants are listed on the Nasdaq Capital Market under the symbol “JSPRW.” On October 25, 2021, the closing sale price per warrant of our Public Warrants was \$1.385.

We are an “emerging growth company” as that term is used in the Jumpstart Our Business Startups Act of 2012 (the “JOBS Act”) and, as such, we have elected to comply with certain reduced public company reporting requirements for this prospectus and future filings with the Securities and Exchange Commission.

We may amend or supplement this prospectus from time to time by filing amendments or supplements as required. You should read this prospectus, together with additional information described under the heading “Where You Can Find More Information”, and any amendments or supplements carefully before you invest in any of our securities.

**Investing in our Common Stock involves substantial risk. You should review carefully the risks and uncertainties described under the heading “Risk Factors” beginning on page 7 of this prospectus.**

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

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**The date of this prospectus is October 26, 2021.**

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You should rely only on the information we have provided in this prospectus, any applicable prospectus supplement and any related free writing prospectus. We have not authorized anyone to provide you with information different from that contained in this prospectus, any applicable prospectus supplement or any related free writing prospectus. No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this prospectus, any applicable prospectus supplement or any related free writing prospectus. You must not rely on any unauthorized information or representation. This prospectus is an offer to sell only the shares of our Common Stock offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. You should assume that the information in this prospectus, any applicable prospectus supplement or any related free writing prospectus is accurate only as of the date on the front of the document, regardless of the time of delivery of this prospectus or any sale of a security.

## ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement on Form S-1 that we filed with the Securities and Exchange Commission (the “SEC”), under which the Selling Stockholders may offer from time to time up to an aggregate of 33,081,493 shares of our Common Stock in one or more offerings. If required, each time a Selling Stockholder offers shares of our Common Stock, in addition to this prospectus, we will provide you with a prospectus supplement that will contain specific information about the terms of that offering. We may also authorize one or more free writing prospectuses to be provided to you that may contain material information relating to that offering. We may also use a prospectus supplement and any related free writing prospectus to add, update or change any of the information contained in this prospectus. This prospectus, together with any applicable prospectus supplements and any related free writing prospectuses, includes all material information relating to this offering. To the extent that any statement that we make in a prospectus supplement is inconsistent with statements made in this prospectus, the statements made in this prospectus will be deemed modified or superseded by those made in a prospectus supplement. Please carefully read both this prospectus and any prospectus supplement.

The Selling Stockholders are offering the Resale Shares only in jurisdictions where such issuances are permitted. The distribution of this prospectus and the issuance of the Resale Shares in certain jurisdictions may be restricted by law. Persons outside the United States who come into possession of this prospectus must inform themselves about, and observe any restrictions relating to, the issuance of the Resale Shares and the distribution of this prospectus outside the United States. This prospectus does not constitute, and may not be used in connection with, an offer to sell, or a solicitation of an offer to buy, the Resale Shares offered by this prospectus by any person in any jurisdiction in which it is unlawful for such person to make such an offer or solicitation.

This prospectus also relates to the issuance by us of up to 5,000,000 shares of our Common Stock issuable upon the exercise of the Public Warrants. We will not receive any proceeds from the sale of shares of our Common Stock issuable upon exercise of the Public Warrants pursuant to this prospectus, except with respect to amounts received by us upon the exercise of the Public Warrants for cash.

On September 24, 2021, we consummated the previously announced Business Combination (pursuant to the Business Combination Agreement, by and among us, Merger Sub and Legacy Jasper. Pursuant to the terms of the Business Combination Agreement, a business combination between us and Legacy Jasper was effected through the merger of Merger Sub with and into Legacy Jasper with Legacy Jasper surviving as our wholly-owned subsidiary. In connection with the Business Combination, we changed our name from Amplitude Healthcare Acquisition Corporation to Jasper Therapeutics, Inc.

Unless the context indicates otherwise, references in this prospectus to the “Company”, “Jasper”, “we”, “us”, “our”, and similar terms refer to Jasper Therapeutics, Inc., a Delaware corporation formerly known as Amplitude Healthcare Acquisition Corporation, and its consolidated subsidiaries. References to “Legacy Jasper” refer to the private Delaware corporation that is now our wholly-owned subsidiary and name Jasper Tx Corp. (formerly known as Jasper Therapeutics, Inc.).

## CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this prospectus may constitute “forward-looking statements” for purposes of federal securities laws. Such statements can be identified by the fact that they do not relate strictly to historical or current facts. In addition, any statements that refer to projections, forecasts or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements. The words “*anticipate*,” “*believe*,” “*contemplate*,” “*continue*,” “*could*,” “*estimate*,” “*expect*,” “*intends*,” “*may*,” “*might*,” “*plan*,” “*possible*,” “*potential*,” “*predict*,” “*project*,” “*should*,” “*will*,” “*would*” and similar expressions (including the negative of any of the foregoing) may identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking.

Forward-looking statements in this prospectus may include, for example, but are not limited to, statements about:

- our or our management team’s expectations, hopes, beliefs, intentions or strategies regarding the future, including those relating to the Transactions and their expected benefits;
- our ability to research, discover and develop additional product candidates;
- the success, cost and timing of our product development activities and clinical trials;
- the potential attributes and benefits of our product candidates;
- our ability to obtain and maintain regulatory approval for our product candidates;
- our ability to obtain funding for our operations;
- our projected financial information, anticipated growth rate and market opportunity;
- our ability to maintain the listing of our public securities on Nasdaq;
- our public securities’ potential liquidity and trading;
- our success in retaining or recruiting, or changes required in, officers, key employees or directors;
- our ability to grow and manage growth profitably;
- the implementation, market acceptance and success of our business model, developments and projections relating to our competitors and industry;
- our ability to obtain and maintain intellectual property protection and not infringe on the rights of others;
- our ability to identify, in-license or acquire additional technology;
- our ability to maintain its existing license agreements and manufacturing arrangements; and
- the effect of the COVID-19 pandemic on the foregoing.

These forward-looking statements are based on current expectations and beliefs concerning future developments and their potential effects. There can be no assurance that future developments affecting us will be those that we have anticipated. These forward-looking statements involve a number of risks, uncertainties (some of which are beyond our control) or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements. These risks and uncertainties include, but are not limited to, those factors described under the heading “*Risk Factors*” in this prospectus. Should one or more of these risks or uncertainties materialize, or should any of our assumptions prove incorrect, actual results may vary in material respects from those projected in these forward-looking statements. Some of these risks and uncertainties may in the future be amplified by the COVID-19 outbreak, and there may be additional risks that we consider immaterial or which are unknown. It is not possible to predict or identify all such risks. Readers are cautioned not to place undue reliance on forward-looking statements because of the risks and uncertainties related to them and to the risk factors. We do not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

## CERTAIN DEFINED TERMS

- “2019 EIP” means the Jasper Therapeutics, Inc. 2019 Equity Incentive Plan pursuant to the which options of Legacy Jasper were issued, which plan was assumed by the Company in connection with the Transactions.
- “Amended and Restated Certificate of Incorporation” means the second amended and restated certificate of incorporation of Jasper Therapeutics, Inc., filed with Secretary of State of the State of Delaware on September 24, 2021.
- “Amended and Restated Bylaws” means the second amended and restated bylaws of Jasper Therapeutics, Inc., effective as of September 24, 2021.
- “AMHC” means, Amplitude Healthcare Acquisition Corporation, a Delaware corporation and our predecessor company.
- “Board” means our board of directors.
- “Closing” means the closing of the Transactions.
- “Continental” means Continental Stock Transfer & Trust Company.
- “Initial Public Offering” means the initial public offering of shares of AMHC Class A Common Stock by AMHC, which closed on November 22, 2019.
- “Legacy Jasper Board” means the board of directors of Legacy Jasper.
- “Merger Sub” means Ample Merger Sub, Inc., a Delaware corporation that was a wholly owned subsidiary of AMHC prior to the Closing and that, pursuant to the Transactions, was merged with and into Legacy Jasper, with Legacy Jasper continuing as our wholly-owned subsidiary named Jasper Tx Corp.
- “PIPE Financing” means private placement of an aggregate of 10,000,000 shares of AMHC Class A Common Stock to the PIPE Investors pursuant to Section 4(a)(2) of the Securities Act and Regulation D promulgated thereunder, for a purchase price of \$10.00 per share, resulting in an aggregate amount of \$100 million to AMHC, pursuant to Subscription Agreements with the PIPE Investors.
- “PIPE Investors” means those investors participating in the PIPE Financing.
- “Private Placement” means the private placement consummated simultaneously with the Initial Public Offering in which AMHC issued to the Sponsor the Private Placement Warrants.
- “Private Placement Warrants” means the 4,000,000 warrants to purchase AMHC Class A Common Stock issued to the Sponsor in the Private Placement.
- “Public Warrants” means the 5,000,000 warrants included as a component of the AMHC units sold in the Initial Public Offering, each of which is exercisable, at an exercise price of \$11.50, for one share of Common Stock, in accordance with its terms.
- “Transactions” means the transactions contemplated by the Business Combination Agreement, including the Business Combination and the PIPE Financing.
- “Warrant Agreement” means the warrant agreement dated as of November 19, 2019, by and between AMHC and Continental, as warrant agent.

**PROSPECTUS SUMMARY**

*This summary highlights selected information that is presented in greater detail elsewhere in this prospectus. Because it is only a summary, it does not contain all of the information you should consider before investing in our Common Stock and it is qualified in its entirety by, and should be read in conjunction with, the more detailed information included elsewhere in this prospectus. Before you decide whether to purchase shares of our Common Stock, you should read this entire prospectus carefully, including the section of this prospectus entitled “Risk Factors”. You should also carefully read the information in this prospectus, including our financial statements, and the exhibits to the registration statement of which this prospectus is a part.*

**Our Company**

We are a clinical-stage biotechnology company dedicated to enabling cures through hematopoietic stem cell therapy. We are focused on the development and commercialization of safer and more effective conditioning agents and stem cell engineering to allow for expanded use of stem cell transplantation and ex vivo gene therapy, a technique in which genetic manipulation of cells is performed outside of the body prior to transplantation.

Our drug development pipeline includes multiple product candidates designed to improve hematopoietic stem cell therapy. Our lead product candidate, JSP191, is in clinical development as a novel conditioning antibody that clears hematopoietic stem cells from bone marrow in patients prior to undergoing allogeneic stem cell therapy or stem cell gene therapy. We are also developing engineered hematopoietic stem cells (“eHSCs”) product candidates reprogrammed using mRNA delivery and gene editing that have a competitive advantage over endogenous hematopoietic stem cells (“HSCs”) because they permit higher levels of engraftment without the need for toxic conditioning of the patient and with potentially lower risk of other serious complications seen with current stem cell transplants. We also plan to continue to expand our pipeline to include other novel stem cell therapies based on immune modulation, graft engineering or cell and gene therapies. Our goal is to expand the use of curative stem cell transplant and gene therapies for all patients, including children and the elderly.

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

INDICATION	PRECLINICAL	PHASE 1	PHASE 2	PHASE 3	R&D PARTNER	PROJECTED MILESTONES
<b>JSP191 CONDITIONING</b>						
SCID						2H 2022 Phase 1/2 Complete Study Enrollment
MDS/AML						1H 2022 Dose Expansion Topline Data
Autoimmune (Lupus, MS, Scleroderma)						Q4 2021 IND Filing for Phase 1a Pilot Study
Fanconi’s Anemia					STANFORD UNIVERSITY	Q1 2022 Preliminary Data from Collaboration
Sickle Cell Disease					NIH National Heart, Lung, and Blood Institute	Q1 2022 Preliminary Data from Collaboration
Chronic Granulomatous Disease					NIH National Institute of Allergy and Infectious Diseases	Q1 2022 Preliminary Data from Collaboration
Gene Therapy – Sickle Cell					ARUVANT	1H 2022 First Collaboration Data
Gene Therapy – XSCID					GRAPHITE BIO	2H 2022 First Collaboration Data
<b>Jasper eHSC PLATFORM</b>						
Thalassemias						Q4 2021 in vivo POC
Sickle Cell Disease						Q4 2022 1 <sup>st</sup> IND Filing
Autoimmune Diseases						

*Jasper maintains full worldwide rights to develop and commercialize JSP191 and eHSCs in all indications.*

For additional information about us, see the section of this prospectus titled “Business”.

See the section entitled “Risk Factors” in this prospectus for a discussion of some of the risks related to the execution of our business strategy.

### **Background**

On September 24, 2021 (the “Closing Date”), AMHC consummated the previously announced Business Combination pursuant to the terms of the Business Combination Agreement by and among AMHC, Merger Sub and Legacy Jasper.

Pursuant to the Business Combination Agreement, on the Closing Date, (i) Merger Sub merged with and into Legacy Jasper (the “Merger”), with Legacy Jasper as the surviving company in the Merger, and, after giving effect to such Merger, Legacy Jasper became a wholly-owned subsidiary of AMHC and changed its name to “Jasper Tx Corp.”, and (ii) AMHC changed its name to “Jasper Therapeutics, Inc.”.

In accordance with the terms and subject to the conditions of the Business Combination Agreement, at the effective time of the Merger (the “Effective Time”), (i) each share of Legacy Jasper common stock and Legacy Jasper preferred stock outstanding immediately prior to the Effective Time was automatically cancelled, extinguished and converted into the applicable number of shares of our Common Stock or, in certain circumstances, our Non-Voting Common Stock, based on Legacy Jasper’s equity value, (ii) each vested and unvested option to purchase shares of Legacy Jasper’s common stock outstanding as of immediately prior to the Effective Time was cancelled in exchange for a comparable option to purchase shares of our Common Stock, based on Legacy Jasper’s equity value, and (iii) each unvested award of restricted shares of Legacy Jasper’s common stock outstanding immediately prior to the Effective Time was converted into a comparable right to receive restricted shares of our Common Stock, based on Legacy Jasper’s equity value. For purposes herein and in the Business Combination Agreement, Legacy Jasper’s equity value was deemed to be an agreed upon amount equal to \$275.0 million.

In addition, as previously disclosed, concurrently with the execution of the Business Combination Agreement, on May 5, 2021, AMHC entered into subscription agreements (the “Subscription Agreements”) with the PIPE Investors, pursuant to which the PIPE Investors agreed to subscribe for and purchase, and AMHC agreed to issue and sell to the PIPE Investors, an aggregate of 10,000,000 shares of Class A Common Stock of AMHC at a price of \$10.00 per share, for aggregate gross proceeds of \$100.0 million. The PIPE Financing was consummated concurrently with the closing of the Merger.

In connection with the Merger, immediately prior to the Closing, each share of AMHC Class B Common Stock outstanding immediately prior to the Merger was converted into one share of AMHC’s Class A Common Stock, and following such conversion, all outstanding shares of AMHC’s Class A Common Stock were converted into an equivalent number of shares of our Common Stock.

### **Implications of Being an Emerging Growth Company**

We qualify as an “emerging growth company” as that term is defined in the Jumpstart Our Business Startups Act of 2012 (the “JOBS Act”). For as long as we continue to be an emerging growth company, we intend to take advantage of exemptions from various reporting requirements applicable to other public companies but not to “emerging growth companies,” including:

- not being required to have our independent registered public accounting firm audit our internal control over financial reporting under Section 404 of the Sarbanes-Oxley Act of 2002, as amended;
- permission to delay adopting new or revised accounting standards until such time as those standards apply to private companies;
- reduced disclosure obligations regarding executive compensation in our periodic reports and annual reports on Form 10-K; and
- exemptions from the requirements of holding non-binding advisory votes on executive compensation and stockholder approval of any golden parachute payments not previously approved.

Under the JOBS Act, we will remain an emerging growth company until the earliest of:

- the last day of the fiscal year during which we have total annual gross revenues of \$1.07 billion or more;

- the last day of the fiscal year following the fifth anniversary of the Initial Public Offering, or December 31, 2024;
- the date on which we have issued, during the previous three-year period, more than \$1.0 billion in non-convertible debt securities; and
- the date on which we are deemed to be a “large accelerated filer” under the Exchange Act (i.e., the first day of the fiscal year after we have (1) more than \$700.0 million in outstanding common equity held by our non-affiliates, measured each year on the last day of our second fiscal quarter, (2) been public for at least 12 months, and (3) are not eligible to be deemed a “smaller reporting company” because we do not meet the revenue test of the definition of “smaller reporting company”, which includes an initial determination that our annual revenues are more than \$100.0 million for the most recently completed fiscal year).

We have elected to take advantage of certain of the reduced disclosure obligations regarding executive compensation in this prospectus and may elect to take advantage of other reduced reporting requirements in future filings with the SEC. As a result, the information that we provide to our stockholders may be different than the information you receive from other public reporting companies.

#### **Risk Factor Summary**

- Risks Related to Our Financial Position and Need for Additional Capital, including, among others, that:
  - We have incurred significant net losses and negative operating cash flows since our inception. We expect to incur net losses for the foreseeable future and may never achieve or maintain profitability.
  - We will need substantial additional funding. If we are unable to raise capital when needed, we would be forced to delay, reduce or eliminate its research and product development programs or future commercialization efforts.
  - As a result of our history of losses and negative cash flows from operations, our historical financial statements contain a statement regarding a substantial doubt about our ability to continue as a going concern.
- Risks Related to Discovery, Development, Manufacturing and Commercialization, including, among others, that:
  - We are substantially dependent on the success of our most advanced product candidate, JSP191. If we are unable to complete development of, obtain approval for and commercialize our product candidates, including JSP191, in a timely manner or at all, our business will be harmed.
  - We may not be successful in our efforts to identify, develop and commercialize additional product candidates. If these efforts are unsuccessful, we may never become a commercial stage company or generate any revenues.
  - eHSCs are a novel technology that is not yet clinically validated for human use. The approaches we are taking to create eHSCs are unproven and may never lead to marketable products.
  - If any of our product candidates cause serious adverse events, undesirable side effects or unexpected characteristics, such events, side effects or characteristics could delay or prevent regulatory approval of the product candidate, limit our commercial potential or result in significant negative consequences following any potential marketing approval.
  - Results of preclinical studies and early clinical trials may not be predictive of results of future clinical trials, and such results do not guarantee approval of a product candidate by regulatory authorities. In addition, our clinical trials to date have been limited in scope, and results received to date may not be replicated in expanded or additional future clinical trials.

- We have never obtained regulatory approval for a drug, may never receive regulatory approval for any of our product candidates, and may therefore never generate revenues from product sales.
- We face significant competition in an environment of rapid technological change, and there is a possibility that our competitors may achieve regulatory approval before us or develop therapies that are safer or more advanced or effective than ours, which may harm our financial condition and our ability to successfully market or commercialize our product candidates.
- Risks Related to Regulatory Review, including, among others, that:
  - If clinical trials of our product candidates fail to demonstrate safety and efficacy to the satisfaction of regulatory authorities or do not otherwise produce positive results, we may incur additional costs or experience delays in completing, or ultimately be unable to complete, the development and commercialization of such product candidates.
  - Stem cell transplant is a high-risk procedure with curative potential that may result in complications or adverse events for patients in our clinical trials or for patients that use any of our product candidates, if approved.
- Risks Related to Our Relationships with Third Parties, including, among others, that:
  - We rely on third parties to conduct our preclinical and clinical trials and will rely on them to perform other tasks for us. If these third parties do not successfully carry out their contractual duties, meet expected deadlines or comply with regulatory requirements, we may not be able to obtain regulatory approval for or commercialize our product candidates and our business could be substantially harmed.
  - We currently rely on a single manufacturer for our clinical supply of our product candidates. In the event of a loss of this manufacturer, or a failure by such manufacturer to comply with the U.S. Food and Drug Administration (“FDA”) regulations, we may not be able to find an alternative source on commercially reasonable terms, or at all.
- Risks Related to Our Intellectual Property, including, among others, that:
  - We are highly dependent on intellectual property licensed from third parties, and termination of any of these licenses could result in the loss of significant rights, which would harm our business.
  - Our commercial success depends on our ability to obtain, maintain and protect our intellectual property and proprietary technology.
- Risks Related to Ownership of Our Common Stock and Warrants, including, among others, that we will incur significant increased expenses and administrative burdens as a public company, which could negatively impact our business, financial condition and results of operations.

### **Corporate Information**

We were incorporated under the name “Amplitude Healthcare Acquisition Corporation” on March 14, 2019 as a Delaware corporation for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar business combination with one or more businesses. On September 24, 2021, we changed our name to “Jasper Therapeutics, Inc.”.

Our principal executive offices are located at 2200 Bridge Pkwy Suite #102, Redwood City, CA 94065, and our telephone number is (650) 549-1400. Our website address is [www.jaspertherapeutics.com](http://www.jaspertherapeutics.com). Any information contained on, or that can be accessed through, our website is not incorporated by reference into, nor is it in any way part of this prospectus and should not be relied upon in connection with making any decision with respect to an investment in our securities. We are required to file annual, quarterly and current reports, proxy statements and other information with the SEC. You may obtain any of the documents filed by us with the SEC at no cost from the SEC’s website at <http://www.sec.gov>.

## THE OFFERING

Shares of Common Stock offered by the Selling Stockholders	<p>We are registering the resale by the Selling Stockholders named in this prospectus, or their permitted transferees, an aggregate of 33,081,493 shares of our Common Stock, consisting of:</p> <ul style="list-style-type: none"><li>• 2,300,000 Sponsor Shares;</li><li>• 19,485,471 Merger Shares;</li><li>• 1,296,022 Conversion Shares; and</li><li>• 10,000,000 PIPE Shares.</li></ul>
Shares of Common Stock offered by the Company	5,000,000 shares, consisting of 5,000,000 shares that are issuable upon exercise of the Public Warrants
Common Stock outstanding prior to exercise of Public Warrants	36,520,288 shares
Shares of Common Stock outstanding assuming exercise of all Public Warrants	41,520,288 shares
Exercise price of Public Warrants	\$11.50, subject to adjustment as described herein
Use of proceeds	<p>All of the shares of Common Stock offered by the Selling Stockholders pursuant to this prospectus will be sold by the Selling Stockholders for their respective accounts. We will not receive any proceeds from the sale of the shares of Common Stock offered by the Selling Stockholders.</p> <p>We will receive up to an aggregate of approximately \$57.5 million from the exercise of the Public Warrants, assuming the exercise in full of all of the Public Warrants for cash. We expect to use the net proceeds from the exercise of the Public Warrants for general corporate purposes. See the section titled “<i>Use of Proceeds</i>.”</p>
Market for our Common Stock and Public Warrants	Our Common Stock is listed on the Nasdaq Capital Market under the symbol “JSPR”. Our Public Warrants are listed on the Nasdaq Capital Market under the symbol “JSPRW”.
Risk factors	You should read the “ <i>Risk Factors</i> ” section of this prospectus for a discussion of factors to consider carefully before deciding to invest in shares of our Common Stock.
Lock-up restrictions	Certain of the Selling Stockholders are subject to certain restrictions on transfer until the date that is 180 days after the Closing Date. See the section of this prospectus entitled “ <i>Securities Act Restrictions on Resale of Our Securities — Lock-Up Agreements</i> ”.
	<p>The number of shares of Common Stock outstanding is based on an aggregate of 36,520,288 shares outstanding as of September 24, 2021, and excludes:</p> <ul style="list-style-type: none"><li>• 2,721,557 shares of Common Stock issuable upon the exercise of stock options outstanding under the 2019 EIP, with an exercise price of \$0.71 per share;</li><li>• 1,296,022 shares of Common Stock issuable upon the conversion of 1,296,022 shares of outstanding Non-Voting Common Stock;</li></ul>

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- 5,000,000 shares of Common Stock issuable upon the exercise of the Public Warrants, with an exercise price of \$11.50 per share;
- up to 4,400,000 shares of Common Stock available for future issuance under the Jasper Therapeutics, Inc. 2021 Equity Incentive Plan (the “Equity Incentive Plan”); and
- up to 550,000 shares of Common Stock available for future issuance under the Jasper Therapeutics, Inc. 2021 Employee Stock Purchase Plan (the “ESPP”).

## RISK FACTORS

Investing in our Common Stock involves a high degree of risk. Before making an investment decision, you should carefully consider the risks described below before deciding whether to purchase any of the Common Stock being offered in this prospectus. Before you make a decision to buy our securities, in addition to the risks and uncertainties discussed above under “*Cautionary Note Regarding Forward-Looking Statements*”, you should carefully consider the specific risks set forth herein. If any of these risks actually occur, it may materially harm our business, financial condition, liquidity and results of operations. As a result, the market price of our securities could decline, and you could lose all or part of your investment. Additionally, the risks and uncertainties described in this prospectus, any prospectus supplement or in any document incorporated by reference herein or therein are not the only risks and uncertainties that we face. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may become material and adversely affect our business.

### **Risks Related to Our Financial Position and Need for Additional Capital**

***We have incurred significant net losses and negative operating cash flows since our inception. We expect to incur net losses for the foreseeable future and may never achieve or maintain profitability.***

We are a clinical-stage biotechnology company dedicated to enabling cures through hematopoietic stem cell therapy and have a limited operating history. Investment in biopharmaceutical product development is highly speculative because it entails substantial upfront capital expenditures and significant risk that any potential product candidate will fail to demonstrate adequate effect or an acceptable safety profile, gain regulatory approval and become commercially viable. We have no products approved for commercial sale and have not generated any revenue from product sales to date, and we continue to incur significant research and development and other expenses related to our ongoing operations. As a result, we are not profitable and have incurred losses and negative operating cash flows in each period since our inception. For the years ended December 31, 2019 and 2020, Legacy Jasper reported net losses of \$5.0 million and \$31.7 million, respectively, and for the six months ended June 30, 2020 and June 30, 2021, Legacy Jasper reported net losses of \$10.9 million and \$18.2 million, respectively. For the years ended December 31, 2019 and 2020, Legacy Jasper reported negative operating cash flows of \$2.0 million and \$18.3 million, respectively, and for the six months ended June 30, 2020 and June 30, 2021, Legacy Jasper reported negative operating cash flows of \$4.9 million and \$12.0 million, respectively. As of June 30, 2021, Legacy Jasper had an accumulated deficit of \$55.0 million. We have devoted all of our efforts to organizing and staffing our company, business and scientific planning, raising capital, acquiring and developing technology, identifying potential product candidates, undertaking research and preclinical studies of potential product candidates, developing manufacturing capabilities and evaluating a clinical path for our pipeline programs. We expect to continue to incur significant expenses and increasing operating losses for the foreseeable future, and we expect these losses to increase as we continue our research and development of, and seek regulatory approvals for, our product candidates.

The net losses we incur may fluctuate significantly from quarter to quarter. We anticipate that our expenses will increase substantially if and as we:

- continue the open label Phase 1/2 clinical trial for JSP191 for SCID, and the open label Phase 1 clinical trial for JSP191 in patients with MDS or AML;
- continue the clinical development of JSP191 in autoimmune diseases and other indications;
- continue our current research programs and development of other potential product candidates from our current research programs;
- seek to identify additional product candidates and research programs;
- initiate preclinical testing and clinical trials for any other product candidates we identify and develop;
- maintain, expand, enforce, defend and protect our intellectual property portfolio, and provide reimbursement of third-party expenses related to our patent portfolio;
- seek marketing approvals for any product candidates that successfully complete clinical trials;
- ultimately establish a sales, marketing and distribution infrastructure to commercialize any product candidates for which we may obtain marketing approval;

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- adapt our regulatory compliance efforts to incorporate requirements applicable to any approved product candidates;
- further develop our genome engineering capabilities;
- hire additional research and development and clinical personnel;
- hire commercial personnel and advance market access and reimbursement strategies;
- add operational, financial and management information systems and personnel, including personnel to support our product development;
- acquire or in-license product candidates, intellectual property and technologies;
- develop or in-license manufacturing and distribution technologies;
- should we decide to do so and receive approval for any of our product candidates, build and maintain, or purchase and validate, commercial-scale manufacturing facilities designed to comply with current Good Manufacturing Practices (“cGMP”) requirements; and
- incur additional legal, accounting and other expenses in operating as a public company.

As a company, we have not completed clinical development of any product candidate and expect that it will be several years, if ever, before we have a product candidate ready for commercialization. To become and remain profitable, we must develop and, either directly or through collaborators, eventually commercialize a product or products with significant market potential. This will require us to be successful in a range of challenging activities, including identifying product candidates, completing preclinical testing and clinical trials of product candidates, obtaining marketing approval for these product candidates, manufacturing, marketing and selling those products for which we may obtain marketing approval and satisfying any post-marketing requirements.

We may never succeed in these activities and, even if we do, may never generate revenues that are significant or large enough to achieve profitability. Our product candidates and research programs are currently only in the early stages of development. Because of the numerous risks and uncertainties associated with developing product candidates, we are unable to predict the extent of any future losses or when we will become profitable, if at all. 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 could also cause you to lose all or part of your investment.

***We will need substantial additional funding, which may not be available on acceptable terms, or at all. If we are unable to raise capital when needed, we would be forced to delay, reduce or eliminate our research and product development programs or future commercialization efforts.***

We expect to spend substantial amounts of cash to conduct further research and development and preclinical testing and clinical trials of our product candidates, to seek regulatory approvals for our product candidates and to launch and commercialize any product candidates for which we receive regulatory approval. Furthermore, we expect to incur additional costs associated with operating as a public company. Accordingly, we will need to obtain substantial additional funding in order to maintain our continuing operations. If we are unable to raise capital when needed or on attractive terms, we would be forced to delay, reduce or eliminate our research and product development programs or future commercialization efforts. As of June 30, 2021, Legacy Jasper’s cash and cash equivalents were \$16.8 million and Legacy Jasper had an accumulated deficit of \$55.0 million. Our future financing requirements will depend on many factors, including:

- the initiation, progress, timing, costs and results of preclinical studies and clinical trials for our product candidates, including any COVID-19-related delays or other effects on our development programs;
- the costs of continuing to build our technology platform, including in-licensing additional genome engineering technologies for use in developing our product candidates;

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- the costs of developing, acquiring or in-licensing additional targeted therapies to use in combination with JSP191 and other product candidates we may develop;
- the costs of preparing, filing and prosecuting patent applications, maintaining and enforcing our intellectual property and proprietary rights and defending intellectual property-related claims in the United States and internationally;
- the number and characteristics of product candidates that we develop or may in-license;
- our ability to establish and maintain collaborations on favorable terms, if at all;
- the achievement of milestones or occurrence of other developments that trigger payments under any collaboration agreements we enter into;
- the outcome, timing and cost of meeting regulatory requirements established by the FDA, the European Medical Agency (the “EMA”) and other comparable foreign regulatory authorities;
- the cost and timing of completion of commercial-scale outsourced manufacturing activities;
- the cost of establishing sales, marketing and distribution capabilities for any product candidates for which we may receive regulatory approval in regions where we choose to commercialize our products on our own; and
- the costs of operating as a public company.

Conducting preclinical testing and clinical trials is a time-consuming, expensive and uncertain process that takes years to complete, and we may never generate the necessary data or results required to obtain marketing approval and achieve product sales. In addition, even if we successfully develop product candidates and those are approved, we may not achieve commercial success. Our commercial revenues, if any, will be derived from sales of products that we do not expect to be commercially available for several years, if at all. Accordingly, we will need to continue to rely on additional financing to achieve our business objectives.

Any additional fundraising efforts may divert our management from our day-to-day activities, which may adversely affect our ability to develop and commercialize product candidates. We cannot be certain that additional funding will be available on acceptable terms, or at all. We have no committed source of additional capital and, if we are unable to raise additional capital in sufficient amounts or on terms acceptable to us, we may have to significantly delay, scale back or discontinue the development or commercialization of product candidates or other research and development initiatives. Our license agreements and any future collaboration agreements may also be terminated if we are unable to meet the payment or other obligations under the agreements. We could be required to seek collaborators for product candidates at an earlier stage than otherwise would be desirable or on terms that are less favorable than might otherwise be available or relinquish or license on unfavorable terms our rights to product candidates in markets where we otherwise would seek to pursue development or commercialization ourselves.

As a result of our recurring losses from operations and recurring negative cash flows from operations, our financial statements contain a statement regarding a substantial doubt about our ability to maintain liquidity sufficient to operate our business effectively, which raises substantial doubt about our ability to continue as a going concern. See the risk factor below titled, *“As a result of our history of losses and negative cash flows from operations, our historical financial statements contain a statement regarding a substantial doubt about our ability to continue as a going concern.”* While management believes that, after the closing of the Business Combination and the concurrent PIPE Financing, we have sufficient cash to operate for approximately the next twelve months based on our current operating plan, we will need to raise additional financing to continue our products’ development for the foreseeable future, and until we become profitable. If we are unable to obtain funding when and as needed on a timely basis, we may be required to significantly curtail, delay or discontinue one or more of our research or development programs or the commercialization of any product candidate, or be unable to expand our operations or otherwise capitalize on our business opportunities, as desired, which could materially affect our business, financial condition and results of operations. Any of the above events could significantly harm our business, prospects, financial condition and results of operations and cause the price of our Common Stock to decline.

***We have a limited operating history and no history of commercializing pharmaceutical products, which may make it difficult to evaluate the prospects for our future viability.***

We are a clinical stage company. Legacy Jasper was founded and commenced operations in March 2018. Our operations to date have been limited to organizing and staffing our company, business planning, raising capital, acquiring and developing our technology, identifying potential product candidates and undertaking preclinical studies and clinical trials. Although we have initiated clinical trials for JSP191, we have not yet demonstrated an ability to successfully complete clinical trials of our product candidates; obtained marketing approvals; manufactured a commercial-scale medicine or therapy, or arranged for a third party to do so on our behalf; or conducted sales and marketing activities necessary for successful commercialization. Typically, it takes about 10 to 15 years to develop a new medicine from the time it is discovered to when it is available for treating patients. Consequently, any predictions we make about our future success or viability may not be as accurate as they could be if we had a longer operating history.

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

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

Our ability to generate revenue from product sales and achieve profitability depends on our ability, alone or with collaborators, to successfully complete the development of, and obtain the regulatory approvals necessary to commercialize, product candidates. We do not anticipate generating revenues from product sales for the next several years, if ever. Our ability to generate future revenue from product sales depends heavily on our, or our future collaborators', ability to successfully:

- identify product candidates and complete research and preclinical and clinical development of any product candidates we may identify;
- seek and obtain regulatory and marketing approvals for any product candidates for which we complete clinical trials;
- launch and commercialize any product candidates for which we obtain regulatory and marketing approval by establishing a sales force, marketing and distribution infrastructure or, alternatively, collaborating with a commercialization partner;
- qualify for coverage and adequate reimbursement by government and third-party payors for any product candidates for which we obtain regulatory and marketing approval;
- develop, maintain, and enhance a sustainable, scalable, reproducible, and transferable manufacturing process for the product candidates we may develop;
- establish and maintain supply and manufacturing relationships with third parties that can provide adequate, in both amount and quality, products and services to support clinical development and the market demand for any product candidates for which we obtain regulatory and marketing approval;
- obtain market acceptance of product candidates as viable treatment options;
- address competing technological and market developments;
- implement internal systems and infrastructure, as needed;
- negotiate favorable terms in any collaboration, licensing or other arrangements into which we may enter, and perform our obligations in such arrangements;
- maintain, protect, enforce, defend and expand our portfolio of intellectual property rights, including patents, trade secrets and know-how, in the United States and internationally;
- avoid and defend against third-party interference, infringement and other intellectual property claims in the United States and internationally; and
- attract, hire and retain qualified personnel.

Even if one or more of the product candidates we develop are approved for commercial sale, we anticipate incurring significant costs associated with commercializing any approved product candidate. Our expenses could increase beyond expectations if we are required by the FDA, the EMA or other regulatory authorities to perform clinical and other studies in addition to those that we currently anticipate.

Many of the factors listed above are beyond our control, and could cause us to experience significant delays or prevent us from completing the development of our product candidates, obtaining regulatory approvals or commercializing our product candidates. Even if we do achieve profitability, we may not be able to sustain or increase profitability on a quarterly or annual basis. A failure to become or remain profitable could result in a decline in the value of our company and could also cause you to lose all or part of your investment.

***As a result of our history of losses and negative cash flows from operations, our historical financial statements contain a statement regarding a substantial doubt about our ability to continue as a going concern.***

Our history of operating losses and negative cash flows from operations combined with our anticipated use of cash to fund operations raises substantial doubt about our ability to continue as a going concern beyond the 12-month period from the issuance date of our unaudited interim condensed financial statements for the six months ended June 30, 2021. While management believes that, after the closing of the Business Combination and the concurrent PIPE Financing, we have sufficient cash to operate for approximately the next twelve months based on our current operating plan, we will need to raise additional financing to continue our products' development for the foreseeable future, and until we become profitable. Our future viability as an ongoing business is dependent on our ability to generate cash from our operating activities or to raise additional capital to finance our operations.

The perception that we might be unable to continue as a going concern may also make it more difficult to obtain financing for the continuation of our operations on terms that are favorable to us, or at all, and could result in the loss of confidence by investors and employees. Our financial statements do not include any adjustments that might result from the outcome of this uncertainty. If we are unable to continue as a going concern, we may have to liquidate our assets and may receive less than the value at which those assets are carried on our financial statements, and it is likely that our investors will lose all or a part of their investment.

***Our ability to utilize our net operating loss carryforwards and certain other tax attributes to offset taxable income or taxes may be limited.***

As of December 31, 2020, Legacy Jasper had net operating loss carryforwards for federal income tax purposes of \$20.4 million that can be carried forward indefinitely. As of December 31, 2020, Legacy Jasper had net operating loss carryforwards for state income tax purposes of \$20.0 million that begin to expire in 2038. Portions of these net operating loss carryforwards could expire unused and be unavailable to offset future income tax liabilities. Under the legislation enacted in 2017, informally titled the Tax Cuts and Jobs Act (the "Tax Act"), as modified by the Coronavirus Aid, Relief, and Economic Security (the "CARES Act"), U.S. federal net operating losses incurred in taxable years beginning after December 31, 2017 may be carried forward indefinitely, but the deductibility of such federal net operating losses in taxable years beginning after December 31, 2020 is limited. It is uncertain how various states will respond to the Tax Act and the CARES Act. For state income tax purposes, there may be periods during which the use of net operating loss carryforwards is suspended or otherwise limited, which could accelerate or permanently increase state taxes owed. In addition, under Sections 382 and 383 of the Internal Revenue Code of 1986, as amended (the "Code"), and corresponding provisions of state law, if a corporation undergoes an "ownership change," which is generally defined as a greater than 50% change, by value, in its equity ownership over a three-year period, the corporation's ability to use its pre-change net operating loss carryforwards and other pre-change tax attributes to offset its post-change income or taxes may be limited. Our existing net operating loss carryforwards may be subject to limitations arising out of previous ownership changes and we may be limited as to the amount that can be utilized each year as a result of such previous ownership changes, including the Business Combination and related transactions. In addition, future changes in our stock ownership, including future offerings, as well as other changes that may be outside of our control, could result in additional ownership changes. Legacy Jasper has completed a Section 382 analysis covering taxable periods from its inception through the year ended December 31, 2020. Legacy Jasper experienced an ownership change on November 21, 2019 for both federal and California tax purposes related to its Series A redeemable convertible preferred stock financing. Any net operating loss generated for taxable periods in 2018 and through November 21, 2019 in excess of \$2.87 million will be permanently limited.

for California tax purposes. Legacy Jasper reduced its California net operating loss deferred tax assets balance by the permanently limited amount of \$0.6 million. There would be no permanent loss of federal net operating loss based on the limits. There is a full valuation allowance for net deferred tax assets, including net operating loss carryforwards for the year ended December 31, 2020.

***Our business could be adversely affected by the effects of health pandemics or epidemics, including the current COVID-19 pandemic and future outbreaks of the disease, in regions where we or third parties on which we rely have concentrations of clinical trial sites or other business operations.***

Our business could be adversely affected by the effects of health pandemics or epidemics, including the current outbreak of COVID-19 and future outbreaks of the disease. For example, enrollment in clinical trials may be delayed. Although we have reopened our offices and some employees have transitioned back to working on site, there is a lack of uniformity of restrictions and requirements among our clinical trial sites, and future shelter-in-place or similar types of restrictions could be imposed. We are subject to risk of outbreaks at our facilities, and potential exposure to employee claims regarding workplace safety, and unanticipated shutdowns or quarantines could be imposed in the future, which would disrupt our operations. This uncertainty and the evolving nature of policies and restrictions may negatively impact productivity, disrupt our business and further delay clinical programs and timelines, the magnitude of which will depend, in part, on the length and severity of the restrictions and other limitations on our ability to conduct our business in the ordinary course, which could negatively impact our business, operating results and financial condition.

The spread of COVID-19, which has caused a broad impact globally, may affect us economically. While the potential economic impact brought by, and the duration of, the COVID-19 pandemic may be difficult to assess or predict, it has resulted in significant disruption of global financial markets. This disruption, if sustained or recurrent, could make it more difficult for us to access capital, which could in the future negatively affect our liquidity. In addition, a recession or market correction resulting from the spread of COVID-19 could materially affect our business and the value of our Common Stock. The global COVID-19 pandemic continues to evolve, and its ultimate impact or that of any similar health pandemic or epidemic is highly uncertain. We do not yet know the full extent of potential delays or impacts on our business, our planned and ongoing clinical trials, the hospitals and healthcare systems or the global economy as a whole. These effects could have an adverse impact on our operations, and we will continue to monitor the COVID-19 situation closely.

***Our actual financial position and results of operations may differ materially from the unaudited pro forma condensed combined financial information included in this prospectus may not be indicative of what our actual financial position or results of operations would have been.***

The unaudited pro forma condensed combined financial information in this proxy statement/prospectus is presented for illustrative purposes only and is not necessarily indicative of what our actual financial position or results of operations would have been had the Business Combination been completed on the dates indicated. See the section titled “*Unaudited Pro Forma Condensed Combined Financial Statements*” for more information.

#### **Risks Related to Discovery, Development, Manufacturing and Commercialization**

***We are substantially dependent on the success of our most advanced product candidate, JSP191. If we are unable to complete development of, obtain approval for and commercialize our product candidates, including JSP191, in a timely manner or at all, our business will be harmed.***

Our future success is dependent on our ability to timely advance and complete clinical trials, obtain marketing approval for and successfully commercialize our product candidates. We are not permitted to market or promote JSP191 or any other product candidate before we receive marketing approval from the FDA and comparable foreign regulatory authorities, and we may never receive such marketing approvals.

The success of our product candidates will depend on several factors, including the following:

- the acceptance of individual investigational review boards (“IRBs”) and scientific review committees at each clinical trial site as to the adequacy of the preclinical data package to support clinical development of JSP191 and their overall general agreement with the use of JSP191 in the intended patient population in the intended manner;

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- the willingness of clinical investigators to place patients in the clinical trials, and the willingness of patients to enroll in a clinical trial studying a first-in-human cell therapy;
- the initiation and successful patient enrollment and completion of additional clinical trials of JSP191 on a timely basis;
- the frequency and severity of adverse events in the clinical trials;
- the successful and timely completion of our ongoing Phase 1/2 clinical trial of JSP191 for the treatment of SCID and the ongoing Phase 1 clinical trial of JSP191 for AML or MDS;
- maintaining and establishing relationships with contract research organizations (“CROs”) and clinical sites for the clinical development of JSP191 both in the United States and internationally;
- successful completion of clinical trials, including toxicology studies, biodistribution studies and minimally efficacious dose studies in animals, where applicable, under the FDA’s current Good Clinical Practices (“cGCPs”) and the FDA’s current Good Laboratory Practices;
- effective investigational new drug (“IND”) applications or Clinical Trial Authorizations that allow commencement of our planned clinical trials or future clinical trials for our product candidates;
- the results of clinical trials conducted by third parties in hematopoietic stem cell transplant (“HSCT”) if such trials result in changes to the standard of care for HSCT or otherwise cause us to change our clinical trial protocols;
- the efficacy, safety and tolerability profiles that are satisfactory to the FDA, EMA or any comparable foreign regulatory authority for marketing approval;
- the timely receipt of marketing approvals for our product candidates from applicable regulatory authorities;
- the extent of any required post-marketing approval commitments to applicable regulatory authorities;
- the maintenance of existing or the establishment of new supply arrangements with third-party suppliers and manufacturers for clinical development of JSP191;
- the maintenance of existing, or the establishment of new, scaled production arrangements with third-party manufacturers to obtain finished products that are appropriate for commercial sale of JSP191, if it is approved;
- obtaining and maintaining patent protection, trade secret protection and regulatory exclusivity, both in the United States and internationally;
- a continued acceptable safety profile following any marketing approval;
- commercial acceptance by patients, the medical community and third-party payors;
- our ability to obtain coverage and adequate reimbursement from third-party payors for our products, and patients’ willingness to pay out-of-pocket in the absence of such coverage and adequate reimbursement; and
- our ability to compete with other treatments.

We do not have complete control over many of these factors, including certain aspects of clinical development and the regulatory submission process, potential threats to our intellectual property rights and the manufacturing, marketing, distribution and sales efforts of any future collaborator. If we are not successful with respect to one or more of these factors in a timely manner or at all, we could experience significant delays or an inability to successfully commercialize JSP191, which would materially harm our business. If we do not receive marketing approvals for JSP191, we may not be able to continue our operations.

***We may not be successful in our efforts to identify, develop and commercialize additional product candidates. If these efforts are unsuccessful, we may never become a commercial stage company or generate any revenues.***

The success of our business depends primarily upon our ability to identify, develop and commercialize additional product candidates based on, or complementary with, our technology platform. While we are currently conducting a Phase 1/2 clinical trial of JSP191 as a conditioning agent prior to allogeneic transplant for SCID patients, a Phase 1 clinical trial of JSP191 as a conditioning agent prior to allogeneic transplant for patients with AML or MDS, and are planning a Phase 1 clinical trial of JSP191 as a conditioning agent prior to allogeneic transplant, all of our other product development programs, including our eHSC program, are still in the research or preclinical stage of development. Our research programs may fail to identify additional product candidates for clinical development for a number of reasons. Our research methodology may be unsuccessful in identifying potential product candidates, our potential product candidates may be shown to have harmful side effects in preclinical *in vitro* experiments or animal model studies, they may not show promising signals of efficacy in such experiments or studies or they may have other characteristics that may make the product candidates impractical to manufacture, unmarketable or unlikely to receive marketing approval. The historical failure rate for product candidates is high due to risks relating to safety, efficacy, clinical execution, changing standards of medical care and other unpredictable variables. In addition, although we believe our technology platform will position us to rapidly expand our portfolio of product candidates beyond our current product candidates, our ability to expand our portfolio may never materialize.

If any of these events occur, we may be forced to abandon our research or development efforts for a program or programs, which would have a material adverse effect on our business, financial condition, results of operations and prospects. Research programs to identify new product candidates require substantial technical, financial and human resources. We may focus our efforts and resources on potential programs or product candidates that ultimately prove to be unsuccessful, which would be costly and time-consuming.

***eHSCs are a novel technology that is not yet clinically validated for human use. The approaches we are taking to create eHSCs are unproven and may never lead to marketable products.***

We are developing eHSCs for transplant into the human body. Although there have been significant advances in the field of use of RNA or DNA to edit cells *ex vivo* prior to transplant in recent years, these technologies have only more recently been applied to HSCs, and our approach is new and unproven. The scientific evidence to support the feasibility of developing eHSCs is both preliminary and limited. Successful development of eHSCs by us will require solving a number of challenges, including:

- obtaining regulatory authorization from the FDA and other regulatory authorities;
- identifying appropriate molecular or genetic targets for modification within HSCs;
- developing and deploying consistent and reliable processes for procuring cells from consenting third-party donors, isolating HSCs from such donor cells, modifying target molecules within such HSCs, storing and transporting the resulting eHSCs for therapeutic use and finally infusing these eHSCs into patients;
- utilizing these eHSC product candidates in combination or in sequence with companion therapeutics, which may increase the risk of adverse side effects;
- avoiding potential complications of eHSC transplants, including failure to engraft, rejection by host or lack of functionality, any of which could result in serious side effects or death;
- educating medical personnel regarding the potential side effect profile of our product candidates, particularly those that may be unique to our eHSCs;
- understanding and addressing variability in the quality of a donor's cells, which could ultimately affect our ability to manufacture product in a reliable and consistent manner;
- developing processes for the safe administration of eHSC products, including long-term follow-up and registries, for all patients who receive these product candidates;
- relying on third parties to find suitable healthy donors;

- manufacturing product candidates to our specifications and in a timely manner to support our clinical trials and, if approved, commercialization;
- sourcing clinical and, if approved by applicable regulatory authorities, commercial supplies for the materials used to manufacture and process product candidates;
- developing a manufacturing process and distribution network that can provide a stable supply with a cost of goods that allows for an attractive return on investment; and
- establishing sales and marketing capabilities ahead of and after obtaining any regulatory approval to gain market acceptance, and obtaining coverage, adequate reimbursement and pricing by third-party payors and governmental healthcare programs.

We may decide to alter or abandon our initial eHSC programs as new data become available and we gain experience in developing eHSCs. We cannot be sure that our programs will yield satisfactory products that are safe and effective, scalable or profitable in our initial indication or any other indication we pursue.

Moreover, actual or perceived safety issues, including as a result of adverse developments in our eHSC programs or in genome engineering programs undertaken by third parties or of the adoption of novel approaches to treatment, may adversely influence the willingness of subjects to participate in our clinical trials, or, if one of our product candidates is approved by applicable regulatory authorities, of physicians to subscribe to the novel treatment mechanics or of patients to provide consent to receive a novel treatment despite its regulatory approval. The FDA or other applicable regulatory authorities may require specific post-market studies or additional information that communicates the benefits or risks of our products. New data may reveal new risks of our product candidates at any time prior to or after regulatory approval.

***If any of our product candidates cause serious adverse events, undesirable side effects or unexpected characteristics, such events, side effects or characteristics could delay or prevent regulatory approval of the product candidate, limit our commercial potential or result in significant negative consequences following any potential marketing approval.***

Undesirable side effects or adverse events caused by JSP191 and our other product candidates, and our eHSCs or other cell-based companion therapeutics we may develop, could cause us or regulatory authorities to interrupt, delay or halt clinical trials and could result in a more restrictive label or the delay or denial of regulatory approval by the FDA or comparable foreign regulatory authorities. Results of our clinical trials could reveal a high and unacceptable severity and prevalence of side effects or unexpected characteristics. Treatment-related side effects could also affect patient recruitment or the ability of enrolled patients to complete the trials or result in potential product liability claims.

There have been no clinical trials of eHSCs. In the genetic medicine field, there have been several significant adverse events from genetically engineered treatments in the past, including reported cases of leukemia and death. There can be no assurance that our eHSCs will not cause undesirable side effects, as improper modification of a patient's DNA could lead to lymphoma, leukemia or other cancers, or other aberrantly functioning cells.

A significant risk in any genetically engineered product candidate is that "off-target" gene alterations may occur, which could cause serious adverse events, undesirable side effects or unexpected characteristics. Although we and others have demonstrated the ability to improve the specificity of gene alterations in a laboratory setting, we cannot be certain that off-target alterations will not occur in any of our planned or future clinical trials, and the lack of observed side effects in preclinical studies does not guarantee that such side effects will not occur in human clinical trials.

If any product candidates we develop are associated with serious adverse events, undesirable side effects or unexpected characteristics, we may need to abandon their development or limit development to certain uses or subpopulations in which the serious adverse events, undesirable side effects or other characteristics are less prevalent, less severe or more acceptable from a risk-benefit perspective, any of which would have a material adverse effect on our business, financial condition, results of operations, and prospects. Many product candidates that initially showed promise in early stage testing have later been found to cause side effects that prevented further clinical development of the product candidates.

***Results of preclinical studies and early clinical trials may not be predictive of results of future clinical trials, and such results do not guarantee approval of a product candidate by regulatory authorities. In addition, our clinical trials to date have been limited in scope, and results received to date may not be replicated in expanded or additional future clinical trials.***

The outcome of preclinical studies and early clinical trials may not be predictive of the success of later clinical trials, and interim results of clinical trials do not necessarily predict success in the results of completed clinical trials. There can be no assurance that any of our current or future preclinical and clinical trials will ultimately be successful or support further preclinical or clinical development of any of our product candidates. Many companies in the pharmaceutical and biotechnology industries have suffered significant setbacks in late-stage clinical trials after achieving positive results in earlier development, and we could face similar setbacks. The design of a clinical trial can determine whether its results will support approval of a product, and flaws in the design of a clinical trial may not become apparent until the clinical trial is well advanced. Many companies that believed their product candidates performed satisfactorily in preclinical studies and clinical trials have nonetheless failed to obtain regulatory approval for their product candidates. In addition, preclinical and clinical data are often susceptible to varying interpretations and analyses, which may delay, limit or prevent regulatory approval. In addition, regulatory delays or rejections may be encountered as a result of many factors, including changes in regulatory policy during the period of product development. Any such adverse events may cause us to delay, limit or terminate planned clinical trials, any of which would have a material adverse effect on our business, financial condition, results of operations and prospects.

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 trial procedures set forth in protocols, differences in the size and type of the patient populations, changes in and adherence to the dosing regimen and other clinical trial procedures and the rate of dropout among clinical trial participants. If we fail to receive positive results in clinical trials of our product candidates, the development timeline and regulatory approval and commercialization prospects for our most advanced product candidate, and, correspondingly, our business and financial prospects would be negatively impacted.

***If we experience delays or difficulties in the enrollment of patients in clinical trials, the cost of developing product candidates could increase and our receipt of necessary regulatory approvals could be delayed or prevented.***

Patient enrollment is a significant factor in the timing of clinical trials. The timing of our clinical trials depends, in part, on the speed at which we can recruit patients to participate in our trials. We or our collaborators may not be able to continue clinical trials for JSP191 or any other product candidates we identify or develop if we are unable to locate and enroll a sufficient number of eligible patients to participate in these trials as required by the FDA, the EMA or other analogous regulatory authorities outside the United States, or as needed to provide appropriate statistical power for a given trial. Patients may be unwilling to participate in our clinical trials because of negative publicity from adverse events related to the biotechnology, gene therapy or genome engineering fields, competitive clinical trials for similar patient populations, clinical trials in competing products or for other reasons. As a result, the timeline for recruiting patients, conducting trials and obtaining regulatory approval of product candidates be delayed.

Patient enrollment is also affected by other factors, including:

- severity of the disease under investigation;
- size of the patient population and process for identifying patients;
- design of the trial protocol;
- availability and efficacy of approved medications for the disease under investigation;
- availability of genetic testing for potential patients;
- ability to obtain and maintain patient informed consent;
- risk that enrolled patients will drop out before completion of the trial;

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- eligibility and exclusion criteria for the trial in question;
- perceived risks and benefits of the product candidate under trial;
- perceived risks and benefits of genome engineering as a treatment approach;
- perceived risks and benefits of the companion therapeutics that may be administered in combination or in sequence with JSP191;
- efforts to facilitate timely enrollment in clinical trials;
- potential disruptions caused by the COVID-19 pandemic, including difficulties in initiating clinical sites, enrolling and retaining participants, diversion of healthcare resources away from clinical trials, travel or quarantine policies that may be implemented, and other factors;
- patient referral practices of physicians;
- ability to monitor patients adequately during and after treatment;
- proximity and availability of clinical trial sites for prospective patients, especially for those conditions that have small patient pools;
- the requirement for HSCT to be performed in centers that specialize in this procedure; and
- changes to diagnostic technologies, methodologies or criteria used to identify HSCT patients at high risk for relapse.

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 have opted to enroll in our trials may instead opt to enroll in a trial being conducted by a competitor. We may conduct some of our clinical trials at the same clinical trial sites that some of our competitors use, which will reduce the number of patients who are available for our clinical trials at such clinical trial sites.

Enrollment delays in our clinical trials may result in increased development costs for JSP191 or any other product candidates we may develop, which would cause the value of our company to decline and limit our ability to obtain additional financing. If we or our collaborators have difficulty enrolling a sufficient number of patients to conduct our clinical trials as planned, we may need to delay, limit or terminate ongoing or planned clinical trials, any of which would have an adverse effect on our business, financial condition, results of operations and prospects.

***We have never obtained regulatory approval for a drug, may never receive regulatory approval for any of our product candidates, and may therefore never generate revenues from product sales.***

As a company, we have never obtained regulatory approval for, or commercialized, a drug. It is possible that the FDA may refuse to accept any or all future product candidates for substantive review or may conclude after review of our data that our application is insufficient to obtain regulatory approval for any current or future product candidates. If the FDA does not approve any future product candidates, it may require that we conduct additional costly clinical, preclinical or manufacturing validation studies before the FDA will reconsider one or more of our applications. Depending on the extent of these or any other FDA-required studies, approval of any product candidates or other application that we submit may be significantly delayed, possibly for several years, or may require us to expend more resources than we have available. Any failure or delay in obtaining regulatory approvals would prevent us from commercializing JSP191 or any other product candidate, generating revenues and achieving and obtaining or sustaining profitability. It is also possible that additional studies, if performed and completed, may not be considered sufficient by the FDA to approve any new drug application or other application we submit. If any of these outcomes occur, we may be forced to abandon the development of our product candidates, which would materially adversely affect our business and could potentially cause us to cease operations. We face similar risks for our applications in foreign jurisdictions.

***Our commercial success depends upon attaining significant market acceptance of our product candidates, if approved, among physicians, patients, healthcare payers and operators of major clinics, and we may not be successful in attaining such market acceptance.***

Even with the requisite approvals from the FDA in the U.S., the EMA in the European Union and other regulatory authorities internationally, the commercial success of our product candidates will depend, in part, upon the degree of market acceptance by physicians, patients, third-party payors and others in the medical community. Any product that we commercialize may not gain acceptance by physicians, patients, health care payors and others in the medical community. If these products do not achieve an adequate level of acceptance, we may not generate significant product revenue and may not become profitable. Efforts to educate the medical community and third-party payors on the benefits of our product candidates may require significant resources, including our management's time and financial resources, and may not be successful. Ethical, social and legal concerns about genetic medicines generally and genome engineering technologies specifically could result in additional regulations restricting or prohibiting the marketing of our product candidates. Even if any product candidate we develop receives marketing approval, it may nonetheless fail to gain sufficient market acceptance by physicians, patients, healthcare payors and others in the medical community. The degree of market acceptance of any product candidate we develop, if approved for commercial sale, will depend on a number of factors, including:

- the efficacy and safety of such product candidate as demonstrated in clinical trials;
- the efficacy and safety of other products that are used in combination or in sequence with our product candidates;
- the potential and perceived advantages of our product candidates compared to alternative treatments;
- the limitation to our targeted patient population and limitations or warnings contained in approved labeling by the FDA or other regulatory authorities;
- the ability to offer our products for sale at competitive prices;
- convenience and ease of administration compared to alternative treatments;
- the clinical indications for which the product candidate is approved by the FDA, the EMA or other regulatory agencies;
- public attitudes regarding genetic medicine generally and genome engineering technologies specifically;
- the willingness of the target patient population to try novel biologics and of physicians to prescribe these treatments, as well as their willingness to accept an intervention that involves the alteration of the patient's gene;
- product labeling or product insert requirements of the FDA, the EMA or other regulatory authorities, including any limitations or warnings contained in a product's approved labeling;
- relative convenience and ease of administration;
- the strength of marketing and distribution support;
- availability of third-party coverage and sufficiency of reimbursement; and
- the prevalence and severity of any side effects.

Even if a product candidate is approved, such product may not achieve an adequate level of acceptance, we may not generate significant product revenues, and we may not become profitable.

***If we are unable to establish effective marketing and sales capabilities or enter into agreements with third parties to market and sell our product candidates, if approved, we may not be able to effectively market and sell our product candidates, if approved, or generate product revenues.***

We have limited marketing capabilities and limited experience in the sale, marketing or distribution of pharmaceutical products. In addition, we do not have a large sales, promotion and marketing budget. As a result of our limited marketing capabilities, 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 or outsource these functions to third parties. In the future, we may choose to build a focused sales, marketing and commercial support infrastructure to sell, or participate in sales activities with our collaborators for, some of our product candidates if and when they are approved.

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, marketing, reimbursement, customer service, medical affairs and other support personnel;
- the inability of sales personnel to obtain access to physicians or educate adequate numbers of physicians on the benefits of prescribing any future products;
- the inability of reimbursement professionals to negotiate arrangements for formulary access, reimbursement and other acceptance by payors;
- restricted or closed distribution channels that make it difficult to distribute our product candidates to segments of the patient population;
- 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 commercialization organization.

We may not be successful in entering into arrangements with third parties to commercialize our product candidates or may be unable to do so on terms that are favorable to us. We may have little control over such third parties, and any of them may fail to devote the necessary resources and attention to sell and market our products effectively. If we do not establish commercialization capabilities successfully, either on our own or in collaboration with third parties, we will not be successful in commercializing our product candidates.

***We face significant competition in an environment of rapid technological change, and there is a possibility that our competitors may achieve regulatory approval before us or develop therapies that are safer or more advanced or effective than ours, which may harm our financial condition and our ability to successfully market or commercialize our product candidates.***

The development and commercialization of new drug and biologic products is highly competitive. Moreover, the genome engineering and oncology fields are characterized by rapidly changing technologies, significant competition and a strong emphasis on intellectual property. We will face competition with respect to JSP191 and any other product candidates that we develop or commercialize in the future from major pharmaceutical companies, specialty pharmaceutical companies and biotechnology companies worldwide. Potential competitors also include academic institutions, government agencies and other public and private research organizations that conduct research, seek patent protection and establish collaborative arrangements for research, development, manufacturing and commercialization.

There are a number of large pharmaceutical and biotechnology companies that currently market and sell products or are pursuing the development of products for the treatment of the disease indications for which we have product candidates and research programs. 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. Any product candidates that we successfully develop and commercialize will compete with existing therapies and new therapies that may become available in the future that are approved to treat the same diseases for which we may obtain approval for our product candidates. This may include other types of therapies, such as small molecule, antibody and/or protein therapies.

Many of our current or potential competitors, either alone or with their collaboration partners, may have significantly greater financial resources and expertise in research and development, manufacturing, preclinical testing, conducting clinical trials, obtaining regulatory approvals and marketing approved products than we do. Mergers and acquisitions in the pharmaceutical, biotechnology and gene therapy industries may result in even more resources being concentrated among a smaller number of our competitors. Smaller or early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established

companies. These competitors also compete with us in recruiting and retaining qualified scientific and management personnel and establishing clinical trial sites and patient registration for clinical trials, as well as in acquiring technologies complementary to, or necessary for, our programs. Our commercial opportunity could be reduced or eliminated if our competitors develop and commercialize product candidates that are safer, more effective, have fewer or less severe side effects, are more convenient or are less expensive than our product candidates or that would render our product candidates obsolete or non-competitive. Our competitors also may obtain FDA or other regulatory approval for their product candidates more rapidly than we may obtain approval for ours, which could result in our competitors establishing a strong market position before we are able to enter the market. Additionally, technologies developed by our competitors may render our product candidates uneconomical or obsolete, and we may not be successful in marketing any product candidates against competitors.

Competitors of JSP-191 for our conditioning program for CD-117, a receptor for stem cell factor (“SCF”) that is expressed on the surface of hematopoietic stem and progenitor cells, include the following:

- Magenta Therapeutics, Inc., which is developing an Amanitin Anti-CD117 antibody drug conjugate and is in clinical development;
- Gilead Sciences, Inc., which is developing an antibody to CD117 that is not conjugated to any toxin and is used in combination with an antibody to CD47 and has started initial Phase I clinical studies;
- Actinium Pharmaceuticals, Inc., which is developing an antibody to CD45 that is linked to radioisotope iodine-131 and is in Phase III clinical studies;
- Molecular Templates Inc., which is developing an antibody to CD45 that is conjugated to engineered Shiga-toxin and is in preclinical development; and
- Celldex Therapeutics, Inc., which is developing an antibody to inhibit tyrosine kinase KIT found in mast cells and is in Phase I/II clinical studies in indications unrelated to conditioning.

Competitors for our engineered stem cell therapy program include the following:

- Gamida Cell Ltd., which is developing an umbilical cord blood (“UCB”)-derived cell product that uses a small molecule to inhibit differentiation and enhance functionality of *ex vivo*-expanded HSCs;
- ExCellThera Inc., which is focused on *ex vivo* expansion of stem cells using a pyrimido-indole derivative small molecule;
- Angiocrine Bioscience, Inc., which is expanding cord blood and gene-modified HSCs using an endothelial cell feeder layer;
- Sana Biotechnology, Inc., which is developing hypoinnate cells designed to evade rejection and enable persistence of allogeneic cells;
- Vor Biopharma, Inc., which is developing treatment-resistant marrow cells that enable CD33 targeted therapy; and
- Ensoma Inc., which is developing viral vectors for delivery of cell modification payload, *in vivo*.

***Adverse public perception of genetic medicines, and genome engineering in particular, may negatively impact regulatory approval of, and/or demand for, our potential products.***

Some of our eHSCs or other cell-based therapeutics we develop may be created by altering the human genome. The clinical and commercial success of our potential products will depend in part on public understanding and acceptance of the use of genome engineering for the prevention or treatment of human diseases. Public attitudes may be influenced by claims that genome engineering is unsafe, unethical or immoral, and, consequently, our current or future product candidates may not gain the acceptance of the public or the medical community. Adverse public attitudes may adversely impact our ability to enroll clinical trials. Moreover, our success will depend upon physicians prescribing, and their patients being willing to receive, treatments that involve the use of product candidates in lieu of, or in addition to, existing treatments with which they are already familiar and for which greater clinical data may be available.

In addition, genome engineering technology is subject to public debate and heightened regulatory scrutiny due to ethical concerns relating to the application of genome engineering technology to human embryos or the human germline. For example, in the United States, germline alteration for clinical application has been expressly prohibited since enactment of a December 2015 FDA ban on such activity. Prohibitions are also in place in the United Kingdom, across most of Europe, in China and many other countries around the world. In the United States, the National Institutes of Health has announced that the agency would not fund any use of gene engineering technologies in human embryos, noting that there are multiple existing legislative and regulatory prohibitions against such work, including the Dickey-Wicker Amendment, which prohibits the use of appropriated funds for the creation of human embryos for research purposes or for research in which human embryos are destroyed. Adverse events in our preclinical studies or clinical trials or those of our competitors or of academic researchers utilizing genome engineering technologies, even if not ultimately attributable to product candidates we may identify and develop, and the accompanying publicity could result in increased governmental regulation, unfavorable public perception, potential regulatory delays in the testing or approval of potential product candidates we may identify and develop, stricter labeling requirements for those product candidates that are approved and a decrease in demand for any such product candidates.

***If product liability lawsuits are brought against us, we may incur substantial liabilities and may be required to limit commercialization of our product candidates.***

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

- the inability to commercialize any products that we may develop;
- decreased demand for our product candidates or products that we may develop;
- injury to our reputation and significant negative media attention;
- withdrawal of clinical trial participants;
- significant time and costs to defend the related litigation;
- substantial monetary awards to trial participants or patients; and
- loss of revenue.

Although we maintain product liability insurance coverage, it may not be adequate to cover all liabilities that we may incur. We anticipate that we will need to increase our insurance coverage as we continue clinical trials and if we successfully commercializes any product. Insurance coverage is increasingly expensive. We may not be able to maintain insurance coverage at a reasonable cost or in an amount adequate to satisfy any liability that may arise.

***Our product candidates are complex and difficult to manufacture. We could experience delays in satisfying regulatory authorities or production problems that result in delays in our development or commercialization programs, limit the supply of our product candidates, or otherwise harm our business.***

Our product candidates require processing steps that are more complex than those required for most chemical and other biological pharmaceuticals. Moreover, unlike chemical and other biological pharmaceuticals, the physical and chemical properties of a gene-engineered cell therapies cannot be fully characterized. As a result, assays of the finished product candidate may not be sufficient to ensure that the product candidate will perform in the intended manner. Problems with the manufacturing process, even minor deviations from the normal process, could result in product defects or manufacturing failures that result in lot failures, product recalls, product liability claims,

insufficient inventory or potentially delay progression of our clinical trials. If we successfully develop product candidates, we may encounter problems achieving adequate quantities and quality of clinical-grade materials that meet FDA, EMA or other comparable applicable foreign standards or specifications with consistent and acceptable production yields and costs. In addition, our product candidates will require complicated delivery modalities, such as electroporation, which will introduce additional complexities into the manufacturing process.

eHSCs consist of engineered human cells, and the process of manufacturing such product candidates is complex, concentrated with a limited number of suppliers, highly regulated and subject to numerous risks. Manufacturing such product candidates involves harvesting cells from a donor or from the patient, altering the cells *ex vivo* using genome engineering technology, cryopreservation, storage and eventually shipment and infusing the cell product into the patient's body. Our manufacturing process will be susceptible to product loss or failure, or product variation that may negatively impact patient outcomes, due to logistical issues associated with the collection of starting material from the donor, shipping such material to the manufacturing site, shipping the final product back to the clinical trial recipient, preparing the product for administration, infusing the patient with the product, manufacturing issues or different product characteristics resulting from the differences in donor starting materials, variations between reagent lots, interruptions in the manufacturing process, contamination, equipment or reagent failure, improper installation or operation of equipment, vendor or operator error, inconsistency in cell growth and variability in product characteristics. Our manufacturing process, like that of a number of other cell therapy companies, is also characterized by limited numbers of suppliers, and in some cases sole source suppliers, with the manufacturing capabilities and know-how to create or source the materials, such as donor marrow cells and electroporation machines, used in our cell manufacturing. While we pursue multiple sources for the critical components of our manufacturing process, we may not be successful in securing these additional sources at all or on a timely basis. If microbial, viral or other contaminations are discovered in our product candidates or in any of the manufacturing facilities in which our product candidates or other materials are made, such manufacturing facilities may need to be closed for an extended period of time to investigate and remedy the contamination.

In addition, the FDA, the EMA and other regulatory authorities may require us to submit samples of any lot of approved product together with the protocols showing the results of applicable tests at any time. Under some circumstances, the FDA, the EMA or other regulatory authorities may require that we not distribute a lot until the agency authorizes its release. Slight deviations in the manufacturing process, including those affecting quality attributes and stability, may result in unacceptable changes in the product that could result in lot failures or product recalls. Lot failures or product recalls could cause us to delay clinical trials or product launches, which could be costly to us and otherwise harm our business, financial condition, results of operations and prospects.

Some of the raw materials that we anticipate will be required in our manufacturing process are derived from biologic sources. Such raw materials are difficult to procure and may be subject to contamination or recall. A material shortage, contamination, recall or restriction on the use of biologically derived substances in the manufacture of our product candidates could adversely impact or disrupt the commercial manufacturing or the production of clinical material, which could materially harm our development timelines and our business, financial condition, results of operations and prospects.

***If we or any contract research organizations, contract manufacturers or suppliers that we engage fail to comply with environmental, health and safety laws and regulations, we could become subject to fines or penalties or incur costs that could have a material adverse effect on the success of our business.***

We and any contract research organizations, contract manufacturers and suppliers we engage are subject to numerous federal, state and local environmental, health and safety laws, regulations and permitting requirements, including those governing laboratory procedures; the generation, handling, use, storage, treatment and disposal of hazardous and regulated materials and wastes; the emission and discharge of hazardous materials into the ground, air and water; and employee health and safety. Our operations involve the use of hazardous and flammable materials, including chemicals and biological and radioactive materials. Our operations also produce hazardous waste. We generally contract with third parties for the disposal of these materials and wastes. Although we believe that our and such third parties' procedures for handling, storing and disposing of these materials and waste complies with legally prescribed standards, we cannot eliminate the risk of contamination or injury from these materials. In the event of contamination or injury resulting from our use of hazardous materials, we could be held liable for any

resulting damages, and any liability could exceed our resources. Under certain environmental laws, we could be held responsible for costs relating to any contamination at our current or past facilities and at third-party facilities. We also could incur significant costs associated with civil or criminal fines and penalties.

Compliance with applicable environmental laws and regulations may be expensive, and current or future environmental laws and regulations may impair our product development and research efforts. In addition, we cannot entirely eliminate the risk of accidental injury or contamination from these materials or wastes. Although we maintain workers' compensation insurance to cover us for costs and expenses we may incur due to injuries to our employees resulting from the use of hazardous materials, this insurance may not provide adequate coverage against potential liabilities. We do not carry specific biological or hazardous waste insurance coverage, and our property, casualty and general liability insurance policies specifically exclude coverage for damages and fines arising from biological or hazardous waste exposure or contamination. Accordingly, in the event of contamination or injury, we could be held liable for damages or be penalized with fines in an amount exceeding our resources, and our clinical trials or regulatory approvals could be suspended, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

In addition, we may incur substantial costs in order to comply with current or future environmental, health and safety laws, regulations and permitting requirements. For example, our products are considered to contain genetically modified organisms or cells, which are regulated in different ways depending upon the country in which preclinical research or clinical trials are conducted. These current or future laws, regulations and permitting requirements may impair our research, development or production efforts. Failure to comply with these laws, regulations and permitting requirements also may result in substantial fines, penalties or other sanctions or business disruption, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

Any third-party contract research organizations, contract manufacturers and suppliers we engage will also be subject to these and other environmental, health and safety laws and regulations. Liabilities they incur pursuant to these laws and regulations could result in significant costs or an interruption in operations, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

#### **Risks Related to Regulatory Review**

***If clinical trials of our product candidates fail to demonstrate safety and efficacy to the satisfaction of regulatory authorities or do not otherwise produce positive results, we may incur additional costs or experience delays in completing, or ultimately be unable to complete, the development and commercialization of such product candidates.***

Before obtaining marketing approval from regulatory authorities for the sale of JSP191 and any other product candidates we identify and develop, we must complete preclinical development and then conduct extensive clinical trials to demonstrate the safety and efficacy of such product candidates in humans. Clinical testing is expensive, difficult to design and implement, can take many years to complete and is uncertain as to outcome. A failure of one or more clinical trials can occur at any stage of testing. The outcome of preclinical testing and early clinical trials may not be predictive of the success of later clinical trials, and interim results of a clinical trial do not necessarily predict final results. Moreover, preclinical and clinical data are often susceptible to varying interpretations and analyses. 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 product candidates.

We and our collaborators, if any, may experience numerous unforeseen events during, or as a result of, clinical trials that could delay or prevent our ability to receive marketing approval or commercialize any product candidates, including:

- delays in reaching a consensus with regulators on trial design;
- regulators, IRBs, independent ethics committees or scientific review boards may not authorize us or our investigators to commence a clinical trial or conduct a clinical trial at a prospective trial site;
- delays in reaching or failing to reach agreement on acceptable clinical trial contracts or clinical trial protocols with prospective CROs and clinical trial sites;

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- clinical trials of product candidates may produce negative or inconclusive results, and we may decide, or regulators may require us, to conduct additional clinical trials or abandon product development or research programs;
- difficulty in designing well-controlled clinical trials due to ethical considerations that may render it inappropriate to conduct a trial with a control arm that can be effectively compared to a treatment arm;
- difficulty in designing clinical trials and selecting endpoints for diseases that have not been well-studied and for which the natural history and course of the disease is poorly understood;
- the number of patients required for clinical trials of JSP191 and any other product candidates we may develop may be larger than we anticipate; enrollment of suitable participants in these clinical trials, which may be particularly challenging for some of the rare genetically defined diseases we are targeting in our most advanced programs, may be delayed or slower than we anticipate; or patients may drop out of these clinical trials at a higher rate than we anticipate;
- our third-party contractors may fail to comply with regulatory requirements or meet their contractual obligations to us in a timely manner, or at all;
- regulators, IRBs or independent ethics committees may require that we or our investigators suspend or terminate clinical research or clinical trials for various reasons, including noncompliance with regulatory requirements, a finding of undesirable side effects or other unexpected characteristics, or that the participants are being exposed to unacceptable health risks or after an inspection of our clinical trial operations or trial sites;
- the cost of clinical trials may be greater than we anticipate;
- the supply or quality of product candidates or other materials necessary to conduct clinical trials may be insufficient or inadequate, including as a result of delays in the testing, validation, manufacturing and delivery of product candidates to the clinical sites by us or by third parties with whom we have contracted to perform certain of those functions;
- delays in having patients complete participation in a trial or return for post-treatment follow-up;
- clinical trial sites dropping out of a trial;
- selection of clinical endpoints that require prolonged periods of clinical observation or analysis of the resulting data;
- occurrence of serious adverse events associated with product candidates that are viewed to outweigh their potential benefits;
- occurrence of serious adverse events in trials of the same class of agents conducted by other sponsors; and
- changes in regulatory requirements and guidance that require amending or submitting new clinical protocols.

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

- be delayed in obtaining marketing approval for any such product candidates or not obtain marketing approval 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, including boxed warnings;
- be subject to changes in the way the product is administered;

- 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 product or impose restrictions on its distribution in the form of a Risk Evaluation and Mitigation Strategy (“REMS”) or through modification to an existing REMS;
- be sued; or
- experience damage to our reputation.

Product development costs will also increase if we or our collaborators experience delays in clinical trials or other testing or in obtaining marketing approvals. We do not know whether any clinical trials will begin as planned, will need to be restructured or will be completed on schedule, or at all. Significant clinical trial delays also could shorten any periods during which we may have the exclusive right to commercialize product candidates, could allow our competitors to bring products to market before we do and could impair our ability to successfully commercialize product candidates, any of which may harm our business, financial condition, results of operations and prospects.

Further, disruptions at the FDA and other agencies may prolong the time necessary for new drugs to be reviewed and/or approved by necessary government agencies, which would adversely affect our business. For example, over the last several years, the U.S. government has shut down several times and certain regulatory agencies, including the FDA, have furloughed critical employees and stopped critical activities. If a prolonged government shutdown occurs, it could significantly impact the ability of the FDA to timely review and process our regulatory submissions, which could have a material adverse effect on our business. The Trump Administration also took several executive actions that could impose significant burdens on, or otherwise materially delay, the FDA’s ability to engage in routine regulatory and oversight activities. Certain of these orders were revoked by President Trump on January 20, 2021, and it remains to be seen how the current administration will address regulatory reform.

***Stem cell transplant is a high-risk procedure with curative potential that may result in complications or adverse events for patients in our clinical trials or for patients that use any of our product candidates, if approved.***

Stem cell transplant has the potential to cure patients across multiple diseases, but its use carries with it risks of toxicity, serious adverse events and death. Because many of our therapies are used to prepare or treat patients undergoing stem cell transplant, patients in our clinical trials or patients that use any of our product candidates may be subject to many of the risks that are currently inherent to this procedure. In particular, stem cell transplant involves certain known potential post-procedure complications that may manifest several weeks or months after a transplant and that may be more common in certain patient populations. For example, up to 20% of patients with inherited metabolic disorders treated with a transplant experience primary engraftment failure, resulting in severe complications, including death. Another example is autoimmune cytopenia, a known and severe frequent complication of the transplant procedure in patients with non-malignant diseases, such as inherited metabolic diseases, that can result in death. There is also a risk of graft-versus-host disease, a potentially serious complication in which the grafted cells attack and damage the patient’s healthy cells, which can be severe and sometimes life-threatening. If these or other serious adverse events, undesirable side effects, or unexpected characteristics are identified during the development of any of our product candidates, we may need to limit, delay or abandon our further clinical development of those product candidates, even if such events, effects or characteristics were the result of stem cell transplant or related procedures generally, and not directly or specifically caused or exacerbated by our product candidates. All serious adverse events or unexpected side effects are continually monitored per the clinical trial’s approved protocol. If serious adverse events are determined to be directly or specifically caused or exacerbated by our product candidates, we would follow the trial protocol’s requirements, which call for our data safety monitoring committee to review all available clinical data in making a recommendation regarding the trial’s continuation.

***Failure to obtain marketing approval in foreign jurisdictions would prevent any product candidates we develop from being marketed in such jurisdictions, which, in turn, would materially impair our ability to generate revenue.***

In order to market and sell any product candidates we develop in the European Union and many other foreign jurisdictions, we or our collaborators must obtain separate marketing approvals and comply with numerous and varying regulatory requirements. The approval procedure varies among countries and can involve additional testing. The time required to obtain approval may differ substantially from that required to obtain FDA approval. The regulatory

approval process outside the United States generally includes all of the risks associated with obtaining FDA approval. In addition, in many countries outside the United States, it is required that the product be approved for reimbursement before the product can be approved for sale in that country. We or our collaborators may not obtain approvals from regulatory authorities outside the United States on a timely basis, if at all. Approval by the FDA does not ensure approval by regulatory authorities in other countries or jurisdictions, and approval by one regulatory authority outside the United States does not ensure approval by regulatory authorities in other countries or jurisdictions or by the FDA. We may not be able to file for marketing approvals and may not receive necessary approvals to commercialize our product candidates in any jurisdiction, which would materially impair our ability to generate revenue.

Additionally, we could face heightened risks with respect to seeking marketing approval in the United Kingdom as a result of the recent withdrawal of the United Kingdom from the European Union on December 31, 2020, commonly referred to as Brexit. Pursuant to the formal withdrawal arrangements agreed between the United Kingdom and the European Union, the United Kingdom withdrew from the European Union, effective December 31, 2020. On December 24, 2020, the United Kingdom and European Union entered into a Trade and Cooperation Agreement. The agreement sets out certain procedures for approval and recognition of medical products in each jurisdiction.

Since the regulatory framework for pharmaceutical products in the United Kingdom covering the quality, safety, and efficacy of pharmaceutical products, clinical trials, marketing authorization, commercial sales, and distribution of pharmaceutical products is derived from European Union directives and regulations, Brexit could materially impact the future regulatory regime that applies to products and the approval of product candidates in the United Kingdom. Any delay in obtaining, or an inability to obtain, any marketing approvals, as a result of Brexit or otherwise, would prevent us from commercializing any product candidates in the United Kingdom and/or the European Union and restrict our ability to generate revenue and achieve and sustain profitability. If any of these outcomes occur, we may be forced to restrict or delay efforts to seek regulatory approval in the United Kingdom and/or the European Union for any product candidates, which could significantly and materially harm our business.

***Even if we complete the necessary clinical trials, we cannot predict when, or if, we will obtain regulatory approval to commercialize our product candidates in the United States or any other jurisdiction, and any such approval may be for a more narrow indication than we seek.***

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

Regulatory authorities also may approve a product candidate for more limited indications than requested or they may impose significant limitations in the form of narrow indications, warnings or a REMS. These regulatory authorities may require labeling that includes precautions or contra-indications with respect to conditions of use, or they may grant approval subject to the performance of costly post-marketing clinical trials. In addition, regulatory authorities may not approve the labeling claims that are necessary or desirable for the successful commercialization of our product candidates. Any of the foregoing scenarios could materially harm the commercial prospects for our product candidates and materially adversely affect our business, financial condition, results of operations and prospects.

Marketing approval by the FDA in the United States, if obtained, does not ensure approval by regulatory authorities in other countries or jurisdictions. In addition, clinical trials conducted in one country may not be accepted by regulatory authorities in other countries, and regulatory approval in one country does not guarantee regulatory approval in any other country. Approval processes vary among countries and can involve additional product candidate testing and validation and additional administrative review periods. Seeking foreign regulatory approval could result in difficulties and costs for us and require additional preclinical studies or clinical trials, which could be costly and time-consuming. Regulatory requirements can vary widely from country to country and could delay or prevent the introduction of our product candidates we may develop in those countries. The foreign regulatory approval process involves all of the risks associated with FDA approval. We do not have any product candidates approved for sale in any jurisdiction, including international markets, and we do not have experience in obtaining regulatory approval in international markets. If we fail to comply with regulatory requirements in

international markets or to obtain and maintain required approvals, or if regulatory approvals in international markets are delayed, our target market will be reduced and our ability to realize the full market potential of our product candidates will be unrealized.

***Even if we obtain regulatory approval of any of our product candidates, the approved products may be subject to post-approval studies and will remain subject to ongoing regulatory requirements. If we fail to comply, or if concerns are identified in subsequent studies, our approval could be withdrawn, and our product sales could be suspended.***

If we are successful at obtaining regulatory approval for JSP191 or any of our other product candidates, regulatory agencies in the U.S. and other countries where a product will be sold may require extensive additional clinical trials or post-approval clinical trials that are expensive and time-consuming to conduct. These studies may be expensive and time-consuming to conduct and may reveal side effects or other harmful effects in patients that use our therapeutic products after they are on the market, which may result in the limitation or withdrawal of our drugs from the market. Alternatively, we may not be able to conduct such additional trials, which might force us to abandon our efforts to develop or commercialize certain product candidates. Even if post-approval studies are not requested or required, after our products are approved and on the market, there might be safety issues that emerge over time that require a change in product labeling, additional post-market studies or clinical trials, imposition of distribution and use restrictions under a REMS or withdrawal of the product from the market, which would cause our revenue to decline.

Additionally, any products that we may successfully develop will be subject to ongoing regulatory requirements after they are approved. These requirements will govern the manufacturing, packaging, marketing, distribution, and use of our products. If we fail to comply with such regulatory requirements, approval for our products may be withdrawn, and product sales may be suspended. We may not be able to regain compliance, or we may only be able to regain compliance after a lengthy delay, significant expense, lost revenues and/or damage to our reputation.

***The regulatory landscape that will govern our product candidates is uncertain; regulations relating to more established cellular therapy products are still developing, and changes in regulatory requirements could result in delays or discontinuation of development of our product candidates or unexpected costs in obtaining regulatory approval. The FDA and other governing bodies may disagree with our regulatory plan, and we may fail to obtain regulatory approval of our product candidates.***

Because our product candidates and technology platform involve genetic and cellular engineering, we are subject to many of the challenges and risks that other genetically engineered biologics and cellular therapies face, including:

- regulatory requirements or guidance regarding the requirements governing genetic and cellular engineering products have changed and may continue to change in the future;
- to date, only a limited number of products that involve genetic or cellular engineering have been approved globally;
- improper modulation of a gene sequence, including unintended alterations or insertion of a sequence into certain locations in a patient's chromosomes, could lead to cancer, other aberrantly functioning cells or other diseases, as well as death;
- corrective expression of a missing protein, or deletion of an existing protein, in patients' cells could result in the protein or cell being recognized as foreign, and lead to a sustained immunological reaction against the expressed protein or expressing cells, which could be severe or life-threatening;
- regulatory agencies may require extended follow-up observation periods of patients who receive treatment using genetic or cellular engineering products including, for example, the FDA's recommended 15-year follow-up observation period for these patients, and we will need to adopt such observation periods for our product candidates if required by the relevant regulatory agency, which could vary by country or region; and
- the fields of genetic and cellular engineering are subject to a number of intellectual property disputes.

The regulatory requirements that will govern any eHSCs or other novel genetically engineered product candidates we develop may change. Within the broader genetic medicine field, we are aware of a limited number of gene therapy products that have received marketing authorization from the FDA and the EMA. Even with respect to more established products that fit into the categories of gene therapies or cell therapies, the regulatory landscape is still developing. Regulatory requirements governing gene therapy products and cell therapy products have changed frequently and will likely continue to change in the future. Moreover, there is substantial, and sometimes uncoordinated, overlap in those responsible for regulation of existing gene therapy products and cell therapy products. For example, in the United States, the FDA has established the Office of Tissues and Advanced Therapies (“OTAT”) within its Center for Biologics Evaluation and Research (“CBER”) to consolidate the review of gene therapy and related products, and the Cellular, Tissue and Gene Therapies Advisory Committee to advise CBER on its review. In addition to FDA oversight and oversight by IRBs under guidelines promulgated by the National Institutes of Health (“NIH”), gene therapy clinical trials are also subject to review and oversight by an institutional biosafety committee (“IBC”), a local institutional committee that reviews and oversees research utilizing recombinant or synthetic nucleic acid molecules at that institution. Before a clinical study can begin at any institution, that institution’s IRB and its IBC assess the safety of the research and identify any potential risk to public health or the environment. While the NIH guidelines are not mandatory unless the research in question is being conducted at or sponsored by institutions receiving NIH funding of recombinant or synthetic nucleic acid molecule research, many companies and other institutions not otherwise subject to the NIH guidelines voluntarily follow them. Moreover, serious adverse events or developments in clinical trials of gene or cellular therapy product candidates conducted by others may cause the FDA or other regulatory bodies to initiate a clinical hold on our clinical trials or otherwise change the requirements for approval of any of our product candidates. Although the FDA decides whether individual gene or cellular therapy protocols may proceed, the review process and determinations of other reviewing bodies can impede or delay the initiation of a clinical trial even if the FDA has reviewed the trial and approved its initiation.

The same applies in the European Union. The EMA’s Committee for Advanced Therapies (“CAT”) is responsible for assessing the quality, safety and efficacy of advanced-therapy medicinal products. The role of the CAT is to prepare a draft opinion on an application for marketing authorization for a cell or gene therapy or other novel therapeutic medicinal candidate that is submitted to the Committee for Medicinal Products for Human Use (“CHMP”) before CHMP adopts its final opinion. In the European Union, the development and evaluation of an advanced therapeutic medicinal product must be considered in the context of the relevant European Union guidelines. The EMA may issue new guidelines concerning the development and marketing authorization for these medicinal products and require that we comply with these new guidelines. As a result, the procedures and standards applied to gene and cell therapy products may be applied to our eHSCs, but that remains uncertain at this point.

Adverse developments in post-marketing experience or in clinical trials conducted by others of gene therapy products, cell therapy products or products developed through the application of a genome engineering technology may cause the FDA, the EMA and other regulatory bodies to revise the requirements for development or approval of our eHSCs may develop or limit the use of products utilizing genome engineering technologies, either of which could materially harm our business. In addition, the clinical trial requirements of the FDA, the EMA and other regulatory authorities and the criteria these regulators 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 our eHSCs, can be more expensive and take longer than for other, better known or more extensively studied pharmaceutical or other product candidates. Regulatory agencies administering existing or future regulations or legislation may not allow production and marketing of products utilizing genome engineering technology in a timely manner or under technically or commercially feasible conditions. In addition, regulatory action or private litigation could result in expenses, delays or other impediments to our product candidate development, research programs or the commercialization of resulting products.

The regulatory review committees and advisory groups described above and the new guidelines they promulgate may lengthen the regulatory review process, require us to perform additional studies or trials, increase our development costs, lead to changes in regulatory positions and interpretations, delay or prevent approval and commercialization of these treatment candidates, or lead to significant post-approval limitations or restrictions. Currently, OTAT requires a 15-year follow-up for each patient who receives a genetically engineered cell or gene therapy. This requirement applies to all patients treated in trials during clinical development prior to approval. Following approval, such prolonged follow-up could continue to be required. As we advance our product candidates

and research programs, we will be required to consult with these regulatory and advisory groups and to comply with applicable guidelines. If we fail to do so, we may be required to delay or discontinue development of our eHSCs and any other product candidates we identify and develop.

***Interim “top-line” and preliminary results from our clinical trials that we may announce or publish from time to time may change as more patient data become available and are subject to audit and verification procedures that could result in material changes in the final data.***

From time to time, we may publish interim top-line or preliminary results from our preclinical studies and clinical trials, which are based on a preliminary analysis of then-available data, and the results and related findings and conclusions are subject to change following a more comprehensive review of the data related to the particular study or trial. In particular, we have announced, and may in the future announce, interim results from our ongoing, open label Phase 1/2 and Phase 1 clinical trials of JSP191. Interim results from clinical trials that we may complete are subject to the risk that one or more of the clinical outcomes may materially change as patient enrollment continues and more patient data become available. Preliminary or top-line results also remain subject to audit and verification procedures that may result in the final data being materially different from the preliminary data we previously published. As a result, interim and preliminary data should be viewed with caution until the final data are available. Differences between preliminary or interim data and final data could significantly harm our business prospects and may cause the trading price of our Common Stock to fluctuate significantly.

Further, others, including regulatory agencies, may not accept or agree with our assumptions, estimates, calculations, conclusions or analyses or may interpret or weigh the importance of data differently, which could impact the value of the particular program, the approvability or commercialization of the particular product candidate or product and us in general. In addition, the information we choose to publicly disclose regarding a particular study or clinical trial is based on what is typically extensive information, investors or others may not agree with what we determine is material or otherwise appropriate information to include in our disclosure, and any information we determine not to disclose may ultimately be deemed significant with respect to future decisions, conclusions, views, activities or otherwise regarding a particular product, product candidate or our business. If the interim, topline or preliminary data that we report differ from actual results, or if others, including regulatory authorities, disagree with the conclusions reached, our ability to obtain approval for, and commercialize, our product candidates may be harmed, which could harm our business, operating results, prospects or financial condition.

***Negative public opinion of gene therapy and increased regulatory scrutiny of gene therapy and genetic research may adversely impact public perception of our future product candidates.***

Our potential therapeutic products involve introducing genetic material into patients’ cells. The clinical and commercial success of our potential products will depend in part on public acceptance of the use of gene therapy and gene regulation for the prevention or treatment of human diseases. Public attitudes may be influenced by claims that gene therapy and gene regulation are unsafe, unethical or immoral, and, consequently, our products may not gain the acceptance of the public or the medical community. Adverse public attitudes may adversely impact our ability to enroll clinical trials. Moreover, our success will depend upon physicians prescribing, and their patients being willing to receive, treatments that involve the use of product candidates we may develop in lieu of, or in addition to, existing treatments with which they are already familiar and for which greater clinical data may be available.

More restrictive government regulations or negative public opinion would have a negative effect on our business or financial condition and may delay or impair the development and commercialization of our product candidates or demand for any products once approved. For example, in 2003, trials using early versions of murine gamma-retroviral vectors, which integrate with, and thereby alter, the host cell’s DNA, have led to several well-publicized adverse events, including reported cases of leukemia. Adverse events in our clinical trials, even if not ultimately attributable to our product candidates, and the resulting publicity could result in increased governmental regulation, unfavorable public perception, potential regulatory delays in the testing or approval of our product candidates, stricter labeling requirements for those product candidates that are approved, and a decrease in demand for any such product candidates. The risk of cancer remains a concern for gene therapy, and we cannot assure that it will not occur in any of our planned or future clinical trials. In addition, there is the potential risk of delayed adverse events following exposure to gene therapy products due to persistent biological activity of the genetic material or other components of products used to carry the genetic material. If any such adverse events occur, commercialization of our product candidates or further advancement of our clinical trials could be halted or delayed, which would have a negative impact on our business and operations.

***We may seek Fast Track designation for some or all of our product candidates. We may not receive such designation, and even for those product candidates for which we do, it may not lead to a faster development or regulatory review or approval process, and will not increase the likelihood that product candidates will receive marketing approval.***

We may seek Fast Track designation and review for some or all of our other product candidates. If a drug or biologic is intended for the treatment of a serious or life-threatening condition or disease, and nonclinical or clinical data demonstrate the potential to address an unmet medical need, the product may qualify for FDA Fast Track designation, for which sponsors must apply. If granted, Fast Track designation makes a product eligible for more frequent interactions with the FDA to discuss the development plan and clinical trial design, as well as rolling review of the application, which means that we can submit completed sections of our marketing application for review prior to completion of the entire submission. Marketing applications of product candidates with Fast Track designation may qualify for priority review under the policies and procedures offered by the FDA, but Fast Track designation does not assure any such qualification or ultimate marketing approval by the FDA. The FDA has broad discretion whether or not to grant this designation. Thus, even if we believe a particular product candidate is eligible for this designation, the FDA may decide not to grant it. Moreover, even if we do receive Fast Track designation, we or our collaborators may not experience a faster development process, review or approval 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.

***We may seek priority review designation for our product candidates, but we might not receive such designation, and even if we do, such designation may not lead to a faster development or regulatory review or approval process.***

If the FDA determines that a product candidate offers a treatment for a serious condition and, if approved, the product would provide a significant improvement in safety or effectiveness, the FDA may designate the product candidate for priority review. A priority review designation means that the goal for the FDA to review an application is six months, rather than the standard review period of ten months. The FDA has broad discretion with respect to whether or not to grant priority review status to a product candidate, so even if we believe a particular product candidate is eligible for such designation or status, the FDA may decide not to grant it. Moreover, a priority review designation does not necessarily mean a faster development or regulatory review or approval process or necessarily confer any advantage with respect to approval compared to conventional FDA procedures. Receiving priority review from the FDA does not guarantee approval within the six-month review cycle or at all.

***A Breakthrough Therapy Designation by the FDA, even if granted for any of our product candidates, may not lead to a faster development or regulatory review or approval process, and it does not increase the likelihood that our product candidates will receive marketing approval.***

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

Designation as a breakthrough therapy is within the discretion of the FDA. Accordingly, even if we believe one of our product candidates meets the criteria for designation as a breakthrough therapy, the FDA may disagree and determine not to make such designation. In any event, the receipt of a Breakthrough Therapy Designation for a product candidate may not result in a faster development process, review or approval compared to drugs considered for approval under non-expedited FDA review procedures and does not assure ultimate approval by the FDA. In addition, even if one or more of our product candidates qualify as breakthrough therapies, the FDA may later decide that the product no longer meets the conditions for such qualification.

***The regenerative medicine advanced therapy (“RMAT”) designation by the FDA for any of our product candidates may not lead to a faster development or regulatory review or approval process, and it does not increase the likelihood that our product candidates will receive marketing approval.***

We may seek an RMAT designation for our product candidates if the clinical data support such a designation for one or more product candidates. An RMAT is defined as cell and gene therapies, therapeutic tissue engineering products, human cell and tissue products, and combination products using any such therapies or products. Gene therapies, including genetically modified cells that lead to a durable modification of cells or tissues may meet the definition of a regenerative medicine therapy. The RMAT program is intended to facilitate efficient development and expedite review of RMATs, which are intended to treat, modify, reverse, or cure a serious or life-threatening disease or condition and for which preliminary clinical evidence indicates that the drug has the potential to address unmet medical needs for such disease or condition. A biologics license application for a regenerative medicine therapy that has received RMAT designation may be eligible for priority review or accelerated approval. An RMAT may be eligible for priority review if it treats a serious condition and, if approved, would provide a significant improvement in the safety or effectiveness of the treatment of the condition. An RMAT may be eligible for accelerated approval through surrogate or intermediate endpoints reasonably likely to predict long-term clinical benefit or reliance upon data obtained from a meaningful number of sites. Benefits of such designation also include early interactions with the FDA to discuss any potential surrogate or intermediate endpoint to be used to support accelerated approval. A regenerative medicine therapy with RMAT designation that is granted accelerated approval and is subject to post-approval requirements may fulfill such requirements through the submission of clinical evidence from clinical trials, patient registries, or other sources of real world evidence, such as electronic health records; the collection of larger confirmatory data sets; or post-approval monitoring of all patients treated with such therapy prior to its approval.

Designation as an RMAT is within the discretion of the FDA. Accordingly, even if we believe one of our product candidates meets the criteria for designation as a RMAT, the FDA may disagree and instead determine not to make such designation. In any event, the receipt of RMAT designation for our product candidates may not result in a faster development process, review or approval compared to drugs considered for approval under conventional FDA procedures and does not assure ultimate approval by the FDA. In addition, even if one or more of our product candidates qualify for RMAT designation, the FDA may later decide that the biological products no longer meet the conditions for such qualification.

***We may not be able to obtain orphan drug exclusivity for one or more of our product candidates, and even if we do, that exclusivity may not prevent the FDA or EMA from approving other competing products.***

Under the Orphan Drug Act of 1983, the FDA may designate a product as an orphan drug if it is a drug or biologic intended to treat a rare disease or condition. A similar regulatory scheme governs approval of orphan products by the EMA in the European Union. Generally, if a product candidate 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 EMA from approving another marketing application for the same product for the same therapeutic indication for that time period. The applicable period is seven years in the United States and ten years in the European Union. The exclusivity period in the European Union can be reduced to six years if a product no longer meets the criteria for orphan drug designation, in particular if the product is sufficiently profitable so that market exclusivity is no longer justified.

In order for the FDA to grant orphan drug exclusivity to one of our products, the FDA must find that the product is indicated for the treatment of a condition or disease with a patient population of fewer than 200,000 individuals annually in the United States. The FDA may conclude that the condition or disease for which we may seek orphan drug exclusivity does not meet this standard. Even if we obtain orphan drug exclusivity for a product, that exclusivity may not effectively protect the product from competition because different products can be approved for the same condition. In particular, the concept of what constitutes the “same drug” for purposes of orphan drug exclusivity remains in flux in the context of gene therapies, and the FDA issued recent draft guidance suggesting that it would not consider two genetic medicine products to be different drugs solely based on minor differences in the transgenes or vectors within a given vector class. In addition, even after an orphan drug is approved, the FDA can subsequently approve the same product for the same condition if the FDA concludes that the later product is clinically superior in that it is shown to be safer, more effective or makes a major contribution to patient care.

Orphan drug exclusivity may also be lost if the FDA or EMA determines that the request for designation was materially defective or if the manufacturer is unable to assure sufficient quantity of the product to meet the needs of the patients with the rare disease or condition.

In 2017, Congress passed the FDA Reauthorization Act of 2017 (the “FDARA”). FDARA, among other things, codified the FDA’s pre-existing regulatory interpretation to require that a drug sponsor demonstrate the clinical superiority of an orphan drug that is otherwise the same as a previously approved drug for the same rare disease in order to receive orphan drug exclusivity. Under omnibus legislation signed by President Trump on December 27, 2020, the requirement for a product to show clinical superiority applies to any drug and biologic that received orphan drug designation before enactment of FDARA in 2017 but has not yet been approved or licensed by the FDA. We do not know if, when, or how the FDA may change the orphan drug regulations and policies in the future, and it is uncertain how any changes might affect our business. Depending on what changes the FDA may make to its orphan drug regulations and policies, our business could be adversely impacted.

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

The ability of the FDA to review and approve new products can be affected by a variety of factors, including government budget and funding levels, statutory, regulatory, and policy changes, the FDA’s ability to hire and retain key personnel and accept the payment of user fees, and other events that may otherwise affect the FDA’s ability to perform routine functions. Average review times at the agency have fluctuated in recent years as a result. In addition, government funding of other government agencies that fund research and development activities is subject to the political process, which is inherently fluid and unpredictable. Disruptions at the FDA and other agencies may also slow the time necessary for new biologics or modifications to cleared or approved biologics to be reviewed and/or approved by necessary government agencies, which would adversely affect our business. For example, over the last several years, including for 35 days beginning on December 22, 2018, the U.S. government has shut down several times and certain regulatory agencies, such as the FDA, have furloughed critical FDA employees and stopped critical activities. If a prolonged government shutdown occurs, it could significantly impact the ability of the FDA to timely review and process our regulatory submissions, which could have a material adverse effect on our business.

Separately, in response to the COVID-19 pandemic, on March 10, 2020, the FDA announced its intention to postpone most inspections of foreign manufacturing facilities, and on March 18, 2020, the FDA temporarily postponed routine surveillance inspections of domestic manufacturing facilities. Subsequently, on July 10, 2020, the FDA announced its intention to resume certain on-site inspections of domestic manufacturing facilities subject to a risk-based prioritization system. Regulatory authorities outside the United States may adopt similar restrictions or other policy measures in response to the COVID-19 pandemic. If a prolonged government shutdown occurs, or if global health concerns continue to prevent the FDA or other regulatory authorities from conducting their regular inspections, reviews, or other regulatory activities, it could significantly impact the ability of the FDA or other regulatory authorities to timely review and process our regulatory submissions, which could have a material adverse effect on our business.

### **Risks Related to Our Relationships with Third Parties**

***We rely on third parties to conduct our preclinical and clinical trials and will rely on them to perform other tasks for us. If these third parties do not successfully carry out their contractual duties, meet expected deadlines or comply with regulatory requirements, we may not be able to obtain regulatory approval for or commercialize our product candidates and our business could be substantially harmed.***

Although we have recruited a team that has experience with clinical trials, as a company, we have limited experience in conducting clinical trials. Moreover, we do not have the ability to independently conduct preclinical studies and clinical trials, and we have relied upon, and plan to continue to rely upon, medical institutions, clinical investigators, contract laboratories and other third parties, or our CROs, to conduct preclinical studies and future clinical trials for our product candidates. We expect to rely heavily on these parties for execution of preclinical and future clinical trials for our product candidates and control only certain aspects of their activities. Nevertheless, we will be responsible for ensuring that each of our preclinical and clinical trials is conducted in accordance with the applicable protocol, legal and regulatory requirements and scientific standards and our reliance on CROs will not

relieve us of our regulatory responsibilities. For any violations of laws and regulations during the conduct of our preclinical studies and clinical trials, we could be subject to warning letters or enforcement action that may include civil penalties up to and including criminal prosecution.

We and our CROs will be required to comply with regulations, including cGCPs for conducting, monitoring, recording and reporting the results of preclinical and clinical trials to ensure that the data and results are scientifically credible and accurate and that the trial patients are adequately informed of the potential risks of participating in clinical trials and their rights are protected. These regulations are enforced by the FDA, the Competent Authorities of the Member States of the European Economic Area and comparable foreign regulatory authorities for any drugs in clinical development. The FDA enforces cGCP regulations through periodic inspections of clinical trial sponsors, principal investigators and trial sites. If we or our CROs fail to comply with applicable cGCPs, the clinical data generated in our clinical trials may be deemed unreliable and the FDA or comparable foreign regulatory authorities may require us to perform additional clinical trials before approving our marketing applications. We cannot assure you that, upon inspection, the FDA will determine that any of our future clinical trials will comply with cGCPs. In addition, our clinical trials must be conducted with product candidates produced in accordance with the requirements in the FDA's current cGMPs requirements. Our failure or the failure of our CROs to comply with these regulations may require us to repeat clinical trials, which would delay the regulatory approval process and could also subject us to enforcement action.

Although we intend to design our planned clinical trials for our product candidates, for the foreseeable future CROs will conduct all of our planned clinical trials. As a result, many important aspects of our development programs, including their conduct and timing, will be outside of our direct control. Our reliance on third parties to conduct future preclinical studies and clinical trials will also result in less day-to-day control over the management of data developed through preclinical studies and clinical trials than would be the case if we were relying entirely upon our own staff.

If any of our relationships with these third-party CROs terminate, we may not be able to enter into arrangements with alternative CROs. If CROs do not successfully carry out their contractual duties or obligations or meet expected deadlines, if they need to be replaced or if the quality or accuracy of the clinical data they obtain is compromised due to the failure to adhere to our clinical protocols, regulatory requirements or for other reasons, any preclinical studies or clinical trials with which such CROs are associated with may be extended, delayed or terminated. In such cases, we may not be able to obtain regulatory approval for or successfully commercialize our product candidates. As a result, our financial results and the commercial prospects for our product candidates in the subject indication could be harmed, our costs could increase and our ability to generate revenue could be delayed.

***We currently rely on a single manufacturer for our clinical supply of our product candidates. In the event of a loss of this manufacturer, or a failure by such manufacturer to comply with FDA regulations, we may not be able to find an alternative source on commercially reasonable terms, or at all. In addition, third-party manufacturers and any third-party collaborators may be unable to successfully scale-up manufacturing of our current or future product candidates in sufficient quality and quantity, which would delay or prevent us from developing our product candidates and commercializing approved products, if any.***

We do not have any manufacturing facilities at the present time. We currently rely on third-party manufacturers, including Lonza Sales AG ("Lonza") as a single source supplier, for the manufacture and supply of our materials for preclinical studies, and expect to continue to do so for future clinical testing and for commercial supply of JSP191 and any other product candidates that we may develop and for which we or our collaborators obtain marketing approval. Our agreement with Lonza includes certain limitations on our ability to enter into supply arrangements with any other supplier without Lonza's consent. In addition, Lonza has the right to increase the prices it charges us for certain supplies depending on a number of factors, some of which are outside of our control. We may be unable to maintain or establish any agreements with third-party manufacturers or suppliers or to do so on acceptable terms. Even if we are able to establish agreements with third-party manufacturers or suppliers, reliance on third-party manufacturers entails additional risks, including:

- the possible breach of the manufacturing or supply agreement by the third party;
- the possible termination or nonrenewal of the agreement by the third party at a time that is costly or inconvenient for us; and
- reliance on the third party for regulatory compliance, quality assurance, safety and pharmacovigilance and related reporting.

In addition, pursuant to our Exclusive License Agreement with Amgen Inc., Lonza Biologics, Inc. has been engaged to manufacture JSP 191 for us. The agreement provides that in the event we wish to change the manufacturer of JSP 191 to a different party, we must obtain Amgen Inc.'s prior consent. As a result, our ability to obtain any alternative supplier of JSP 191 may be further limited.

Third-party manufacturers may not be able to comply with cGMP regulations or similar regulatory requirements outside the United States. Our failure, or the failure of our third-party manufacturers or suppliers, to comply with applicable regulations could result in sanctions being imposed on us, including fines, injunctions, civil penalties, delays, suspension or withdrawal of approvals, license revocations, seizures or recalls of product candidates or products, operating restrictions and criminal prosecutions, any of which could significantly and adversely affect supplies of our products and harm our business, financial condition, results of operations and prospects.

Our product candidates may compete with other product candidates and products for access to manufacturing facilities and other supplies. There are a limited number of manufacturers that operate under cGMP regulations and that might be capable of manufacturing for us. Also, prior to the approval of our product candidates, we would need to identify a contract manufacturer that could produce our products at a commercial scale and that could successfully complete FDA pre-approval inspection and inspections by other health authorities. Agreements with such manufacturers or suppliers may not be available to us at the time we would need to have that capability and capacity.

Any performance failure on the part of our existing or future manufacturers or suppliers, or any decision by a manufacturer or supplier to remove our products from the market or restrict access to our products, could delay clinical development or marketing approval. We do not currently have arrangements in place for redundant or guaranteed supply for many of the materials we currently use in our clinical trials or preclinical studies, and we may have difficulty or be unable to establish alternative sources of these materials.

***We may enter into collaborations with third parties for the research, development and commercialization of certain product candidates we may develop. If any such collaborations are not successful, we may not be able to capitalize on the market potential of those product candidates.***

We may seek third-party collaborators for the research, development and commercialization of certain product candidates we may develop. If we enter into any such arrangements with any third parties, we will likely have limited control over the amount and timing of resources that our collaborators dedicate to the development or commercialization our product candidates. Our ability to generate revenues from these arrangements will depend on our collaborators' abilities to successfully perform the functions assigned to them in these arrangements. We cannot predict the success of any collaboration that we enter into.

Collaborations involving our current or future product candidates or research programs pose numerous risks to us, including the following:

- Collaborators may not pursue development and commercialization of our product candidates or may elect not to continue or renew development or commercialization programs based on clinical trial results, changes in the collaborator's strategic focus or available funding or external factors such as an acquisition that diverts resources or creates competing priorities.
- Collaborators may delay clinical trials, provide insufficient funding for a clinical trial program, stop a clinical trial or abandon a product candidate, repeat or conduct new clinical trials or require a new formulation of a product candidate for clinical testing.
- Collaborators could independently develop, or develop with third parties, products that compete directly or indirectly with our product candidates if the collaborators believe that competitive products are more likely to be successfully developed or can be commercialized under terms that are more economically attractive than ours.
- Collaborators with marketing and distribution rights to one or more products may not commit sufficient resources to the marketing and distribution of such products.
- Collaborators may not properly obtain, maintain, enforce or defend our intellectual property or proprietary rights or may use our proprietary information in such a way as to invite litigation that could jeopardize or invalidate our proprietary information or expose us to potential litigation.

- Disputes may arise between the collaborators and us that result in the delay or termination of the research, development or commercialization of our products or product candidates or that result in costly litigation or arbitration that diverts management attention and resources.
- We may lose certain valuable rights under circumstances identified in our collaborations, including if we undergo a change of control.
- Collaboration agreements may not lead to development or commercialization of product candidates in the most efficient manner or at all. If a present or future collaborator of ours were to be involved in a business combination, the continued pursuit and emphasis on our product development or commercialization program under such collaboration could be delayed, diminished or terminated.

If our collaborations do not result in the successful development and commercialization of product candidates, or if one of our collaborators terminates our agreement with us, we may not receive any future research funding or milestone or royalty payments under the collaboration. If we do not receive the funding we expect under these agreements, our development of product candidates could be delayed, and we may need additional resources to develop product candidates. In addition, if one of our collaborators terminates its agreement with us, we may find it more difficult to find a suitable replacement collaborator or attract new collaborators, and our development programs may be delayed or the perception of us in the business and financial communities could be adversely affected. All of the risks relating to product development, regulatory approval and commercialization described in this prospectus apply to the activities of our collaborators.

These relationships, or those like them, may require us to incur non-recurring and other charges, increase our near- and long-term expenditures, issue securities that dilute our existing stockholders, or disrupt our management and business.

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

Our product development and research programs and the potential commercialization of JSP191 or any other product candidates we may develop will require substantial additional cash to fund expenses. For some of the product candidates we may develop, we may decide to collaborate with other pharmaceutical and biotechnology companies for the development and potential commercialization of those product candidates.

We would face significant competition in seeking appropriate collaborators. Whether we reach a definitive agreement for a collaboration will depend, among other things, upon our assessment of the collaborator's resources and expertise, the terms and conditions of the proposed collaboration, and the proposed collaborator's evaluation of a number of factors. Those factors may include the design or results of clinical trials, the likelihood of approval by the FDA, the EMA or similar regulatory authorities outside the United States, the potential market for the subject product candidate, the costs and complexities of manufacturing and delivering such product candidate to patients, the potential of competing 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.

We may also be restricted under existing collaboration agreements from entering into future 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 collaborations on a timely basis, on acceptable terms, or at all. If we are unable to do so, we may have to curtail the development of the product candidate for which we are seeking to collaborate, reduce or delay our development program or one or more of our other development programs, delay our potential commercialization or reduce the scope of any sales or marketing activities, or increase our expenditures and undertake development or commercialization activities at our own expense. If we elect to increase our expenditures to fund development or commercialization activities on our own, we may need to obtain additional capital, which may not be available to us on acceptable terms or at all. If we do not have sufficient funds, we may not be able to develop product candidates or bring them to market and generate product revenue.

## **Risks Related to Our Intellectual Property**

***We are highly dependent on intellectual property licensed from third parties, and termination of any of these licenses could result in the loss of significant rights, which would harm our business.***

We are dependent on the patents, know-how and proprietary technology licensed from third parties for the development and, if approved, commercialization of JSP191. Any termination of these licenses, or a finding that such intellectual property lacks legal effect, could result in the loss of significant rights and could harm our ability to commercialize our current or future product candidates.

For example, we rely on our worldwide exclusive license agreement with Amgen Inc., whereby we license a patent portfolio from Amgen Inc. applicable to our targeted conditioning program that contains patent families directed to humanized C-kit antibody. We also rely on our license agreement with Stanford Office of Technology Licensing, whereby we license a patent portfolio applicable to our targeted conditioning and stem cell graft programs that contains patent families directed to immunodepletion of endogenous stem cell niche for engraftment.

Each of our license agreements with third parties impose certain obligations on us, including obligations to use diligent efforts to meet development thresholds and payment obligations. Non-compliance with such obligations may result in termination of the respective license agreement or in legal and financial consequences. If any of our licensors terminates its respective license agreement, we may not be able to develop or commercialize JSP191 or any other product candidates covered by these agreements. Termination of our license agreements or reduction or elimination of our rights under them may result in us having to negotiate a new or reinstated agreement, which may not be available to us on equally favorable terms, or at all, which may mean we are unable to develop, commercialize or sell the affected product candidate or may cause us to lose our rights under the agreement.

In addition, our licensors may make decisions in prosecuting, maintaining, enforcing and defending any licensed intellectual property rights that may not be in our best interest. Moreover, if our licensors take any action with respect to any licensed intellectual property rights, for example, any licensed patents or patent applications, that results in a successful challenge to the licensed intellectual property by a third party, such patents may be invalidated or held to be unenforceable, and we may lose our rights under such patents, which could materially harm our business.

Further, the agreements under which we currently license intellectual property from third parties are complex, and certain provisions in such agreements may be susceptible to multiple interpretations. Accordingly, disputes may arise between us and our licensors regarding intellectual property subject to a license agreement. 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. If disputes over intellectual property that we have licensed prevent or impair our ability to maintain our current licensing arrangements on acceptable terms, or are insufficient to provide us with the necessary rights to use the intellectual property, we may be unable to successfully develop and commercialize the affected product candidates.

***Our commercial success depends on our ability to obtain, maintain and protect our intellectual property and proprietary technology.***

Our commercial success depends in large part on our ability to obtain, maintain and protect intellectual property rights through patents, trademarks and trade secrets in the United States and other countries with respect to our proprietary product candidates. If we do not adequately protect our intellectual property rights, competitors may be able to erode, negate or preempt any competitive advantage we may have, which could harm our business and ability to achieve profitability.

To protect our proprietary position, we own and have in-licensed certain intellectual property rights, including certain issued patents and patent applications, and have filed and may file provisional and non-provisional patent applications in the United States or abroad related to our product candidates that are important to our business. 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 the filing of one or more of our related provisional patent applications. If we do not timely file 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. Moreover, the patent application and approval process is expensive and time-consuming. We may not be able to file and prosecute all necessary or desirable patent applications at a reasonable cost or in a timely manner.

- The patent application, prosecution, and enforcement processes are subject to numerous risks and uncertainties, and there can be no assurance that we, our licensors, or any of our future collaborators will be successful in protecting our product candidates by obtaining, defending, and/or asserting patent rights. These risks and uncertainties include the following:
- the USPTO and various foreign governmental patent agencies require compliance with a number of procedural, documentary, fee payment and other provisions during the patent process. There are situations in which noncompliance can result in abandonment or lapse of a patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. In such an event, competitors might be able to enter the market earlier than would otherwise have been the case;
- patent applications may not result in any patents being issued;
- patents that may be issued or in-licensed may be challenged, invalidated, modified, revoked, circumvented, found to be unenforceable or otherwise may not provide any competitive advantage;
- our competitors, many of whom have substantially greater resources and many of whom have made significant investments in competing technologies, may seek or may have already obtained patents that will limit, interfere with or eliminate our ability to make, use, and sell our potential product candidates;
- there may be significant pressure on the U.S. government and international governmental bodies to limit the scope of patent protection both inside and outside the United States for disease treatments that prove successful, as a matter of public policy regarding worldwide health concerns; and
- countries other than the United States may have patent laws less favorable to patentees than those upheld by U.S. courts, allowing foreign competitors a better opportunity to create, develop and market competing product candidates.

In some instances, agreements through which we license intellectual property rights may not give us control over patent prosecution or maintenance, so that we may not be able to control which claims or arguments are presented, how claims are amended, and may not be able to secure, maintain or successfully enforce necessary or desirable patent protection from those patent rights. We cannot be certain that patent prosecution and maintenance activities by our licensors have been or will be conducted in compliance with applicable laws and regulations or will result in valid and enforceable patents.

Moreover, some of our in-licensed patents and patent applications may be, and some of our future owned and licensed patents may be, co-owned with third parties. If we are unable to obtain an exclusive license to any such third-party co-owners' interest in such patents or patent applications, such co-owners may be able to license their rights to other third parties, including our competitors, and our competitors could market competing products and technology. In addition, we may need the cooperation of any such co-owners of our patents in order to enforce such patents against third parties, and such cooperation may not be provided to us.

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

Our owned and licensed patents and pending patent applications, if issued, may not provide us with any meaningful protection or may not prevent competitors from designing around our patent claims to circumvent our patents by developing similar or alternative technologies or therapeutics in a non-infringing manner. For example, a third party may develop a competitive product that provides benefits similar to one or more of our product candidates but falls outside the scope of our patent protection or license rights. If the patent protection provided by the patents and patent applications we hold or pursue with respect to our product candidates is not sufficiently broad to impede such competition, our ability to successfully commercialize our product candidates could be negatively

affected, which would harm our business. Currently, a significant portion of our patents and patent applications are in-licensed, though similar risks would apply to any patents or patent applications that we now own or may own or in-license in the future.

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

In addition, the determination of patent rights with respect to clinical compositions of matter and treatment methods commonly involves complex legal and factual questions, which are dependent upon the current legal and intellectual property context, extant legal precedent and interpretations of the law by individuals. As a result, the issuance, scope, validity, enforceability and commercial value of our patent rights are characterized by uncertainty.

Changes in either the patent laws or interpretation of the patent laws in the United States and other countries may diminish the value of our patents or narrow the scope of our patent protection. In addition, the laws of foreign countries may not protect our rights to the same extent or in the same manner as the laws of the United States. For example, patent laws in various jurisdictions, including significant commercial markets such as Europe, restrict the patentability of methods of treatment of the human body more than U.S. law does. If these changes were to occur, they could have a material adverse effect on our ability to generate revenue.

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. Assuming the other requirements for patentability are met, currently, the first party to file a patent application is generally entitled to the patent. However, prior to March 16, 2013, in the United States, the first party to invent was entitled to the patent. Publications of discoveries in the scientific literature often lag behind the actual discoveries, and patent applications in the United States and other jurisdictions are not published until 18 months after filing, or in some cases not at all. Therefore, we cannot be certain that we were the first to make the inventions claimed in our patents or pending patent applications, or that we were the first to file for patent protection of such inventions. Similarly, we cannot be certain that parties from whom we do or may license or purchase patent rights were the first to make relevant claimed inventions, or were the first to file for patent protection for them. If third parties have filed prior patent applications on inventions claimed in our patents or applications that were filed on or before March 15, 2013, an interference proceeding in the United States can be initiated by such third parties to determine who was the first to invent any of the subject matter covered by the patent claims of our applications. If third parties have filed such prior applications after March 15, 2013, a derivation proceeding in the United States can be initiated by such third parties to determine whether our invention was derived from theirs.

Moreover, because the issuance of a patent is not conclusive as to its inventorship, scope, validity or enforceability, our owned and licensed patents or pending patent applications may be challenged in the courts or patent offices in the United States and abroad. There is no assurance that all of the potentially relevant prior art relating to our patents and patent applications has been found. If such prior art exists, it may be used to invalidate a patent, or may prevent a patent from issuing from a pending patent application. For example, such patent filings may be subject to a third-party submission of prior art to the U.S. Patent and Trademark Office (the "USPTO"), or to other patent offices around the world. Alternately or additionally, we may become involved in post-grant review procedures, oppositions, derivation proceedings, ex parte reexaminations, inter parties review, supplemental examinations, or interference proceedings or challenges in district court, in the United States or in various foreign patent offices, including both national and regional, challenging patents or patent applications in which we have rights, including patents on which we rely to protect our business. An adverse determination in any such challenges may result in loss of the patent or in patent claims being narrowed, invalidated or held unenforceable, in whole or in part, or in denial of the patent application or loss or reduction in the scope of one or more claims of the patent application, any of 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 products. In addition, 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.

Issued patents that we have or may obtain or license may not provide us with any meaningful protection, prevent competitors from competing with us or otherwise provide us with any competitive advantage. Our competitors may be able to circumvent our patents by developing similar or alternative technologies or products in a non-infringing manner. Our competitors may also seek approval to market their own products similar to or otherwise competitive with our products. Alternatively, our competitors may seek to market generic versions of any approved products or pursue similar strategies in the United States or other jurisdictions, in which they claim that patents owned or licensed by us are invalid, unenforceable or not infringed. In these circumstances, we may need to defend or assert our patents, or both, including by filing lawsuits alleging patent infringement. In any of these types of proceedings, a court or other agency with jurisdiction may find our patents invalid or unenforceable, or that our competitors are competing in a non-infringing manner. Thus, even if we have valid and enforceable patents, these patents still may not provide protection against competing products or processes sufficient to achieve our business objectives. Any of the foregoing could have a material adverse effect on our business, financial condition, results of operations and prospects.

Other parties have developed or may develop technologies that may be related to or competitive with our approach, and may have filed or may file patent applications and may have been issued or may be issued patents with claims that overlap or conflict with our patent applications, either by claiming the same materials, formulations or methods, or by claiming subject matter that could dominate our patent position. In addition, certain parts or all of the patent portfolios licensed to us are, or may be, licensed to third parties and such third parties may have or may obtain certain enforcement rights. If the scope of the patent protection we or our licensors obtain is not sufficiently broad, we may not be able to prevent others from developing and commercializing technology and products similar or identical to ours. The degree of patent protection we require to successfully compete in the marketplace may be unavailable or severely limited in some cases and may not adequately protect our rights or permit us to gain or keep any competitive advantage. We cannot provide any assurances that any of our licensed patents have, or that any of our pending owned or licensed patent applications that mature into issued patents will include, claims with a scope sufficient to protect our product candidates or otherwise provide any competitive advantage, nor can we provide any assurance that our licenses will remain in force.

In addition, there are situations in which noncompliance can result in abandonment or lapse of the patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. Noncompliance events that could result in abandonment or lapse of a patent or patent application include, but are not limited to, failure to respond to official actions within prescribed time limits, non-payment of fees and failure to properly legalize and submit formal documents.

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

In addition to the protection afforded by patents, we rely upon trade secret protection, know-how and continuing technological innovation to develop and maintain our competitive position. We seek to protect our proprietary technology and processes, in part, by entering into confidentiality agreements with our contractors, collaborators, scientific advisors, employees and consultants and invention assignment agreements with our consultants and employees. However, we may not obtain these agreements in all circumstances, and individuals with whom we have these agreements may not comply with their terms. The assignment of intellectual property rights under these agreements may not be self-executing or the assignment agreements may be breached, and we may be forced to bring claims against third parties, or defend claims that they may bring against us, to determine the ownership of what we regard as our intellectual property. In addition, we may not be able to prevent the unauthorized disclosure or use of our technical know-how or other trade secrets by the parties to these agreements despite the existence of confidentiality agreements and other contractual restrictions. Monitoring unauthorized uses and disclosures is difficult and we do not know whether the steps we have taken to protect our proprietary technologies will be effective. If any of the contractors, collaborators, scientific advisors, employees and consultants who are parties to these agreements breaches or violates the terms of any of these agreements, we may not have adequate remedies for any such breach or violation. As a result, we could lose our trade secrets. Enforcing a claim against a third party that illegally obtained and is using our trade secrets, like patent litigation, is expensive and

time-consuming and the outcome is unpredictable. In addition, courts outside the United States are sometimes less willing or unwilling to protect trade secrets. Any of the foregoing could have a material adverse effect on our business, financial condition, results of operations, and prospects.

Moreover, our trade secrets could otherwise become known or be independently discovered by our competitors or other third parties. Competitors and other third parties could attempt to replicate some or all of the competitive advantages we derive from our development efforts, willfully infringe our intellectual property rights, design around our protected technology or develop their own competitive technologies that fall outside of our intellectual property rights. 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, or those to whom they communicate it, from using that technology or information to compete with us. If our trade secrets are not adequately protected or sufficient to provide an advantage over our competitors, our competitive position could be adversely affected, as could our business. Additionally, if the steps taken to maintain our trade secrets are deemed inadequate, we may have insufficient recourse against third parties for misappropriating our trade secrets.

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

Our current or future trademarks or trade names may be challenged, infringed, circumvented or declared generic or descriptive or determined to be infringing on other marks. We may not be able to protect our rights to these trademarks and trade names or may be forced to stop using these names, which we need for name recognition by potential partners or customers in our markets of interest. Our company name and logo, as well as our product candidate names “JSP191” and “JSP502”, are not registered trademarks. If we seek to register any of our trademarks, during trademark registration proceedings, we may receive rejections of our applications by the USPTO or in other foreign jurisdictions. Although we would be given an opportunity to respond to those rejections, we may be unable to overcome such rejections. In addition, in the USPTO and in comparable agencies in many foreign jurisdictions, third parties are given an opportunity to oppose pending trademark applications and to seek to cancel registered trademarks. Opposition or cancellation proceedings may be filed against our trademarks, and our trademarks may not survive such proceedings. If we are unable to establish name recognition based on our trademarks and trade names, we may not be able to compete effectively and our business may be adversely affected. We may license our trademarks and trade names to third parties, such as distributors. Although these license agreements may provide guidelines for how our trademarks and trade names may be used, a breach of these agreements or misuse of our trademarks and tradenames by our licensees may jeopardize our rights in or diminish the goodwill associated with our trademarks and trade names.

Moreover, any name we have proposed to use with our product candidate in the United States must be approved by the FDA, regardless of whether we have registered it, or applied to register it, as a trademark. Similar requirements exist in Europe. The FDA typically conducts a review of proposed product names, including an evaluation of potential for confusion with other product names. If the FDA (or an equivalent administrative body in a foreign jurisdiction) objects to any of our proposed proprietary product names, we may be required to expend significant additional resources in an effort to identify a suitable substitute name that would qualify under applicable trademark laws, not infringe the existing rights of third parties and be acceptable to the FDA. Furthermore, in many countries, owning and maintaining a trademark registration may not provide an adequate defense against a subsequent infringement claim asserted by the owner of a senior trademark. At times, competitors or other third parties may adopt trade names or trademarks similar to ours, thereby impeding our ability to build brand identity and possibly leading to market confusion. In addition, there could be potential trade name or trademark infringement claims brought by owners of other registered trademarks or trademarks that incorporate variations of our registered or unregistered trademarks or trade names. If we assert trademark infringement claims, a court may determine that the marks we have asserted are invalid or unenforceable, or that the party against whom we have asserted trademark infringement has superior rights to the marks in question. In this case, we could ultimately be forced to cease use of such trademarks.

***We may not be successful in acquiring or in-licensing necessary rights to key technologies underlying JSP191 or any future product candidates we may develop.***

We currently have rights to intellectual property, through licenses from third parties, to develop JSP191, and we expect to seek to expand our intellectual property footprint related to our product candidate pipeline in part by in-licensing the rights to key technologies. The future growth of our business will depend in part on our ability to

in-license or otherwise acquire the rights to develop additional product candidates and technologies. Although we have succeeded in licensing technologies from third party licensors, including Amgen Inc. and Stanford, in the past, we can give no assurance that we will be able to in-license or acquire the rights to other technologies relevant to our product candidates from third parties on acceptable terms or at all.

In order to market our product candidates, we may find it necessary or prudent to obtain licenses from such third party intellectual property holders. However, it may be unclear who owns the rights to intellectual property we wish to obtain, or we may be unable to secure such licenses or otherwise acquire or in-license intellectual property rights from third parties that we identify as necessary for product candidates we may develop and technology we employ. For example, we employ a range of genome engineering technologies that are owned by third parties in our preclinical studies, as well as to manufacture the supply of eHSCs or other cell therapies used for clinical trials and, if approved, for commercialization of our product candidates. We currently conduct our preclinical research and clinical trials under 35 U.S.C. § 271(e)(1), which provides a safe harbor from patent infringement for uses of patented technology reasonably related to the development and submission of information under a federal law which regulates the manufacture, use, or sale of drugs.

The licensing or acquisition of third party intellectual property rights is a highly competitive area, and other companies may pursue strategies to license or acquire third party intellectual property rights that we may consider attractive or necessary. Such companies may have a competitive advantage over us, e.g., due to their size, capital resources and greater clinical development and commercialization capabilities. In addition, companies that perceive us to be a competitor may be unwilling to assign or license rights to us. We also may be unable to license or acquire third party intellectual property rights on terms that would allow us to make an appropriate return on our investment or at all. If we are unable to successfully obtain rights to required third party intellectual property rights or maintain the existing intellectual property rights we have, we may have to abandon development of the relevant program or product candidate, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

Even if we were able to obtain such a license, it could be non-exclusive, thereby giving our competitors and other third parties access to the same technologies licensed to us, and it could require us to make substantial licensing and royalty payments. If we are unable to obtain a necessary license to a third-party patent on commercially reasonable terms, we may be unable to commercialize our product candidates or such commercialization efforts may be significantly delayed, which could in turn significantly harm our business.

***Third-party claims of intellectual property infringement, misappropriation or other violations may prevent or delay our product discovery and development efforts and have a material adverse effect on our business.***

Our commercial success depends in part on us avoiding infringement, misappropriation and other violations of the patents and proprietary rights of third parties. There is a substantial amount of litigation involving patents and other intellectual property rights in the biotechnology and pharmaceutical industries, as well as administrative proceedings for challenging patents, including interference and reexamination proceedings before the USPTO or oppositions and other comparable proceedings in foreign jurisdictions. Recently, under U.S. patent reform, new procedures including *inter partes* review and post grant review have been implemented. This reform will bring uncertainty to the possibility of challenge to our patents in the future. Numerous U.S. and foreign issued patents and pending patent applications, which are owned by third parties, exist in the fields in which we are developing our product candidates, and third parties may allege they have patent rights encompassing our product candidates, technologies or methods. Third parties may assert that we are employing their proprietary technology without authorization and may file patent infringement claims or lawsuits against us, and if we are found to infringe such third -party patents, we may be required to pay damages, cease commercialization of the infringing technology or obtain a license from such third parties, which may not be available on commercially reasonable terms or at all.

There may be third-party patents with patent rights to materials, formulations, methods of manufacture or methods of treatment related to the use or manufacture of our product candidates. Because patent applications can take many years to issue, there may be currently pending patent applications which may later result in issued patents that our product candidates may infringe. In addition, third parties may obtain patents in the future and claim that use of our technologies infringes upon these patents. Further, we or our licensors may fail to identify even those relevant third-party patents that have issued or may incorrectly interpret the relevance, scope or expiration of such patents. 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 scope of a patent or a pending application may be incorrect. If any third-party patents were held by a court of competent jurisdiction to cover the manufacturing process of our product candidates, materials used in or formed during the manufacturing process or any final product itself, the holders of any such patents may be able to block our ability to commercialize the product candidate unless we obtained a license under the applicable patents, or until such patents expire or they are finally determined to be held invalid or unenforceable. Similarly, if any third-party patent were held by a court of competent jurisdiction to cover aspects of our materials, formulations or methods, including without limitation, combination therapy or patient selection methods, the holders of any such patent may be able to block our ability to develop and commercialize the product candidate unless we obtained a license or until such patent expires or is finally determined to be held invalid or unenforceable.

Parties making claims against us may seek and obtain injunctive or other equitable relief, which could effectively block our ability to further develop and commercialize our product candidates. Defense of these claims, regardless of their merit, would involve substantial litigation expense and would involve a substantial diversion of employee resources from our business. We may not have sufficient resources to bring these actions to a successful conclusion, which may result in significant cost and may impede our inability to pursue any affected products or product candidates. There could also be public announcements of the results of hearings, motions or other interim proceedings or developments. If securities analysts or investors perceive these results to be negative, it could have a material adverse effect on the price of shares of our Common Stock.

In the event of a successful claim of infringement against us, we may have to pay substantial damages, including treble damages and attorneys' fees for willful infringement, obtain one or more licenses from third parties, pay royalties or redesign our infringing products, which may be impossible or require substantial time and monetary expenditure.

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

Any of the intellectual property rights that we have licensed or may license in the future and that have been generated through the use of U.S. government funding are subject to certain federal regulations. As a result, the U.S. government may have certain rights to intellectual property embodied in our current or future product candidates pursuant to the Bayh-Dole Act of 1980 ("Bayh-Dole Act"). These U.S. government rights in certain inventions developed under a government-funded program include a non-exclusive, non-transferable, irrevocable worldwide license to use inventions for any governmental purpose. In addition, the U.S. government would have the right to require us to grant exclusive, partially exclusive, or non-exclusive licenses to any such intellectual property rights to a third party if it determines that:

- adequate steps have not been taken to commercialize the invention;
- government action is necessary to meet public health or safety needs; or
- government action is necessary to meet requirements for public use under federal regulations (also referred to as "march-in rights").

The U.S. government also has the right to take title to such intellectual property rights if we, or the applicable licensor, fail to disclose the invention to the government and fail to file an application to register the intellectual property within specified time limits. Intellectual property generated under a government-funded program is also subject to certain reporting requirements, compliance with which may require us or the applicable licensor to expend substantial resources. We cannot be certain that our current or future licensors will comply with the disclosure or reporting requirements of the Bayh-Dole Act at all times, or be able to rectify any lapse in compliance with these requirements.

In addition, the U.S. government requires that any products embodying the subject invention or produced through the use of the subject invention be manufactured substantially in the United States. The manufacturing preference requirement can be waived if the owner of the intellectual property can show that reasonable but unsuccessful efforts have been made to grant licenses on similar terms to potential licensees that would be likely to manufacture substantially in the United States or that under the circumstances domestic manufacture is not commercially feasible. This preference for U.S. manufacturers may limit our ability to contract with non-U.S. product manufacturers for products covered by such intellectual property. To the extent any of our current or future intellectual property is generated through the use of U.S. government funding, the provisions of the Bayh-Dole Act may similarly apply.

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

Competitors may infringe our patents, trademarks, copyrights or other intellectual property. To counter infringement or unauthorized use, we may be required to file infringement claims, which can be expensive and time-consuming and divert the time and attention of our management and scientific personnel. Any claims we assert against perceived infringers could provoke these parties to assert counterclaims against us alleging that we infringe their patents, in addition to counterclaims asserting that our patents are invalid or unenforceable, or both. In any patent infringement proceeding, there is a risk that a court will decide that a patent of ours is invalid or unenforceable, in whole or in part, and that we do not have the right to stop the other party from using the invention at issue. There is also a risk that, even if the validity of such patents is upheld, the court will construe the patent's claims narrowly or decide that we do not have the right to stop the other party from using the invention at issue on the grounds that our patent claims do not cover the invention. An adverse outcome in a litigation or proceeding involving our patents could limit our ability to assert our patents against those parties or other competitors, and may curtail or preclude our ability to exclude third parties from making and selling similar or competitive products. Any of these occurrences could adversely affect our competitive business position, business prospects and financial condition. Similarly, if we assert trademark infringement claims, a court may determine that the marks we have asserted are invalid or unenforceable, or that the party against whom we have asserted trademark infringement has superior rights to the marks in question. In this case, we could ultimately be forced to cease use of such trademarks.

Even if we establish infringement, the court may decide not to grant an injunction against further infringing activity and instead award only monetary damages, which may or may not be an adequate remedy. 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 litigation. There could also be public announcements of the results of hearings, motions or other interim proceedings or developments. If securities analysts or investors perceive these results to be negative, it could have a material adverse effect on the price of shares of our Common Stock. Moreover, there can be no assurance that we will have sufficient financial or other resources to file and pursue such infringement claims, which typically last for years before they are concluded. Even if we ultimately prevail in such claims, the monetary cost of such litigation and the diversion of the attention of our management and scientific personnel could outweigh any benefit we receive as a result of the proceedings. Any of the foregoing may have a material adverse effect on our business, financial condition, results of operations and prospects.

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

Filing, prosecuting, maintaining, defending and enforcing patents on our 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 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.

***If we do not obtain patent term extension (PTE) and data exclusivity for JSP191 or any other product candidates we may develop, our business may be materially harmed.***

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.

***Third parties may assert that our employees or consultants have wrongfully used or disclosed confidential information or misappropriated trade secrets.***

We employ individuals who were previously employed at universities or other biopharmaceutical companies, including our competitors or potential competitors. Although we try to ensure that our employees and consultants 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 our employees, consultants or independent contractors have inadvertently or otherwise used or disclosed intellectual property, including trade secrets or other proprietary information, of a former employer or other third parties. We may also be subject to claims that patents and applications that we may file to protect inventions of our employees or consultants are rightfully owned by their former employers or other third parties. Litigation may be necessary to defend against these claims. If we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights or personnel. Even if we are successful in defending against such claims, litigation could result in substantial costs and be a distraction to management and other employees. Any of the foregoing would harm our business, financial condition, results of operations, and prospects.

## Risks Related to Other Legal Compliance Matters

***If any of our product candidates are approved, an unfavorable reimbursement determination in any of the major markets could have a negative impact on us. Further, an unfavorable change in such regimes (e.g., price controls) could have a negative impact on us.***

The regulations that govern marketing approvals, pricing, and reimbursement for new medicines vary widely from country to country. In the U.S., recently enacted legislation may significantly change the approval requirements in ways that could involve additional costs and cause delays in obtaining approvals. Some countries require approval of the sale price of a medicine before it can be marketed. In many countries, the pricing review period begins after marketing or product licensing approval is granted. In some foreign markets, prescription pharmaceutical pricing remains subject to continuing governmental control even after initial approval is granted. As a result, we might obtain marketing approval for a medicine in a particular country, but then be subject to price regulations that delay our commercial launch of the medicine, possibly for lengthy time periods, and negatively impact the revenues we are able to generate from the sale of the medicine in that country. Adverse pricing limitations may hinder our ability to recoup our investment in one or more product candidates, even if any product candidates we may develop obtain marketing approval.

Our ability to commercialize any medicines successfully also will depend in part on the extent to which reimbursement for these medicines and related treatments will be available from government health administration authorities, private health insurers, and other organizations. Government authorities and third-party payors, such as private health insurers and health maintenance organizations, decide which medications they will pay for and establish reimbursement levels. A primary trend in the U.S. healthcare industry and elsewhere is cost containment. Government authorities and third-party payors have attempted to control costs by limiting coverage and the amount of reimbursement for particular medications. For example, in May 2019, the Centers for Medicare & Medicaid Services (“CMS”) issued a final rule to allow Medicare Advantage Plans the option of using step therapy, a type of prior authorization for Medicare Part B drugs, beginning January 1, 2020. This final rule codified CMS’s policy change that was effective January 1, 2019.

Congress and the Biden administration have each indicated that it will continue to seek new legislative and/or administrative measures to control drug costs. Individual states in the U.S. have also increasingly passed legislation and implemented regulations designed to control pharmaceutical product pricing, including price or patient reimbursement constraints, discounts, restrictions on certain product access and marketing cost disclosure and transparency measures, and, in some cases, designed to encourage importation from other countries and bulk purchasing.

At the state level, legislatures have become increasingly aggressive in passing legislation and implementing regulations designed to control pharmaceutical and biological product pricing. Some of these measures include price or patient reimbursement constraints, discounts, restrictions on certain product access, marketing cost disclosure and transparency measures, and, in some cases, measures designed to encourage importation from other countries and bulk purchasing. In addition, regional health care authorities and individual hospitals are increasingly using bidding procedures to determine what pharmaceutical products and which suppliers will be included in their prescription drug and other health care programs. Also, increasingly, third-party payors are requiring that drug companies provide them with predetermined discounts from list prices and are challenging the prices charged for medical products. We cannot be sure that reimbursement will be available for any medicine that we commercialize and, if reimbursement is available, the level of reimbursement. Reimbursement may impact the demand for, or the price of, any product candidate for which we obtain marketing approval. If reimbursement is not available or is available only to limited levels, we may not be able to successfully commercialize any product candidate for which we obtain marketing approval.

There may be significant delays in obtaining reimbursement for newly approved medicines, and coverage may be more limited than the purposes for which the medicine is approved by the FDA or similar regulatory authorities outside the U.S. Moreover, eligibility for reimbursement does not imply that any medicine will be paid for in all cases or at a rate that covers our costs, including research, development, manufacture, sale and distribution. Interim reimbursement levels for new medicines, if applicable, may also not be sufficient to cover our costs and may not be made permanent. Reimbursement rates may vary according to the use of the medicine and the clinical setting in which it is used, may be based on reimbursement levels already set for lower cost medicines and may be incorporated into existing payments for other services. Net prices for medicines may be reduced by mandatory discounts or rebates

required by government healthcare programs or private payors and by any future relaxation of laws that presently restrict imports of medicines from countries where they may be sold at lower prices than in the U.S. Any such reductions could negatively impact our net product sales, if any of our product candidates are ever approved.

***Any product candidate for which we obtain marketing approval could be subject to restrictions or withdrawal from the market, and we may be subject to substantial penalties if we fail to comply with regulatory requirements or if we experience unanticipated problems with our medicines, when and if any of them are approved.***

The FDA and other regulatory agencies closely regulate the post approval marketing and promotion of medicines to ensure that they are marketed only for the approved indications and in accordance with the provisions of the approved labeling. The FDA and other regulatory agencies impose stringent restrictions on manufacturers' communications regarding off label use, and if we do not market our medicines for their approved indications, we may be subject to enforcement action for off label marketing by the FDA and other federal and state enforcement agencies, including the Department of Justice. Violation of the Federal Food, Drug, and Cosmetic Act ("FDCA") and other statutes, including the False Claims Act, relating to the promotion and advertising of prescription products may also lead to investigations or allegations of violations of federal and state healthcare fraud and abuse laws and state consumer protection laws.

In addition, later discovery of previously unknown problems with our medicines, third-party manufacturers, or manufacturing processes, or failure to comply with regulatory requirements, may yield various results, including:

- restrictions on such medicines, manufacturers, or manufacturing processes;
- restrictions on the labeling or marketing of a medicine;
- restrictions on the distribution or use of a medicine;
- requirements to conduct post marketing clinical trials;
- receipt of warning or untitled letters;
- withdrawal of the medicines from the market;
- refusal to approve pending applications or supplements to approved applications that we submit;
- recall of medicines;
- fines, restitution, or disgorgement of profits or revenue;
- suspension or withdrawal of marketing approvals;
- suspension of any ongoing clinical trials;
- refusal to permit the import or export of our medicines;
- product seizure; and
- injunctions or the imposition of civil or criminal penalties.

Any government investigation of alleged violations of law could require us to expend significant time and resources in response and could generate negative publicity. The occurrence of any event or penalty described above may inhibit our ability to commercialize any product candidates we develop and adversely affect our business, financial condition, results of operations, and prospects.

Additionally, if any of our product candidates receives marketing approval, the FDA could require it to adopt a Risk Evaluation and Mitigation Strategy, to ensure that the benefits outweigh its risks, which may include, among other things, a medication guide outlining the risks of the product for distribution to patients and a communication plan to healthcare practitioners. Furthermore, if we or others later identify undesirable side effects caused by any of our product candidates, several potentially significant negative consequences could result, including:

- regulatory authorities may suspend or withdraw approvals of such product candidate;
- regulatory authorities may require additional warnings on the label;

- we may be required to change the way such product candidate is administered or conduct additional clinical trials;
- we could be sued and held liable for harm caused to patients; and
- our reputation may suffer.

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

Healthcare providers and third-party payors play a primary role in the recommendation and prescription of any product candidates for which we obtain marketing approval. Our current and future arrangements with healthcare providers, third-party payors and customers may expose us to broadly applicable fraud and abuse and other healthcare laws and regulations that may constrain the business or financial arrangements and relationships through which we research as well as markets, sells and distributes our products for which we obtain marketing approval. Restrictions under applicable federal and state healthcare laws and regulations, including certain laws and regulations applicable only if we have marketed products, include, but are not limited to, the following:

- the federal healthcare program Anti-Kickback Statute, which prohibits, among other things, persons or entities from knowingly and willfully soliciting, receiving, offering, or providing any remuneration (including any kickback, bribe or certain rebates), directly or indirectly, in cash or in kind, to induce, or in return for, either the referral of an individual, for the purchase, lease, order or recommendation of any item, good, facility or service for which payment may be made, in whole or in part, under federal 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;
- federal false claims, including the False Claims Act that can be enforced through whistleblower actions, false statements and civil monetary penalties laws, which prohibit, among other things, any person or entity from knowingly presenting, or causing to be presented, a false or fraudulent claim for payment of government funds or knowingly making, or causing to be made, a false record or statement material to a false or fraudulent claim to get a false claim paid or to avoid, decrease or conceal an obligation to pay money to the 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 federal Health Insurance Portability and Accountability Act of 1996 (“HIPAA”), which, prohibits, among other things, executing, or attempting to execute, a scheme to defraud any healthcare benefit program or making false, fictitious, or fraudulent statements in connection with the delivery of, or payment for, healthcare benefits, items or services relating to healthcare matters. Similar to the federal Anti-Kickback Statute, a person or entity does not need to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation;
- the federal false statements statute, which prohibits 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;
- the federal Food, Drug, and Cosmetic Act, which among other things, strictly regulates drug marketing, prohibits manufacturers from marketing such products for off-label use and regulates the distribution of samples;
- federal laws that require pharmaceutical manufacturers to report certain calculated product prices to the government or provide certain discounts or rebates to government authorities or private entities, often as a condition of reimbursement under government healthcare programs;

- the federal Physician Payments Sunshine Act, which requires certain manufacturers of drugs, devices, biologics and medical supplies for which payment is available under Medicare, Medicaid or the Children’s Health Insurance Program (with certain exceptions) to report annually to the CMS within the U.S. Department of Health and Human Services, information related to payments or other transfers of value made during the previous year to physicians, (defined to include doctors, dentists, optometrists, podiatrists and chiropractors) and teaching hospitals, as well as ownership and investment interests held by physicians and their immediate family members. Beginning in 2022, such obligations will include payments and other transfers of value provided in the previous year to certain other healthcare professionals, including physician assistants, nurse practitioners, clinical nurse specialists, certified nurse anesthetists, anesthesiologist assistants and certified nurse midwives; and
- analogous state and foreign laws and regulations, such as state anti-kickback and false claims laws, which may be broader in scope and apply to healthcare items or services that are reimbursed by non-governmental third-party payors, including private insurers.

Some state laws also require pharmaceutical companies to comply with specific compliance standards, restrict financial interactions between pharmaceutical companies and healthcare providers or require pharmaceutical companies to report information related to payments to health care providers or marketing expenditures. Certain state laws also require the reporting of information related to drug pricing. Further, certain state and local laws require the registration of pharmaceutical sales representatives.

Efforts to ensure that our business arrangements with third parties will comply with applicable healthcare laws and regulations will involve substantial costs. Given the breadth of the laws and regulations and evolving government interpretations of the laws and regulations, governmental authorities may possibly conclude that our business practices, including certain of our advisory board arrangements with physicians, some of whom are compensated in the form of stock or stock options, may not comply with healthcare laws and regulations. If our operations are found to be in violation of any of the laws described above or any other government regulations that apply to us, we may be subject to significant penalties, including administrative, civil and criminal penalties, damages, fines, disgorgement, exclusion from participation in government health care programs, such as Medicare and Medicaid, imprisonment, integrity oversight and reporting obligations, contractual damages, reputational harm, diminished profits and future earnings, and the curtailment or restructuring of our operations, any of which could adversely affect our business, financial condition, results of operations, and prospects.

The European Union has strict laws governing the provision of benefits or advantages to healthcare professionals in order to induce or encourage the prescription, recommendation, endorsement, purchase, supply, order or use of medicinal products. Such laws and associated codes of practice set out the rules and requirements that the provision of hospitality, sponsorship, gifts and promotional items must meet before they can be accepted by healthcare professionals. The provision of benefits or advantages to healthcare professionals is also governed by the national anti-bribery laws of European Union Member States. Infringement of these laws could result in substantial fines and imprisonment.

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

***Healthcare and other reform legislation, may increase the difficulty and cost for us and any collaborators we may have to obtain marketing approval of and commercialize JSP191 and any other product candidates we may develop and affect the prices we, or they, may obtain.***

In the United States and some foreign jurisdictions, there have been, and continue to be, ongoing efforts to implement legislative and regulatory changes regarding the healthcare system. Such changes could prevent or delay marketing approval of JSP191 and any other product candidates that we may develop, restrict or regulate post-approval activities and affect our ability to profitably sell any product candidates for which we obtain marketing approval. Although we cannot predict what healthcare or other reform efforts will be successful, such efforts

may result in more rigorous coverage criteria, in additional downward pressure on the price that we, or our future collaborators, may receive for any approved products or in other consequences that may adversely affect our ability to achieve or maintain profitability.

Within the United States, the federal government and individual states have aggressively pursued healthcare reform, as evidenced by the passing of the ACA and the ongoing efforts to modify or repeal that legislation. The ACA substantially changed the way healthcare is financed by both governmental and private insurers and contains a number of provisions that affect coverage and reimbursement of drug products and/or that could potentially reduce the demand for pharmaceutical products such as increasing drug rebates under state Medicaid programs for brand name prescription drugs and extending those rebates to Medicaid managed care and assessing a fee on manufacturers and importers of brand name prescription drugs reimbursed under certain government programs, including Medicare and Medicaid. Other aspects of healthcare reform, such as expanded government enforcement authority and heightened standards that could increase compliance-related costs, could also affect our business. There are, and may continue to be, judicial challenges, including review by the United States Supreme Court. We cannot predict the ultimate content, timing or effect of any changes to the ACA or other federal and state reform efforts. There is no assurance that federal or state health care reform will not adversely affect our future business and financial results, and we cannot predict how future federal or state legislative, judicial or administrative changes relating to healthcare reform will affect our business.

Federal and state governments have shown significant interest in implementing cost-containment programs to limit the growth of government-paid healthcare costs, including price controls, waivers from Medicaid drug rebate law requirements, restrictions on reimbursement and requirements for substitution of generic products for branded prescription drugs. The private sector has also sought to control healthcare costs by limiting coverage or reimbursement or requiring discounts and rebates on products. We are unable to predict what additional legislation, regulations or policies, if any, relating to the healthcare industry or third party coverage and reimbursement may be enacted in the future or what effect such legislation, regulations or policies would have on our business. Any cost containment measures could significantly decrease the available coverage and the price we might establish for our potential products, which would have an adverse effect on our net revenues and operating results.

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

***The prices of prescription pharmaceuticals in the United States and foreign jurisdictions is subject to considerable legislative and executive actions and could impact the prices we obtain for our products, if and when licensed.***

The prices of prescription pharmaceuticals have also been the subject of considerable discussion in the United States. To date, there have been several recent U.S. congressional inquiries and proposed and enacted state and federal legislation designed to, among other things, bring more transparency to drug pricing, review the relationship between pricing and manufacturer patient programs, reduce the costs of drugs under Medicare and reform government program reimbursement methodologies for products. To those ends, President Trump issued several executive orders intended to lower the costs of prescription drug products. Certain of these orders are reflected in recently promulgated regulations, including an interim final rule implementing President Trump's most favored nation model, but such final rule is currently subject to a nationwide preliminary injunction. It remains to be seen whether these orders and resulting regulations will remain in force during the Biden Administration. Further, on September 24, 2020, the Trump Administration finalized a rulemaking allowing states or certain other non-federal government entities to submit importation program proposals to the FDA for review and approval. Applicants are required to demonstrate that their importation plans pose no additional risk to public health and safety and will result in significant cost savings for consumers. The FDA has issued draft guidance that would allow manufacturers to import their own FDA-approved drugs that are authorized for sale in other countries (multi-market approved products).

At the state level, individual states are increasingly aggressive in passing legislation and implementing regulations designed to control pharmaceutical and biological product pricing, including price or patient reimbursement constraints, discounts, restrictions on certain product access and marketing cost disclosure and transparency measures, and, in some cases, designed to encourage importation from other countries and bulk purchasing. In addition, regional health care organizations and individual hospitals are increasingly using bidding procedures to determine what pharmaceutical products and which suppliers will be included in their prescription drug and other health care programs. These measures could reduce the ultimate demand for our products, once approved, or put pressure on our product pricing. We expect that additional state and federal healthcare reform measures will be adopted in the future, any of which could limit the amounts that federal and state governments will pay for healthcare products and services, which could result in reduced demand for our product candidates or additional pricing pressures.

In the European Union, similar political, economic and regulatory developments may affect our ability to profitably commercialize our product candidates, if approved. In markets outside of the United States and the European Union, reimbursement and healthcare payment systems vary significantly by country, and many countries have instituted price ceilings on specific products and therapies. In some countries, particularly the countries of the European Union, the pricing of prescription pharmaceuticals is subject to governmental control. In these countries, pricing negotiations with governmental authorities can take considerable time after the receipt of marketing approval for a product. To obtain reimbursement or pricing approval in some countries, we may be required to conduct a clinical trial that compares the cost-effectiveness of our product candidates to other available therapies. If reimbursement of our products is unavailable or limited in scope or amount, or if pricing is set at unsatisfactory levels, our business could be harmed, possibly materially.

***Our employees, principal investigators, consultants and commercial partners may engage in misconduct or other improper activities, including non-compliance with regulatory standards and requirements and insider trading.***

We are exposed to the risk of fraud or other misconduct by our employees, consultants and commercial partners, and, if we commence clinical trials, our principal investigators. Misconduct by these parties could include intentional failures to comply with FDA regulations or the regulations applicable in the European Union and other jurisdictions, provide accurate information to the FDA, the EMA and other regulatory authorities, comply with healthcare fraud and abuse laws and regulations in the United States and abroad, report financial information or data accurately or disclose unauthorized activities to us. 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 restrict or prohibit a wide range of pricing, discounting, marketing and promotion, sales commission, customer incentive programs and other business arrangements. Such misconduct also could involve the improper use of information obtained in the course of clinical trials or interactions with the FDA, the EMA or other regulatory authorities, which could result in regulatory sanctions and cause serious harm to our reputation. We have adopted a code of conduct applicable to all of our employees, but it is not always possible to identify and deter employee misconduct, and the precautions we take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting us from government investigations or other actions or lawsuits stemming from a failure to comply with these laws or regulations. If any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, those actions could have a significant impact on our business, financial condition, results of operations and prospects, including the imposition of significant fines or other sanctions.

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

We may be subject to numerous laws and regulations in each jurisdiction outside the United States in which we may operate. The creation, implementation and maintenance of international business practices compliance programs is costly and such programs are difficult to enforce, particularly where reliance on third parties is required.

The Foreign Corrupt Practices Act (the "FCPA"), prohibits any U.S. individual or business from paying, offering, authorizing payment or offering of anything of value, directly or indirectly, to any foreign official, political party or candidate for the purpose of influencing any act or decision of the foreign entity in order to assist the individual or business in obtaining or retaining business. The FCPA also obligates companies whose securities are

listed in the United States to comply with certain accounting provisions requiring us to maintain books and records that accurately and fairly reflect all transactions of the corporation, including international subsidiaries, and to devise and maintain an adequate system of internal accounting controls for international operations. The anti-bribery provisions of the FCPA are enforced primarily by the Department of Justice. The SEC is involved with enforcement of the books and records provisions of the FCPA.

Similarly, the U.K. Bribery Act 2010 has extra-territorial effect for companies and individuals having a connection with the United Kingdom. The U.K. Bribery Act prohibits inducements both to public officials and private individuals and organizations. Compliance with the FCPA and the U.K. Bribery Act is expensive and difficult, particularly in countries in which corruption is a recognized problem. In addition, the FCPA presents particular challenges in the pharmaceutical industry, because, in many countries, hospitals are operated by the government, and doctors and other hospital employees are considered foreign officials. Certain payments to hospitals in connection with clinical trials and other work have been deemed to be improper payments to government officials and have led to FCPA enforcement actions.

Various laws, regulations and executive orders also restrict the use and dissemination outside of the United States, or the sharing with certain non-U.S. nationals, of information classified for national security purposes, as well as certain products and technical data relating to those products. Our expansion outside of the United States has required, and will continue to require, us to dedicate additional resources to comply with these laws, and these laws may preclude us from developing, manufacturing or selling certain product candidates outside of the United States, which could limit our growth potential and increase our development costs. The failure to comply with laws governing international business practices may result in substantial penalties, including suspension or debarment from government contracting. Violation of the FCPA can result in significant civil and criminal penalties. Indictment alone under the FCPA can lead to suspension of the right to do business with the U.S. government until the pending claims are resolved. Conviction of a violation of the FCPA can result in long-term disqualification as a government contractor. The termination of a government contract or relationship as a result of our failure to satisfy any of our obligations under laws governing international business practices would have a negative impact on our operations and harm our reputation and ability to procure government contracts. The SEC also may suspend or bar issuers from trading securities on U.S. exchanges for violations of the FCPA's accounting provisions.

***Compliance with global privacy and data security requirements could result in additional costs and liabilities to us or inhibit our ability to collect and process data globally, and the failure to comply with such requirements could subject us to significant fines and penalties, which may have a material adverse effect on our business, financial condition and results of operations.***

The regulatory framework for the collection, use, safeguarding, sharing, transfer, and other processing of information worldwide is rapidly evolving and is likely to remain uncertain for the foreseeable future. Globally, virtually every jurisdiction in which we operate has established our own data security and privacy frameworks with which we must comply. For example, the collection, use, disclosure, transfer, or other processing of personal data regarding individuals in the European Union, including personal health data, is subject to the EU General Data Protection Regulation (the "GDPR"), which took effect across all member states of the European Economic Area (the "EEA") in May 2018. The GDPR is wide-ranging in scope and imposes numerous requirements on companies that process personal data, including requirements relating to processing health and other sensitive data, obtaining consent of the individuals to whom the personal data relates, providing information to individuals regarding data processing activities, implementing safeguards to protect the security and confidentiality of personal data, providing notification of data breaches, and taking certain measures when engaging third-party processors. The GDPR increases our obligations with respect to clinical trials conducted in the EEA by expanding the definition of personal data to include coded data and requiring changes to informed consent practices and more detailed notices for clinical trial subjects and investigators. In addition, the GDPR imposes strict rules on the transfer of personal data to countries outside the European Union, including the United States, and, as a result, increases the scrutiny that clinical trial sites located in the EEA should apply to transfers of personal data from such sites to countries that are considered to lack an adequate level of data protection, such as the United States. The GDPR also permits data protection authorities to require destruction of improperly gathered or used personal information and/or impose substantial fines for violations of the GDPR, which can be up to four percent of global revenues or 20 million Euros, whichever is greater, and it also confers a private right of action on data subjects and consumer associations to lodge complaints with supervisory authorities, seek judicial remedies, and obtain compensation for damages.

resulting from violations of the GDPR. In addition, the GDPR provides that European Union member states may make their own further laws and regulations limiting the processing of personal data, including genetic, biometric or health data.

Similar actions are either in place or under way in the United States. There are a broad variety of data protection laws that are applicable to our activities, and a wide range of enforcement agencies at both the state and federal levels that can review companies for privacy and data security concerns based on general consumer protection laws. The Federal Trade Commission and state Attorneys General all are aggressive in reviewing privacy and data security protections for consumers. New laws also are being considered at both the state and federal levels. For example, the California Consumer Privacy Act — which went into effect on January 1, 2020 — is creating similar risks and obligations as those created by GDPR, though the California Consumer Privacy Act does exempt certain information collected as part of a clinical trial subject to the Federal Policy for the Protection of Human Subjects (the Common Rule). In March 2020, the California State Attorney General proposed varying versions of companion draft regulations which are not yet finalized. Despite the delay in adopting regulations, the California State Attorney General commenced enforcement actions against violators beginning July 1, 2020. Many other states are considering similar legislation. A broad range of legislative measures also have been introduced at the federal level. Accordingly, failure to comply with federal and state laws (both those currently in effect and future legislation) regarding privacy and security of personal information could expose us to fines and penalties under such laws. There also is the threat of consumer class actions related to these laws and the overall protection of personal data. Even if we are not determined to have violated these laws, government investigations into these issues typically require the expenditure of significant resources and generate negative publicity, which could harm our reputation and business.

Given the breadth and depth of changes in data protection obligations, preparing for and complying with these requirements is rigorous and time intensive and requires significant resources and a review of our technologies, systems and practices, as well as those of any third-party collaborators, service providers, contractors or consultants that process or transfer personal data collected in the European Union. The GDPR and other changes in laws or regulations associated with the enhanced protection of certain types of sensitive data, such as healthcare data or other personal information from our clinical trials, could require us to change our business practices and put in place additional compliance mechanisms, may interrupt or delay our development, regulatory and commercialization activities and increase our cost of doing business, and could lead to government enforcement actions, private litigation and significant fines and penalties against us and could have a material adverse effect on our business, financial condition and results of operations.

***We and our partners may be subject to stringent privacy laws, information security laws, regulations, policies and contractual obligations related to data privacy and security, and changes in such laws, regulations, policies or how they are interpreted or changes in contractual obligations could adversely affect our business.***

There are numerous U.S. federal and state data privacy and protection laws and regulations that apply to the collection, transmission, processing, storage and use of personally-identifying information, which among other things, impose certain requirements relating to the privacy, security and transmission of personal information. The legislative and regulatory landscape for privacy and data protection continues to evolve in jurisdictions worldwide, and there has been an increasing focus on privacy and data protection issues with the potential to affect our business. Failure to comply with any of these laws and regulations could result in enforcement action against us, including fines, imprisonment of company officials and public censure, claims for damages by affected individuals, damage to our reputation and loss of goodwill, any of which could have a material adverse effect on our business, financial condition, results of operations or prospects.

If we are unable to properly protect the privacy and security of health-related information or other sensitive or confidential information in our possession, we could be found to have breached our contracts. Further, if we fail to comply with applicable privacy laws, including applicable HIPAA privacy and security standards, we could face significant administrative, civil and criminal penalties. Enforcement activity can also result in financial liability and reputational harm, and responses to such enforcement activity can consume significant internal resources. In addition, state attorneys general are authorized to bring civil actions seeking either injunctions or damages in response to violations that threaten the privacy of state residents.

## Risks Related to Employee Matters, Managing Growth and Information Technology

***If we lose key management personnel, or if we fail to recruit additional highly skilled personnel, our ability to continue developing and to identify and develop new or next generation product candidates will be impaired, which could result in delays in the development process, loss of market opportunities, make us less competitive and have a material adverse effect on our business, financial condition and results of operations.***

Our ability to compete in the highly competitive biotechnology and pharmaceutical industries depends upon our ability to attract and retain highly qualified managerial, scientific and medical personnel. We are highly dependent on our management, particularly our Chief Executive Officer, the members of our executive team, and key scientific and medical personnel employees. The loss of the services of any of our executive officers, key employees, and scientific and medical advisors, and our inability to find suitable replacements, could result in delays in product development and harm our business.

We conduct our operations at our facility in the San Francisco Bay Area. This region is headquarters to many other biopharmaceutical companies and many academic and research institutions. Competition for skilled personnel in our market is intense and may limit our ability to hire and retain highly qualified personnel on acceptable terms or at all.

To induce valuable employees to remain at our company, in addition to salary and cash incentives, we have provided stock options that vest over time. The value to employees of stock options that vest over time may be significantly affected by movements in our stock price that are beyond our control, and may at any time be insufficient to counteract more lucrative offers from other companies. Despite our efforts to retain valuable employees, members of our management, scientific and development teams may terminate their employment with us on short notice. Although we have employment agreements with our key employees, these agreements provide for at-will employment, which means that any of our employees could leave our employment at any time, with or without notice. We do not maintain “key man” insurance policies on the lives of these individuals or the lives of any of our other employees. Our success also depends on our ability to continue to attract, retain and motivate highly skilled junior, mid-level and senior managers as well as junior, mid-level and senior scientific and medical personnel.

***We and our management have a limited track record as an operating company. Failures in the operational execution of the expected business plans may have a material impact on our commercial prospects. Further, if we are not able to attract and retain highly-qualified personnel, we may not be able to successfully implement our business strategy.***

Our management team has worked together for only a limited period of time and has a limited track record of executing our business plan as a team. In addition, we have recently filled a number of positions in our finance and accounting staff. Accordingly, certain key personnel have only recently assumed the duties and responsibilities they are now performing, and it is difficult to predict whether our management team, individually and collectively, will be effective in operating our business. These changes may cause speculation and uncertainty regarding our commercial prospects and may cause or result in:

- disruption of our business or distraction of our employees and management;
- difficulty in recruiting, hiring, motivating, and retaining talented and skilled personnel;
- stock price volatility; and
- difficulty in negotiating, maintaining, or consummating business or strategic relationships or transactions.

If we are unable to mitigate these risks or to attract and retain highly qualified personnel, our revenue, operating results and financial condition may be adversely impacted.

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

As of September 30, 2021, we had 22 full-time employees. As our development, manufacturing and commercialization plans and strategies develop and we continue our operations as a public company, we expect to need and are actively recruiting additional managerial, operational, sales, marketing, financial and other personnel. Future growth would impose significant added responsibilities on members of management, including:

- identifying, recruiting, integrating, maintaining and motivating additional employees;
- managing our internal development efforts effectively, including the clinical, FDA and international regulatory review process for our product candidates, while complying with our contractual obligations to contractors and other third parties; and
- improving our operational, financial and management controls, reporting systems and procedures.

Our future financial performance and our ability to commercialize our product candidates will depend, in part, on our ability to effectively manage any future growth, and our management may also have to divert a disproportionate amount of time to managing these growth activities.

We currently rely, and for the foreseeable future will continue to rely, in substantial part on certain independent organizations, advisors and consultants to provide certain services, including substantially all aspects of regulatory approval, clinical management and manufacturing. We cannot assure you that the services of independent organizations, advisors and consultants will continue to be available to us on a timely basis when needed, or that we can find qualified replacements. In addition, if we are unable to effectively manage our outsourced activities or if the quality or accuracy of the services provided by consultants is compromised for any reason, our clinical trials may be extended, delayed or terminated, and we may not be able to obtain regulatory approval of our product candidates or otherwise advance our business. We cannot assure you that we will be able to manage our existing consultants or find other competent outside contractors and consultants on economically reasonable terms, or at all. If we are not able to effectively expand our organization by hiring new employees and expanding our groups of consultants and contractors, or if we are not able to effectively build out new facilities to accommodate this expansion, we may not be able to successfully implement the tasks necessary for further development and commercialization of our product candidates and, accordingly, may not achieve our research, development and commercialization goals.

***Our insurance policies may be inadequate and potentially expose us to unrecoverable risks.***

We have limited director and officer insurance and commercial insurance policies. Any significant insurance claims would have a material adverse effect on our business, financial condition and results of operations. Insurance availability, coverage terms and pricing continue to vary with market conditions. We endeavor to obtain appropriate insurance coverage for insurable risks that we identify; however, we may fail to correctly anticipate or quantify insurable risks; we may not be able to obtain appropriate insurance coverage; and insurers may not respond as we intend to cover insurable events that may occur. We have observed rapidly changing conditions in the insurance markets relating to nearly all areas of traditional corporate insurance. Such conditions have resulted in higher premium costs, higher policy deductibles and lower coverage limits. For some risks, we may not have or maintain insurance coverage because of cost or availability.

***Our internal computer systems, or those of our third-party vendors, collaborators or other contractors or consultants, may fail or suffer security breaches, which could result in a material disruption of our product development programs, compromise sensitive information related to our business or prevent us from accessing critical information, potentially exposing us to liability or otherwise adversely affecting our business.***

Our internal computer systems and those of our current and any future third-party vendors, collaborators and other contractors or consultants are vulnerable to damage or interruption from computer viruses, computer hackers, malicious code, employee theft or misuse, denial-of-service attacks, sophisticated nation-state and nation-state-supported actors, unauthorized access, natural disasters, terrorism, war and telecommunication and electrical failures. While we seek to protect our information technology systems from system failure, accident and security breach, if such an event were to occur and cause interruptions in our operations, it could result in a disruption of our development programs and our business operations, whether due to a loss of our trade secrets or other proprietary information or other disruptions. For example, the loss of clinical trial data from future clinical

trials could result in delays in our regulatory approval efforts and significantly increase our costs to recover or reproduce the data. If we were to experience a significant cybersecurity breach of our information systems or data, the costs associated with the investigation, remediation and potential notification of the breach to counter-parties and data subjects could be material. In addition, our remediation efforts may not be successful. If we do not allocate and effectively manage the resources necessary to build and sustain the proper technology and cybersecurity infrastructure, we could suffer significant business disruption, including transaction errors, supply chain or manufacturing interruptions, processing inefficiencies, data loss or the loss of or damage to intellectual property or other proprietary information.

Although we take such steps to help protect confidential and other sensitive information from unauthorized access or disclosure, our information technology and infrastructure may be vulnerable to attacks by hackers or viruses, failures, or breaches due to third-party action, employee negligence or error, malfeasance, or other incidents or disruptions. For example, we could be the target of phishing attacks seeking confidential information regarding our employees. Furthermore, while we have implemented data privacy and security measures in an effort to comply with applicable laws and regulations relating to privacy and data protection, some health-related and other personal information or confidential information may be transmitted to us by third parties, who may not implement adequate security and privacy measures, and it is possible that laws, rules and regulations relating to privacy, data protection, or information security may be interpreted and applied in a manner that is inconsistent with our practices or those of third parties who transmit health-related and other personal information or confidential information to us.

To the extent that we or these third parties are found to have violated such laws, rules or regulations or that any disruption or security breach were to result in a loss of, or damage to, us or our third-party vendors', collaborators' or other contractors' or consultants' data or applications, or inappropriate disclosure of confidential or proprietary information, we could incur liability including litigation exposure, penalties and fines, we could become the subject of regulatory action or investigation, our competitive position could be harmed and the further development and commercialization of our product candidates could be delayed. Any of the above could have a material adverse effect on our business, financial condition, results of operations or prospects.

***Unstable market and economic conditions may have serious adverse consequences on our business, financial condition and share price.***

As widely reported, global credit and financial markets have experienced volatility and disruptions in the past several years and especially in 2020 due to the impacts of the COVID-19 pandemic, including severely diminished liquidity and credit availability, declines in consumer confidence, declines in economic growth, increases in unemployment rates and uncertainty about economic stability. There can be no assurances that further deterioration in credit and financial markets and confidence in economic conditions will not occur. Our general business strategy may be adversely affected by any such economic downturn, volatile business environment or continued unpredictable and unstable market conditions. If the current equity and credit markets deteriorate, it may make any necessary debt or equity financing more difficult, more costly and more dilutive. Failure to secure any necessary financing in a timely manner and on favorable terms could have a material adverse effect on our growth strategy, financial performance and share price and could require us to delay or abandon clinical development plans.

**Risks Related to Ownership of Our Common Stock and Warrants**

***If our operations and performance do not meet the expectations of investors or securities analysts or for other reasons, the market price of our securities may decline.***

Any of the factors listed below could have a negative impact on your investment in our securities, and our securities may trade at prices significantly below the price you paid for them. In such circumstances, the trading price of our securities may not recover and may experience a further decline.

Factors affecting the trading price of our securities may include:

- 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;

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- the impacts of the ongoing COVID-19 pandemic and related restrictions;
- 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;
- 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 biopharmaceutical 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 business or management;
- recruitment or departure of key personnel;
- overall performance of the equity markets;
- disputes or other developments relating to intellectual property rights, including patents, litigation matters and our ability to obtain, maintain, defend, protect and enforce patent and other intellectual property rights for our technologies;
- significant lawsuits, including patent or stockholder litigation;
- proposed changes to healthcare laws in the U.S. 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, the stock market in general, Nasdaq and pharmaceutical companies in particular have experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of these companies. Broad market and industry factors may negatively affect the market price of our securities, regardless of our actual operating performance. 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.

***Insiders have substantial control over us, which could limit your ability to affect the outcome of key transactions, including a change of control.***

Upon the completion of the Transactions, our directors and executive officers and their affiliates beneficially owned approximately 37.1% of the outstanding shares of our Common Stock. As a result, these stockholders, if they act together, will be able to influence our management and affairs and all matters requiring stockholder approval, including the election of directors and approval of significant corporate transactions, such as a merger or other sale of our company or our assets. This concentration of ownership may have the effect of delaying or preventing

a change in control of our company or discouraging a potential acquirer from making a tender offer or otherwise attempting to obtain control, even if that change in control would benefit our other stockholders. This significant concentration of ownership may also adversely affect the trading price for our Common Stock because investors often perceive disadvantages in owning stock in companies with controlling stockholders. For information regarding the ownership of our outstanding stock by our executive officers, directors, and current beneficial owners of 5% or more of our voting securities and their respective affiliates, please see the section titled “Principal Stockholders.”

***We will incur significant increased expenses and administrative burdens as a public company, which could negatively impact our business, financial condition and results of operations.***

We face increased legal, accounting, administrative and other costs and expenses as a public company that Legacy Jasper did not incur as a private company. The Sarbanes-Oxley Act, including the requirements of Section 404, as well as rules and regulations subsequently implemented by the SEC, the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 and the rules and regulations promulgated and to be promulgated thereunder, and the securities exchanges, impose additional reporting and other obligations on public companies. Compliance with public company requirements will increase costs and make certain activities more time-consuming. A number of those requirements will require us to carry out activities Legacy Jasper had not done previously. For example, we have adopted new charters for our board committees and adopted some new disclosure controls and procedures. In addition, expenses associated with SEC reporting requirements will be incurred. Furthermore, if any issues in complying with those requirements are identified (for example, if the auditors identify a material weakness or significant deficiency in the internal control over financial reporting), we could incur additional costs rectifying those issues, and the existence of those issues could adversely affect our reputation or investor perceptions of us. It may also be more expensive to obtain director and officer liability insurance. Risks associated with our status as a public company may make it more difficult to attract and retain qualified persons to serve on our Board or as executive officers. The additional reporting and other obligations imposed by these rules and regulations will increase legal and financial compliance costs and the costs of related legal, accounting and administrative activities. These increased costs will require us to divert a significant amount of money that could otherwise be used to expand our business and achieve strategic objectives. Advocacy efforts by stockholders and third parties may also prompt additional changes in governance and reporting requirements, which could further increase costs.

***Our failure to timely and effectively implement controls and procedures required by Section 404(a) of the Sarbanes-Oxley Act could negatively impact our business.***

Absent an applicable exemption, we are required to provide a management’s attestation on internal controls over financial reporting, and Legacy Jasper was not previously required to do this as a private company. The standards required for a public company under Section 404(a) of the Sarbanes-Oxley Act are significantly more stringent than those required of Legacy Jasper as a privately held company. Management may not be able to effectively and timely implement controls and procedures that adequately respond to the increased regulatory compliance and reporting requirements. If we are not able to implement the additional requirements of Section 404(a) in a timely manner or with adequate compliance, we may not be able to assess whether our internal controls over financial reporting are effective, which may subject us to adverse regulatory consequences and could harm investor confidence and the market price of our securities.

***We are an “emerging growth company” within the meaning of the Securities Act, and if we take advantage of certain exemptions from disclosure requirements available to emerging growth companies, it could make our securities less attractive to investors and may make it more difficult to compare our performance to the performance of other public companies.***

We are an “emerging growth company” as defined in Section 2(a)(19) of the Securities Act, as modified by the JOBS Act. As such, we are eligible for and intend to take advantage of certain exemptions from various reporting requirements applicable to other public companies that are not emerging growth companies for as long as we continue to be an emerging growth company, including, but not limited to, (a) not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, (b) reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements and (c) 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 a result, our stockholders may not have access to certain information they may deem important. We will remain an emerging growth company until the earlier of (i) the

last day of the fiscal year (a) following the fifth anniversary of the closing of the Initial Public Offering, (b) in which we have total annual gross revenue of at least \$1.07 billion, or (c) in which we are deemed to be a large accelerated filer, which means the market value of our common equity that is held by non-affiliates exceeds \$700 million as of the last business day of our most recently completed second fiscal quarter; and (ii) the date on which we have issued more than \$1.00 billion in non-convertible debt securities during the prior three-year period. We cannot predict whether investors will find our securities less attractive because we will rely on these exemptions. If some investors find our securities less attractive as a result of our reliance on these exemptions, the trading prices of our securities may be lower than they otherwise would be; there may be a less active trading market for our securities; and the trading prices of our securities may be more volatile.

Further, Section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Exchange Act) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but any such an election to opt out is irrevocable. We have opted to take advantage of the exemption for complying with new or revised accounting standards within the same time periods as private companies, which means that when a standard is issued or revised and it has different application dates for public or private companies, we, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard. This may make comparison of our financial statements with another public company that is neither an emerging growth company nor an emerging growth company that has opted out of using the extended transition period difficult or impossible because of the potential differences in accounting standards used.

Even after we no longer qualify as an emerging growth company, we may still qualify as a “smaller reporting company,” which would allow us to take advantage of many of the same exemptions from disclosure requirements, including reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements. If we cease to be an emerging growth company and do not qualify as a smaller reporting company, we will no longer be able to take advantage of certain exemptions from reporting discussed above, including not being able to take advantage of extended transition periods for the adoption of new or modified accounting standards, and, absent other exemptions or relief available from the SEC, we will also be required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act if we are no longer a non-accelerated filer at such time. We will incur additional expenses in connection with such compliance, and our management will need to devote additional time and effort to implement and comply with such requirements.

***If, following the Business Combination, securities or industry analysts do not publish or cease publishing research or reports about us, our business, or our market, or if they change their recommendations regarding our securities adversely, the price and trading volume of our securities could decline.***

The trading market for our Common Stock will be influenced by the research and reports that industry or financial analysts publish about us or our business. Securities and industry analysts do not currently, and may never, publish research on us. If no or few analysts commence coverage of us, the trading price of our securities would likely decrease. Even if we do obtain analyst coverage, if one or more of the analysts covering our business downgrade their evaluations of our securities, the price of our securities could decline. If one or more of these analysts cease to cover our securities, we could lose visibility in the market for our securities, which in turn could cause the price of our securities to decline.

***Future sales, or the perception of future sales, by us or our stockholders in the public market, the issuance of rights to purchase our Common Stock, including pursuant to the Equity Incentive Plan and the ESPP, and future exercises of registration rights could result in the additional dilution of the percentage ownership of our stockholders and cause the market price for our Common Stock to decline.***

The sale of shares of our Common Stock, convertible securities or other equity securities in the public market, or the perception that such sales could occur, could harm the prevailing market price of shares of our Common Stock. These sales, or the possibility that these sales may occur, also might make it more difficult for us to sell equity securities in the future at a time and at a price that we deem appropriate. In addition, if we sell shares of our

Common Stock, convertible securities or other equity securities, investors may be materially diluted by subsequent sales. Such sales may also result in material dilution to our existing stockholders, and new investors could gain rights, preferences, and privileges senior to the holders of our Common Stock.

Pursuant to the Equity Incentive Plan, which became effective on September 23, 2021, we are authorized to grant equity awards to our employees, directors and consultants. In addition, pursuant to the ESPP, which became effective on September 23, 2021, we are authorized to sell shares to our employees. A total of up to 4,400,000 and up to 550,000 shares of our Common Stock have been reserved for future issuance under the Equity Incentive Plan and the ESPP, respectively. In addition, the Equity Incentive Plan and ESPP provide for annual automatic increases in the number of shares reserved thereunder, in each case, beginning on January 1, 2022. As a result of such annual increases, our stockholders may experience additional dilution, which could cause the price of our Common Stock to fall.

Pursuant to the Amended and Restated Registration Rights Agreement entered into in connection with the Business Combination, certain stockholders of AMHC and Legacy Jasper can each demand that we register their registrable securities under certain circumstances and will each also have piggyback registration rights for these securities. In addition, we are required to file and maintain an effective registration statement under the Securities Act covering such securities and certain of our other securities. We have filed the registration statement of which this prospectus forms a part in order to satisfy the foregoing obligations. The registration of these securities will permit the public sale of such securities, subject to certain contractual restrictions imposed by the Amended and Restated Registration Rights Agreement and the Business Combination Agreement. The presence of these additional shares of our Common Stock trading in the public market may have an adverse effect on the market price of our securities.

In the future, we may also issue our securities in connection with investments or acquisitions. The amount of shares of our Common Stock issued in connection with an investment or acquisition could constitute a material portion of our then-outstanding shares of our Common Stock. Any issuance of additional securities in connection with investments or acquisitions may result in additional dilution to our stockholders.

***Because there are no current plans to pay cash dividends on our Common Stock for the foreseeable future, you may not receive any return on investment unless you sell shares of our Common Stock for a price greater than that which you paid for it.***

We may retain future earnings, if any, for future operations, expansion and debt repayment and have no current plans to pay any cash dividends for the foreseeable future. Any decision to declare and pay dividends as a public company in the future will be made at the discretion of our Board and will depend on, among other things, our results of operations, financial condition, cash requirements, contractual restrictions and other factors that our Board may deem relevant. In addition, our ability to pay dividends may be limited by covenants of any existing and future outstanding indebtedness we or our subsidiaries incur. As a result, you may not receive any return on an investment in our Common Stock unless you sell your shares of our Common Stock for a price greater than that which you paid for it.

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

Our Amended and Restated Certificate of Incorporation contains provisions that could delay or prevent a change of control of us or changes in our Board that our stockholders might consider favorable. Some of these provisions include:

- a board of directors divided into three classes serving staggered three-year terms, such that not all members of our Board will be elected at one time;
- a prohibition on stockholder action through written consent, which requires that all stockholder actions be taken at a meeting of our stockholders;
- a requirement that special meetings of stockholders be called only by the chairman of our Board, the chief executive officer, the president, or by a majority of the total number of authorized directors;

- advance notice requirements for stockholder proposals and nominations for election to our Board;
- a requirement that no member of our Board may be removed from office by our stockholders except for cause and, in addition to any other vote required by law, upon the approval of not less than two-thirds of all outstanding shares of our voting stock then entitled to vote in the election of directors;
- a requirement of approval of not less than two-thirds of all outstanding shares of our voting stock to amend any bylaws by stockholder action or to amend specific provisions of our Amended and Restated Certificate of Incorporation; and
- the authority of our Board to issue preferred stock on terms determined by our Board without stockholder approval and which preferred stock may include rights superior to the rights of the holders of our Common Stock.

In addition, because we are incorporated in Delaware, we are governed by the provisions of Section 203 of the DGCL, which may prohibit certain business combinations with stockholders owning 15% or more of our outstanding voting stock. These anti-takeover provisions and other provisions in our Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws could make it more difficult for stockholders or potential acquirors to obtain control of our Board or initiate actions that are opposed by our then-current Board and could also delay or impede a merger, tender offer, or proxy contest involving us. These provisions could also discourage proxy contests and make it more difficult for you and other stockholders to elect directors of your choosing or cause us to take other corporate actions you desire. Any delay or prevention of a change of control transaction or changes in our Board could cause the market price of our Common Stock to decline. For more information, see the section titled “*Description of Our Securities*”.

***Our Amended and Restated Certificate of Incorporation provides that the Court of Chancery of the State of Delaware is the exclusive forum for substantially all disputes between us and our stockholders, which could limit our stockholders’ ability to obtain a favorable judicial forum for disputes with us or our directors, officers or employees.***

Our Amended and Restated Certificate of Incorporation provides that the Court of Chancery of the State of Delaware is the exclusive forum for the following types of actions or proceedings under Delaware statutory or common law: (i) any derivative action or proceeding brought on our behalf; (ii) any action or proceeding asserting a claim of breach of a fiduciary duty owed by any of our current or former directors, officers, or other employees to us or our stockholders; (iii) any action or proceeding asserting a claim against us or any of our current or former directors, officers, or other employees, arising out of or pursuant to any provision of the DGCL, our Amended and Restated Certificate of Incorporation or Amended and Restated Bylaws; (iv) any action or proceeding to interpret, apply, enforce, or determine the validity of our Amended and Restated Certificate of Incorporation or Amended and Restated Bylaws; (v) any action or proceeding as to which the DGCL confers jurisdiction to the Court of Chancery of the State of Delaware; and (vi) any action asserting a claim against us or any of our directors, officers, or other employees governed by the internal affairs doctrine, in all cases to the fullest extent permitted by law and subject to the court’s having personal jurisdiction over the indispensable parties named as defendants. These provisions would not apply to suits brought to enforce a duty or liability created by the Exchange Act. Furthermore, Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all such Securities Act actions. Accordingly, both state and federal courts have jurisdiction to entertain such claims. To prevent having to litigate claims in multiple jurisdictions and the threat of inconsistent or contrary rulings by different courts, among other considerations, our Amended and Restated Certificate of Incorporation provides that the federal district courts of the United States of America shall be exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act, including all causes of action asserted against any defendant named in such complaint. While the Delaware courts have determined that such choice of forum provisions are facially valid, a stockholder may nevertheless seek to bring a claim in a venue other than those designated in the exclusive forum provisions. In such instance, we would expect to vigorously assert the validity and enforceability of the exclusive forum provisions of our Amended and Restated Certificate of Incorporation. This may require significant additional costs associated with resolving such action in other jurisdictions, and the provisions may not be enforced by a court in those other jurisdictions.

These exclusive 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 and may discourage these types of lawsuits. In addition, a stockholder that is unable to bring a claim in the judicial forum of its choosing may be required to incur additional costs in the pursuit of actions that are subject to these exclusive forum provisions, particularly if the stockholder does not reside in or near Delaware. Furthermore, the enforceability of similar choice of forum provisions in other companies' certificates of incorporation or bylaws has been challenged in legal proceedings, and it is possible that a court could find these types of provisions to be inapplicable or unenforceable. If a court were to find the exclusive forum provision contained in our Amended and Restated Certificate of Incorporation to be inapplicable or unenforceable in an action, we may incur further significant additional costs associated with resolving such action in other jurisdictions, all of which could seriously harm our business.

***The Public Warrants will become exercisable for our Common Stock, which would increase the number of shares eligible for future resale in the public market and result in dilution to our stockholders.***

Outstanding warrants to purchase an aggregate of 5,000,000 shares of our Common Stock will become exercisable in accordance with the terms of the Warrant Agreement governing those securities 30 days after the completion of the Business Combination, or October 24, 2021. The exercise price of these Public Warrants is \$11.50 per share. To the extent such Public Warrants are exercised, additional shares of our Common Stock will be issued, which will result in dilution to the holders of our Common Stock and increase the number of shares eligible for resale in the public market. Sales of substantial numbers of such shares in the public market or the fact that such Public Warrants may be exercised could adversely affect the prevailing market prices of our Common Stock. However, there is no guarantee that the Public Warrants will ever be in the money prior to their expiration, and as such, the Public Warrants may expire worthless. See below risk factor, "*The Public Warrants may never be in the money, and they may expire worthless and the terms of the Public Warrants may be amended in a manner adverse to a holder if holders of at least 50% of the then-outstanding Public Warrants approve of such amendment.*"

***The Public Warrants may never be in the money, they may expire worthless and the terms of the Public Warrants may be amended in a manner adverse to a holder if holders of at least 50% of the then-outstanding Public Warrants approve of such amendment.***

The Public Warrants were issued in registered form under the Warrant Agreement between Continental Stock Transfer & Trust Company, as warrant agent, and us. The Warrant Agreement provides that the terms of the Public Warrants may be amended without the consent of any holder to cure any ambiguity or correct any defective provision or correct any mistake, but requires the approval by the holders of at least 50% of the then-outstanding Public Warrants to make any change that adversely affects the interests of the registered holders of Public Warrants. Accordingly, we may amend the terms of the Public Warrants in a manner adverse to a holder if holders of at least 50% of the then-outstanding Public Warrants approve of such amendment. Although our ability to amend the terms of the Public Warrants with the consent of at least 50% of the then-outstanding Public Warrants is unlimited, examples of such amendments could be amendments to, among other things, increase the exercise price of the Public Warrants, convert the Public Warrants into cash, shorten the exercise period, or decrease the number of shares of our Common Stock purchasable upon exercise of a Public Warrant.

***We may redeem your unexpired Public Warrants prior to their exercise at a time that is disadvantageous to you, thereby making your Public Warrants worthless.***

We have the ability to redeem outstanding Public Warrants at any time after they become exercisable and prior to their expiration, at a price of \$0.01 per Public Warrant, provided that the last reported sales price of our Common Stock equals or exceeds \$18.00 per share (as adjusted for share subdivisions, share dividends, rights issuances, subdivisions, reorganizations, recapitalizations, and the like) for any 20 trading days within a 30-trading-day period ending on the third trading day prior to the date we send the notice of redemption to the warrant holders. If and when the Public Warrants become redeemable by us, we may exercise our redemption right even if we are unable to register or qualify the underlying securities for sale under all applicable state securities laws. Redemption of the outstanding Public Warrants could force you to: (i) exercise your Public Warrants and pay the exercise price therefor at a time when it may be disadvantageous for you to do so; (ii) sell your Public Warrants at the then-current market

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price when you might otherwise wish to hold your Public Warrants; or (iii) accept the nominal redemption price that, at the time the outstanding Public Warrants are called for redemption, is likely to be substantially less than the market value of your Public Warrants.

In addition, we may redeem your Public Warrants at any time after they become exercisable and prior to their expiration at a price of \$0.10 per Public Warrant upon a minimum of 30 days' prior written notice of redemption; provided that holders will be able to exercise their Public Warrants prior to redemption for a number of our Common Stock determined based on the redemption date and the fair market value of our Common Stock. The value received upon exercise of the Public Warrants (1) may be less than the value the holders would have received if they had exercised their Public Warrants at a later time where the underlying share price is higher and (2) may not compensate the holders for the value of the Public Warrants.

## MARKET AND INDUSTRY DATA

Certain information contained in this prospectus relates to or is based on studies, publications, surveys and other data obtained from third-party sources and our own internal estimates and research. While we believe these third-party sources to be reliable as of the date of this prospectus, we have not independently verified the market and industry data contained in this prospectus or the underlying assumptions relied on therein. Finally, while we believe our own internal research is reliable, such research has not been verified by any independent source. Notwithstanding the foregoing, we are liable for the information provided in this prospectus. The industry in which we operate is subject to a high degree of uncertainty and risk due to a variety of factors, including those described in the section of this prospectus titled “*Risk Factors*”. These and other factors could cause results to differ materially from those expressed in the estimates made by the independent parties and by us.

## USE OF PROCEEDS

We will receive no proceeds from the sale of the Resale Shares by the Selling Stockholders. The Selling Stockholders will pay any underwriting discounts, selling commissions or transfer taxes incurred in disposing of the Resale Shares and the expenses of any attorney or other advisor they decide to employ. We will bear all other costs, fees and expenses incurred in effecting the registration of the Resale Shares covered by this prospectus. These may include, without limitation, all registration, filing, stock exchange fees, printing expenses, all fees and expenses of complying with applicable securities laws and the fees and disbursements of our counsel and of our independent accountants and reasonable fees.

We will receive up to an aggregate of approximately \$57.5 million from the exercise of the Public Warrants, assuming the exercise in full of all of the Public Warrants for cash, but will not receive any proceeds from the sale of the shares of our Common Stock issuable upon such exercise. We expect to use the net proceeds from the exercise of the Public Warrants for general corporate purposes. We will have broad discretion over the use of proceeds from the exercise of the Public Warrants. There is no assurance that the holders of the Public Warrants will elect to exercise any or all of such Public Warrants. To the extent that the Public Warrants are exercised on a “cashless basis,” the amount of cash we would receive from the exercise of the Public Warrants will decrease.

**DETERMINATION OF OFFERING PRICE**

We cannot currently determine the price or prices at which shares of our Common Stock may be sold by the Selling Stockholders under this prospectus.

The offering price of the shares of our Common Stock issuable upon exercise of the Public Warrants offered hereby is determined by reference to the exercise price of the Public Warrants of \$11.50 per share. The Public Warrants are listed on the Nasdaq Capital Market under the symbol “JSPRW.”

## MARKET INFORMATION FOR SECURITIES AND DIVIDEND POLICY

### **Market Information**

Our Common Stock and Public Warrants are currently listed on Nasdaq under the symbols “JSPR” and “JSPRW,” respectively. Prior to the consummation of the Business Combination, AMHC’s Class A Common Stock, units and warrants were listed on Nasdaq under the symbols “AMHCU,” “AMHC” and “AMHCW,” respectively. As of the Closing Date and following the completion of the Business Combination, there were 54 holders of record of the Common Stock and one holder of record of our Public Warrants.

### **Dividend Policy**

We have never declared or paid any dividends on shares of our Common Stock. We anticipate that we will retain all of our future earnings, if any, to fund the development and growth of our business. Any future determination to pay dividends on our capital stock will be at the discretion of our Board. It is the present intention of our Board to retain all earnings, if any, for use in our business operations and, accordingly, our Board does not anticipate declaring any dividends in the foreseeable future. Further, if we incur any indebtedness, our ability to declare dividends may be limited by restrictive covenants we may agree to in connection therewith.

## UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

The following unaudited pro forma condensed combined financial information has been prepared in accordance with Regulation S-X Article 11, Pro Forma Financial Information, as amended by the final rule, Release No. 33-10786, and presents the combination of the historical financial information of AMHC and Legacy Jasper adjusted to give effect to the Business Combination and the other events contemplated by and effected in connection with the Business Combination Agreement.

The unaudited pro forma condensed combined balance sheet as of June 30, 2021 combines the historical unaudited condensed balance sheet of AMHC as of June 30, 2021 and the historical unaudited condensed balance sheet of Legacy Jasper as of June 30, 2021 on a pro forma basis as if the Business Combination and the other events contemplated by the Business Combination Agreement, summarized below, had been consummated on June 30, 2021.

The unaudited pro forma condensed combined statement of operations for the six months ended June 30, 2021 combines the historical unaudited condensed statement of operations of AMHC for the six months ended June 30, 2021 and the historical unaudited condensed statement of operations of Legacy Jasper for the six months ended June 30, 2021. The unaudited pro forma condensed combined statement of operations for the year ended December 31, 2020 combines the historical audited statement of operations of AMHC for the year ended December 31, 2020, as restated, and historical audited statement of operations of Legacy Jasper for the year ended December 31, 2020 on a pro forma basis as if the Business Combination and the other events contemplated by the Business Combination Agreement, as summarized below, had been consummated on January 1, 2020.

The unaudited pro forma condensed combined financial statements have been derived from and should be read in conjunction with:

- the accompanying notes to the unaudited pro forma condensed combined financial statements;
- the (a) historical audited financial statements of AMHC as of and for the year ended December 31, 2020, as restated, and (b) historical unaudited condensed financial statements of AMHC as of and for the six months ended June 30, 2021;
- the (a) historical audited financial statements of Legacy Jasper as of and for the year ended December 31, 2020 and (b) historical unaudited condensed financial statements of Legacy Jasper as of and for the six months ended June 30, 2021; and
- other information relating to AMHC and Legacy Jasper included in this prospectus, including the Business Combination Agreement, which is filed as an exhibit to the registration statement of which this prospectus forms a part, and the description of certain terms thereof set forth in this prospectus under “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*”.

The unaudited pro forma condensed combined financial statements also reflect the closing of the \$100.0 million PIPE Investment and the redemption of an aggregate of 9,262,099 shares of AMHC Class A Common Stock for aggregate payments of \$92.7 million.

AMHC and Legacy Jasper are collectively referred to herein as the “Companies,” and the Companies, subsequent to the Business Combination and the other events contemplated by the Business Combination Agreement, are referred to herein as New Jasper.

The unaudited pro forma condensed combined financial statements are provided for illustrative purposes only and are not necessarily indicative of what the actual results of operations and financial position would have been had the Business Combination and the other events taken place on the dates indicated, nor are they indicative of the future results of operations or financial position of New Jasper. The actual financial position and results of operations may differ significantly from the pro forma amounts reflected herein due to a variety of factors. The unaudited pro forma adjustments represent management’s estimates based on information available as of the date of these unaudited pro forma combined financial statements and are subject to change as additional information becomes available and analyses are performed.

On September 24, 2021, New Jasper consummated the previously announced Business Combination pursuant to Business Combination Agreement, under the terms of which a wholly-owned subsidiary of AMHC merged with and into Legacy Jasper, with Legacy Jasper becoming a wholly-owned subsidiary of AMHC, referred to herein as New Jasper, which became a publicly-listed entity. As a result of the Business Combination, New Jasper owns, directly or indirectly, all of the issued and outstanding equity interests of Legacy Jasper and the former Legacy Jasper equity holders hold a portion of the New Jasper Common Stock.

**UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET**
**AS OF JUNE 30, 2021**
**(in thousands, except share and per share amounts)**

	AMHC (Historical)	Legacy Jasper (Historical)	Transaction Accounting Adjustments (Business Combination)	Notes	Pro Forma Combined
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 310	\$ 16,757	\$ 100,126	A	\$ 108,416
			(8,377)	B	
			(329)	C	
			(1,925)	D	
			(5,444)	E	
			(92,702)	F	
			100,000	I	
Prepaid income taxes	10	—	—		10
Prepaid expenses and other current assets	103	1,216	—		1,319
Total current assets	423	17,973	91,349		109,745
Marketable securities held in Trust Account	100,126	—	(100,126)	A	—
Property and equipment, net	—	2,832	—		2,832
Operating lease right-of-use assets	—	1,215	—		1,215
Restricted cash	—	345	—		345
Other non-current assets	—	3,726	(3,726)	E	—
Total Assets	<u>\$ 100,549</u>	<u>\$ 26,091</u>	<u>\$ (12,503)</u>		<u>\$ 114,137</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)</b>					
Current liabilities:					
Accounts payable	\$ 329	\$ 4,612	\$ (329)	C	\$ 1,943
			(2,669)	E	
Current portion of operating lease liabilities	—	424	—		424
Accrued expenses and other current liabilities	—	4,117	(388)	E	3,729
Total current liabilities	329	9,153	(3,386)		6,096
Deferred underwriting fee payable	3,500	—	(3,500)	D	—
Non-current portion of operating lease liabilities	—	2,642	—		2,642
Warrant liability	10,430	—	(4,680)	J	5,750
Earnout liability	—	—	15,020	K	15,020
Other non-current liabilities	—	648	—		648
Total liabilities	14,259	12,443	3,454		30,156
Commitments and contingencies					
AMHC Class A common stock subject to possible redemption, 8,129,010 shares as of June 30, 2021 (at \$10.00 per share)	81,290	—	(81,290)	F	—
Legacy Jasper redeemable convertible preferred stock: \$0.001 par value – 69,136,757 shares authorized and 69,136,742 shares issued and outstanding as of June 30, 2021, liquidation value \$51,915 as of June 30, 2021	—	66,249	(66,249)	G	—
Stockholder's Equity (Deficit)					
AMHC Preferred stock, \$0.0001 par value; 1,000,000 shares authorized, none issued and outstanding	—	—	—		—
New Jasper Preferred stock, \$0.0001 par value; 10,000,000 shares authorized, none issued and outstanding	—	—	—		—

**UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET  
AS OF JUNE 30, 2021 — (Continued)  
(in thousands, except share and per share amounts)**

	AMHC (Historical)	Legacy Jasper (Historical)	Transaction Accounting Adjustments (Business Combination)	Notes	Pro Forma Combined
New Jasper Common Stock – Voting: \$0.0001 par value – 490,000,000 shares authorized and 36,520,288 shares to be issued and outstanding as of June 30, 2021	—	—	1	<b>I</b>	4
			3	<b>L</b>	
			—	<b>M</b>	
New Jasper Common Stock – Nonvoting: \$0.0001 par value – 2,000,000 shares authorized and 1,296,022 shares to be issued and outstanding as of June 30, 2021	—	—	—	<b>L</b>	—
Legacy Jasper Common Stock: \$0.001 par value – 177,841,414 shares authorized and 10,160,967 shares issued and outstanding as of June 30, 2021	—	10	69	<b>G</b>	—
			(79)	<b>L</b>	
AMHC Class A common stock, \$0.0001 par value; 100,000,000 shares authorized; 1,870,990 issued and outstanding as of June 30, 2021	—	—	—	<b>F</b>	—
			—	<b>H</b>	
			—	<b>M</b>	
AMHC Class B common stock, \$0.0001 par value; 10,000,000 shares authorized; 2,500,000 issued and outstanding as of June 30, 2021	—	—	—	<b>H</b>	—
Additional paid-in capital	10,148	2,370	(8,377)	<b>B</b>	145,379
			1,575	<b>D</b>	
			(6,113)	<b>E</b>	
			(11,412)	<b>F</b>	
			66,180	<b>G</b>	
			99,999	<b>I</b>	
			4,680	<b>J</b>	
			(15,020)	<b>K</b>	
			76	<b>L</b>	
			(5,148)	<b>N</b>	
Accumulated deficit	(5,148)	(54,981)	5,148	<b>N</b>	(54,981)
Total stockholders' Equity (Deficit)	5,000	(52,601)	131,582		83,981
Total liabilities, Class A common stock subject to redemption, redeemable convertible preferred stock and stockholders' equity (deficit)	<u>\$ 100,549</u>	<u>\$ 26,091</u>	<u>\$ (12,503)</u>		<u>\$ 114,137</u>

**UNAUDITED PRO FORMA**  
**CONDENSED COMBINED STATEMENTS OF OPERATIONS**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2021**  
(in thousands, except share and per share amounts)

	AMHC (Historical)	Legacy Jasper (Historical)	Transaction Accounting Adjustments (Business Combination)	Notes	Pro Forma Combined
Operating expenses:					
Research and development	\$ —	\$ 9,576	\$ —		\$ 9,576
General and administrative	776	5,096	—		5,872
Total operating expenses	776	14,672	—		15,448
Loss from operations	(776)	(14,672)	—		(15,448)
Interest and other (expense) income, net		5	—		5
Interest earned on marketable securities held in Trust Account	5	—	(5)	AA	—
Change in fair value of warrant liability	2,700	—	(1,200)	CC	1,500
Change in fair value of derivative liability	—	(3,501)	3,501	DD	—
Total other income (expense), net	2,705	(3,496)	2,296		1,505
Provision for income taxes	—	—	—		—
Net loss and comprehensive loss	<u>\$ 1,929</u>	<u>\$ (18,168)</u>	<u>\$ 2,296</u>		<u>\$ (13,943)</u>
Net loss per share attributable to common stockholders, basic and diluted		\$ (2.51)			\$ (0.39)
Weighted average shares outstanding of Common Stock		7,235,862			36,154,492
Earnings Allocable to Redeemable Class A Common Stock (Redeemable Net Earnings)	\$ —				
Weighted average shares outstanding of Class A Common Stock	10,000,000				
Basic and diluted net loss per share – Class A	\$ —				
Net (Loss) Income minus Redeemable Net Earnings (Non-Redeemable Net Loss)	1,929				
Weighted average shares outstanding of Class B Common Stock	2,500,000				
Basic and diluted net loss per share – Class B	\$ 0.77				

**UNAUDITED PRO FORMA  
CONDENSED COMBINED STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2020  
(in thousands, except share and per share amounts)**

	AMHC (Historical) (as Restated)	Legacy Jasper (Historical)	Transaction Accounting Adjustments (Business Combination)	Notes	Pro Forma Combined
Operating expenses:					
Research and development	\$ —	\$ 15,883	\$ —		\$ 15,883
General and administrative	935	4,800	—		5,735
Total operating expenses	935	20,683	—		21,618
Loss from operations	(935)	(20,683)	—		(21,618)
Interest and other (expense) income, net	—	(111)	—		(111)
Interest earned on marketable securities held in Trust Account	383	—	(383)	AA	—
Change in fair value of warrant liability	(5,890)	—	2,640	CC	(3,250)
Change in fair value of derivative liability	—	(10,875)	10,875	DD	—
Total other income (expense), net	(5,507)	(10,986)	13,132		(3,361)
(Loss) income before provision for income taxes	(6,442)	(31,669)	13,132		(24,979)
Provision for income taxes	(39)	—	39	BB	—
Net loss and comprehensive loss	<u>\$ (6,481)</u>	<u>\$ (31,669)</u>	<u>\$ 13,171</u>		<u>\$ (24,979)</u>
Net loss per share attributable to common stockholders, basic and diluted		\$ (5.17)			\$ (0.69)
Weighted average shares outstanding of Common Stock		6,125,897			36,154,492
Earnings Allocable to Redeemable Class A Common Stock (Redeemable Net Earnings)					
	\$ 145				
Weighted average shares outstanding of Class A Common Stock					
	10,000,000				
Basic and diluted net loss per share – Class A					
	\$ 0.01				
Net (Loss) Income minus Redeemable Net Earnings (Non-Redeemable Net Loss)					
	\$ (6,625)				
Weighted average shares outstanding of Class B Common Stock					
	2,500,000				
Basic and diluted net loss per share – Class B					
	\$ (2.65)				

**Note 1 — Description of the Business Combination**

On September 24, 2021, New Jasper consummated the previously announced Business Combination pursuant to the Business Combination Agreement. Pursuant to the Business Combination Agreement, Merger Sub, a wholly owned subsidiary of AMHC, merged with and into Legacy Jasper, with Legacy Jasper being the surviving entity. Legacy Jasper became a wholly owned subsidiary of AMHC and AMHC was immediately renamed to “Jasper Therapeutics, Inc.”. The Business Combination consideration received by former stockholders of Legacy Jasper at the Closing pursuant to the Business Combination Agreement had an agreed upon value of \$275.0 million (the “Equity Value”). Pursuant to the Business Combination Agreement, Transaction Share Consideration means a number of shares of AMHC capital stock equal to (a) Legacy Jasper’s Equity Value, divided by (b) \$10.00. New Jasper Common Stock is comprised of New Jasper Voting Common Stock and New Jasper Non-Voting Common Stock. The former stockholders of Legacy Jasper, including holders of common stock, founders’ unvested restricted common stock, preferred stock and stock options, received a deemed value of \$10.00 per share after giving effect to the Exchange Ratio of 0.2823780 at the Closing.

The Business Combination occurred in the following steps as contemplated by the Business Combination Agreement:

- the conversion of all outstanding shares of Legacy Jasper Series A-1 redeemable convertible preferred stock into shares of Legacy Jasper Class A Common Stock at the one-to-one conversion ratio, pursuant to the consent of the majority of Legacy Jasper Series A-1 Stockholders, immediately prior to the Closing of the Business Combination;
- the cancellation of each issued and outstanding share of Legacy Jasper Class A Common Stock (including shares of Legacy Jasper Class A Common Stock resulting from the conversion of Legacy Jasper’s Series A-1 redeemable convertible preferred stock) and the conversion into the right to receive a number of shares New Jasper Voting Common Stock or New Jasper Non-Voting Common Stock at the Exchange Ratio as set forth in the Allocation Schedule;
- the conversion of all outstanding shares of Legacy Jasper Series A-2 redeemable convertible preferred stock into shares of New Jasper Voting Common stock, which was calculated as 8% of the Equity Value divided by \$10.00 per share or 2,200,000 shares of New Jasper Voting Common Stock;
- the conversion of all outstanding Legacy Jasper Class A Common Stock options into options exercisable for shares of New Jasper Voting Common Stock with the same terms except for the number of shares exercisable and the exercise price, each of which will be adjusted at the Exchange Ratio as set forth in the Allocation Schedule. The conversion of Legacy Jasper options did not have an impact on the pro-forma condensed combined unaudited financial statements;
- the conversion of all outstanding shares of Legacy Jasper’s founders’ unvested Legacy Jasper Class A Common Stock into restricted common stock shares of New Jasper Voting Common Stock based on the Exchange Ratio as set forth in the Allocation Schedule, which shares continue to be governed by the same terms and conditions (including vesting and repurchase terms) effective immediately prior to the Closing of the Business Combination;
- the redemption of an aggregate of 9,262,099 shares of AMHC Class A Common Stock at a price of \$10.0088193 per share for aggregate payments of \$92.7 million prior to the Closing and the conversion of 737,901 remaining outstanding shares of AMHC Class A Common Stock shares into New Jasper Voting Common Stock
- the conversion of all outstanding shares of AMHC Class A Common Stock and AMHC Public Warrants into New Jasper Voting Common Stock and New Jasper Public Voting Common Stock Warrants and the cancellation of the outstanding AMHC Private Placement Warrants;

- the forfeiture of 200,000 shares of AMHC Class B Common Stock by the Sponsor immediately prior to the Closing and the conversion of 2,300,000 outstanding shares of AMHC Class B Common Stock held by the Sponsor into 2,300,000 shares of AMHC Class A Common Stock, which were then converted into New Jasper Voting Common Stock, and the placement of 1,050,000 of these shares of New Jasper Voting Common Stock in escrow pursuant to the Sponsor Support Agreement, as amended, of which:
  - 250,000 shares placed in escrow are restricted subject to certain vesting conditions and will be released if, during the period from and after the Closing until the third anniversary of the Closing (the “Earnout Period”), over 20 trading days within any 30 day consecutive trading day period, the volume-weighted average purchase price of the New Jasper Voting Common Stock (the “Applicable VWAP”) is greater than or equal to \$11.50;
  - 500,000 shares placed in escrow are restricted subject to certain vesting conditions and will be released if, during the Earnout Period, over 20 trading days within any 30 day consecutive trading day period, the Applicable VWAP is greater than or equal to \$15.00 and
  - 300,000 shares placed in escrow are restricted subject to certain vesting conditions and will be released if, during the Earnout Period, over 20 trading days within any 30 day consecutive trading day period, the Applicable VWAP is greater than or equal to \$18.00.

#### **Other Events in Connection with the Business Combination**

In connection with the Business Combination, AMHC issued and sold to the PIPE Investors an aggregate of 10,000,000 shares of AMHC Class A Common Stock at a price of \$10.00 per share, for aggregate gross proceeds of \$100,000,000. The 10,000,000 shares of AMHC Class A Common Stock were subsequently converted into 10,000,000 shares of New Jasper Voting Common Stock at the Closing.

#### **Accounting for the Business Combination**

Notwithstanding the legal form of the Business Combination, pursuant to the Business Combination Agreement, the Business Combination will be accounted for as a reverse recapitalization in accordance with GAAP. Under this method of accounting, AMHC will be treated as the acquired company and Legacy Jasper will be treated as the acquirer for financial reporting purposes. Accordingly, for accounting purposes, the financial statements of New Jasper will represent a continuation of the financial statements of Legacy Jasper, with the Business Combination treated as the equivalent of Legacy Jasper issuing stock for the net assets of AMHC, accompanied by a recapitalization. The net assets of AMHC will be stated at historical cost, with no goodwill or other intangible assets recorded. Operations prior to the Business Combination will be those of Legacy Jasper.

Legacy Jasper has been determined to be the accounting acquirer based on an evaluation of the following facts and circumstances:

- Legacy Jasper’s existing stockholders have a majority of the voting power in New Jasper;
- the New Jasper Board consists of six directors, five of whom were designated by Legacy Jasper and one of whom was designated by AMHC;
- Legacy Jasper’s existing senior management team comprises the senior management of New Jasper; and
- Legacy Jasper’s operations prior to the Business Combination comprise the ongoing operations of New Jasper.

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The following summarizes the number of shares of New Jasper Common Stock outstanding following the consummation of the Business Combination and the PIPE Investment:

<b>Shareholder (shares outstanding as of September 24, 2021):</b>	<b>Shares</b>	<b>%</b>
Former AMHC Class A shareholders <sup>(1)</sup>	737,901	2.0%
PIPE Investors <sup>(2)</sup>	10,000,000	26.4%
AMHC Sponsor Promote <sup>(3)</sup>	2,300,000	6.1%
Former Legacy Jasper Stockholder <sup>(4)</sup>	1,296,022	3.4%
Former Legacy Jasper Stockholders <sup>(5)</sup>	23,482,387	62.1%
<b>Total</b>	<b>37,816,310</b>	<b>100.0%</b>

- (1) Amount excludes warrants to purchase 5,000,000 shares of New Jasper Voting Common Stock that are outstanding post-Closing of the Business Combination.
- (2) Amount includes 2,715,000 shares of New Jasper Voting Common Stock purchased by former stockholders of Legacy Jasper and 2,835,000 shares of New Jasper Voting Common Stock purchased by the Sponsor and certain of AMHC's officers and directors.
- (3) Effective as of immediately prior to the Closing, the Sponsor forfeited 200,000 shares of Class B Common Stock. All of the shares of AMHC Class B Common Stock were then converted into shares of the AMHC Class A Common Stock and then into 2,300,000 shares of New Jasper Voting Common Stock at the Closing. Amount includes 250,000 shares of New Jasper Voting Common Stock subject to forfeiture if the Applicable VWAP per share of New Jasper Voting Common Stock does not achieve \$11.50 for twenty trading days within any thirty consecutive trading day period during the Earnout Period, 500,000 shares of New Jasper Voting Common Stock subject to forfeiture if the Applicable VWAP per share of New Jasper Voting Common Stock does not achieve \$15.00 for twenty trading days within any thirty consecutive trading day period during the Earnout Period and an additional 300,000 shares of New Jasper Voting Common Stock subject to forfeiture if the Applicable VWAP per share of New Jasper Voting Common Stock does not achieve \$18.00 for twenty trading days within any thirty consecutive trading day period during the Earnout Period.
- (4) Amount represents 1,296,022 shares of New Jasper Non-Voting Common Stock issued to one of Legacy Jasper's former stockholders.
- (5) Amount includes 611,818 shares of New Jasper Voting Common Stock subject to repurchase related to the conversion of all outstanding shares of Legacy Jasper's founders' unvested common stock; 2,200,000 shares of New Jasper Voting Common Stock issued to Legacy Jasper's Series A-2 Stockholder; and excludes New Jasper options to purchase 2,721,557 shares of New Jasper Voting Common Stock.

The following table illustrates the conversion of Legacy Jasper Common Stock, Legacy Jasper Series A-1 Preferred Stock and Legacy Jasper Series A-2 Preferred Stock into New Jasper Common Stock. Immediately prior to the Closing of the Business Combination, all outstanding shares of Legacy Jasper Series A-1 Preferred Stock were converted into Legacy Jasper Common Stock at a one-to-one conversion ratio, and all shares of Legacy Jasper Common Stock were then converted into New Jasper Common Stock at the Exchange Ratio. Legacy Jasper's Series A-2 Stockholder received 8% of the Equity Value of \$275.0 million, or 2,200,000 shares of New Jasper Common Stock.

<b>Legacy Jasper Former Stockholders Conversion (shares outstanding as of September 22, 2021):</b>	<b>Legacy Jasper Shares</b>	<b>New Jasper Shares</b>	<b>Exchange Ratio</b>
Common Stock Shares	10,821,500	3,055,749	0.2823780
Series A-1 Preferred Stock Shares	69,136,642	19,522,660	0.2823780
Series A-2 Preferred Stock Shares <sup>(1)</sup>	100	2,200,000	8% of Equity Value
	79,958,242	24,778,409	
Less: Former Legacy Jasper Stockholder (non-voting shares)		(1,296,022)	0.2823780
Former Legacy Jasper Stockholders		23,482,387	

- (1) Calculated as 8% of the Equity Value of \$275,000,000 divided by \$10.00 per share, or 2,200,000 shares of New Jasper Voting Common Stock.

**Note 2 — Basis of Presentation**

The unaudited pro forma condensed combined financial information has been prepared in accordance with Article 11 of Regulation S-X. The adjustments in the unaudited pro forma condensed combined financial information have been identified and presented to provide relevant information necessary for an accurate understanding of New Jasper upon consummation of the Business Combination. Assumptions and estimates underlying the unaudited pro forma adjustments set forth in the unaudited pro forma condensed combined financial information are described in the accompanying notes.

The unaudited pro forma condensed combined financial information has been presented for illustrative purposes only and is not necessarily indicative of the operating results and financial position that would be achieved when the accounting for the Business Combination is finalized. Further, the unaudited pro forma condensed combined financial information does not purport to project the future operating results or financial position of New Jasper following the completion of the Business Combination. The unaudited pro forma adjustments represent management's estimates based on information available as of the date of these unaudited pro forma condensed combined financial information and are subject to change as additional information becomes available and analyses are performed. AMHC and Legacy Jasper did not have any historical relationship prior to the transactions. Accordingly, no pro forma adjustments were required to eliminate activities between the companies.

The unaudited pro forma condensed combined balance sheet as of June 30, 2021 assumes that the Business Combination occurred on June 30, 2021. The unaudited pro forma condensed combined statements of operations for the six months ended June 30, 2021 and for the year ended December 31, 2020 presents the pro forma effect of the Business Combination as if it had been completed on January 1, 2020. The unaudited pro forma condensed combined balance sheet also reflects the closing of the \$100.0 million PIPE Investment and the redemption of an aggregate of 9,262,099 AMHC Class A Common Stock for aggregate payments of \$92.7 million.

The AMHC Public Warrants have been reported as liability-classified instruments that will be subsequently re-measured at fair value in future reporting periods, with changes in fair value recognized in earnings. The Sponsor Earnout Shares issued pursuant to the Sponsor Support Agreement, as amended, have been reported as liability-classified. The final accounting of the Business Combination, including Public Warrants and Sponsor Earnout Shares, will be finalized by New Jasper and reported in the first reporting period following the Closing.

**Note 3 — Pro Forma Adjustments**

***Transaction Accounting Adjustments to the Unaudited Pro Forma Condensed Combined Balance Sheet as of June 30, 2021 are as follows:***

- A. Reflects the liquidation and reclassification of investments held in the Trust Account to cash and cash equivalents that became available for general use by New Jasper following the Closing.
- B. Represents estimated direct and incremental transaction costs of \$8.4 million incurred by AMHC prior to, or concurrent with the Closing that were cash settled upon Closing in accordance with the Business Combination Agreement, excluding the \$1.925 million of deferred underwriting fees related to the Initial Public Offering as described in adjustment note D below.
- C. Reflects the payment of AMHC's accounts payable outstanding immediately prior to the Closing.
- D. Reflects the payment of \$1.925 million and the forgiveness of \$1.575 million of deferred underwriting fees incurred during the Initial Public Offering upon the Closing. \$1.575 million was forgiven based on negotiation with the underwriters.
- E. Represents estimated direct and incremental transaction costs of \$6.1 million incurred by Legacy Jasper prior to, or concurrent with, the Closing. Business Combination costs include legal, accounting, financial advisory and other professional fees related to the Business Combination.

- F. Represents the redemption of 9,262,099 shares of AMHC Class A Common Stock for aggregate payments of \$92.7 million prior to the Closing and the conversion of the 737,901 remaining outstanding shares of Class A Common Stock shares into an equivalent number of shares of New Jasper Voting Common Stock.
- G. Reflects the conversion of outstanding shares of Legacy Jasper Series A-1 redeemable convertible preferred stock into Legacy Jasper Class A Common Stock on a one-to-one basis.
- H. Reflects the forfeiture by the Sponsor of 200,000 shares of Class B Common Stock immediately prior to the Closing and the conversion of 2,300,000 shares of AMHC Class B Common Stock into AMHC Class A Common Stock upon the Closing.
- I. Reflects the proceeds of \$100.0 million from the issuance and sale of 10,000,000 shares of AMHC Class A Common Stock at \$10.00 per share pursuant to the Subscription Agreements entered into in connection with the PIPE Investment.
- J. Reflects the cancellation and forfeiture of the Private Placement Warrants effective on the Closing.
- K. Reflects the estimated fair value of 1,050,000 Sponsor Earnout Shares placed in escrow effective on the Closing (See Note 5 for details).
- L. Represents the recapitalization of Legacy Jasper Class A Common Stock shares and Series A-2 redeemable convertible preferred stock shares into New Jasper Voting and Non-Voting Common Stock shares and recording of new additional paid-in capital. Outstanding shares of Legacy Jasper's Series A-2 redeemable convertible preferred stock convert directly into 2,200,000 shares of New Jasper Voting Common Stock, or 8% of the Equity Value.
- M. Represents the conversion of AMHC Class A Common Stock into an equivalent number of shares of New Jasper Voting Common Stock.
- N. Reflects the elimination of AMHC's historical accumulated deficit.

***Transaction Accounting Adjustments to the Unaudited Pro Forma Condensed Combined Statement of Operations for the Six Months Ended June 30, 2021 and for the Year Ended December 31, 2020 are as follows:***

- AA. Represents the elimination of investment income related to the investments held in the Trust Account.
- BB. Represents the income tax impact of the elimination of investment income related to the investments held in the Trust Account using a 10% effective income tax rate, which reflects the rate used by AMHC in its historical financial statements.
- CC. Represents the elimination of the change in fair value of the warrant liability associated with the Private Placement Warrants of \$1.2 million gain and \$2.6 million loss for the six months ended June 30, 2021 and for the year ended December 31, 2020, respectively.
- DD. Represents the elimination of the change in Legacy Jasper's fair value of the derivative tranche liability of \$3.5 million and \$10.9 million for the six months ended June 30, 2021 and for the year ended December 31, 2020, respectively. Assumes the tranche was exercised and Series A-1 preferred stock shares were issued as of January 1, 2020.

**Note 4 — Net Loss per Share**

Represents the net loss per share calculated using the historical weighted average shares outstanding and the issuance of additional shares in connection with the Business Combination and other events, assuming such additional shares were outstanding since January 1, 2020. As the Business Combination is being reflected as if it had occurred as of January 1, 2020, the calculation of weighted average shares outstanding for basic and diluted net

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loss per share assumes the shares issued in connection with the Business Combination have been outstanding for the entire periods presented. The shares of AMHC Class A Common Stock redeemed by Public Stockholders are eliminated as of January 1, 2020.

	<b>Year Ended December 31, 2020</b>	<b>Six Months Ended June 30, 2021</b>
Pro forma net loss	\$ (24,979)	\$ (13,943)
Basic weighted average shares outstanding	36,154,492	36,154,492
Pro forma net loss per share – Basic and Diluted	\$ (0.69)	\$ (0.39)

**Weighted average shares outstanding- basic and diluted**

Former AMHC Class A Stockholders	737,901	737,901
Former AMHC Sponsor Class B Stockholders <sup>(1)</sup>	1,250,000	1,250,000
PIPE Investors	10,000,000	10,000,000
Former Jasper Stockholders <sup>(2)</sup>	24,166,591	24,166,591
Totals	<u>36,154,492</u>	<u>36,154,492</u>

- (1) Amount excludes 250,000 shares of New Jasper Voting Common Stock subject to forfeiture if the Applicable VWAP per share of New Jasper Voting Common Stock does not achieve \$11.50 during the Earnout Period, excludes 500,000 shares of New Jasper Voting Common Stock subject to forfeiture if the Applicable VWAP per share of New Jasper Voting Common Stock does not achieve \$15.00 during the Earnout Period and also excludes 300,000 shares of New Jasper Voting Common Stock subject to forfeiture if the Applicable VWAP per share of New Jasper Voting Common Stock does not achieve \$18.00 during the Earnout Period.
- (2) Amount excludes 611,818 shares of New Jasper Voting Common Stock subject to repurchase related to the conversion of all outstanding shares of Legacy Jasper's founders' unvested restricted common stock.

**Note 5 — Earnout Shares**

The Sponsor Earnout Shares, which were deposited into escrow and which may be contingently released back to the Sponsor are expected to be accounted for as liability financial instruments that are earned upon achieving the triggering events, which include events that are not indexed to the New Jasper Voting Common Stock, which precludes it to be an equity-classified instrument. Liability classified instruments were recognized at fair value upon the Closing and will be subsequently re-measured at fair value in future reporting periods, with changes in fair value recognized in earnings. The estimated fair value of the Sponsor Earnout Shares is \$15.0 million at the Closing.

The estimated fair value of the Sponsor Earnout Shares was determined by using a Monte Carlo simulation valuation model using a distribution of potential outcomes on a daily basis over the three-year Earnout Period. The preliminary estimated fair values of Sponsor Earnout Shares were determined using the most reliable information available. Assumptions used in the preliminary valuation, which are subject to change at the Closing, were as follows:

*Current stock price:* the starting AMHC stock price of \$15.12 per share was set as the deemed value for New Jasper Common Stock.

*Expected volatility:* the volatility rate of 75.0% was determined by using an average of historical volatilities of selected industry peers deemed to be comparable to our business corresponding to the three-year expected term of the awards.

*Risk-free interest rate:* The risk-free interest rate of 0.55% was based on the U.S. Treasury yield curve in effect at the time of issuance for zero-coupon U.S. Treasury notes with maturities corresponding to the expected three-year term of the Earnout Period.

*Expected term:* The expected term is the three-year term of the Earnout Period.

*Expected dividend yield:* The expected dividend yield is zero as New Jasper has never declared or paid cash dividends and have no current plans to do so during the expected term.

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The actual fair value of Sponsor Earnout Shares is subject to change as additional information becomes available and additional analyses are performed and such changes could be material once the final valuation is determined at the Closing Date.

The vesting and issuance of the Sponsor Earnout Shares would dilute all New Jasper Common Stock outstanding at that time. Based on the actual capital structure as of the Closing, the 250,000 shares, 500,000 shares and 300,000 shares of New Jasper Voting Common Stock issued in connection with each earnout triggering event would represent approximately 0.7%, 1.3% and 0.8% of shares outstanding, respectively.

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

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

### Overview

We are a clinical-stage biotechnology company dedicated to enabling cures through hematopoietic stem cell therapy. We are focused on the development and commercialization of safer and more effective conditioning agents and stem cell engineering to allow for expanded use of stem cell transplantation and *ex vivo* gene therapy, a technique in which genetic manipulation of cells is performed outside of the body prior to transplantation.

Our drug development pipeline includes multiple product candidates designed to improve hematopoietic stem cell therapy. Our lead product candidate, JSP191, is in clinical development as a novel conditioning antibody that clears hematopoietic stem cells from bone marrow in patients prior to undergoing allogeneic stem cell therapy or stem cell gene therapy. We are also developing eHSC product candidates reprogrammed using mRNA delivery and gene editing that have a competitive advantage over endogenous HSCs because they permit higher levels of engraftment without the need for toxic conditioning of the patient and with potentially lower risk of other serious complications seen with current stem cell transplants. We also plan to continue to expand our pipeline to include other novel stem cell therapies based on immune modulation, graft engineering or cell and gene therapies. Our goal is to expand the use of curative stem cell transplant and gene therapies for all patients, including children and the elderly.

Stem cell transplantation is among the most widely practiced forms of cellular therapy and has the potential to cure a wide variety of diseases, including cancers, genetic disorders and autoimmune diseases. A stem cell transplant procedure involves three main steps: (i) stem cells from the patient's or donor's bone marrow are collected; (ii) the patient's bone marrow is cleared of any remaining stem cells in order to make space to receive new transplanted stem cells, which is known as conditioning; and (iii) the new stem cells are transplanted into the patient via infusion where they fasten to, or engraft in, the bone marrow and grow into the blood and immune cells that form the basis of reset and rebuilt blood and immune systems. Transplants are either allogeneic or autologous, depending on the source of the new stem cells for the transplant. In an allogeneic transplant, patients receive cells from a stem cell donor. In an autologous transplant, the patient's own stem cells are used. Autologous transplants also include stem cell gene therapies, where cells are collected from the patient, edited to either enable a functioning gene or correct a defective gene, and then transplanted into the patient via infusion. Our programs span both allogeneic and autologous transplants, with initial programs in JSP191 based on an allogeneic approach.

Currently, patients must receive highly toxic and potentially life-threatening conditioning agents to prepare their bone marrow for transplantation with either donor stem cells or their own gene-edited stem cells. Younger, fitter patients capable of surviving these toxic side effects are typically given myeloablative, or high-intensity, conditioning whereas older or less fit patients are typically given reduced intensity, but still toxic, conditioning which leads to less effective transplants. These toxicities include a range of acute and chronic effects to the gastrointestinal tract, kidneys, liver, lung, endocrine, and neurologic tissues. Depending upon the conditioning regimen, fitness of the patient, and compatibility between the donor and recipient, the risk of TRM ranges from 10% to more than 50% in older patients. Less toxic ways to condition patients have been developed to enable transplant for older patients or

those with major comorbidities, but these regimens risk less potent disease elimination and higher rates of disease relapse. Even though stem cell therapy can be one of the most powerful forms of disease cure, these limitations of non-targeted conditioning regimens have seen little innovation over the past decade.

**Tradeoffs with Current Conditioning in Oncology**

	<b>Myeloablative Conditioning (MAC)</b>	<b>Reduced Intensity Conditioning (RIC)</b>
<b>Efficacy</b>	 <b>67.8% Relapse Free Survival by 18 months<sup>1</sup></b>	 <b>47.3% Relapse Free Survival by 18 months<sup>1</sup></b>
<b>Safety</b>	 <b>15.8% Treatment-Related Mortality by 18 months<sup>1</sup></b>	 <b>4.4% Treatment-Related Mortality by 18 months<sup>1</sup></b>

[1] Scott BL, Pasquini MC, Logan BR, et al. Myeloablative versus reduced-intensity hematopoietic cell transplantation for acute myeloid leukemia and myelodysplastic syndromes. *J Clin Oncol*, 2017;35(11):1154-1161.

Our lead product candidate, JSP191, is a monoclonal antibody designed to block a specific survival signal on stem cells and is in development as a highly targeted conditioning agent prior to stem cell therapy. We are developing JSP191 for SCID for which we are currently conducting an open label Phase 1/2 clinical trial in two cohorts of SCID patients: patients with a history of a prior allogeneic transplant for SCID but with poor graft outcomes and newly diagnosed SCID patients. The primary endpoint in Phase 1 is to evaluate the safety and tolerability of JSP191. The two primary efficacy endpoints in Phase 2 are the proportion of subjects achieving adequate donor HSC engraftment and the proportion of subjects achieving naïve T cell production greater than or equal to 85 cells/uL, a level expected to provide immune reconstitution, during weeks 36 to 104 post-transplant. Based on preliminary results from our ongoing Phase 1/2 clinical trial, we believe JSP191 has demonstrated the ability as a single agent to enable engraftment of donor HSCs as determined by donor chimerism, or the percentage of bone marrow cells in the patient that are of donor origin after transplant. Five out of the first six patients produced naïve T cells at a level expected to provide improved immune function by two years post-transplant. No JSP191 treatment-related SAEs have been reported to date and pharmacokinetics have been consistent with earlier studies in healthy volunteers. We expect to complete enrollment in this Phase 1/2 clinical trial by the end of 2022.

The FDA has granted rare pediatric disease designation to JSP191 as a conditioning treatment for patients with SCID. In addition, the FDA granted orphan drug designation to JSP191 for conditioning treatment prior to hematopoietic stem cell transplantation.

We also are evaluating JSP191 in an open label Phase 1 clinical trial in patients with MDS or AML that were transplant eligible but still had trace evidence of leukemic cells that can remain in a patient after chemotherapy, or MRD, as detected by cytogenetics, flow cytometry or next-generation sequencing. The primary endpoints are to evaluate the safety, tolerability and pharmacokinetic parameters of JSP191. In the initial dose finding portion of the clinical trial, 0.6 mg/kg JSP191-based conditioning was well tolerated in all six MDS/AML patients as of September 30, 2021. Furthermore, it led to successful transplant as demonstrated by full donor chimerism (greater than 95%) in five of six patients and elimination of MRD in five of six patients, which are secondary endpoints of the clinical trial. The next portion of the clinical trial, a Phase 1b dose expansion cohort, is currently enrolling at multiple centers. We expect to complete enrollment in late 2021 to early 2022 with topline data in the first half of 2022.

We expect to begin enrollment in an additional Phase 1a pilot clinical trial in the first quarter of 2022 studying JSP191-based conditioning in patients with severe autoimmune disease. We are also collaborating with the National Institutes of Health to conduct clinical trials of JSP191 in patients with SCD and chronic granulomatous disease and with Stanford University in patients with Fanconi anemia. We believe that JSP191 may also be useful for conditioning in allogeneic transplant for other diseases beyond which the company is currently studying. We also believe that targeted JSP191-based conditioning may improve the efficacy and safety of gene therapies. We are working with Graphite Bio for gene therapy in patients with X-SCID first as a non-clinical collaboration with an option to expand to clinical trials and with Aruvant Sciences for gene therapy in patients with SCD.

Our eHSC platform is designed to overcome key limitations of stem cell transplant and stem cell gene therapy. By using mRNA delivery and/or gene editing, we believe we can reprogram donor or gene corrected stem cells to have a transient proliferative and survival advantage over the patient's existing cells. We believe initial preclinical experiments by us demonstrate that expression of a modified stem cell factor receptor can lead to cell line proliferation independent of SCF concentration, which would enable our eHSCs to outcompete unmodified HSCs through better survival and engraftment. Also, since JSP191 only blocks signaling through the stem cell factor receptor, these eHSCs are not affected by JSP191 when used in combination. Other initial experiments have shown that mRNA can be used to express these receptor variants on the cell surface. We have also identified other potential receptor modifications that prevent the binding of JSP191 but retain the ability to bind SCF, therefore allowing the eHSCs to proliferate normally even in the presence of JSP191.

We intend to become a fully integrated discovery, development and commercial company in the field of hematopoietic stem cell therapy. We are developing our product candidates to be used individually or, in some cases, in combination with one another. As a result, we believe our pipeline could be tailored to the patient-specific disease so that a patient may receive more than one of our therapies as part of his or her individual allogeneic or gene-edited stem cell therapy. Our goal is to advance our product candidates through regulatory approval and bring them to the commercial market based on the data from our clinical trials and communications with regulatory agencies and payor communities. We expect to continue to advance our pipeline and innovate through our research platform.

We have an exclusive license agreement with Amgen for the development and commercialization of the JSP191 monoclonal antibody in all indications and territories worldwide. We also have an exclusive license agreement with Stanford for the right to use JSP191 in the clearance of stem cells prior to the transplantation of HSCs. We also entirely own the intellectual property for our eHSC platform, which has been internally developed.

Legacy Jasper was incorporated in the State of Delaware in March 2018 and did not have any significant operations or research and development activities until November 2019, when it entered into a license agreement with Amgen for a license to certain patents and know-how related to Amgen's proprietary monoclonal antibody known as AMG 191, which we later renamed as JSP191.

Since Legacy Jasper's inception in March 2018, we have devoted substantially all of our resources to performing research and development, enabling manufacturing activities in support of our product development efforts, hiring personnel, acquiring and developing our technology and product candidates, performing business planning, establishing our intellectual property portfolio, raising capital and providing general and administrative support for these activities. We do not have any products approved for sale and have not generated any revenue from product sales. We expect to continue to incur significant and increasing expenses and substantial losses for the foreseeable future as we continue our development of and seek regulatory approvals for our product candidates and commercialize any approved products, seek to expand our product pipeline and invest in our organization. In addition, following the Closing, we are now incurring additional costs associated with operating as a public company, including significant legal, audit, accounting, regulatory, tax-related, director and officer insurance, investor relations and other expenses that Legacy Jasper did not incur as a private company. Prior to the Closing, we had funded our operations primarily with an aggregate of \$51.5 million in proceeds from the sales of our redeemable convertible preferred stock and the issuance of convertible notes.

We have incurred significant losses and negative cash flows from operations since our inception. During the years ended December 31, 2019 and 2020, Legacy Jasper incurred net losses of \$5.0 million and \$31.7 million, respectively. During the six months ended June 30, 2020 and 2021, Legacy Jasper incurred net losses of \$10.9 million and \$18.2 million, respectively. As of June 30, 2021, Legacy Jasper had an accumulated deficit of \$55.0 million. Given our recurring losses from operations and negative cash flows, and based on our current operating plan, there is substantial doubt about our ability to continue as a going concern. As a result, we concluded that there was substantial doubt about our ability to continue as a going concern within one year after the date when our financial statements, included elsewhere in this prospectus, were available for issuance. We expect to continue to incur substantial losses for the foreseeable future, and our transition to profitability will depend upon successful development, approval and commercialization of our product candidates and upon achievement of sufficient revenues to support our cost structure. We do not expect to generate any revenue from commercial product sales unless and until we successfully complete development and obtain regulatory approval for one or more of our product candidates. We may never achieve profitability, and unless we do and until then, we will need to continue to raise additional capital.

After the Closing of the Business Combination and the concurrent PIPE financing, our management believes we have sufficient cash to operate for approximately the next twelve months based on our current operating plan. We will need to raise additional financing to continue our products' development for the foreseeable future, until we become profitable.

We expect our expenses will increase substantially in connection with our ongoing and planned activities, as we:

- advance product candidates through preclinical studies and clinical trials;
- procure the manufacture of supplies for our preclinical studies and clinical trials;
- acquire, discover, validate, and develop additional product candidates;
- attract, hire and retain additional personnel;
- operate as a public company;
- implement operational, financial and management systems;
- pursue regulatory approval for any product candidates that successfully complete clinical trials;
- establish a sales, marketing, and distribution infrastructure to commercialize any product candidate for which we may obtain marketing approval and related commercial manufacturing build-out; and
- obtain, maintain, expand, and protect our portfolio of intellectual property rights.

We do not currently own or operate any manufacturing facility. We rely on CMOs to produce our drug candidates in accordance with the FDA's current cGMP regulations for use in our clinical studies. Under our license agreement with Amgen, we received a substantial amount of drug product to support initiation of our planned clinical trials of JSP191. Since November 2019, we have entered into development and manufacturing agreements with Lonza relating to the manufacturing of JSP191 drug substance and drug product and product quality testing. The facility of Lonza in Slough, United Kingdom is responsible for production and testing of drug substance. The facility of Lonza in Stein, Switzerland is responsible for production and testing of drug product. Labelling, packaging and storage of finished drug product is provided by PCI Pharma Services, in San Diego, California.

Given our stage of development, we do not yet have a marketing or sales organization or commercial infrastructure. Accordingly, if we obtain regulatory approval for any of our product candidates, we also expect to incur significant commercialization expenses related to product sales, marketing, manufacturing, and distribution.

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

#### **Business Impact of the COVID-19 Pandemic**

In March 2020, the World Health Organization declared the global COVID-19 outbreak a pandemic. The global COVID-19 pandemic continues to evolve rapidly, including with respect to the spread of variants, and we will continue to monitor it closely. While our operations to date have not been significantly impacted by the COVID-19 pandemic, we cannot at this time predict the specific extent, duration, or full impact that the COVID-19 pandemic will have on our business, financial condition and operations, including ongoing and planned clinical trials and clinical development timelines, particularly as we advance our product candidates to clinical development, the continued spread of COVID-19 and the measures taken by the governmental authorities could disrupt the supply chain and the manufacture or shipment of drug substances and finished drug products for our product candidates for use in our clinical trials, impede our clinical trial initiation and recruitment and the ability of patients to continue in clinical trials, impede testing, monitoring, data collection and analysis and other related activities. The COVID-19 pandemic could also potentially affect the business of the FDA or other regulatory authorities, which could result in delays in meetings related to our ongoing and planned clinical trials. We experienced slower than anticipated patient enrollment in our SCID clinical trial due to reluctance of these immunocompromised patients to travel and

undergo hospitalization during the pandemic. We may continue to experience interruptions to our clinical trials due to the COVID-19 pandemic. The impact of the COVID-19 pandemic on our financial performance will depend on future developments, including the duration and spread of the pandemic, its impact on our clinical trial enrollment, trial sites, CROs, CMOs, and other third parties with whom we do business, its impact on regulatory authorities and our key scientific and management personnel, progress of vaccination and related governmental advisories and restrictions. These developments and the impact of the COVID-19 pandemic on the financial markets and the overall economy are highly uncertain and cannot be predicted. If the financial markets or the overall economy are impacted for an extended period, our business may be materially adversely affected.

### **Amgen License Agreement**

On November 21, 2019, we entered into a license agreement with Amgen (the “Amgen License Agreement”) pursuant to which we obtained an exclusive, sublicensable license for certain patents, data, and non-data know-how related to Amgen’s proprietary monoclonal antibody known as AMG191, as renamed to JSP191. Concurrently with the execution of the license agreement, Amgen assigned to us its rights and obligations under the Investigator Sponsored Research Agreement (“ISRA”) previously entered into in June 2013 between Amgen and The Board of Trustees of the Leland Stanford Junior University (“Stanford”) related to the clinical study of JSP191.

Under the ISRA, we were provided an option to negotiate a definitive license with Stanford for rights to certain Stanford intellectual property related to the study of JSP191 in exchange for an option exercise fee of \$1.0 million, payable over a two-year period (the “Option”). There are no other fees due under the ISRA. We exercised the Option in June 2020, and the definitive license with Stanford was executed in March 2021. Upon exercise of the Option, the \$1.0 million option exercise fee was recognized as research and development expense. In June 2020, the IND for Stanford’s clinical study of JSP191 in SCID patients was transferred to us. As of December 31, 2020, we had paid \$0.4 million of the option exercise fee and had accrued \$0.4 million and \$0.2 million as current and noncurrent liabilities, respectively. During the six months ended June 30, 2021, we paid \$0.2 million of the option exercise fee and included the unsettled liability of \$0.4 million in accrued expenses and other current liabilities as of June 30, 2021.

As consideration for the rights granted to us under the Amgen License Agreement, we issued Amgen 100 shares of Series A-2 redeemable convertible preferred stock in November 2019 with an estimated fair value of \$0.9 million. See Notes 9 and 10 (Redeemable Convertible Preferred Stock) of the financial statements included herein. The fair value of the Series A-2 shares was estimated using the valuation performed by us in connection with Series A-1 financing and equity fair value was allocated to each outstanding class of equity securities using the option pricing model. The acquisition of the exclusive license, including patent rights and know-how, was accounted for as an asset acquisition. As the acquired technology did not have an alternative use for accounting purposes, the total consideration of \$0.9 million was recorded as research and development expense in the statement of operations and comprehensive loss for the year ended December 31, 2019.

The Amgen License Agreement terminates on a product by product and country by country basis on the latest to occur of (i) expiration of the last valid claim of a licensed patent that covers the sale or manufacture of the applicable licensed product in such country, (ii) expiration of any period of regulatory exclusivity granted with respect to such licensed product in such country or (iii) ten years after the first commercial sale of such licensed product in a country. We and Amgen have the right to terminate the agreement for a material breach as specified in the agreement.

### **Stanford License Agreement**

In March 2021, we entered into a license agreement with Stanford (the “Stanford License Agreement”) following the exercise of the Option in June 2020. We received a worldwide, exclusive license with a right to sublicense for JSP191 in the field of depleting endogenous blood stem cells in patients for whom hematopoietic cell transplantation is indicated. Stanford transferred certain know-how and patents related to JSP191 (together, the “Licensed Technology”). Under the terms of the Stanford License Agreement, we agreed to use commercially reasonable efforts to develop, manufacture, and sell licensed product and to develop markets for a licensed product. In addition, we agreed to use commercially reasonable efforts to meet the milestones as specified in the agreement over the next six years and must notify Stanford in writing as each milestone is met.

We will pay annual license maintenance fees, beginning on the first anniversary of the effective date of the Stanford License Agreement and ending upon the first commercial sale of a product, method, or service in the licensed field of use, as follows: \$25,000 for each first and second year, \$35,000 for each third and fourth year, and \$50,000 at each anniversary thereafter ending upon the first commercial sale. We are also obligated to pay late stage clinical development milestones and first commercial sales milestone payments of up to \$9.0 million in total. We will also pay low single-digit royalties on net sales of licensed products, if approved.

The Stanford License Agreement expires on a country-by-country basis on the last-to-expire valid claim of a licensed patent in such country. We may terminate the agreement by giving Stanford a written notice at least 12 months in advance of the effective date of termination. We may also terminate the Stanford License Agreement solely with respect to any particular patent application or patent by giving Stanford written notice at least 60 days in advance of the effective date of termination. Stanford may terminate the Stanford License Agreement after 90 days from a written notice by Stanford, specifying a problem, including a delinquency on any report required pursuant to agreement or any payment, missing a milestone or for a material breach, unless we remediate the problem in that 90-day period.

### **Other collaboration and clinical trial agreements**

#### *Collaboration with Zai Lab*

In December 2020, we entered into a clinical collaboration agreement with Zai Lab to study JSP191 in combination with Zai Lab's anti-CD47 antibody as a pre-transplant conditioning agent. Scientifically, we seek to demonstrate whether or not this combination synergistically depletes endogenous HSCs in non-human primates with minimum toxicity. Total expenses of up to \$0.3 million will be shared between the parties equally.

#### *Collaboration with Stanford University*

In August 2020, we entered into a clinical trial agreement with Stanford University in which Stanford will execute a Phase 1/2 clinical trial utilizing JSP191 to treat Fanconi Anemia patients in Bone Marrow Failure requiring allogeneic transplant with non-sibling donors at Stanford Lucile Packard Children's Hospital. As consideration for the services performed by Stanford under this agreement, we will pay Stanford a total of \$0.9 million over approximately three years upon the achievement of the first development and clinical milestone, including FDA filings and patients' enrollment. As of December 31, 2020, we had accrued \$0.3 million related to the achievement of milestones under this agreement, which was paid during the six months ended June 30, 2021. The second and the third milestones are based on the progress of the clinical trials and will be recognized when achieved.

#### *Collaboration with the National Heart, Lung, and Blood Institute*

In February 2021, we entered into a clinical trial agreement with NHLBI in which NHLBI will serve as the IND sponsor of a Phase 1/2 clinical trial to evaluate JSP191 as a targeted, non-toxic conditioning regimen prior to allogeneic transplant for SCD. Each party incurs its own costs under this agreement.

#### *Collaboration with the National Institute of Allergy and Infectious Diseases*

In May 2021, we entered into a clinical trial agreement with NIAID in which NIAID will serve as the IND sponsor of a Phase 1/2 clinical trial to evaluate JSP191 as a targeted, non-toxic conditioning regimen prior to allogeneic transplant for chronic granulomatous disease. Each party incurs its own costs under this agreement.

#### *Collaboration with Graphite Bio*

In January 2021, we entered into a clinical collaboration with Graphite Bio for X-SCID by administering JSP191 antibody into mice prior to GPH201 gene replacement therapy. We will provide materials to use in such studies. Graphite Bio may also exercise its exclusive option to become our sole development partner for JSP191 in the field of gene therapy for SCID patients with X-SCID.

*Collaboration with Aruvant Sciences GmbH*

In June 2021, we entered into an agreement with Aruvant Sciences for SCD gene therapy. We will provide materials to use in such studies. The collaboration with Aruvant Sciences is non-exclusive.

**Business Combination Agreement**

On September 24, 2021 we consummated the previously announced Business Combination pursuant to the terms of the Business Combination Agreement by and among us, Merger Sub and Legacy Jasper.

Pursuant to the Business Combination Agreement, on the Closing Date, (i) Merger Sub merged with and into Legacy Jasper, with Legacy Jasper as the surviving company in the Merger, and, after giving effect to such Merger, Legacy Jasper became a wholly-owned subsidiary of AMHC and changed its name to “Jasper Tx Corp.”, and (ii) AMHC changed its name to “Jasper Therapeutics, Inc.”.

In accordance with the terms and subject to the conditions of the Business Combination Agreement, at the Effective Time, (i) each share of Legacy Jasper common stock and Legacy Jasper preferred stock outstanding immediately prior to the Effective Time was automatically cancelled, extinguished and converted into the applicable number of shares of our Common Stock or, in certain circumstances, our Non-Voting Common Stock, based on Legacy Jasper’s equity value, (ii) each vested and unvested option to purchase shares of Legacy Jasper’s common stock outstanding as of immediately prior to the Effective Time was cancelled in exchange for a comparable option to purchase shares of our Common Stock, based on the Equity Value, and (iii) each unvested award of restricted shares of Legacy Jasper’s common stock outstanding immediately prior to the Effective Time was converted into a comparable right to receive restricted shares of our Common Stock, based on the Equity Value. For purposes herein and in the Business Combination Agreement, the “Equity Value” was deemed to be an agreed upon amount equal to \$275.0 million.

In addition, as previously disclosed, concurrently with the execution of the Business Combination Agreement, on May 5, 2021, AMHC entered into the Subscription Agreements with the PIPE Investors, pursuant to which the PIPE Investors agreed to subscribe for and purchase, and AMHC agreed to issue and sell to the PIPE Investors, an aggregate of 10,000,000 shares of Class A Common Stock of AMHC at a price of \$10.00 per share, for aggregate gross proceeds of \$100.0 million. The PIPE Financing was consummated concurrently with the closing of the Business Combination.

In connection with the Merger, immediately prior to the Closing, each share of AMHC Class B Common Stock outstanding immediately prior to the Merger was converted into one share of AMHC’s Class A Common Stock, and following such conversion, all outstanding shares of AMHC’s Class A Common Stock were converted into an equivalent number of shares of our Common Stock.

**Components of Results of Operations**

***Operating Expenses***

*Research and Development*

The largest component of our total operating expenses since inception has been research and development activities, including the preclinical and clinical development of our product candidates. Research and development expenses consist primarily of compensation and benefits for research and development employees, including stock-based compensation; expenses incurred under agreements with CROs and investigative sites that conduct preclinical and clinical studies; the costs of acquiring and manufacturing clinical study materials and other supplies; payments under licensing and research and development agreements; other outside services and consulting costs; and facilities, information technology and overhead expenses. Research and development costs are expensed as incurred.

External research and development costs include:

- costs incurred under agreements with third-party CROs, CMOs and other third parties that conduct preclinical and clinical activities on our behalf and manufacture our product candidates;
- costs associated with acquiring technology and intellectual property licenses that have no alternative future uses;
- consulting fees associated with our research and development activities; and
- other costs associated with our research and development programs, including laboratory materials and supplies.

Internal research and development costs include:

- employee-related costs, including salaries, benefits and stock-based compensation expense for our research and development personnel; and
- other expenses and allocated overheads incurred in connection with our research and development programs.

We expect our research and development expenses to increase substantially for the foreseeable future as we advance our product candidates into and through preclinical studies and clinical trials, pursue regulatory approval of our product candidates and expand our pipeline of product candidates. The process of conducting the necessary preclinical and clinical research to obtain regulatory approval is costly and time-consuming. The actual probability of success for our product candidates may be affected by a variety of factors, including the safety and efficacy of our product candidates, early clinical data, investment in our clinical programs, competition, manufacturing capability and commercial viability. We may never succeed in achieving regulatory approval for any of our product candidates. As a result of the uncertainties discussed above, we are unable to determine the duration and completion costs of our research and development projects or if, when and to what extent we will generate revenue from the commercialization and sale of our product candidates, if approved.

Our future research and development costs may vary significantly based on factors, such as:

- the scope, rate of progress, expense and results of our discovery and preclinical development activities;
- the costs and timing of our CMC activities, including fulfilling cGMP-related standards and compliance, and identifying and qualifying suppliers;
- per patient clinical trial costs;
- the number of trials required for approval;
- the number of sites included in our clinical trials;
- the countries in which the trials are conducted;
- delays in adding a sufficient number of trial sites and recruiting suitable patients to participate in our clinical trials;
- the number of patients that participate in the trials;
- the number of doses that patients receive;
- patient drop-out or discontinuation rates;
- potential additional safety monitoring requested by regulatory agencies;
- the duration of patient participation in the trials and follow up;
- the cost and timing of manufacturing our product candidates;
- the phase of development of our product candidates;
- the efficacy and safety profile of our product candidates;

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- the timing, receipt, and terms of any approvals from applicable regulatory authorities, including the FDA and non-U.S. regulators;
- maintaining a continued acceptable safety profile of our product candidates following approval, if any, of our product candidates;
- significant and changing government regulation and regulatory guidance;
- changes in the standard of care on which a clinical development plan was based, which may require new or additional trials;
- the extent to which we establish additional strategic collaborations or other arrangements; and
- the impact of any business interruptions to our operations or to those of the third parties with whom we work, particularly in light of the current COVID-19 pandemic environment.

### *General and Administrative*

General and administrative expenses consist primarily of personnel costs and expenses, including salaries, employee benefits, stock-based compensation for our executive and other administrative personnel; legal services, including relating to intellectual property and corporate matters; accounting, auditing, consulting and tax services; insurance; and facility and other allocated costs not otherwise included in research and development expenses. We expect our general and administrative expenses to increase substantially for the foreseeable future as we anticipate an increase in our personnel headcount to support expansion of research and development activities, as well as to support our operations generally. We also expect an increase in expenses associated with being a public company, including costs related to accounting, audit, legal, regulatory, and tax-related services associated with maintaining compliance with applicable Nasdaq and SEC requirements; additional director and officer insurance costs; and investor and public relations costs.

### *Other Income (Expense), Net*

Other income (expense), net includes interest expense, foreign currency transactions gains and losses, a loss on extinguishment of convertible notes issued and converted into Series A-1 redeemable convertible preferred stock shares during 2019, and changes in the fair value of our derivative tranche liabilities. Our obligation to issue additional Series A-1 redeemable convertible preferred stock shares upon the occurrence of certain milestone events represented a freestanding financial instrument. The instrument was classified as a liability in our balance sheets and re-measured at each reporting period end and at the settlement date.

## **Results of Operations**

### *Years Ended December 31, 2019 and 2020*

The following table summarizes our results of operations for the years ended December 31, 2019 and 2020 (in thousands):

	<b>Year Ended December 31, 2019</b>	<b>Year Ended December 31, 2020</b>	<b>Change</b>
Operating expenses			
Research and development	\$ 3,618	\$ 15,883	\$ 12,265
General and administrative	1,092	4,800	3,708
Total operating expenses	4,710	20,683	15,973
Loss from operations	(4,710)	(20,683)	(15,973)
Interest and other (expense) income, net	(533)	(111)	422
Change in fair value of derivative liability	256	(10,875)	(11,131)
Total other income (expense), net	(277)	(10,986)	(10,709)
Net loss and comprehensive loss	\$ (4,987)	\$ (31,669)	\$ (26,682)

**Research and Development Expenses**

The following table summarizes our research and development expenses for the years ended December 31, 2019 and 2020 (in thousands):

	Year ended December 31,	
	2019	2020
External costs:		
CRO, CMO and other third-party preclinical studies and clinical trials	\$ 1,534	\$ 8,791
Consulting costs	1,222	2,776
Technology and intellectual property license and option	862	1,013
Other research and development costs, including laboratory materials and supplies	—	460
Internal costs:		
Personnel-related costs	—	2,843
Total research and development expense:	<u>\$ 3,618</u>	<u>\$ 15,883</u>

Research and development expenses increased by \$12.3 million, from \$3.6 million for the year ended December 31, 2019, to \$15.9 million for the year ended December 31, 2020.

External CMO product development and manufacturing expenses were \$5.0 million and CRO expenses related to our SCID and MDS/AML clinical trials were \$1.3 million and \$1.2 million, respectively, for the year ended December 31, 2020. We did not incur similar expenses in the year ended December 31, 2019 as there were no product candidate development activities or clinical trials in progress during the 2019 fiscal year. Other third-party preclinical studies expenses decreased by \$0.2 million, from \$1.5 million for the year ended December 31, 2019 to \$1.3 million for the year ended December 31, 2020. Expenses related to professional consulting services increased by \$1.6 million, from \$1.2 million for the year ended December 31, 2019, to \$2.8 million for the year ended December 31, 2020, and include costs related to external consulting incurred to supplement our research and development personnel. Technology and intellectual property license and option expenses increased by \$0.2 million. We recognized \$0.9 million of expenses associated with the Amgen License Agreement in November 2019, and \$1.0 million of expenses related to the Option exercised under the ISRA with Stanford in June 2020. Other external research and development costs increased by \$0.5 million and include laboratory materials and supplies, shipping, packaging and labeling and other miscellaneous costs.

Our external costs for SCID and MDS/AML product candidates were \$2.1 million and \$1.7 million, respectively, for the year ended December 31, 2020. Our external costs for our platform related to JSP191 were \$8.9 million for the year ended December 31, 2020. Other external costs relate to our platform technology. We did not track external costs by our programs in 2019.

Employee payroll and related expenses increased by \$2.8 million, from zero for the year ended December 31, 2019 to \$2.8 million for the year ended December 31, 2020, as a result of hiring employees in our research and development organization. In connection with the hiring of such personnel, we granted stock options and recognized \$0.3 million of stock-based compensation expense for the year ended December 31, 2020. There was no stock-based compensation expense recorded for the year ended December 31, 2019.

**General and Administrative Expenses**

General and administrative expenses increased by \$3.7 million, from \$1.1 million for the year ended December 31, 2019, to \$4.8 million for the year ended December 31, 2020. Employee payroll and related expenses increased by \$1.6 million, from \$0.1 million for the year ended December 31, 2019 to \$1.7 million for the year ended December 31, 2020, as a result of the hiring of our executives and administrative employees since November 2019, after the closing of our Series A redeemable convertible stock financing. In connection with the hiring of such personnel, we granted stock options and recognized \$0.7 million of stock-based compensation expense for the year ended December 31, 2020, compared to \$6,000 recognized for the year ended December 31, 2019. Expenses related to recruiting and professional consulting services increased by \$1.5 million, from \$0.9 million for the year ended December 31, 2019 to \$2.4 million for the year ended December 31, 2020, and

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include recruiting, legal, accounting and other services costs. Rent expense increased by \$0.3 million and other expenses, including insurance, office supplies, subscriptions and other miscellaneous expenses, increased by \$0.3 million for the year ended December 31, 2020 as compared to expenses for the year ended December 31, 2019, as we expanded our operations during the year ended December 31, 2020.

**Other Income (Expenses), Net**

Other income (expenses), net increased by \$10.7 million, from \$0.3 million net expense for the year ended December 31, 2019 to \$11.0 million net expense for the year ended December 31, 2020.

We recognized interest expense and a loss on extinguishment of \$0.5 million related to our convertible notes outstanding during the year ended December 31, 2019, and no such expenses were recognized for the year ended December 31, 2020. Interest income of \$0.1 million and foreign currency transaction losses of \$0.2 million were recorded for the year ended December 31, 2020, and we did not have similar expenses for the year ended December 31, 2019.

Our obligation to issue additional Series A-1 redeemable convertible preferred shares, the derivative tranche liability, is re-measured at fair value at each reporting period with changes recorded in other income (expense), net. The change in fair value of the derivative tranche liability was a gain of \$0.3 million recorded for the year ended December 31, 2019 and a loss of \$10.9 million recorded for the year ended December 31, 2020. The redeemable convertible preferred stock tranche liability is measured using the option pricing method by estimating the fair value using the Black-Scholes model. The significant inputs used in the Black-Scholes model include the fair value of the redeemable convertible preferred stock, the risk-free interest rate, the expected volatility and the expected term when each tranche will be settled. The increase in fair value of the derivative tranche liability was primarily related to an increase in fair value of underlying Series A-1 shares during the year ended December 31, 2020, which is a significant input to the valuation of the derivative tranche liability.

**Results of Operations****Six Months Ended June 30, 2020 and 2021**

The following table summarizes our results of operations for the six months ended June 30, 2020 and 2021 (in thousands):

	Six Months Ended June 30, 2020	Six Months Ended June 30, 2021	Change
Operating expenses			
Research and development	\$ 6,716	\$ 9,576	\$ 2,860
General and administrative	2,001	5,096	3,095
Total operating expenses	8,717	14,672	5,955
Loss from operations	(8,717)	(14,672)	(5,955)
Interest and other income, net	18	5	(13)
Change in fair value of derivative liability	(2,158)	(3,501)	(1,343)
Total other expense, net	(2,140)	(3,496)	(1,356)
Net loss and comprehensive loss	\$ (10,857)	\$ (18,168)	\$ (7,311)

**Research and Development Expenses**

The following table summarizes our research and development expenses for the six months ended June 30, 2020 and 2021 (in thousands):

	Six Months Ended June 30,	
	2020	2021
External costs:		
CRO, CMO and other third-party preclinical studies and clinical trials	\$ 3,493	\$ 4,184
Consulting costs	1,396	1,779
Technology and intellectual property license and option	1,000	—
Other research and development costs, including laboratory materials and supplies	—	931
Internal costs:		
Personnel-related costs	827	2,633
Facilities and overhead costs	—	49
<b>Total research and development expense:</b>	<b>\$ 6,716</b>	<b>\$ 9,576</b>

Research and development expenses increased by \$2.9 million, from \$6.7 million for the six months ended June 30, 2020, to \$9.6 million for the six months ended June 30, 2021, mainly due to progression in the clinical trials, product development activities and hiring additional personnel.

External CMO product development and manufacturing expenses were \$2.1 million for the six months ended June 30, 2020 and \$1.7 million for the six months ended June 30, 2021. The decrease in CMO expenses in the 2021 period as compared to the 2020 period relates to the timing of clinical manufacturing activities and costs incurred upon the transfer of know-how and initial set-up activities with the CMO. CRO expenses related to our SCID and MDS/AML clinical trials were \$0.5 million and \$0.4 million, respectively, for the six months ended June 30, 2020, as compared to \$0.5 million and \$0.8 million, respectively, for the six months ended June 30, 2021. We did not incur any CRO expenses related to our JSP-191 program during the six months ended June 30, 2020, as compared to \$0.1 million of CRO expenses during the six months ended June 30, 2021. Other third-party preclinical studies expenses increased by \$0.4 million during the six months ended June 30, 2021 as compared to the six months ended June 30, 2020. Expenses related to professional consulting services increased by \$0.4 million, from \$1.4 million for the six months ended June 30, 2020 to \$1.8 million for the six months ended June 30, 2021 and include costs related to external consulting incurred to supplement our research and development personnel. Other external research and development costs increased by \$0.9 million and include laboratory materials and supplies, shipping, packaging and labeling and other miscellaneous costs.

Our external costs by program for the six months ended June 30, 2020 and 2021 were as follows (in thousands):

	Six Months Ended June 30,	
	2020	2021
JSP-191	\$ 4,399	\$ 4,222
MDS/AML	492	1,404
SCID	952	903
Other	46	365
<b>Total external costs</b>	<b>\$ 5,889</b>	<b>\$ 6,894</b>

Employee payroll and related expenses increased by \$1.8 million, from \$0.8 million for the six months ended June 30, 2020 to \$2.6 million for the six months ended June 30, 2021, as a result of hiring employees in our research and development organization in 2021. We recognized less than \$0.1 million of stock-based compensation expense for the six months ended June 30, 2020, as compared to \$0.3 million for the six months ended June 30, 2021 as a result of increased headcount of our executives and administrative employees in 2021.

### **General and Administrative Expenses**

General and administrative expenses increased by \$3.1 million, from \$2.0 million for the six months ended June 30, 2020, to \$5.1 million for the six months ended June 30, 2021. Employee payroll and related expenses increased by \$0.2 million, from \$1.0 million for the six months ended June 30, 2020 to \$1.2 million for the six months ended June 30, 2021, as a result of increased headcount of our executives and administrative employees. In connection with the hiring of such personnel, we granted stock options and recognized \$0.3 million of stock-based compensation expense for the six months ended June 30, 2021, compared to \$0.4 million recognized for the six months ended June 30, 2020. The decrease of recognized expense in the 2021 period as compared to the 2020 period was mostly due to \$0.3 million of stock-based compensation expense related to the vesting of awards with performance milestones during the six months ended June 30, 2020. Expenses related to recruiting and professional consulting services increased by \$2.3 million, from \$0.8 million for the six months ended June 30, 2020 to \$3.1 million for the six months ended June 30, 2021, and include consulting, recruiting, legal, audit, accounting and other services costs. Rent expense increased by \$0.3 million as compared to expenses for the six months ended June 30, 2020 and other expenses, including insurance, office supplies, subscriptions and other miscellaneous expenses, increased by \$0.3 million for the six months ended June 30, 2021 as compared to expenses for the six months ended June 30, 2020, as we expanded our operations in the second half of the year ended December 31, 2020 and during the six months ended June 30, 2021.

### **Other Expenses, Net**

Other expenses, net increased by \$1.4 million, from \$2.1 million net expense for the six months ended June 30, 2020 to \$3.5 million net expense for the six months ended June 30, 2021.

Interest income of \$0.1 million and less than \$0.1 million was recorded for the six months ended June 30, 2020 and 2021, respectively.

Our obligation to issue additional Series A-1 redeemable convertible preferred shares, the derivative tranche liability, is re-measured at fair value at each reporting period with changes recorded in other expense, net. The change in fair value of the derivative tranche liability was a loss of \$2.2 million recorded for the six months ended June 30, 2020 and a loss of \$3.5 million recorded for the six months ended June 30, 2021. The redeemable convertible preferred stock tranche liability is measured using the option pricing method by estimating the fair value using the Black-Scholes model. The significant inputs used in the Black-Scholes model include the fair value of the redeemable convertible preferred stock, the risk-free interest rate, the expected volatility and the expected term when each tranche will be settled. The increase in fair value of the derivative tranche liability was primarily related to an increase in fair value of underlying Series A-1 preferred shares in the 2021 period as compared to the 2020 period, which is a significant input to the valuation of the derivative tranche liability.

### **Liquidity and Capital Resources**

We have funded our operations to date primarily from the issuance of redeemable convertible preferred stock shares and issuance of convertible promissory notes. Through June 30, 2021, we have raised \$51.5 million in gross proceeds in cash, including \$50.0 million from the issuance of Series A-1 redeemable convertible preferred stock shares and \$1.5 million in the convertible notes. As of December 31, 2020, and as of June 30, 2021, we had \$19.8 million and \$16.8 million of cash and cash equivalents, respectively.

### **Future Funding Requirements**

Our primary uses of cash are to fund our operations, which consist primarily of research and development expenditures related to our programs and, to a lesser extent, general and administrative expenditures. We anticipate that we will continue to incur significant expenses for the foreseeable future as we continue to advance our product candidates, expand our corporate infrastructure, operate as a public company, further our research and development initiatives for our product candidates, scale our laboratory and manufacturing operations, and incur marketing costs associated with potential commercialization. We are subject to all the risks typically related to the development of new drug candidates, and we may encounter unforeseen expenses, difficulties, complications, delays and other unknown factors that may adversely affect our business. We anticipate that we will need substantial additional funding in connection with our continuing operations.

We have incurred significant losses and negative cash flows from operations since our inception. As of June 30, 2021, we had an accumulated deficit of \$55.0 million. Given our recurring losses from operations and negative cash flows, and based on our current operating plan, there is substantial doubt about our ability to continue as a going concern. As a result, we concluded that there was substantial doubt about our ability to continue as a going concern within one year after the date when our financial statements, included elsewhere in this prospectus, were available for issuance. We expect to finance our future cash needs through public or private equity or debt financings, collaborations, or a combination of these approaches. The sale of equity or convertible debt securities may result in dilution to our stockholders, and, in the case of preferred equity securities or convertible debt, those securities could provide for rights, preferences or privileges senior to those of our common stock. Debt financings may subject us to covenant limitations or restrictions on our ability to take specific actions, such as incurring additional debt or making capital expenditures. Our ability to raise additional funds may be adversely impacted by negative global economic conditions and any disruptions to and volatility in the credit and financial markets in the United States and worldwide that may result from the ongoing COVID-19 pandemic or other factors. There can be no assurance that we will be successful in acquiring additional funding at levels sufficient to fund our operations or on terms favorable or acceptable to us. If we are unable to obtain adequate financing when needed or on terms favorable or acceptable to us, we may be forced to delay, reduce the scope of or eliminate one or more of our research and development programs.

Our future financing requirements will depend on many factors, including:

- the timing, scope, progress, results and costs of research and development, preclinical and non-clinical studies and clinical trials for our current and future product candidates;
- the number, scope and duration of clinical trials required for regulatory approval of our current and future product candidates;
- the outcome, timing and costs of seeking and obtaining regulatory approvals from the FDA and comparable foreign regulatory authorities for our product candidates, including any requirement to conduct additional studies or generate additional data beyond that which we currently expect would be required to support a marketing application;
- the costs of manufacturing clinical and commercial supplies of our current and future product candidates;
- the costs and timing of future commercialization activities, including product manufacturing, marketing, sales and distribution, for any of our product candidates for which we receive marketing approval;
- any product liability or other lawsuits related to our product candidates;
- the revenue, if any, received from commercial sales of any product candidates for which we may receive marketing approval;
- our ability to establish a commercially viable pricing structure and obtain approval for coverage and adequate reimbursement from third-party and government payers;
- the costs to establish, maintain, expand, enforce and defend the scope of our intellectual property portfolio, including the amount and timing of any payments we may be required to make, or that we may receive, in connection with licensing, preparing, filing, prosecuting, defending and enforcing our patents or other intellectual property rights;
- expenses incurred to attract, hire and retain skilled personnel;
- the costs of operating as a public company; and
- the impact of the COVID-19 pandemic, which may exacerbate the magnitude of the factors discussed above.

After the Closing of the Business Combination and the concurrent PIPE Financing, our management believes we have sufficient cash to operate for approximately the next twelve months based on our current operating plan. We will need to raise additional financing to continue our products' development for the foreseeable future, until we become profitable.

**Cash Flows**

The following table summarizes our sources and uses of cash for the periods presented (in thousands):

	Year ended December 31,		Six Months Ended June 30,	
	2019	2020	2020	2021
Net cash used in operating activities	\$ (1,969)	\$ (18,267)	\$ (4,947)	\$ (11,986)
Net cash used in investing activities	—	—	—	(1,247)
Net cash provided by financing activities	29,128	11,287	484	10,152
Net increase (decrease) in cash and cash equivalents and restricted cash	\$ 27,159	\$ (6,980)	\$ (4,463)	\$ (3,081)

*Cash Flows from Operating Activities*

Net cash used in operating activities was \$2.0 million for the year ended December 31, 2019 and \$18.3 million for the year ended December 31, 2020.

Cash used in operating activities in the year ended December 31, 2019 was primarily due to our net loss for the year of \$5.0 million adjusted by non-cash charges of \$1.1 million and a net change of \$1.9 million in our net operating assets and liabilities. The non-cash charges consisted of \$0.9 million related to shares issued as consideration for acquired in process research and development technology from Amgen, \$0.5 million related to a loss on extinguishment of convertible notes, and \$0.3 million related to the changes in the fair value of the derivative tranche liability. The changes in our net operating assets and liabilities were primarily due to an increase of \$1.4 million in accrued expenses and other current liabilities, and an increase in accounts payable of \$0.5 million due to the timing of payments to our vendors.

Cash used in operating activities in the year ended December 31, 2020 was primarily due to our net loss for the year of \$31.7 million adjusted by non-cash charges of \$12.1 million and a net change of \$1.3 million in our net operating assets and liabilities. The non-cash charges consisted of \$10.9 million related to changes in the fair value of the derivative tranche liabilities and \$1.2 million related to stock-based compensation expense. The changes in our net operating assets and liabilities were primarily due to an increase of \$1.2 million in accrued expenses and other current liabilities, an increase of \$0.4 million in accounts payable, an increase of \$0.3 million in other non-current assets, an increase of \$0.2 million in other non-current liabilities, and an increase of \$0.2 million in prepaid expenses, as we expanded our operations, started clinical trials and increased our research and development activities during 2020 as compared to 2019.

Net cash used in operating activities was \$5.0 million for the six months ended June 30, 2020 and \$12.0 million for the six months ended June 30, 2021.

Cash used in operating activities during the six months ended June 30, 2020 was primarily due to our net loss for the period of \$10.9 million adjusted by a net change of \$3.3 million in our net operating assets and liabilities and non-cash charges of \$2.6 million. The non-cash charges consisted of \$2.2 million related to the changes in the fair value of the derivative tranche liability and \$0.5 million related to stock-based compensation expense. The changes in our net operating assets and liabilities were primarily due to an increase of \$3.6 million in accounts payable, a \$0.5 million decrease in accrued expenses and other current liabilities, an increase of \$0.4 million in other non-current liabilities, and a \$0.2 million increase in prepaid expenses and other current assets.

Cash used in operating activities during the six months ended June 30, 2021 was primarily due to our net loss for the period of \$18.2 million adjusted by non-cash charges of \$4.4 million and a net change of \$1.8 million in our net operating assets and liabilities. The non-cash charges consisted of \$3.5 million related to changes in the fair value of the derivative tranche liabilities, \$0.6 million related to stock-based compensation expense, \$0.2 million of non-cash operating lease expense and \$0.1 million of depreciation expense. The changes in our net operating assets and liabilities were primarily due to an increase of \$1.6 million in accounts payable, an increase of \$1.1 million in accrued expenses and other current liabilities, an increase of \$0.7 million in prepaid expenses and other current assets, an increase of \$0.7 million in other non-current assets, a decrease of \$0.6 million in other receivables and a \$0.2 million decrease in other non-current liabilities. The increase in accounts payable and accrued liabilities resulted from the timing of payments to our service providers.

*Cash Flows from Investing Activities*

Cash used in investing activities for the six months ended June 30, 2021 was \$1.2 million, which consisted primarily of purchases of the lab equipment and leasehold improvements.

*Cash Flows from Financing Activities*

Cash provided by financing activities for the year ended December 31, 2019 was \$29.1 million, which consisted primarily of net proceeds from the issuance Series A-1 redeemable convertible preferred stock shares of \$27.6 million and \$1.5 million from the issuance of convertible notes.

Cash provided by financing activities for the year ended December 31, 2020 was \$11.3 million, which consisted primarily of net proceeds from the issuance of Series A-1 redeemable convertible preferred stock shares upon the settlement of the first tranche liability.

Cash provided by financing activities for the six months ended June 30, 2020 was \$0.5 million, which consisted primarily of net proceeds from the issuance of Series A-1 redeemable convertible preferred stock shares.

Cash provided by financing activities for the six months ended June 30, 2021 was \$10.2 million, which consisted primarily of net proceeds from the issuance of Series A-1 redeemable convertible preferred stock shares upon the settlement of the second tranche liability of \$10.8 million and proceeds from exercise of common stock options of \$0.1 million, partially offset by a \$0.7 million payment of offering costs.

**Contractual Obligations and Commitments**

The following table summarizes our contractual obligations and commitments at December 31, 2020 (in thousands):

	Payments due by Period				Total
	Less than 1 year	1 – 3 Years	4 – 5 Years	More than 5 Years	
Operating Lease Obligations*	\$ 417**	\$ 2,215	\$ 1,115	\$ —	\$ 3,747
License Option Liability	400	200	—	—	600
<b>Total</b>	<b>\$ 817</b>	<b>\$ 2,415</b>	<b>\$ 1,115</b>	<b>\$ —</b>	<b>\$ 4,347</b>

\* Consists of our office and lab space lease in Redwood City, California that expires in May 2026.

\*\* Does not include an offset of \$1.38 million related to incentives that we expect to receive in 2021.

We enter into contracts in the normal course of business with CROs for clinical trials, with CMOs for clinical supplies manufacturing and with other vendors for preclinical studies, supplies and other services and products for operating purposes. These contracts generally provide for termination on notice or may have a potential termination fee if a purchase order is cancelled within a specified time, and therefore are cancelable contracts and not included in the table above.

**Critical Accounting Policies and Significant Judgments and Estimates**

Our management's discussion and analysis of our financial condition and results of operations is based on our financial statements, which have been prepared in accordance with 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 consolidated 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.

While our significant accounting policies are described in more details in Note 2 to our financial statements included elsewhere in this prospectus, we believe that the following accounting policies are those most critical to the judgments and estimates used in the preparation of our financial statements.

### **Accrued Research and Development Expenses**

We have entered into various agreements with outsourced vendors, including CROs and CMOs. Research and development expenses are recognized as services are performed and as costs occur. We make significant judgments and estimates in determining the accrual balance in each reporting period. As actual costs become known, we adjust our accruals. Although we do not expect our estimates to be materially different than the actual amounts incurred, such estimates for the status and timing of services performed relative to the actual status and timing of services performed may vary and could result in us reporting amounts that are too high or too low in any one period. Our accrual is dependent, in part, upon the receipt of timely and accurate reporting from CROs, CMOs, and other third-party vendors. Variations in the assumptions used to estimate accruals including, but not limited to, the number of patients enrolled, the rate of patient enrollment and the actual services performed, may vary from our estimates, resulting in adjustments to clinical trial expenses in future periods. Payments made under these arrangements in advance of the performance of the related services are recorded as prepaid expenses and other current assets until the services are rendered. To date, there have been no material differences between estimates of such expenses and the amounts actually incurred.

### **Derivative Tranche Liability**

We determined that the obligation to issue additional shares of redeemable convertible preferred stock upon the occurrence of certain events, including a certain threshold number of patients being enrolled in clinical trials, or our Board's consent, represents a freestanding financial instrument. The instrument is classified as a liability on the balance sheets and is subject to re-measurement at each balance sheet date and at the settlement date. Any change in fair value is recognized in the statements of operations and comprehensive loss.

We utilize the Black-Scholes option-pricing model, which incorporates assumptions and estimates, to value redeemable convertible preferred stock tranche liability. On a quarterly basis, we assess these assumptions and estimates as additional information impacting the assumptions is obtained. Estimates and assumptions impacting the fair value measurement include the fair value of the preferred stock, the expected term when the tranche liability will be settled, expected volatility, risk-free interest rate and expected dividend yield.

We determine the fair value per share of the underlying preferred stock by taking into consideration our most recent sales of our preferred stock as well as additional factors that we deem relevant. We were a private company and lacked company-specific historical and implied volatility information of our stock. Therefore, we determined expected stock volatility based on the historical volatility of the prices of shares of common stock of publicly-traded peer companies. We estimate the risk-free interest rate by reference to the U.S. Treasury yield curve for time periods approximately equal to the remaining contractual term of the outstanding tranche liability. We have assumed a 0% dividend considering that our Board has no history of declaring dividends and does not intend to declare any.

As of December 31, 2019 and 2020, we had outstanding tranche liability of \$4.1 million and \$8.2 million, respectively. The tranche liability was subsequently settled in February 2021.

### **Stock-Based Compensation**

We measure stock-based awards made to employees and non-employees based on the estimated fair values of the awards as of the grant date using the Black-Scholes option-pricing model. The model requires management to make a number of assumptions including common stock fair value, expected volatility, expected term, risk-free interest rate and expected dividend yield.

*Expected Volatility* — Expected volatility is estimated by studying the volatility of the prices of shares of common stock of comparable public companies for similar terms.

*Expected Term* — Expected term represents the period that our stock-based awards are expected to be outstanding and is determined using the simplified method.

*Risk-Free Interest Rate* — The risk-free interest rate is based on the U.S. Treasury zero-coupon issued in effect at the time of grant for periods corresponding with the expected term of the option.

*Expected Dividend* — The Black-Scholes valuation model calls for a single expected dividend yield as an input. To date, we have not declared or paid any dividends.

We recognized stock-based compensation expense on a straight-line basis over the requisite service period, which is the period in which the related services are received. We account for forfeitures as they occur. The expense for stock-based awards with performance conditions is recognized when it is probable that a performance condition is met during the vesting period.

We recorded stock-based compensation expense of \$6,000 and \$1.2 million for the years ended December 31, 2019 and 2020, respectively. We recorded stock-based compensation expense of \$0.5 million and \$0.6 million for the six months ended June 30, 2020 and 2021, respectively. As of June 30, 2021, there was \$2.1 million of total unrecognized compensation expense, which we expect to recognize over a remaining weighted-average period of 2.7 years. We expect to continue to grant equity-based awards in the future, and to the extent that we do, our stock-based compensation expense recognized in future periods will likely increase.

#### ***Fair Value of Common Stock and Redeemable Convertible Preferred Stock***

In determining the fair value of our common stock and redeemable convertible preferred stock, the methodologies used to estimate the enterprise value are performed using methodologies, approaches and assumptions consistent with the American Institute of Certified Public Accountants Accounting and Valuation Guide, *Valuation of Privately-Held-Company Equity Securities Issued as Compensation* (the “Practice Aid”). Our management’s approach to estimate the fair value considers a number of objective and subjective factors, including: valuations of our common stock performed with the assistance of independent third-party valuation specialists; our stage of development and business strategy, including the status of research and development efforts and the material risks relating to the business and industry; our results of operations and financial position, including levels of available capital resources; the valuation of publicly traded companies in the life sciences and biotechnology sectors, as well as recently completed mergers and acquisitions of peer companies; the lack of marketability of our common stock; the prices of convertible preferred shares sold to investors in arm’s length transactions and the rights, preferences and privileges of our redeemable convertible preferred stock relative to those of our common stock; and the likelihood of achieving a liquidity event for the holders of the common and redeemable convertible preferred stock, such as an initial public offering or a sale, given prevailing market conditions.

For our valuations performed prior to December 31, 2020, we utilized an Option Pricing Method (“OPM”), based analysis, primarily the OPM Backsolve methodology, to determine the estimated fair value of our common stock. We determined this was the most appropriate method for determining the fair value of our common stock based on our stage of development and other relevant factors. Within the OPM framework, the Backsolve method for inferring the total equity value implied by a recent financing transaction involves the construction of an allocation model that takes into account our capital structure and the rights and preferences of each class of shares, then assumes reasonable inputs for the other OPM variables (expected time to liquidity, volatility, risk-free rate, etc.). The total equity value is then iterated in the model until the model output value for the equity class sold in a recent financing round equals the price paid in that round. The fair value of our redeemable convertible preferred stock was derived from the total equity value allocated to this class of outstanding securities. The OPM is generally utilized when specific future liquidity events are difficult to forecast, i.e., the entity has many choices and options available, and the entity’s value depends on how well it follows an uncharted path through the various possible opportunities and challenges. If a recent financing was more than one year from the valuation date, we adjusted our equity value for reasonable market adjustments by taking into account our internal progress towards our business plans. In determining the estimated fair value of our common stock, management also considered the fact that our common stock cannot be freely traded in the public markets. Accordingly, we applied discounts to reflect the lack of marketability of our common stock on the weighted-average expected time to liquidity. The estimated fair value of our common stock at each valuation date reflected a non-marketability discount partially based on the anticipated likelihood and timing of a future liquidity event.

For our valuations performed on and after December 31, 2020, we utilized a hybrid method that combines the Probability-Weighted Expected Return Method (“PWERM”), an accepted valuation method described in the Practice Aid, and the OPM. We determined this was the most appropriate method for determining the fair value of our common stock based on our stage of development and other relevant factors. The PWERM is a scenario-based analysis that estimates the value per share of common stock based on the probability-weighted present value of expected future equity values for the common stock, under various possible future liquidity event scenarios, considering the rights and preferences of each class of shares, discounted for a lack of marketability. Under the hybrid method, an option pricing model was utilized to determine the fair value of our common stock and

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our redeemable convertible preferred stock in certain of the PWERM scenarios (capturing situations where our development path and future liquidity events were difficult to forecast), potential exit events were explicitly modeled in the other PWERM scenarios. A discount for lack of marketability was applied to the value derived under each scenario to account for a lack of access to an active public market to estimate our common stock fair value.

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

### ***Income Taxes***

We account for income taxes using the asset and liability method. We recognize deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements or tax returns. Deferred tax assets and liabilities are determined based on the difference between the financial statements and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse.

In evaluating the ability to recover our deferred income tax assets, we consider all available positive and negative evidence, including our operating results, ongoing tax planning, and forecasts of future taxable income on a jurisdiction-by-jurisdiction basis. In the event we determine that we would be able to realize our deferred income tax assets in the future in excess of their net recorded amount, we would make an adjustment to the valuation allowance that would reduce the provision for income taxes. Conversely, if all or part of the net deferred tax assets are determined not to be realizable in the future, an adjustment to the valuation allowance would be charged to the provision of income taxes in the period when such determination is made. As of December 31, 2019 and 2020, we recorded a full valuation allowance on the deferred tax assets.

As of December 31, 2020, we had net operating loss carryforwards of approximately \$20.4 million and \$20.0 million available to reduce future taxable income, if any, for both federal and California state income tax purposes, respectively. The federal net operating loss carryforwards do not expire, and the state net operating loss carryforwards begin expiring in 2038. As of December 31, 2020, we had credit carryforwards of approximately \$0.2 million and \$0.3 million available to reduce future taxable income, if any, for both federal and California state income tax purposes, respectively. The federal research and development credit carryforwards begin expiring in 2039 and the California credits carryforward indefinitely.

On March 27, 2020, the President of the United States signed into law the CARES Act. The CARES Act, among other things, includes certain income tax provisions for individuals and corporations; however, these benefits do not impact our current tax provision.

### **Recently Adopted Accounting Pronouncements**

For information on new accounting standards, see Note 2 to our financial statements included elsewhere in this prospectus.

### **Off-Balance Sheet Arrangements**

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

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

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

We had cash and cash equivalents of \$19.8 million and \$16.8 million as of December 31, 2020 and June 30, 2021, respectively, which consisted of checking account and money market funds. Historical fluctuations in interest rates have not been significant for us, and we believe a hypothetical 10% change in interest rates during any of the periods presented would not have had a material effect on our financial statements included elsewhere in this

prospectus. We had no outstanding debt as of December 31, 2020 and June 30, 2021. To minimize the risk in the future, we intend to maintain our portfolio of cash equivalents in institutional market funds that are composed of U.S. Treasury and U.S. Treasury-backed repurchase agreements or short-term U.S. Treasury securities.

### ***Foreign Currency Exchange Risk***

All of our employees are currently located in the United States; however, we do utilize certain vendors outside of the United States for our manufacturing of drug substances and clinical supplies. As such, our expenses are denominated in both U.S. dollars and foreign currencies. Therefore, our operations are and will continue to be subject to fluctuations in foreign currency exchange rates. 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. We believe a hypothetical 10% change in exchange rates during any of the periods presented would not have a material effect on our financial statements included elsewhere in this prospectus.

### ***Effects of Inflation***

Inflation generally affects us by increasing our cost of labor and in the future our clinical trial costs. We believe that inflation has not had a material effect on our financial statements included elsewhere in this prospectus.

### **JOBS Act**

The JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Exchange Act) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but any such election to opt out is irrevocable. We have opted to take advantage of the exemption for complying with new or revised accounting standards within the same time periods as private companies, which means that when a standard is issued or revised and it has different application dates for public or private companies, we, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard. This may make comparison of our financial statements with another public company which is neither an emerging growth company nor an emerging growth company which has opted out of using the extended transition period difficult or impossible because of the potential differences in accounting standards used.

We will remain an emerging growth company until the earlier of: (i) the last day of the fiscal year (a) following the fifth anniversary of the closing of the Initial Public Offering, (b) in which we have total annual gross revenue of at least \$1.07 billion, or (c) in which we are deemed to be a large accelerated filer, which means the market value of our common equity that is held by non-affiliates exceeds \$700 million as of the last business day of its most recently completed second fiscal quarter; and (ii) the date on which we have issued more than \$1.00 billion in non-convertible debt securities during the prior three-year period. References herein to “emerging growth company” have the meaning associated with it in the JOBS Act.

## BUSINESS

### Overview

We are a clinical-stage biotechnology company dedicated to enabling cures through hematopoietic stem cell therapy. We are focused on the development and commercialization of safer and more effective conditioning agents and stem cell engineering to allow for expanded use of stem cell transplantation and *ex vivo* gene therapy, a technique in which genetic manipulation of cells is performed outside of the body prior to transplantation.

Our drug development pipeline includes multiple product candidates designed to improve hematopoietic stem cell therapy. Our lead product candidate, JSP191, is in clinical development as a novel conditioning antibody that clears hematopoietic stem cells from bone marrow in patients prior to undergoing allogeneic stem cell therapy or stem cell gene therapy. We are also developing eHSC product candidates reprogrammed using mRNA delivery and gene editing that, based on initial in-vitro experiments, we believe may have a competitive advantage over endogenous HSCs. We believe this may lead to products that permit higher levels of engraftment without the need for toxic conditioning of the patient and with potentially lower risk of other serious complications, such as Graft Vs. Host Disease, seen with current stem cell transplants. We also plan to continue to expand our pipeline to include other novel stem cell therapies based on immune modulation, graft engineering or cell and gene therapies. Our goal is to expand the use of curative stem cell transplant and gene therapies for all patients, including children and the elderly.

Stem cell transplantation is among the most widely practiced forms of cellular therapy and has the potential to cure a wide variety of diseases, including cancers, genetic disorders and autoimmune diseases. A stem cell transplant procedure involves three main steps: (i) stem cells from the patient's or donor's bone marrow are collected; (ii) the patient's bone marrow is cleared of any remaining stem cells in order to make space to receive new transplanted stem cells, which is known as conditioning; and (iii) the new stem cells are transplanted into the patient via infusion where they fasten to, or engraft in, the bone marrow and grow into the blood and immune cells that form the basis of reset and rebuilt blood and immune systems. Transplants are either allogeneic or autologous, depending on the source of the new stem cells for the transplant. In an allogeneic transplant, patients receive cells from a stem cell donor. In an autologous transplant, the patient's own stem cells are used. Autologous transplants also include stem cell gene therapies, where cells are collected from the patient, edited to either enable a functioning gene or correct a defective gene, and then transplanted into the patient via infusion. Our programs span both allogeneic and autologous transplants, with initial programs in JSP191 based on an allogeneic approach.

Currently, patients must receive highly toxic and potentially life-threatening conditioning agents to prepare their bone marrow for transplantation with either donor stem cells or their own gene-edited stem cells. Younger, fitter patients capable of surviving these toxic side effects are typically given myeloablative, or high-intensity, conditioning whereas older or less fit patients are typically given reduced intensity, but still toxic, conditioning which leads to less effective transplants. These toxicities include a range of acute and chronic effects to the gastrointestinal tract, kidneys, liver, lung, endocrine, and neurologic tissues. Depending upon the conditioning regimen, fitness of the patient, and compatibility between the donor and recipient, the risk of transplant-related mortality ("TRM") ranges from 10% to more than 50% in older patients. Less toxic ways to condition patients have been developed to enable transplant for older patients or those with major comorbidities, but these regimens risk less potent disease elimination and higher rates of disease relapse. Even though stem cell therapy can be one of the most powerful forms of disease cure, these limitations of non-targeted conditioning regimens have seen little innovation over the past decade.

**Tradeoffs with Current Conditioning in Oncology**

	<b>Myeloablative Conditioning (MAC)</b>	<b>Reduced Intensity Conditioning (RIC)</b>
<b>Efficacy</b>	 <b>67.8% Relapse Free Survival by 18 months<sup>1</sup></b>	 <b>47.3% Relapse Free Survival by 18 months<sup>1</sup></b>
<b>Safety</b>	 <b>15.8% Treatment-Related Mortality by 18 months<sup>1</sup></b>	 <b>4.4% Treatment-Related Mortality by 18 months<sup>1</sup></b>

[1] Scott BL, Pasquini MC, Logan BR, et al. Myeloablative versus reduced-intensity hematopoietic cell transplantation for acute myeloid leukemia and myelodysplastic syndromes. *J Clin Oncol*, 2017;35(11):1154-1161.

Our lead product candidate, JSP191, is a monoclonal antibody designed to block a specific survival signal on stem cells and is in development as a highly targeted conditioning agent prior to stem cell therapy. We are developing JSP191 for SCID for which we are currently conducting an open label Phase 1/2 clinical trial in two cohorts of SCID patients: patients with a history of a prior allogeneic transplant for SCID but with poor graft outcomes and newly diagnosed SCID patients. The primary endpoint in Phase 1 is to evaluate the safety and tolerability of JSP191. The two primary efficacy endpoints in Phase 2 are the proportion of subjects achieving adequate donor HSC engraftment and the proportion of subjects achieving naïve T cell production greater than or equal to 85 cells/uL, a level expected to provide immune reconstitution, during weeks 36 to 104 post-transplant. Based on preliminary results from our ongoing Phase 1/2 clinical trial, we believe JSP191 has demonstrated the ability as a single agent to enable engraftment of donor HSCs as determined by donor chimerism, or the percentage of bone marrow cells in the patient that are of donor origin after transplant. Five out of the first six patients produced naïve T cells at a level expected to provide improved immune function by two years post-transplant. No JSP191 treatment-related serious adverse events (“SAEs”) have been reported to date and pharmacokinetics have been consistent with earlier studies in healthy volunteers. We expect to complete enrollment in this Phase 1/2 clinical trial by the end of 2022.

The FDA has granted rare pediatric disease designation to JSP191 as a conditioning treatment for patients with SCID. In addition, the FDA granted orphan drug designation to JSP191 for conditioning treatment prior to hematopoietic stem cell transplantation.

We also are evaluating JSP191 in an open label Phase 1 clinical trial in patients with MDS or AML that were transplant eligible but still had trace evidence of leukemic cells that can remain in a patient after chemotherapy, or MRD, as detected by cytogenetics, flow cytometry or next-generation sequencing. The primary endpoints are to evaluate the safety, tolerability and pharmacokinetic parameters of JSP191. In the initial dose finding portion of the clinical trial, 0.6 mg/kg JSP191-based conditioning was well tolerated in all six MDS/AML patients as of September 30, 2021. Furthermore, it led to successful transplant as demonstrated by full donor chimerism (greater than 95%) in five of six patients and elimination of MRD in five of six patients, which are secondary endpoints of the clinical trial. The next portion of the clinical trial, a Phase 1b dose expansion cohort, is currently enrolling at multiple centers. We expect to complete enrollment in late 2021 to early 2022 with topline data in the first half of 2022.

We expect to begin enrollment in an additional Phase 1a pilot clinical trial in the first quarter of 2022 studying JSP191-based conditioning in patients with severe autoimmune disease. We are also collaborating with the National Institutes of Health to conduct clinical trials of JSP191 in patients with sickle cell disease and chronic granulomatous disease and with Stanford University in patients with Fanconi anemia. We believe that JSP191 may also be useful for conditioning in allogeneic transplant for other diseases beyond which the company is currently studying. We also believe that targeted JSP191-based conditioning can potentially improve the efficacy and safety of gene therapies. We are working with Graphite Bio, Inc. (“Graphite Bio”) for gene therapy in patients with X-linked severe combined immunodeficiency (“X-SCID”) first as a non-clinical collaboration with an option to expand to clinical trials and with Aruvant Sciences GmbH (“Aruvant Sciences”) for gene therapy in patients with sickle cell disease (“SCD”). Our eHSC platform is designed to overcome key limitations of stem cell transplant and stem cell gene therapy. By using mRNA delivery and/or gene editing, we believe we can reprogram donor or gene corrected

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stem cells to have a transient proliferative and survival advantage over the patient’s existing cells. We believe initial preclinical experiments by us demonstrate that expression of a modified stem cell factor receptor can lead to cell line proliferation independent of SCF concentration, which would enable our eHSCs to outcompete unmodified HSCs through better survival and engraftment. Also, since JSP191 only blocks signaling through the stem cell factor receptor, these eHSCs are not affected by JSP191 when used in combination. Other initial experiments have shown that mRNA can be used to express these receptor variants on the cell surface. We have also identified other potential receptor modifications that prevent the binding of JSP191 but retain the ability to bind SCF, therefore allowing the eHSCs to proliferate normally even in the presence of JSP191.

We intend to become a fully integrated discovery, development and commercial company in the field of hematopoietic stem cell therapy. We are developing our product candidates to be used individually or, in some cases, in combination with one another. As a result, we believe our pipeline could be tailored to the patient-specific disease so that a patient may receive more than one of our therapies as part of his or her individual allogeneic or gene-edited stem cell therapy. Our goal is to advance our product candidates through regulatory approval and bring them to the commercial market based on the data from our clinical trials and communications with regulatory agencies and payor communities. We expect to continue to advance our pipeline and innovate through our research platform.

We have an exclusive license agreement with Amgen for the development and commercialization of the JSP191 monoclonal antibody in all indications and territories worldwide. We also have an exclusive license agreement with Stanford for the right to use JSP191 in the clearance of stem cells prior to the transplantation of HSCs. We also entirely own the intellectual property for our eHSC platform, which has been internally developed.

**Our Product Pipeline**

We are developing a portfolio of novel product candidates that we believe have the potential to meaningfully improve stem cell therapy for patients with blood cancers, genetic diseases and autoimmune diseases. Additionally, we believe our product candidates have the potential to allow more patients with debilitating or life-threatening diseases to access a one-time, transformative blood and immune reset through transplant with better outcomes and reduced risk of toxicity and mortality versus current technologies. We are developing our product candidates so that they can be used individually or in combination with one another, such that patients may receive more than one of our therapies as part of their individual transplant journey. In addition to our first set of clinical product candidates, we are in the process of identifying several other potential candidates from our engineered hematopoietic stem cell platform.

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

INDICATION	PRECLINICAL	PHASE 1	PHASE 2	PHASE 3	R&D PARTNER	PROJECTED MILESTONES
<b>JSP191 CONDITIONING</b>						
SCID						2H 2022 Phase 1/2 Complete Study Enrollment
MDS/AML						1H 2022 Dose Expansion Topline Data
Autoimmune (Lupus, MS, Scleroderma)						Q4 2021 IND Filing for Phase 1a Pilot Study
Fanconi’s Anemia					STANFORD UNIVERSITY	Q1 2022 Preliminary Data from Collaboration
Sickle Cell Disease					NIH National Heart, Lung, and Blood Institute	Q1 2022 Preliminary Data from Collaboration
Chronic Granulomatous Disease					NIH National Institute of Allergy and Infectious Diseases	Q1 2022 Preliminary Data from Collaboration
Gene Therapy – Sickle Cell					ARUVANT	1H 2022 First Collaboration Data
Gene Therapy – XSCID					GRAPHITE BIO	2H 2022 First Collaboration Data
<b>Jasper eHSC PLATFORM</b>						
Thalassemias						Q4 2021 in vivo POC
Sickle Cell Disease						Q4 2022 1 <sup>st</sup> IND Filing
Autoimmune Diseases						

*Jasper maintains full worldwide rights to develop and commercialize JSP191 and eHSCs in all indications.*

## **JSP191**

We believe JSP191 is a unique, humanized, monoclonal antibody that targets the underlying biology of hematopoietic stem cells to potentially improve the efficacy and safety of hematopoietic stem cell transplantation. JSP191 is in clinical development as a conditioning agent to clear hematopoietic stem cells from the bone marrow prior to transplant. JSP191 binds to human CD117, a receptor for SCF, which is expressed on the surface of hematopoietic stem and progenitor cells. The interaction of SCF and CD117 is required for stem cells to survive. By blocking SCF from binding to CD117 and disrupting critical survival signals, JSP191 leads to the depletion of stem cells and creates an open space in the bone marrow for donor or gene-edited stem cells to engraft. JSP191 is in clinical development both as a single conditioning agent and in combination with existing conditioning agents depending on the need in a particular indication.

### ***Engineered Hematopoietic Stem Cells***

Our eHSCs are designed to overcome key limitations of allogeneic donor and autologous gene-edited stem cell transplants. By delivering mRNA or modifying DNA, leading to expression of a modified receptor or protein, we can reprogram donor or gene-edited stem cells to have a transient proliferative and survival advantage over the patient's existing cells to permit higher levels of engraftment without the need for toxic conditioning of the patient. eHSCs have the potential to eliminate the need for donor T-cells, B-cells and NK-cells which are needed in unmodified donor HSC grafts to permit robust engraftment but can lead to graft versus host disease ("GVHD"), where the donor cells attack the patient's tissues, resulting in the need for long-term immunosuppression therapies.

### **Our Strategy**

Our goal is to bring curative allogeneic and autologous HSCT and gene therapy to more people by developing compounds that can make it safer and more effective. As part of our strategy, we aim to:

***Build a leading HSCT biotechnology company to enable cures via immune modulation, graft engineering and cell and gene therapies.*** We are bringing together a team of biotech veterans, leading academic institutions and a strong syndicate of healthcare-focused investors to achieve our vision of developing an improved end-to-end stem cell transplantation process and associated therapies, starting with safer and more effective conditioning agents and engineered stem cell therapies.

***Continue to develop JSP191 as a novel, targeted pre-transplant conditioning agent enabling more efficacious and safer HSCT.*** Starting with our lead product candidate, JSP191, we are advancing the field of HSCT to address effective and safe pre-transplant conditioning in hematologic monogenic and malignant disorders as well as in autoimmune disease and gene therapy. Our initial focus is on severe combined immunodeficiency, acute myeloid leukemia, myelodysplastic syndrome, autoimmune diseases and autologous gene-edited stem cell transplants.

***Advance our eHSC platform to overcome the limitations of current allogeneic and autologous gene-edited stem cell transplants.*** We are developing enhanced stem cell therapies with transient proliferative advantages, which we believe may translate to superior efficacy and reduced GVHD compared to current standard of care therapies in allogeneic and autologous gene therapy transplants.

***Commercialize our product candidates to expand the use of effective and safe stem cell therapies for patients and physicians in our target markets.*** If approved, we plan to bring our product candidates to the United States, European and Japanese markets, focusing on the top 50% of accredited transplant centers and hospital-based prescribers who administer approximately 80% of stem cell therapies. Our strong network and relationships with key stakeholders at these centers will enable a targeted and collaborative commercial approach.

***Form and strengthen strategic collaborations with leading industry and academic organizations to further develop our pipeline, unlock the commercial potential of our portfolio and provide enabling technologies for gene therapy collaborators.*** We intend to continue collaborations with our existing partners and enter new strategic partnerships to develop additional candidates, generate evidence, and commercialize new products in the field of stem cell therapy.

## **Our History and Team**

Legacy Jasper was founded by Dr. Judith Shizuru, Professor of Medicine and Pediatrics at Stanford University, and Dr. Susan Prohaska, a Stanford-trained immunologist, stem cell biologist and drug developer, with the goal of bringing curative hematopoietic stem cell transplantation to more people by making it safer and more effective. We unite technologies from Stanford University and Amgen via expertise in stem cell transplantation, stem cell biology and drug development. Building on bone marrow niche-clearing technology from Stanford and with our lead compound JSP191, Dr. Shizuru initiated a clinical program funded by the California Institute for Regenerative Medicine (“CIRM”) to safely condition patients with SCID prior to hematopoietic cell transplantation.

We have assembled a management team of experienced biopharma industry veterans. With this leadership, we believe we are well positioned to achieve our vision of revolutionizing hematopoietic cell transplantation with safer conditioning regimens. William Lis, our Executive Chairman and Chief Executive Officer, has led the company’s Series A financing, the Business Combination and pipeline development since 2019. Previously, Mr. Lis served as Chief Executive Officer and a Director of Portola Pharmaceuticals, Inc. (“Portola”) from 2010 until 2018 after serving as its Chief Operating Officer from 2009 to 2010. Under his leadership, Portola grew from a discovery-stage company to a fully integrated research and development and commercial organization, and independently discovered and developed Andexxa®, Bevyxxa® and cerdulatinib. He led corporate and academic institution partnerships and an initial public offering in 2013. Portola was acquired by Alexion Pharmaceuticals, Inc. in 2020. Mr. Lis previously served as a member of the BIO Board of Directors for Emerging Companies and as an independent director of Eidos Therapeutics, Inc., acquired by BridgeBio Pharma, Inc., and is currently an independent director of Zai Lab Limited (“Zai Lab”).

Members of our management team have held leadership positions at companies that have successfully discovered, developed and commercialized therapies for various cancers and devastating rare diseases. These companies include Johnson & Johnson, AstraZeneca, Bristol-Myers Squibb, Incyte, Allergan, Sanofi, Amgen, Alexion and many others. Our existing investors include Abingworth, Alexandria Venture Investments, Qiming Venture Partners USA, Roche, Surveyor Capital (a Citadel company) and TEEC Angel Fund.

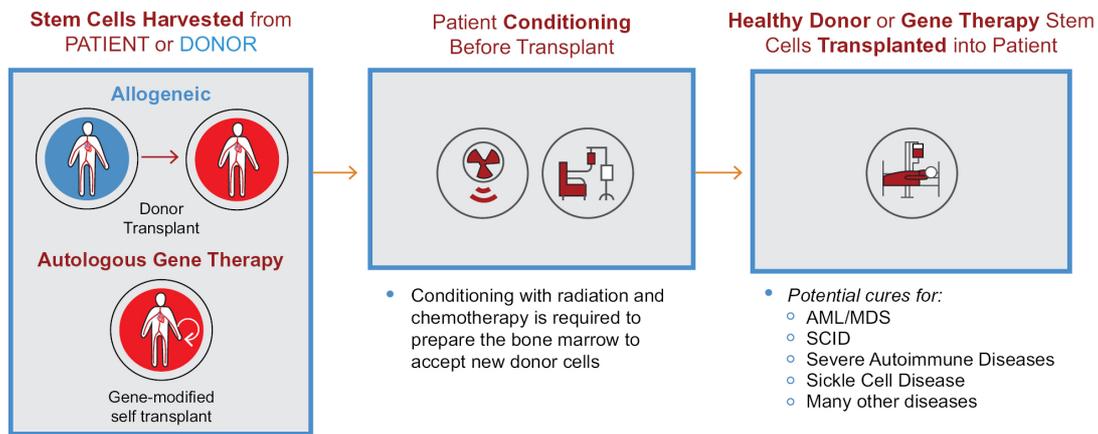
## **Background on Hematopoietic Stem Cell Therapy**

HSCT is among the most widely practiced forms of cellular therapy and has the potential to cure a wide variety of diseases. Currently, its use is limited to patients with severe disease burden due to the toxicities of current non-targeted conditioning regimens and the limitations of the transplant grafts themselves.

Stem cell transplants first require identification of a suitable donor and collection of the donor’s stem cells, typically from blood. Then chemotherapy or radiation-based conditioning is used to clear the patient’s bone marrow of existing diseased stem cells in order to make space to receive new transplanted stem cells. Finally, the donor or gene corrected stem cells are infused into the patient where they engraft into the bone marrow and produce new blood and immune cells that form the basis of a reset and rebuilt blood and immune system. All transplants are categorized as either autologous or allogeneic, depending on the source of the new stem cells for the transplant.

In an autologous transplant, which is used for conditions such as multiple myeloma, non-Hodgkin’s lymphoma and certain autoimmune diseases, the patient’s own stem cells are used. Autologous transplants also include stem cell gene therapies, in which cells are collected from the patient, edited to either insert a functioning gene into, or correct a defective gene within, such cells and then such cells are transplanted into the patient via infusion.

In an allogeneic transplant, used for conditions such as acute leukemias, myelodysplastic syndromes, genetic diseases and certain autoimmune diseases, patients receive cells from a stem cell donor. The preferred donor is a biological relative who has a well-matched immune system. The second option is a matched unrelated donor identified through a bone marrow donor registry. Transplant outcomes are not optimal with mismatched donors.



*Current State of Conditioning Regimens*

Currently, patients must receive highly toxic, potentially life-threatening and non-specific conditioning agents to prepare their bone marrow for transplantation with either donor stem cells or their own gene-edited stem cells. Current conditioning agents are genotoxic and are associated with major toxicities and adverse events such as oral mucositis, sepsis, veno-occlusive disease, bacteremia, pulmonary fibrosis, and graft versus host disease in the near term. In the long term, patients must be counseled against risk of infertility of up to 70% and risk of secondary cancers of 5-10% after chemotherapy conditioning. Additionally, there is a treatment-related mortality risk associated with current conditioning regimens that ranges from 10% to more than 50% in older patients. Other limitations of chemotherapy-based conditioning include incomplete engraftment, transplant ineligibility and prolonged hospitalization.

*Current State of Hematopoietic Stem Cell Grafts*

Hematopoietic stem cell grafts currently have limitations around failed or poor engraftment with the risk of clinical relapse. Furthermore, GVHD is a high-risk short- and long-term adverse event associated with HSC as a result of donor T-cells, B-cells and NK-cells which are needed in unmodified donor HSC grafts to permit robust engraftment. Donor immune cells may react to the patient’s tissues as foreign leading to GVHD whereas newly produced immune cells are trained by the patient’s body to not act against the patient’s own cells. Due to this risk, patients also need to undergo long-term immunosuppression.

**Our Solution and Product Candidates**

We are developing a conditioning agent that could significantly expand the eligible patient population for both allogeneic and autologous gene edited hematopoietic stem cell therapies in addition to engineered hematopoietic stem cells that could result in better transplant efficacy with reduced complications. Currently, approximately 20,000 patients receive allogeneic and autologous gene therapy transplants each year in the major global markets (the United States, the United Kingdom, France, Germany, Spain, Italy and Japan), and we believe this may grow to 80,000 patients with safe conditioning and more effective grafts.

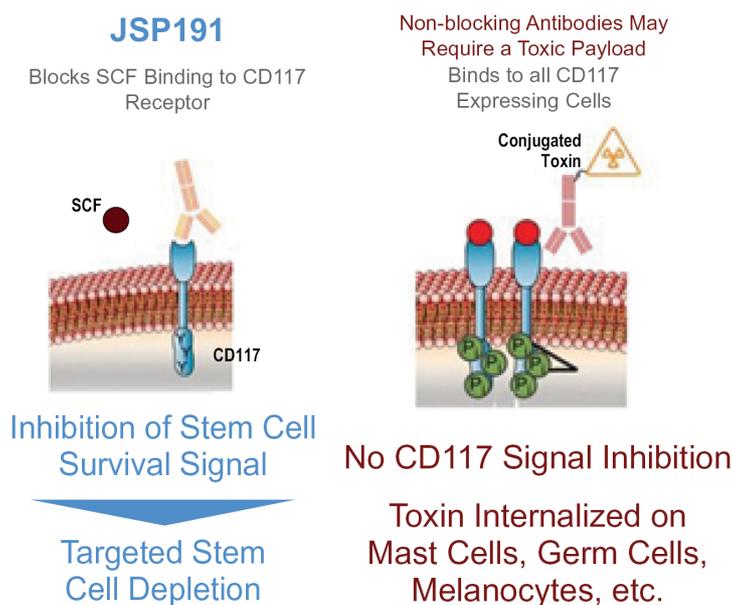
JSP191 is a targeted anti-CD117 (stem cell factor receptor) antibody which we are currently evaluating in two clinical trials for conditioning prior to stem cell transplant in patients with SCID, MDS or AML. JSP191 is designed to bind to CD117 with a greater affinity than SCF. By blocking signaling of the stem cell factor receptor, JSP191 leads to depletion of stem cell from the bone marrow. JSP191 was also designed to minimize any interaction with the immune system thereby reducing the risk of immune activation via mast cells or other pathways normally activated by antibodies.

We believe these attributes will allow JSP191 to potentially be used as a monotherapy or in combination to deplete normal and diseased stem cells. The blocking of SCF by JSP191 may remove a critical survival signal on stem cells that leads to their depletion in the bone marrow. Other cells (mast cells, Cajal cells, germ cells, melanocytes) that express CD117 are less dependent on SCF signaling for survival and do not appear to be

significantly affected by a single administration of JSP191. Furthermore, the mechanism of action (“MOA”) of JSP191 on stem cells may be synergistic with other disruptors of stem cell survival such as radiation, azacytidine, and CD47. Our MDS/AML clinical strategy aims to exploit this biology to safely clear both diseased and normal stem cells prior to transplantation of donor cells.

The monoclonal antibody isotype and other modifications of JSP191 were also chosen carefully to retain high affinity binding to the CD117 receptor and SCF signal blockade without recruiting other immune cells that could lead to receptor activation, mast cell degranulation or other off-target toxicities. For example, simply changing JSP191 from an IgG1 isotype to an IgG2 isotype would result in less potent inhibition of CD117, potentially decreasing the effect on stem cell depletion. This finding and other data demonstrate that not all anti-CD117 antibodies behave equally or have the same MOA.

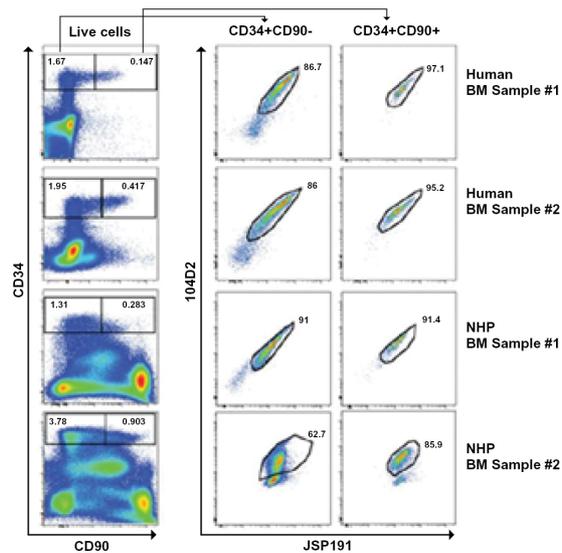
Other known approaches to target CD117, such as anti-CD117 antibodies linked to a toxin, may have off-target toxicity. In contrast to JSP191, which provides a transient SCF signal blockade, a toxin linked anti-CD117 antibody requires internalization by CD117 expressing cells leading to cell death. Any CD117 expressing cell including stem cells, mast cells, germ cells and melanocytes may be affected by this mechanism. Furthermore, the complexity of an antibody-drug conjugate molecule adds to the manufacturing, clinical and regulatory risks of the drug development process, especially for a novel linker/payload combination that may be subject to different regulatory and Chemistry, Manufacturing and Controls (“CMC”) reviews.



*Preclinical Data for JSP191 — General*

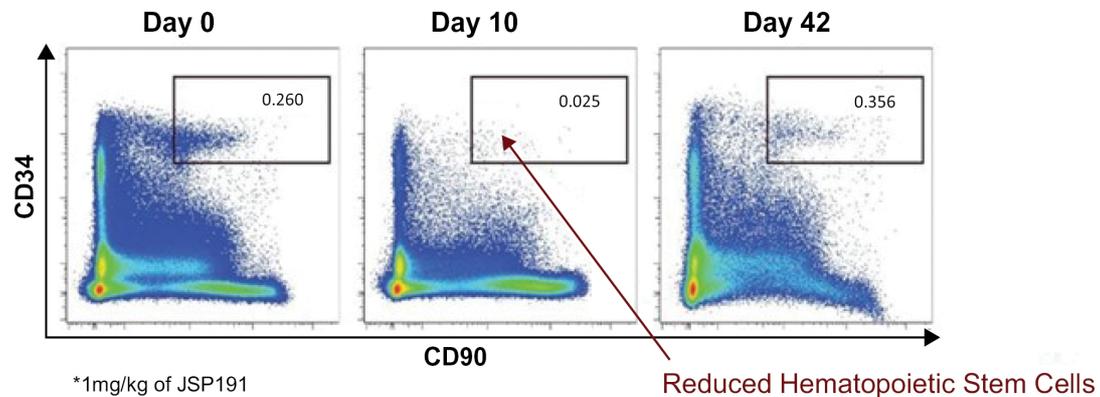
We conducted a preclinical study to determine if non-human primate (“NHP”) HSCs are sufficiently similar to human HSCs to allow use of the same phenotype assays used in human studies to evaluate the effect of JSP191 on NHP hematopoiesis. This study tested, by flow cytometry, a technique used to measure physical and chemical characteristics of a population of cells, whether homologous subsets of NHP bone marrow express the same cellular markers as human HSCs (CD34, CD90, and CD117), and if the human antibody reagents used to identify these markers could also be used for NHP HSCs. Bone marrow samples (or bone marrow aspirates) of NHPs and humans were stained with the antibody reagents directed against human CD34, CD90, and CD117. HSCs in both human and NHP bone marrow were phenotypically identified using the anti-human antibodies against CD34 and CD90. A high percentage of human and NHP cells expressing CD34 and CD90 (also CD34+ and CD90+) also express CD117. Overall, we believe these data support the use of human antibody reagents for CD34 and CD90 to assess the effect of JSP191 on hematopoiesis in NHP *in vitro* and *in vivo* studies.

*Figure 1: JSP191 binds CD117 on CD34+CD90- and CD34+CD90+ cells in human and NHP bone marrow. Left panel: flow cytometric analysis of HSCs fluorescently labelled for CD34 and CD90. Right panel: the identified CD34+CD90- and CD34+CD90+ cells are then fluorescently labelled with 104D2 and JSP191. JSP191 and 104D2 non-competitively labeled the same population suggesting these antibodies bind different epitopes of NHP and human CD117.*



Non-clinical studies in NHPs conducted at Stanford by Hye-Sook Kwon, Ph.D., now Principal Scientist at Jasper, demonstrated JSP191's ability to deplete bone marrow HSCs in a large animal model (Figure 2). Non-clinical studies in "humanized" mice demonstrated both depletion of human HSCs and engraftment of allogeneic donor HSCs. These studies supported the potential for JSP191 to deplete human stem cells prior to stem cell transplant in the IND filings for the ongoing clinical trials designed to assess the safety and efficacy of JSP191 in HSC transplant for SCID and MDS/AML.

*Figure 2: Representative flow cytometry analysis for cells fluorescently labeled with CD34 and CD90 on days 0, 10, and 42 post administration of 1.0 mg/kg JSP191. CD34+ stem cells in the bone marrow of this NHP are transiently depleted. HSC depletion lasted up to 21 days in most animals and more than 42 days in one NHP receiving the highest dose.*



*JSP191 for Acute Myeloid Leukemia and Myelodysplastic Syndrome*

AML is a cancer of the blood and bone marrow, diagnosed in about 42,000 patients annually within the major global markets. It is primarily a disease of the elderly and is the most common type of acute leukemia diagnosed in adults. Patients with AML are deemed eligible for stem cell transplantation based on criteria which includes patient fitness (age and comorbidities) and response to initial treatment, comprising of about 40% of newly diagnosed AML patients. However, stem cell transplants are administered to approximately 40% of the eligible patient population due to current challenges with highly toxic conditioning regimens. Currently, approximately 8,000 patients with AML receive a stem cell transplant annually in the major global markets.

MDS is a group of disorders of the bone marrow where hematopoietic stem cells fail to properly differentiate into mature blood cells, leading to low blood cell count. Approximately 29,000 patients are diagnosed with MDS annually in the major global markets. Of all newly diagnosed MDS patients, about 35% have mid to high-risk disease and about 30% of those are eligible for HSCT based on age, comorbidities and blast count. However, about 60% of MDS patients who are otherwise eligible receive a transplant due to the current challenges with highly toxic conditioning regimens. Currently, approximately 2,500 patients with MDS receive HSCT each year.

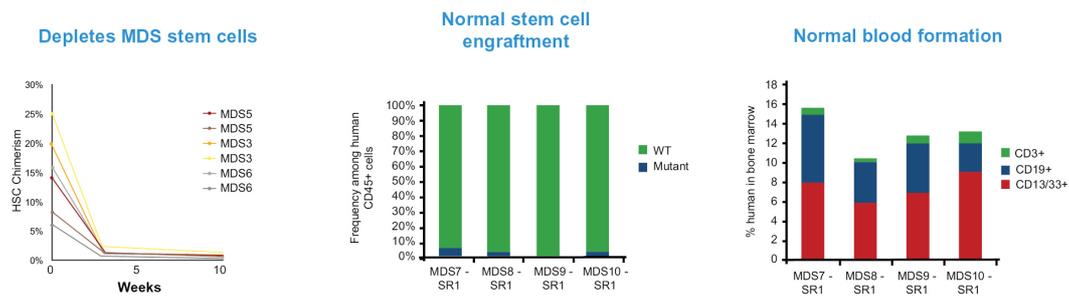
Hematopoietic stem cell transplantation offers the only known potentially curative therapy for many forms of AML and for MDS. Standard of care conditioning regimens can be divided into three groups: myeloablative conditioning, reduced intensity conditioning and non-myeloablative conditioning. Myeloablative conditioning with high dose busulfan, high dose melphalan or high dose radiation is the most aggressive approach and is associated with the lowest rates of disease relapse. However, due to significant toxicities, including treatment related mortality, this approach is reserved for the most fit and younger patients. Reduced intensity conditioning with lower dose busulfan or lower dose melphalan can be used for a wider group of patients, but due to substantial toxicities, many patients remain ineligible. Non-myeloablative conditioning with low dose radiation (200 – 450 cGy, or centigray, a unit of radiation of exposure) is well tolerated but is associated with lower rates of successful donor chimerism and increased relapse rates compared to myeloablative or reduced-intensity conditioning.

Due to their age and co-morbidities, older (60 years and older) and less fit MDS and AML patients are typically unable to tolerate more intensive therapy and the toxicities associated with such treatments, and thus, have a worse prognosis than younger, fitter patients. Thus, safe and effective conditioning prior to HSCT represents an unmet medical need for MDS and AML patients.

*Preclinical Data for JSP191 for Myelodysplastic Syndrome*

Preclinical studies of immune deficient mice engrafted with MDS HSCs from patients with “high-risk and very high-risk disease” per Revised International Prognostic Scoring System (“R-IPSS”) criteria conducted at Stanford by Wendy Pang, M.D., Ph.D., now Vice President of Research and Translational Medicine at Jasper, demonstrate the utility of anti-CD117 antibodies in the treatment of MDS. Mice xenografted with high-risk MDS HSCs were treated with anti-human CD117 monoclonal antibody (“mAb”), SR-1 (the parent clone to JSP191). Initial studies showed administration of either SR-1 or JSP191 resulted in well-tolerated and sustained depletion of MDS cells obtained from low-risk MDS patients. Treatment of mice xenografted with high-risk MDS HSCs cells resulted in transient depletion (Figure 3). Given the transient depletion of high-risk MDS cells, studies were conducted to determine whether an anti-CD117 antibody followed by a normal human HSC allograft would lead to long-term disease amelioration of high-risk disease. Results showed greater than 95% cytogenetically normal CD45+ cells 12 weeks after allograft transplant (Figure 3).

**Figure 3:** (A) CD117 mAb depletes MDS stem cells as demonstrated by decreasing HSC chimerism over time. (B) Normal stem cell engraftment occurs after stem cell depletion as shown by greater than 95% cytogenetically normal CD45+ cells 12 weeks after transplant in four high-risk MDS-xenografted mice. (C) Normal blood formation results after stem cell engraftment with human cell lineages for T cells (CD3+), B cells (CD19+) and myeloid cells (CD13/33+) in the bone marrow of the four high-risk mice.



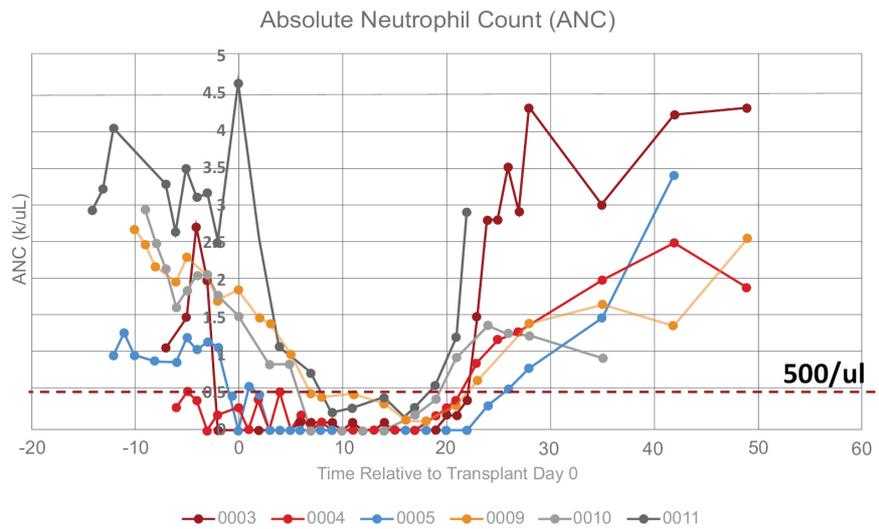
Mice xenografted with MDS HSCs from low-risk or high-risk patients were treated with SR-1 concurrently with an anti-mouse CD117 mAb, ACK2, to suppress endogenous mouse HSCs, and then transplanted with normal human UCB. Twelve weeks after this UCB HSC transplantation, both human myeloid and lymphoid cells like T cells and B cells were observed in the bone marrow (Figure 3), indicative of successful engraftment and sustained hematopoiesis by healthy UCB HSCs for both risk categories. Fluorescence in situ hybridization studies assessing clonal cytogenetic abnormalities confirmed that human CD45+ cells in both groups were predominantly (greater than 95%) cytogenetically normal in all SR-1 treated and UCB HSC engrafted mice. In contrast, MDS xenografted mice treated with the control antibody showed a persistence of high levels of MDS cells (greater than 95%) and were without second donor HSC engraftment.

*Clinical Data for JSP191 for Acute Myeloid Leukemia and Myelodysplastic Syndrome*

We have an ongoing open label Phase 1 clinical trial to evaluate the safety and tolerability of JSP191 conditioning, in combination with low dose radiation (200-300 cGy) and fludarabine, in patients with AML or MDS undergoing blood stem cell transplantation. At clinical trial entry for the dose finding portion, all patients were transplant eligible but still had evidence of measurable residual disease (MRD positive) as detected by cytogenetics, flow cytometry or next-generation sequencing. The starting dose of JSP191 is 0.6 mg/kg with potential escalation up to 1.0 mg/kg, fludarabine is administered at 30 mg/m<sup>2</sup>/day on transplant days -4, -3, and -2 and total body irradiation (“TBI”) is delivered at 200 cGy on the day of transplant. The primary endpoints are to evaluate the safety, tolerability and pharmacokinetic parameters of JSP191. Secondary endpoints include depletion of host HSCs, donor engraftment, donor chimerism, MRD clearance, non-relapse mortality, event-free survival and overall survival. Enrolled patients will be followed for one year. The overall study duration is anticipated to be approximately two years.

As of September 30, 2021 in this open label clinical trial, of the first six patients in dose finding cohort (three with AML and three with MDS), all patients demonstrated evidence of successful depletion of host HSCs, observed by a reduction of neutrophil counts (“ANC”) below 500/uL following a single infusion of JSP191 (0.6 mg/kg) in combination with 200 cGy TBI and three days of 30 mg/m<sup>2</sup>/day fludarabine. Neutrophils are the most common type of white blood cell and are the first cells to engraft. Following transplant, all patients showed successful donor engraftment as evidenced by a recovery of neutrophil counts exceeding 500/uL in 19 to 26 days (Figure 4).

Figure 4: Neutrophil depletion and recovery in the first six patients of the Phase 1 MDS/AML clinical trial. All six of these initial patients demonstrated ANC greater than 500/uL within 19 to 26 days after transplant.



At 90 days following transplant, five of six patients demonstrated 95% or greater total donor chimerism levels as measured by CD15, CD3 and CD56 assays. In addition, five of six patients no longer had evidence of MRD at day 90 (Figure 5). Total donor chimerism of 95% or greater and change in MRD status from positive to negative are both associated with reduced risk of disease relapse.

Figure 5: JSP191 MDS/AML Phase 1 preliminary clinical results in the first six patients for neutrophil engraftment, chimerism at Day 90 and MRD at baseline, Day 28 and Day 90. The clinical trial cohorts consisted of MRD positive AML/MDS patients not eligible for standard myeloablative regimens (HCT-CI greater than 2).

Age / Sex	Diagnosis	MRD Status at Baseline	Neutrophil Engraftment	Chimerism Day 90	MRD at Day 28	MRD at Day 90
74yr F	AML	Positive	Day 23	96%	Reduced	Negative
70yr M	MDS	Positive	Day 22	95%	Negative	Negative
68yr M	MDS	Positive	Day 26	98%	Negative	Negative
74yr M	MDS	Positive	Day 23	87%	Negative	Negative
65yr M	AML	Positive	Day 22	96%	Reduced	Negative
69yr M	AML	Positive	Day 19	95%	Reduced	Reduced

No JSP191 treatment-related SAEs have been reported, including no cases of oral mucositis, no cases of veno-occlusive disease, no cases of grade 2-4 (moderate to very severe) acute GVHD and only two cases of chronic GVHD of any grade have been reported, one mild and one moderate case. Since starting the study in July 2020, SAEs have been reported in seven patients, including infections, cardiovascular events, headache, hyperkalemia and secondary graft failure, which is loss of a previously functioning graft. None were related to treatment as determined by the investigator.

The clinical trial is now enrolling Phase 1b dose expansion and we expect to complete enrollment in late 2021 to early 2022 with topline data in the first half of 2022.

*JSP191 for Severe Combined Immunodeficiency (SCID)*

SCID is a genetically heterogeneous group of over 20 monogenic conditions of the immune system characterized by the lack of normal T lymphocyte development, in addition to deficiencies of B cells, NK cells, or both in some forms which is currently curable only by hematopoietic cell transplant. The incidence of SCID is estimated at one in 80,000 live births across all ethnic groups. Due to the toxicities associated with the chemotherapy regimens used in standard allogeneic hematopoietic cell transplantation (“HCT”) to deplete endogenous HSC, some centers do not use conditioning regimens. SCID patients who undergo unconditioned HCT have relatively improved overall survival but often experience incomplete immune reconstitution characterized by inadequate T cell numbers and/or ongoing deficiency of B cell humoral immunity. This issue occurs more frequently in those patients who do not have a human leukocyte antigen-matched donor and who therefore receive T cell depleted haploidentical donor grafts.

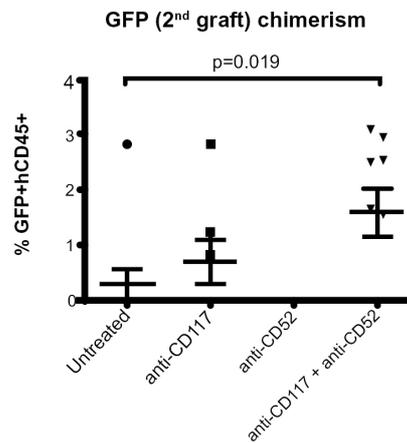
Patients who receive full or reduced doses of busulfan tend to engraft well and have full lymphocyte reconstitution. However, due to busulfan’s off-target toxic effects, these patients experience both short- and long-term complications. Since these patients receive busulfan (a DNA damaging drug) as infants, they experience chronic complications such as growth retardation, cognitive defects, craniofacial abnormalities, liver toxicity, seizure, endocrine defects including infertility and increased cancer risk.

*Pre-clinical Data for JSP191 for Severe Combined Immunodeficiency*

The ability of JSP191 to deplete human hematopoiesis was evaluated in humanized immune deficient mice that were stably engrafted with human hematopoietic grafts at Stanford by Aaron Logan, M.D., Ph.D., et al. The mice were treated with a single dose of either 0.5 or 3.0 mg/kg JSP191. No significant differences in depletion of human cells and HSCs after six weeks of treatment were noted between the two dose levels of JSP191. After a single treatment with JSP191, mice were depleted of human cells in peripheral blood and bone marrow. Human HSCs and progenitor cells (CD45+CD34+CD117+) in the bone marrow were substantially decreased for six weeks after treatment with JSP191.

To model human transplantation with a JSP191-based conditioning regimen, humanized immune deficient mice that had been stably engrafted with human hematopoietic cells underwent a second transplant using conditioning with JSP191 with or without the addition of an anti-CD52 antibody (Campath) that depletes human lymphocytes. The second human HSC graft was from a different donor, hence was allogeneic to the first human graft. This second donor graft was transduced with a lentiviral vector to express the marker green fluorescence protein (“GFP”) to allow assessment of its engraftment. CD34+ GFP marked cells were injected into untreated control mice or mice that had been treated 23 – 25 days previously with JSP191 with or without anti-CD52. After six weeks, the blood of these secondarily transplanted mice was evaluated for evidence of GFP-marked second donor cells.

*Figure 6: JSP191 in addition to an anti-CD52 antibody demonstrated the highest level of engraftment. Engraftment was demonstrated by human CD45+ cells marked to express GFP.*



Mice pre-treated with JSP191 and anti-CD52 demonstrated the highest level of engraftment, with 67% (six of nine) of human CD45+ cells also expressing GFP. In mice treated only with JSP191, 43% (three of seven) were GFP positive. In control mice pre-treated with anti-CD52 alone, no mice (zero of seven) showed GFP expression, while one of ten (10%) control mice not given any pre-treatment showed GFP expression (Figure 6).

We believe that this study can serve as a preclinical proof of concept of JSP191 conditioning enhanced engraftment with CD34+ progenitor cells in mice, suggesting it may be efficacious in an analogous clinical setting. JSP191 appeared to be particularly effective in this setting when used along with an anti-CD52 antibody, which was used a separate lymphodepleting agent to suppress rejection by the immune competent first allograft.

#### *Clinical Data for JSP191 for Severe Combined Immunodeficiency*

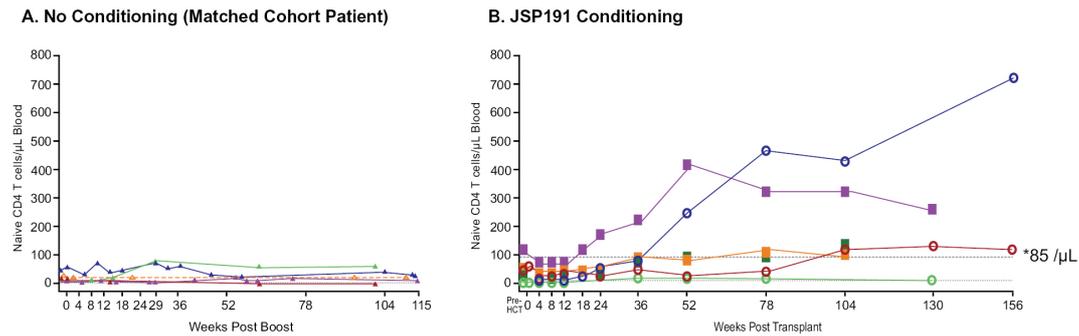
We have an ongoing Phase 1/2 dose escalation open label clinical trial to evaluate JSP191 as the sole conditioning agent to achieve HSC engraftment in patients undergoing transplant for SCID. The primary endpoint in Phase 1 is to assess the safety and tolerability of JSP191 as a conditioning agent in SCID patients. The two primary efficacy endpoints in Phase 2 are the proportion of patients achieving adequate donor HSC engraftment and the proportion of patients achieving naïve CD4+ T cell production greater than or equal to 85 cells/uL, a level expected to provide immune reconstitution, during weeks 36 to 104 post-transplant. Secondary endpoints include durability of naïve T cell production, incidence and severity of GVHD, hematopoietic recovery and pharmacokinetic properties of JSP191. Patients receive a single IV infusion of JSP191 on study day 0 in one of four dose cohorts: 0.1 mg/kg, 0.3 mg/kg, 0.6mg/kg or 1.0 mg/kg. Patients will be followed for five years following transplant. This trial is currently open for enrollment at multiple clinical trial sites in the United States.

Other studies of SCID patients have shown functional T and B cell reconstitution in patients achieving long-term myeloid donor chimerism of at least 3%. SCID patients who fail to achieve durable donor cell engraftment from a first transplant may not be candidates for a second transplant using current conditioning agents due to the toxicity of the conditioning regimen and fragile nature of most SCID patients. These patients may remain on medically supportive immune therapies such as intravenous immunoglobulin (“IVIG”) or receive an unconditioned “boost” transplant of donor cells which does not lead to sustained production of new immune cells.

We believe JSP191 has enabled immune reconstitution for patients based on naïve CD4+ T-cell levels and has shown clinical benefit in SCID patients in a re-transplant and first transplant setting. Patients have shown resolution of chronic infections, independence from or reduction of IVIG therapy and antibody response to vaccine challenge. Through September 30, 2021 in this open label clinical trial, fourteen re-transplant patients and two first transplant patients have been treated in the ongoing SCID Phase 1/2 study. Most of the transplanted patients have shown engraftment of donor cells and production of functional immune cells over up to three years of follow up (Figure 7). No JSP191 treatment related SAEs have been reported through September 30, 2021 in this clinical trial. Since starting the study in March 2017, SAEs in seven patients have been reported, including fever, infections and hypocalcemia. None were related to treatment as determined by the investigator. Based on initial efficacy and safety results, we opened the clinical trial to a cohort of newly diagnosed infants undergoing stem cell transplant.

We expect to complete enrollment in the Phase 1/2 clinical trial by the end of 2022.

Figure 7: Naïve CD4 T cell production post-transplant was monitored over time in (A) a matched cohort of patients receiving no conditioning and (B) patients receiving JSP191 single agent conditioning. JSP191 conditioning in SCID patients demonstrated durable naïve T cell production and T cell levels consistent with immune reconstitution in five out of the first six patients by two years post-transplant.



*JSP191 for Autoimmune Disorders*

Autologous stem cell transplantation for inducing remission and curing severe and refractory autoimmune diseases is relatively well established, but limitations still exist around toxicity and transplanted-related death. We believe JSP191 can address current challenges through targeted and safer conditioning for autoimmune disease patients. We are currently planning a Phase 1 clinical trial using JSP191, with low-dose radiation and alemtuzumab as a conditioning regimen for patients with severe lupus, systemic sclerosis or multiple sclerosis undergoing allogeneic transplant. We plan to file an IND in the second half of 2021 and, if accepted by the FDA, we anticipate enrollment to begin in this single-arm clinical trial in the fourth quarter of 2021.

Systemic lupus erythematosus (“SLE”), or lupus, is a multi-system autoimmune disorder that has a range of clinical presentations and can vary in severity, from a mild form of the disease to a severe, multi-organ condition with risk of death. It affects over 580,000 patients worldwide, of which about 25% have severe SLE or lupus nephritis. Of those, about 10% fail the available three lines of therapy and therefore would be potential candidates for stem cell therapy.

Systemic sclerosis (“scleroderma”) is a chronic condition where thick, fibrous tissue replaces normal connective tissue due to overproduction of collagen. Over 140,000 patients are affected by it and approximately 21,000 new diagnoses are made each year in the major global markets. The diffuse form of the disease, which is a criterion for stem cell transplant eligibility, is presented in about 35% of scleroderma patients. Patients who underwent HSCT for severe scleroderma showed better survival without complications when compared to cyclophosphamide but at the cost of increased toxicity, which could potentially be addressed by our alternative.

Over one million patients suffer from multiple sclerosis (“MS”) globally and approximately 62,000 new cases are diagnosed in the major global markets every year. MS patients with relapsing-remitting and active secondary progressive condition who failed more than two lines of disease modifying therapy were considered for HSCT eligibility. It is estimated that about 10,000 patients would be eligible for allogeneic stem cell transplant.

*JSP191 for Sickle Cell Disease (“SCD”)*

SCD is an inherited blood disorder that affects the hemoglobin protein in red blood cells that delivers oxygen to tissues and organs. Approximately 300,000 infants are born with SCD annually worldwide, and the number of cases is expected to significantly increase. Currently, HSCT is the only cure available for SCD. Allogeneic transplants as well as new autologous gene-edited transplants both currently rely on myeloablative conditioning with either busulfan or melphalan. We believe JSP191 could be a significant advance for patients, replacing these current agents which are known to be genotoxic and associated with limited efficacy and serious adverse effects, including veno-occlusive disease, infertility and secondary malignancies. JSP191 for SCD patients will be evaluated in a clinical trial collaboration with the National Heart, Lung, and Blood Institute (“NHLBI”). Preliminary data from this collaboration are expected in the first quarter of 2022.

### JSP191 for Chronic Granulomatous Disease (“CGD”)

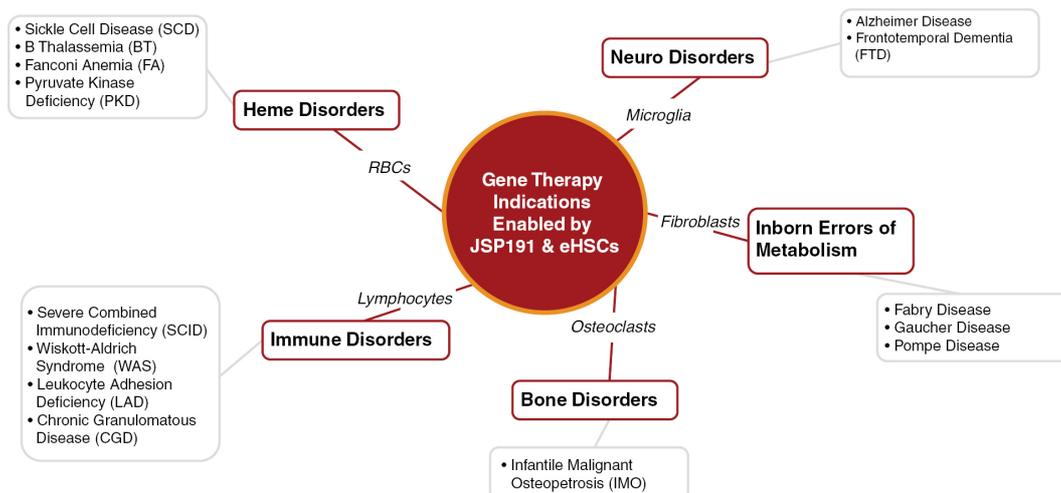
CGD is a rare, inherited disease of the immune system that develops in infancy or early childhood and results in severe and sometimes life-threatening infections. Allogeneic hematopoietic stem cell transplant is a proven cure for CGD. However, its use is limited because of the associated serious adverse effects and limited efficacy of current conditioning agents used to deplete stem cells in preparation for transplantation. JSP191 for CGD patients will be evaluated in a clinical trial collaboration with the National Institute of Allergy and Infectious Diseases (“NIAID”). Preliminary data from this collaboration are expected in the first quarter of 2022.

### JSP191 for Fanconi Anemia (“FA”)

FA is a rare but serious blood disorder that prevents the bone marrow from making sufficient new red blood cells. It can also cause the bone marrow to make abnormal blood cells. FA typically presents at birth or early in childhood between five and ten years of age. Ultimately, it can lead to serious complications, including bone marrow failure and severe aplastic anemia. Cancers such as AML and MDS are other possible complications. Treatment may include blood transfusions or medicine to create more red blood cells, but HSCT is the only cure. JSP191 for FA patients will be evaluated in a clinical trial collaboration with Stanford University. Preliminary data from this collaboration are expected in the first quarter of 2022.

### JSP191 for Gene Therapy

Every gene therapy in academia or industry that modifies HSCs also requires pre-transplant conditioning to make space in the patient’s bone marrow for the gene therapy to engraft. These types of gene therapies address a broad range of disease including heme disorders (e.g., SCD, beta thalassemia, FA), immune disorders (e.g., SCID, CGD, leukocyte adhesion deficiency), lysosomal storage disorders (e.g., Fabry, Gaucher, Pompe), neurologic disorders (e.g., frontotemporal dementia, amyotrophic lateral sclerosis) and bone disorders (e.g., infant malignant osteoporosis) to name a few. Toxic alkylators like busulfan are still the standard conditioning regimens on which these gene therapies rely. As a result, their curative benefit is limited to patients that can tolerate the conditioning. Furthermore, gene therapy trials have also been halted by the FDA due to secondary malignancies discovered in study patients, which is a well-known risk of genotoxic conditioning.



We are collaborating with corporate partners, including Graphite Bio and Aruvant Sciences, to study JSP191 as targeted, non-toxic conditioning for investigational gene therapies. With Graphite Bio, JSP191 is being studied as conditioning prior to GPH201 gene replacement therapy for patients with X-SCID. X-SCID is a severe, inherited disorder of the immune system with symptoms often presenting in early infancy, including persistent infections and failure to thrive. Without treatment, X-SCID is typically fatal to patients in the first two years of life. With Aruvant Sciences, JSP191 is being studied as conditioning prior to ARU-1801 gene therapy for patients with SCD.

### Engineered Hematopoietic Stem Cell (eHSC) Therapy

Our eHSC platform includes multiple approaches to developing product candidates that are currently in preclinical development and are designed to overcome key limitations of allogeneic and autologous gene-edited stem cell grafts. By using mRNA delivery or gene editing we believe we can reprogram allogeneic donor or gene-edited stem cells to have a transient proliferative and survival advantage, potentially leading to higher engraftment rates and reduced or eliminated GVHD by elimination of co-transplanted donor immune cells in allogeneic transplants.

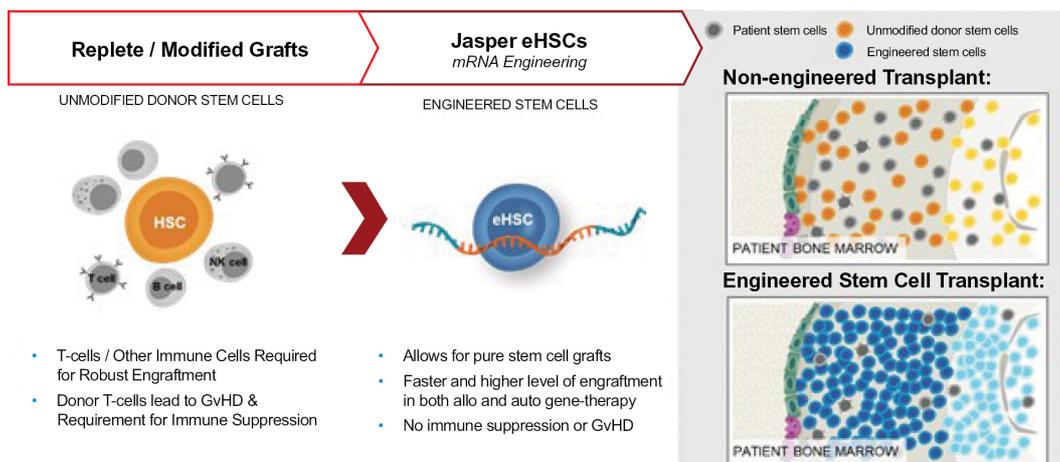
Our first approach is to use mRNA to transiently increase expression of known variants of the stem cell factor receptor that signal independent of ligand (stem cell factor) concentration. Another approach in preclinical development is to use mRNA delivery or gene editing to express a variant of the stem cell factor receptor that is resistant to JSP191. We are also working on other approaches to increase stem cell competitiveness that are not related to stem cell factor receptor signaling.

Initial *in vitro* experimental results in human cell lines show that expression of a constitutively active variant of the stem cell factor receptor can lead to cell line proliferation independent of stem cell factor concentration. In addition, these variant cells are not affected by JSP191 since the engineered cells proliferate independent of receptor signaling. Other *in vitro* experiments have shown that mRNA can be used to express these receptor variants transiently on the cell surface. We have also identified potential receptor modifications that will keep stem cell factor binding intact but decrease or eliminate JSP191 binding.

In the setting of autologous gene edited stem cells, these technologies could lead to faster and more complete engraftment of edited cells without the need for toxic conditioning. Depending on the Jasper technology used, additional infusions of gene modified cells may potentially be given to patients with low or fading responses to target protein production.

In the setting of allogeneic transplant, pure stem cell grafts can be used in place of today’s replete or modified grafts. Similar to the autologous setting, we believe these technologies can lead to faster and more complete engraftment of donor stem cells without the need for toxic conditioning. In addition, by eliminating the need for donor passenger lymphocytes to drive engraftment, we can potentially eliminate the risk of GVHD and the need for long-term immune suppression. If approved, this approach may also increase the potential for use of partially matched grafts and expand the potential donor pool available for any given patient.

We are planning to file an IND for our first eHSC product candidate by the end of 2022.



### Opportunity Areas

There are other conditions and potential applications for JSP191 and the eHSC program. We have assessed the existing stem cell transplant market and potential eligible patient population on a per-indication basis to estimate the potential number of patients that could benefit from our product candidates.

### *Hematopoietic Stem Cell-Based Gene Therapies*

The combination of stem cell transplantation and gene therapy has shown the potential to correct pathological genetic mutations but also the same limitations as unmodified stem cell transplantation, which include the toxicities of current conditioning agents. Furthermore, stem cell gene therapy requires larger doses of genetically modified stem cells for proper engraftment. We believe our product candidates can improve the field of stem cell gene therapy and address currently identified challenges.

In the United States alone, over 100,000 patients suffer from SCD, while about 52,000 patients are affected in the major markets in Europe. Approximately 58,000 patients from this pool are eligible for HSCT or gene therapy as they have severe SCD.

Approximately 2,700 patients in the United States suffer from beta-thalassemia and about 16,000 in the European Union suffer from it annually. Approximately 70% of these patients can be classified to have beta-thalassemia major and, of that patient population, about 20%, or 2,600 patients, are eligible for stem cell transplant.

### **License and Collaboration Agreements**

#### *License Agreements with Amgen*

In November 2019, we entered into a worldwide exclusive license agreement with Amgen for JSP191 (formerly AMG 191) that also includes translational science and materials from Stanford University. We were assigned and accepted Amgen's rights and obligations, effective November 21, 2019, for the ISRA and Quality Agreement between Amgen and Stanford, effective as of October 7, 2015. We exercised the Option to Stanford docket S06-265 "Antibody-based clearance of endogenous stem cell niches prior to transplantation of bone marrow or hematopoietic stem cells (c-kit)" granted by Stanford under the ISRA on June 2, 2020. As a result, we have worldwide exclusive rights to develop and commercialize JSP191. The issued U.S. patents would be expected to expire in 2027, absent any applicable patent term extensions.

#### *License Agreements with Stanford*

In March 2021, we entered into an exclusive license agreement with respect to the use of JSP191 from the Stanford Office of Technology Licensing to license U.S. Patent Application Serial Number 60/856,435, filed Nov. 3, 2006, and U.S. Patent Application Serial Number 12/447,634 (publication number US 2010/0226927 A1) and Know How for the purpose of depleting endogenous blood stem cells in patients for whom hematopoietic cell transplantation is indicated.

#### *Collaboration with Zai Lab*

In December 2020, we entered into a preclinical collaboration agreement with Zai Lab to study JSP191 in combination with Zai Lab's anti-CD47 antibody as a pre-transplant conditioning agent in macaques. Scientifically, we seek to demonstrate whether or not this combination synergistically depletes endogenous HSCs in non-human primates with minimum toxicity. We granted Zai Lab a sublicense for the limited purpose of conducting this study.

#### *Collaboration with Stanford University*

In August 2020, we entered into a clinical trial agreement with Stanford University in which Stanford will execute a Phase 1/2 clinical trial of JSP191 in Fanconi Anemia patients in bone marrow failure requiring allogeneic transplant with non-sibling donors at Stanford Lucile Packard Children's Hospital.

#### *Collaboration with the National Heart, Lung, and Blood Institute*

In February 2021, we entered into a clinical trial agreement with NHLBI in which NHLBI will serve as the IND sponsor of a Phase 1/2 clinical trial to evaluate JSP191, our anti-CD117 monoclonal antibody, as a targeted, non-toxic conditioning regimen prior to allogeneic transplant for SCD.

*Collaboration with the National Institute of Allergy and Infectious Diseases*

In May 2021, we entered into a clinical trial agreement with NIAID in which NIAID will serve as the Investigational New Drug (IND) sponsor of a Phase 1/2 clinical trial to evaluate JSP191, our anti-CD117 monoclonal antibody, as a targeted, non-toxic conditioning regimen prior to allogeneic transplant for CGD.

*Collaboration with Graphite Bio*

In January 2021, we entered into an agreement with Graphite Bio for X-SCID to administer JSP191 antibody into mice prior to Graphite Bio's GPH201 gene replacement therapy. The research plan will test the hypothesis that JSP191 antibody can clear the bone marrow in humanized mouse models to allow sufficient engraftment of GPH201 at levels that are expected to be therapeutically beneficial. The companies potentially may initiate a clinical study based on these results.

*Collaboration with Aruvant Sciences*

In June 2021, we entered into an agreement with Aruvant Sciences for SCD gene therapy. The objective of the collaboration is to evaluate the use of JSP191 as a potentially effective and more tolerable conditioning agent in clinical studies with Aruvant to expand the number of patients who can receive ARU-1801, a potentially curative treatment for SCD.

**Intellectual Property**

Our success depends in part on our ability to obtain and maintain proprietary protection for our product candidates and other discoveries, inventions, trade secrets and know-how that are critical to our business operations. It also depends in part on our ability to operate without infringing the proprietary rights of others, and in part, on our ability to prevent others from infringing our proprietary rights. We have a series of in-licensed patents outlined below with an additional pending patent application in the United States.

*In-licensed Amgen Portfolio*

We have exclusively licensed a patent portfolio from Amgen applicable to our targeted conditioning program that contains patent families directed to humanized C-kit antibody. As of April 22, 2021, this patent portfolio includes three issued U.S. patents. The issued U.S. patents would be expected to expire in 2027, absent any applicable patent term extensions.

*In-licensed Stanford Portfolio*

We have exclusively licensed a patent portfolio from Stanford University applicable to JSP191 conditioning that contains patent families directed to immunodepletion of endogenous stem cell niche for engraftment. As of April 22, 2021, this patent portfolio includes four issued U.S. patents and one European patent. The issued U.S. and European patents would be expected to expire in 2027, absent any applicable patent term extensions.

*Additional Intellectual Property*

We also rely on trade secrets, including know-how, confidential information, unpatented technologies and other proprietary information, to strengthen or enhance our competitive position, and prevent competitors from reverse engineering or copying our technologies. We maintain, as trade secrets, information relating our product candidates currently in development, as well as information related to our business strategy and business methods. However, trade secrets and confidential know-how are difficult to protect. To avoid inadvertent and improper disclosure of trade secrets, and to avoid the risks of former employees using these trade secrets to gain future employment, it is our policy to require employees, consultants and independent contractors to assign to us all rights to intellectual property they develop in connection with their employment with or services for us. We also protect our existing and developing intellectual property expressly through confidentiality provisions in agreements with third parties. There can be no assurance, however, that these agreements will be self-executing or otherwise provide meaningful protection for our trade secrets or other intellectual property or proprietary information, or adequate remedies in the event of unauthorized use or disclosure of such trade secrets or other intellectual property or proprietary information. We also seek to preserve the integrity and confidentiality of our trade secrets and other

confidential information by maintaining physical security of our premises and physical and electronic security of our information technology systems. While we have confidence in the measures we take to protect and preserve our trade secrets, such measures can be breached, and we may not have adequate remedies for any such breach. In addition, our trade secrets may otherwise become known or be independently discovered by competitors.

We intend to pursue additional intellectual property protection to the extent we believe it would advance our business objectives, which may include objectives within and outside the United States. Despite our efforts to protect our intellectual property rights these rights may not be respected in the future or may be circumvented or challenged (and potentially invalidated) in a legal proceeding in any jurisdiction where we have intellectual property rights. In addition, the laws of various foreign countries may not afford the same protections or assurances to the same extent as the laws in the United States. See the section titled “*Risk Factors — Risks Related to Our Intellectual Property*” for additional information regarding these and other risks related to intellectual property.

## **Competition**

The industry we operate is in highly competitive and dynamic, subject to rapid technological change. We have competition in the market for both our product candidates and may face competition from large pharmaceutical and biotechnology companies, smaller pharmaceutical and biotechnology companies, specialty pharmaceutical companies, generic drug companies, academic institutions, government agencies, research institutions and others. We believe that our intellectual property, proprietary scientific knowledge, development experience and partnerships will provide us with competitive advantages in the market we operate in.

We are aware of competing stem cell transplant and conditioning products and adjacent therapies, not limited to small molecules, biologics and cell therapies, that address the same domain of conditions we are targeting. The following list of competitors indicate companies that are directly competing with our two product candidates.

Competitors for our JSP191 CD117 targeted conditioning program include the following:

- Magenta Therapeutics, Inc., which is developing an antibody drug conjugate with an antibody to CD117 linked to an amanitin toxic payload;
- Gilead Sciences, Inc., which is developing an antibody to CD117 that may be used in combination with an antibody to CD47;
- Actinium Pharmaceuticals, Inc., which is developing an antibody to CD45 that is fused to iodine-131 radioisotope;
- Celldex Therapeutics, Inc., which is developing an antibody to inhibit tyrosine kinase KIT found in mast cells and is being studied in mast cell diseases; and
- Molecular Templates Inc., which is developing an antibody to CD45 that is fused to an engineered Shiga-like toxin.

Competitors for our engineered stem cell therapy program include the following:

- Vor Biopharma, Inc., which is developing treatment-resistant marrow cells that enable CD33 targeted therapy;
- Sana Biotechnology, Inc., which is developing hypoimmune cells designed to evade rejection and enable persistence of differentiated cells;
- Ensoma Inc., which is developing viral vectors for delivery of cell modification payload in vivo;
- Orca Bio, which is developing precision allogeneic cell therapy products meant to safely and effectively replace a patient’s blood and immune system; and
- Talaris Therapeutics, Inc., which aims to remove the need for immunosuppression for solid organ transplantation recipient with a facilitated allogeneic stem cell therapy.

## **Sales and Marketing**

We do not currently have sales and marketing infrastructure to support commercial launch of our product candidates, is approved. We may build such capabilities in North America prior to potential launch of JSP191. Outside of North America, we may rely on licensing, co-sale and co-promotion agreements with strategic partners for the commercialization of our product candidates. If we build a commercial infrastructure to support marketing in North America, such commercial infrastructure could be expected to include a targeted sales force supported by sales management, internal sales support, an internal marketing group and distribution support. To develop the appropriate commercial infrastructure internally, we would have to invest financial and management resources, some of which would have to be deployed prior to any confirmation that JSP191 will be approved.

## **Research and Development**

We invest significantly in our research and development efforts, to discover and validate therapeutics while improving our processes and approach to drug making. We strive to progress candidates that can address unmet or underserved clinical needs and favor programs with well-validated targets and defined regulatory approval paths. Our R&D team has played key roles in discovering and developing a number of promising candidates over the past 20 plus years while at Jasper, and while at Johnson & Johnson, AstraZeneca, Bristol-Myers Squibb, Incyte, Allergan, Sanofi, Amgen, Alexion and others. They have leveraged experience, insights and capabilities to optimize development, along with fostering collaboration with external partners to innovate and expand into potential additional indications. Our current development-stage portfolio consists of two product candidates discovered through collaboration and our internal research efforts.

## **Manufacturing**

We do not currently own or operate any manufacturing facility. We rely on contract manufacturing organizations (“CMOs”) to produce our drug candidates in accordance with cGMP regulations for use in our clinical studies. The manufacture of pharmaceuticals is subject to extensive cGMP regulations, which impose various procedural and documentation requirements and govern all areas of record keeping, production processes and controls, personnel and quality control. Under our license agreement with Amgen, we have received a substantial amount of drug product to support initiation of our planned clinical trials of JSP191. Since November 2019, we have entered into development and manufacturing agreements with Lonza relating to the manufacturing of JSP191 and product quality testing. The facility of Lonza in Slough, United Kingdom is responsible for production and testing of drug substance. The facility of Lonza in Stein, Switzerland is responsible for production and testing of drug product. Labelling, packaging and storage of finished drug product is provided by PCI Pharma Services, in San Diego, California.

## **Government Regulation**

Government authorities in the United States, at the federal, state and local level, and in other countries and jurisdictions, including the European Union, extensively regulate, among other things, the research, development, testing, manufacture, pricing, reimbursement, sales, quality control, approval, packaging, storage, recordkeeping, labeling, advertising, promotion, distribution, marketing, post-approval monitoring and reporting, and import and export of pharmaceutical products, including biological products. The processes for obtaining marketing approvals in the United States and in foreign countries and jurisdictions, along with subsequent compliance with applicable statutes and regulations and other regulatory authorities, require the expenditure of substantial time and financial resources.

### ***Licensure and Regulation of Biologics in the United States***

In the United States, our product candidates are regulated as biological products, or biologics, under the Public Health Service Act (“PHSA”) and the FDCA and its implementing regulations and guidance. The failure to comply with the applicable U.S. requirements at any time during the product development process, including preclinical testing, clinical testing, the approval process, or post-approval process, may subject an applicant to delays in the conduct of the study, regulatory review, and approval, and/or administrative or judicial sanctions.

An applicant seeking approval to market and distribute a new biologic in the United States generally must satisfactorily complete each of the following steps:

- preclinical laboratory tests, animal studies, and formulation studies all performed in accordance with the FDA's good laboratory practice ("GLP") regulations;
- completion of the manufacture, under cGMP conditions, of the drug substance and drug product that the sponsor intends to use in human clinical trials along with required analytical and stability testing;
- submission to the FDA of an IND application for human clinical testing, which must become effective before human clinical trials may begin;
- approval by an IRB representing each clinical site before each clinical trial may be initiated;
- performance of adequate and well-controlled human clinical trials to establish the safety, potency, and purity of the product candidate for each proposed indication, in accordance with cGCPs;
- preparation and submission to the FDA of a biologics license application ("BLA") for a biologic product requesting marketing for one or more proposed indications, including submission of detailed information on the manufacture and composition of the product in clinical development and proposed labelling;
- review of the product by an FDA advisory committee, where appropriate or if applicable;
- satisfactory completion of one or more FDA inspections of the manufacturing facility or facilities, including those of third parties, at which the product, or components thereof, are 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;
- satisfactory completion of any FDA audits of the preclinical studies and clinical trial sites to assure compliance with GLP, as applicable, and good clinical practices ("GCP"), and the integrity of clinical data in support of the BLA;
- payment of user Prescription Drug User Fee Act ("PDUFA") securing FDA approval of the BLA and licensure of the new biologic product; and
- compliance with any post-approval requirements, including the potential requirement to implement a REMS and any post-approval studies or other post-marketing commitments required by the FDA.

#### *Preclinical Studies and Investigational New Drug Application*

Before testing any biologic product candidate in humans, the product candidate must undergo preclinical testing. Preclinical tests include laboratory evaluations of product chemistry, formulation and stability, as well as studies to evaluate the potential for efficacy and toxicity in animal studies. The conduct of the preclinical tests and formulation of the compounds for testing must comply with federal regulations and requirements. The results of the preclinical tests, together with manufacturing information and analytical data, are submitted to the FDA as part of an IND application.

An IND is an exemption from the FDCA that allows an unapproved product candidate to be shipped in interstate commerce for use in an investigational clinical trial and a request for FDA authorization to administer such investigational product to humans. The IND automatically becomes effective 30 days after receipt by the FDA, unless before that time the FDA raises concerns or questions about the product or conduct of the proposed clinical trial, including concerns that human research subjects will be exposed to unreasonable health risks. In that case, the IND sponsor and the FDA must resolve any outstanding FDA concerns before the clinical trials can begin or recommence.

As a result, submission of the IND may result in the FDA not allowing the trials to commence or allowing the trial to commence on the terms originally specified by the sponsor in the IND. If the FDA raises concerns or questions either during this initial 30day period, or at any time during the IND review process, it may choose to impose a partial or complete clinical hold. Clinical holds are imposed by the FDA whenever there is concern for patient safety, may be a result of new data, findings, or developments in clinical, preclinical, and/or chemistry,

manufacturing, and controls or where there is non-compliance with regulatory requirements. This order issued by the FDA would delay either a proposed clinical trial or cause suspension of an ongoing trial, until all outstanding concerns have been adequately addressed and the FDA has notified the company that investigations may proceed. This could cause significant delays or difficulties in completing our planned clinical trial or future clinical trials in a timely manner.

#### *Human Clinical Trials in Support of a BLA*

Clinical trials involve the administration of the investigational product candidate to healthy volunteers or patients with the disease or condition to be treated under the supervision of a qualified principal investigator in accordance with GCP requirements. Clinical trials are conducted under protocols detailing, among other things, the objectives of the trial, inclusion and exclusion criteria, 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.

A sponsor who wishes to conduct a clinical trial outside the United States may, but need not, obtain FDA authorization to conduct the clinical trial under an IND. When a foreign clinical trial is conducted under an IND, all FDA IND requirements must be met unless waived. When a foreign clinical trial is not conducted under an IND, the sponsor must ensure that the trial complies with certain regulatory requirements of the FDA in order to use the trial as support for an IND or application for marketing approval. Specifically, the FDA requires that such trials be conducted in accordance with GCP, including review and approval by an independent ethics committee and informed consent from participants. The GCP requirements encompass both ethical and data integrity standards for clinical trials. The FDA's regulations are intended to help ensure the protection of human subjects enrolled in non-IND foreign clinical trials, as well as the quality and integrity of the resulting data. They further help ensure that non-IND foreign trials are conducted in a manner comparable to that required for clinical trials in the United States.

Further, each clinical trial must be reviewed and approved by an IRB either centrally or individually at each institution at which the clinical trial will be conducted. The IRB will consider, among other things, clinical trial design, patient informed consent, ethical factors, the safety of human subjects, and the possible liability of the institution. An IRB must operate in compliance with FDA regulations. The FDA, IRB, or the clinical trial sponsor may suspend or discontinue a clinical trial at any time for various reasons, including a finding that the clinical trial is not being conducted in accordance with FDA requirements or that the participants are being exposed to an unacceptable health risk. Clinical testing also must satisfy extensive GCP rules and the requirements for informed consent.

Additionally, some clinical trials are overseen by an independent group of qualified experts organized by the clinical trial sponsor, known as a data safety monitoring board ("DSMB"). This group may recommend continuation of the trial as planned, changes in trial conduct, or cessation of the trial at designated check points based on certain available data from the trial to which only the DSMB has access.

Clinical trials typically are conducted in three sequential phases, but the phases may overlap or be combined. Additional studies may be required after approval.

- *Phase 1* clinical trials are initially conducted in a limited population to test the product candidate for safety, including adverse effects, dose tolerance, absorption, metabolism, distribution, excretion, and pharmacodynamics in healthy humans or, on occasion, in patients, such as cancer patients.
- *Phase 2* clinical trials are generally conducted in a limited patient population to identify possible adverse effects and safety risks, evaluate the efficacy of the product candidate for specific targeted indications and determine dose tolerance and optimal dosage. Multiple Phase 2 clinical trials may be conducted by the sponsor to obtain information prior to beginning larger and more costly Phase 3 clinical trials.
- *Phase 3* clinical trials proceed if the Phase 2 clinical trials demonstrate that a dose range of the product candidate is potentially effective and has an acceptable safety profile. Phase 3 clinical trials are undertaken within an expanded patient population to further evaluate dosage, provide substantial evidence of clinical efficacy, and further test for safety in an expanded and diverse patient population at multiple, geographically dispersed clinical trial sites. A well-controlled, statistically robust Phase 3

trial may be designed to deliver the data that regulatory authorities will use to decide whether or not to approve, and, if approved, how to appropriately label a biologic; such Phase 3 studies are referred to as “pivotal.”

In some cases, the FDA may approve a BLA for a product but require the sponsor to conduct additional clinical trials to further assess the product’s safety and effectiveness after licensure. Such post-approval trials are typically referred to as Phase 4 clinical trials. These studies are used to gain additional experience from the treatment of patients in the intended therapeutic indication and to document a clinical benefit in the case of biologics approved under accelerated approval regulations. If the FDA approves a product while a company has ongoing clinical trials that were not necessary for approval, a company may be able to use the data from these clinical trials to meet all or part of any Phase 4 clinical trial requirement or to request a change in the product labeling. The failure to exercise due diligence with regard to conducting Phase 4 clinical trials could result in withdrawal of approval for products.

Information about applicable clinical trials must be submitted within specific timeframes to the NIH for public dissemination on its ClinicalTrials.gov website.

#### *Compliance with cGMP Requirements*

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 full compliance with cGMP requirements and adequate to assure consistent production of the product within required specifications. The PHSA emphasizes the importance of manufacturing control for products like biologics whose attributes cannot be precisely defined.

Manufacturers and others involved in the manufacture and distribution of products must also register their establishments with the FDA and certain state agencies. Both domestic and foreign manufacturing establishments must register and provide additional information to the FDA upon their initial participation in the manufacturing process. Any product manufactured by or imported from a facility that has not registered, whether foreign or domestic, is deemed misbranded under the FDCA. Establishments may be subject to periodic unannounced inspections by government authorities to ensure compliance with cGMPs and other laws. Inspections must follow a “risk-based schedule” that may result in certain establishments being inspected more frequently. Manufacturers may also have to provide, on request, electronic or physical records regarding their establishments. Delaying, denying, limiting, or refusing inspection by the FDA may lead to a product being deemed to be adulterated.

#### *Review and Approval of a BLA*

The results of product candidate development, preclinical testing, and clinical trials, including negative or ambiguous results as well as positive findings, are submitted to the FDA as part of a BLA requesting a license to market the product. The BLA must contain extensive manufacturing information and detailed information on the composition of the product and proposed labeling as well as payment of a user fee. Under federal law, the submission of most BLAs is subject to an application user fee. The sponsor of a licensed BLA is also subject to an annual program fee. Certain exceptions and waivers are available for some of these fees, such as an exception from the application fee for products with orphan designation and a waiver for certain small businesses.

The FDA has 60 days after submission of the application to conduct an initial review to determine whether it is sufficient to accept for filing based on the agency’s threshold determination that it is sufficiently complete to permit substantive review. Once the submission has been accepted for filing, the FDA begins an in-depth review of the application. Under the goals and policies agreed to by the FDA under the PDUFA, the FDA has ten months in which to complete its initial review of a standard application and respond to the applicant, and six months for a priority review of the application. The FDA does not always meet its PDUFA goal dates for standard and priority BLAs. The review process may often be significantly extended by FDA requests for additional information or clarification. The review process and the PDUFA goal date may be extended by three months if the FDA requests or if the applicant otherwise provides additional information or clarification regarding information already provided in the submission within the last three months before the PDUFA goal date.

Under the PHSA, the FDA may approve a BLA if it determines that the product is safe, pure, and potent, and the facility where the product will be manufactured meets standards designed to ensure that it continues to be safe, pure, and potent. On the basis of the FDA’s evaluation of the application and accompanying information, including

the results of the inspection of the manufacturing facilities and any FDA audits of preclinical and clinical trial sites to assure compliance with GCPs, the FDA may issue an approval letter or a complete response letter. An approval letter authorizes commercial marketing of the product with specific prescribing information for specific indications. If the application is not approved, the FDA will issue a CRL, which will contain the conditions that must be met in order to secure final approval of the application, and when possible will outline recommended actions the sponsor might take to obtain approval of the application. Sponsors that receive a CRL may submit to the FDA information that represents a complete response to the issues identified by the FDA.

The FDA may also refer the application to an advisory committee for review, evaluation, and recommendation as to whether the application should be approved. In particular, the FDA may refer applications for novel biologic products or biologic products that present difficult questions of safety or efficacy to an advisory committee. Typically, an advisory committee is a panel of independent experts, including clinicians and other scientific experts, that reviews, evaluates, and provides a recommendation as to whether the application should be approved and under what conditions. The FDA is not bound by the recommendations of an advisory committee, but it considers such recommendations carefully when making decisions.

If the FDA approves a new product, it may limit the approved indication(s) for use of the product. It may also require that contraindications, warnings, or precautions be included in the product labeling. In addition, the FDA may call for post-approval studies, including Phase 4 clinical trials, to further assess the product's efficacy and/or safety after approval. The agency may also require testing and surveillance programs to monitor the product after commercialization, or impose other conditions, including distribution restrictions or other risk management mechanisms, including REMS, to help ensure that the benefits of the product outweigh the potential risks. REMS can include medication guides, communication plans for healthcare professionals, and elements to assure safe use.

#### *Expedited Review Programs*

The FDA is authorized to expedite the review of BLAs in several ways. Under the Fast Track program, the sponsor of a product 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. Candidate products are eligible for Fast Track designation if they are intended to treat a serious or life-threatening condition and demonstrate the potential to address unmet medical needs for the condition. Fast Track designation applies to the combination of the product candidate and the specific indication for which it is being studied. In addition to other benefits, such as the ability to have greater interactions with the FDA, the FDA may initiate review of sections of a Fast Track application before the application is complete, a process known as rolling review.

Any product candidate submitted to the FDA for marketing, including under a Fast Track program, may be eligible for other types of FDA programs intended to expedite development and review, such as breakthrough therapy designation, priority review and accelerated approval.

- *Breakthrough therapy designation.* To qualify for the breakthrough therapy program, product candidates must be intended to treat a serious or life-threatening disease or condition and preliminary clinical evidence must indicate that such product candidates may demonstrate substantial improvement on one or more clinically significant endpoints over existing therapies. The FDA will seek to ensure the sponsor of a breakthrough therapy product candidate receives intensive guidance on an efficient drug development program, intensive involvement of senior managers and experienced staff on a proactive, collaborative and cross-disciplinary review and rolling review.
- *Priority review.* A product candidate is eligible for priority review if it treats a serious condition and, if approved, it would be a significant improvement in the safety or effectiveness of the treatment, diagnosis or prevention compared to marketed products. The FDA aims to complete its review of priority review applications within six months as opposed to 10 months for standard review.
- *Accelerated approval.* Drug or biologic products studied for their safety and effectiveness in treating serious or life-threatening illnesses and that provide meaningful therapeutic benefit over existing treatments may receive accelerated approval. Accelerated approval means that a product candidate may be approved on the basis of adequate and well controlled clinical trials establishing that the product

candidate has an effect on a surrogate endpoint that is reasonably likely to predict a clinical benefit, or on the basis of an effect on a clinical endpoint other than survival or irreversible morbidity or mortality or other clinical benefit, taking into account the severity, rarity and prevalence of the condition and the availability or lack of alternative treatments. As a condition of approval, the FDA may require that a sponsor of a drug or biologic product candidate receiving accelerated approval perform adequate and well controlled post-marketing clinical trials. In addition, the FDA currently requires as a condition for accelerated approval pre-approval of promotional materials.

- *Regenerative advanced therapy.* With passage of the 21<sup>st</sup> Century Cures Act (the “Cures Act”) in December 2016, Congress authorized the FDA to accelerate review and approval of products designated as regenerative advanced therapies. A product is eligible for this designation if it is a regenerative medicine therapy that is intended to treat, modify, reverse or cure a serious or life-threatening disease or condition and preliminary clinical evidence indicates that the product candidate has the potential to address unmet medical needs for such disease or condition. The benefits of a regenerative advanced therapy designation include early interactions with the FDA to expedite development and review, benefits available to breakthrough therapies, potential eligibility for priority review and accelerated approval based on surrogate or intermediate endpoints.

None of these expedited programs change the standards for approval but they may help expedite the development or approval process of product candidates.

#### *Post-Approval Regulation*

If regulatory approval for marketing of a product or new indication for an existing product is obtained, the sponsor will be required to comply with all regular post-approval regulatory requirements as well as any post-approval requirements that the FDA have imposed as part of the approval process. The sponsor will be required to report certain adverse reactions and production problems to the FDA, provide updated safety and efficacy information and comply with requirements concerning advertising and promotional labeling requirements. Manufacturers and certain of their subcontractors are required to register their establishments with the FDA and certain state agencies and are subject to periodic unannounced inspections by the FDA and certain state agencies for compliance with ongoing regulatory requirements, including cGMP regulations, which impose certain procedural and documentation requirements upon manufacturers. Accordingly, the sponsor and its third-party manufacturers must continue to expend time, money, and effort in the areas of production and quality control to maintain compliance with cGMP regulations and other regulatory requirements.

A product may also be subject to official lot release, meaning that the manufacturer is required to perform certain tests on each lot of the product before it is released for distribution. If the product is subject to official lot release, the manufacturer must submit samples of each lot, together with a release protocol showing a summary of the history of manufacture of the lot and the results of all of the manufacturer’s tests performed on the lot, to the FDA. The FDA may in addition perform certain confirmatory tests on lots of some products before releasing the lots for distribution. Finally, the FDA will conduct laboratory research related to the safety, purity, potency, and effectiveness of pharmaceutical products.

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 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 license approvals;
- product recall, seizure or detention, or refusal to permit the import or export of products; or
- injunctions or the imposition of civil or criminal penalties.

Pharmaceutical products may be promoted only for the approved indications and in accordance with the provisions of the approved label. Although healthcare providers may prescribe products for uses not described in the drug's labeling, known as off-label uses, in their professional judgment, drug manufacturers are prohibited from soliciting, encouraging or promoting unapproved uses of a product. 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.

The FDA strictly regulates the marketing, labeling, advertising, and promotion of prescription drug products placed on the market. This regulation includes, among other things, standards and regulations for direct-to-consumer advertising, communications regarding unapproved uses, industry-sponsored scientific and educational activities, and promotional activities involving the Internet and social media. Promotional claims about a drug's safety or effectiveness are prohibited before the drug is approved. After approval, a drug product generally may not be promoted for uses that are not approved by the FDA, as reflected in the product's prescribing information.

If a company is found to have promoted off-label uses, it may become subject to adverse public relations and administrative and judicial enforcement by the FDA, the Department of Justice or the Office of the Inspector General of the Department of Health and Human Services, as well as state authorities. This could subject a company to a range of penalties that could have a significant commercial impact, including civil and criminal fines and agreements that materially restrict the manner in which a company promotes or distributes drug products. The federal government has levied large civil and criminal fines against companies for alleged improper promotion and has also requested that companies enter into consent decrees or permanent injunctions under which specified promotional conduct is changed or curtailed.

#### ***Regulation and Procedures Governing Approval of Medicinal Products in the European Union***

In order to market any product outside of the United States, a company must also comply with numerous and varying regulatory requirements of other countries and jurisdictions regarding quality, safety, and efficacy, and governing, among other things, clinical trials, marketing authorization, commercial sales, and distribution of drug products. Whether or not it obtains FDA approval for a product, an applicant will need to obtain the necessary approvals by the comparable foreign regulatory authorities before it can commence clinical trials or marketing of the product in those countries or jurisdictions. Specifically, the process governing approval of medicinal products in the European Union generally follows the same lines as in the United States. It entails satisfactory completion of preclinical studies and adequate and well-controlled clinical trials to establish the safety and efficacy of the product for each proposed indication. It also requires the submission to the relevant competent authorities of a marketing authorization application ("MAA") and granting of a marketing authorization by these authorities before the product can be marketed and sold in the European Union.

#### ***Clinical Trial Approval***

Pursuant to the currently applicable Clinical Trials Directive 2001/20/EC and the Directive 2005/28/EC on GCP, a system for the approval of clinical trials in the European Union has been implemented through national legislation of the member states. Under this system, an applicant must obtain approval from the competent national authority of a European Union member state in which the clinical trial is to be conducted, or in multiple member states if the clinical trial is to be conducted in a number of member states. Furthermore, the applicant may only start a clinical trial at a specific site after the competent ethics committee has issued a favorable opinion. The clinical trial application must be accompanied by an investigational medicinal product dossier with supporting information prescribed by Directive 2001/20/EC and Directive 2005/28/EC and corresponding national laws of the member states and further detailed in applicable guidance documents.

In April 2014, the European Union adopted a new Clinical Trials Regulation (EU) No 536/2014, but it has not yet become effective. It will overhaul the current system of approvals for clinical trials in the European Union. Specifically, the new legislation, which will be directly applicable in all member states, aims at simplifying and streamlining the approval of clinical trials in the European Union. For instance, the new Clinical Trials Regulation provides for a streamlined application procedure via a single-entry point and strictly defined deadlines for the assessment of clinical trial applications.

The conduct of all clinical trials performed in the European Union will continue to be bound by currently applicable provisions until the new Clinical Trials Regulation becomes applicable. The extent to which on-going clinical trials will be governed by the Clinical Trials Regulation will depend on when the Clinical Trials Regulation becomes applicable and on the duration of the individual clinical trial. If a clinical trial continues for more than three years from the day on which the Clinical Trials Regulation becomes applicable the Clinical Trials Regulation will at that time begin to apply to the clinical trial.

On January 1, 2020, the website of the European Commission reported that the implementation of the new Clinical Trials Regulation was dependent on the development of a fully functional clinical trials portal and database, which would be confirmed by an independent audit, and that the new legislation would come into effect six months after the European Commission publishes a notice of this confirmation. In late 2020, the EMA indicated that it plans to focus on the findings of a system audit; improving the usability, quality and stability of the clinical trial information system; and knowledge transfer to prepare users and their organizations for the new clinical trial system. The EMA has indicated that the system will go live in December 2021.

Parties conducting certain clinical trials must, as in the United States, post clinical trial information in the European Union at the EudraCT website.

#### *Marketing Authorization*

To obtain a marketing authorization for a product under the European Union regulatory system, an applicant must submit an MAA, either under a centralized procedure administered by the EMA or one of the procedures administered by competent authorities in European Union Member States (decentralized procedure, national procedure, or mutual recognition procedure). A marketing authorization may be granted only to an applicant established in the European Union. Regulation (EC) No 1901/2006 provides that prior to obtaining a marketing authorization in the European Union, an applicant must demonstrate compliance with all measures included in an EMA approved Pediatric Investigation Plan (“PIP”) covering all subsets of the pediatric population, unless the EMA has granted a product specific waiver, class waiver, or a deferral for one or more of the measures included in the PIP.

The centralized procedure provides for the grant of a single marketing authorization by the European Commission that is valid for all European Union member states. Pursuant to Regulation (EC) No. 726/2004, the centralized procedure is compulsory for specific products, including for medicines produced by certain biotechnological processes, products designated as orphan medicinal products, advanced therapy products and products with a new active substance indicated for the treatment of certain diseases, including products for the treatment of cancer. For products with a new active substance indicated for the treatment of other diseases and products that are highly innovative or for which a centralized process is in the interest of patients, the centralized procedure may be optional. Manufacturers must demonstrate the quality, safety, and efficacy of their products to the EMA, which provides an opinion regarding the MAA. The European Commission grants or refuses marketing authorization in light of the opinion delivered by the EMA.

Under the centralized procedure, the CHMP established at the EMA is responsible for conducting an initial assessment of a product. Under the centralized procedure in the European Union, the maximum timeframe for the evaluation of an MAA is 210 days, excluding clock stops when additional information or written or oral explanation is to be provided by the applicant in response to questions of the CHMP. Accelerated evaluation may be granted by the CHMP in exceptional cases, when a medicinal product is of major interest from the point of view of public health and, in particular, from the viewpoint of therapeutic innovation. If the CHMP accepts such a request, the time limit of 210 days will be reduced to 150 days, but it is possible that the CHMP may revert to the standard time limit for the centralized procedure if it determines that it is no longer appropriate to conduct an accelerated assessment.

## Coverage, Pricing, and Reimbursement

Significant uncertainty exists as to the coverage and reimbursement status of any product candidates for which we may seek regulatory approval by the FDA or other government authorities. In the United States and markets in other countries, patients who are prescribed treatments for their conditions and providers performing the prescribed services generally rely on third-party payors to reimburse all or part of the associated healthcare costs. Patients are unlikely to use any product candidates we may develop unless coverage is provided and reimbursement is adequate to cover a significant portion of the cost of such product candidates. Even if any product candidates we may develop are approved, sales of such product candidates will depend, in part, on the extent to which third-party payors, including government health programs in the United States such as Medicare and Medicaid, commercial health insurers, and managed care organizations, provide coverage, and establish adequate reimbursement levels for, such product candidates. The process for determining whether a payor will provide coverage for a product may be separate from the process for setting the price or reimbursement rate that the payor will pay for the product once coverage is approved. Third-party payors are increasingly challenging the prices charged, examining the medical necessity, and reviewing the cost-effectiveness of medical products and services and imposing controls to manage costs. Third-party payors may limit coverage to specific products on an approved list, also known as a formulary, which might not include all of the approved products for a particular indication.

In order to secure coverage and reimbursement for any product that might be approved for sale, a company may need to conduct expensive pharmacoeconomic studies in order to demonstrate the medical necessity and cost-effectiveness of the product, in addition to the costs required to obtain FDA or other comparable marketing approvals. Nonetheless, product candidates may not be considered medically necessary or cost-effective. A decision by a third-party payor not to cover any product candidates we may develop could reduce physician utilization of such product candidates once approved and have a material adverse effect on our sales, results of operations and financial condition. Additionally, a payor's decision to provide coverage for a product does not imply that an adequate reimbursement rate will be approved. Further, one payor's determination to provide coverage for a product does not assure that other payors will also provide coverage and reimbursement for the product, and the level of coverage and reimbursement can differ significantly from payor to payor. Third-party reimbursement and coverage may not be available to enable us to maintain price levels sufficient to realize an appropriate return on our investment in product development. In addition, any companion diagnostic tests require coverage and reimbursement separate and apart from the coverage and reimbursement for their companion pharmaceutical or biological products. Similar challenges to obtaining coverage and reimbursement applicable to pharmaceutical or biological products will apply to any companion diagnostics.

The containment of healthcare costs also has become a priority of federal, state and foreign governments and the prices of pharmaceuticals have been a focus in this effort. Governments have shown significant interest in implementing cost-containment programs, including price controls, restrictions on reimbursement, and requirements for substitution of generic products. Adoption of price controls and cost-containment measures, and adoption of more restrictive policies in jurisdictions with existing controls and measures, could further limit a company's revenue generated from the sale of any approved products. Coverage policies and third-party reimbursement rates may change at any time. Even if favorable coverage and reimbursement status is attained for one or more products for which a company or its collaborators receive marketing approval, less favorable coverage policies and reimbursement rates may be implemented in the future.

If we obtain approval in the future to market in the United States any product candidates we may develop, we may be required to provide discounts or rebates under government healthcare programs or to certain government and private purchasers in order to obtain coverage under federal healthcare programs such as Medicaid. Participation in such programs may require us to track and report certain drug prices. We may be subject to fines and other penalties if we fail to report such prices accurately.

Outside the United States, ensuring adequate coverage and payment for any product candidates we may develop will face challenges. Pricing of prescription pharmaceuticals is subject to governmental control in many countries. Pricing negotiations with governmental authorities can extend well beyond the receipt of regulatory marketing approval for a product and may require us to conduct a clinical trial that compares the cost-effectiveness of any product candidates we may develop to other available therapies. The conduct of such a clinical trial could be expensive and result in delays in our commercialization efforts.

In the European Union, pricing and reimbursement schemes vary widely from country to country. Some countries provide that products may be marketed only after a reimbursement price has been agreed. Some countries may require the completion of additional studies that compare the cost-effectiveness of a particular product candidate to currently available therapies (so called health technology assessments) in order to obtain reimbursement or pricing approval. For example, the European Union provides options for its member states to restrict the range of products for which their national health insurance systems provide reimbursement and to control the prices of medicinal products for human use. European Union member states may approve a specific price for a product, or they may instead adopt a system of direct or indirect controls on the profitability of the company placing the product on the market. Other member states allow companies to fix their own prices for products but monitor and control prescription volumes and issue guidance to physicians to limit prescriptions. Recently, many countries in the European Union have increased the amount of discounts required on pharmaceuticals and these efforts could continue as countries attempt to manage healthcare expenditures, especially in light of the severe fiscal and debt crises experienced by many countries in the European Union. The downward pressure on healthcare costs in general, particularly prescription products, has become intense. As a result, increasingly high barriers are being erected to the entry of new products. Political, economic, and regulatory developments may further complicate pricing negotiations, and pricing negotiations may continue after reimbursement has been obtained. Reference pricing used by various European Union member states, and parallel trade (arbitrage between low-priced and high-priced member states), can further reduce prices. There can be no assurance that any country that has price controls or reimbursement limitations for pharmaceutical products will allow favorable reimbursement and pricing arrangements for any of our products, if approved in those countries.

### *Healthcare Law and Regulation*

Healthcare providers and third-party payors play a primary role in the recommendation and prescription of drug products that are granted marketing approval. Arrangements with providers, consultants, third-party payors, and customers are subject to broadly applicable fraud and abuse, anti-kickback, false claims laws, patient privacy laws and regulations and other healthcare laws and regulations that may constrain our business and/or financial arrangements. Restrictions under applicable federal and state healthcare laws and regulations, include the following:

- the U.S. federal Anti-Kickback Statute, which prohibits, among other things, persons and entities from knowingly and willfully soliciting, offering, paying, receiving, or providing remuneration, directly or indirectly, in cash or in kind, to induce or reward either the referral of an individual for, or the purchase, order or recommendation of, any good or service, for which payment may be made, in whole or in part, under a federal healthcare program such as Medicare and Medicaid;
- the federal civil and criminal false claims laws, including the civil False Claims Act, and civil monetary penalties laws, which prohibit individuals or entities from, among other things, knowingly presenting, or causing to be presented, to the federal government, claims for payment that are false, fictitious, or fraudulent or knowingly making, using, or causing to be made or used a false record or statement to avoid, decrease, or conceal an obligation to pay money to the federal government;
- the FCPA, which prohibits companies and their intermediaries from making, or offering or promising to make improper payments to non-U.S. officials for the purpose of obtaining or retaining business or otherwise seeking favorable treatment; and
- the federal transparency requirements known as the federal Physician Payments Sunshine Act, which requires certain manufacturers of drugs, devices, biologics and medical supplies to report annually to the CMS within the U.S. Department of Health and Human Services, information related to payments and other transfers of value made by that entity to physicians, as defined by such law, and teaching hospitals, as well as ownership and investment interests held by physicians and their immediate family members.

Further, some state laws require pharmaceutical companies to comply with the pharmaceutical industry's voluntary compliance guidelines and the relevant compliance guidance promulgated by the federal government in addition to requiring pharmaceutical manufacturers to report information related to payments to physicians and other healthcare providers or marketing expenditures. In addition, certain state and local laws require the registration of pharmaceutical sales representatives in the jurisdiction. State and foreign laws also govern the privacy and security of health information in some circumstances, many of which differ from each other in significant ways and often are not preempted by HIPAA, thus complicating compliance efforts.

### **Employees and Human Capital**

As of September 30, 2021, we employed 22 full-time employees. The 22 full-time employees were engaged in research and development, operations, finance, and business development. Seven employees held Ph.D. degrees, three held M.D. degrees and one held a VMD. Our employees are not represented by labor unions or covered under any collective bargaining agreements. We consider our relationship with our employees to be good.

Our human capital resources objectives include, as applicable, identifying, recruiting, retaining, incentivizing and integrating our existing and additional employees. The principal purposes of our equity incentive plans are to attract, retain and motivate selected employees, consultants and directors through the granting of stock-based compensation awards.

### **Facilities**

We lease approximately 7,781 square feet of space for our headquarters in Redwood City, California under an agreement that expires in June 2026. Thereafter, at our option, we may extend the term for an additional five years to June 2031. We also have entered into a month-to-month agreement for 5,611 square feet of office space in Redwood City, California. We believe that our existing facilities are adequate to meet our current needs, and that suitable additional alternative spaces will be available in the future on commercially reasonable terms.

### **Indemnification and Insurance**

Our business exposes us to potential liability including, but not limited to, potential liability for (i) non-compliance with applicable laws and regulations, and (ii) employment-related claims. In certain circumstances, we may also be liable for the acts or omissions of others, such as suppliers of goods or services.

We attempt to manage our potential liability to third parties through contractual protection (such as indemnification and limitation of liability provisions) in our contracts and through insurance. The contractual indemnification provisions vary in scope and generally do not protect us against all potential liabilities. In addition, in the event that we seek to enforce such an indemnification provision, the indemnifying party may not have sufficient resources to fully satisfy its indemnification obligations or may otherwise not comply with its contractual obligations.

We currently maintain insurance coverage with limits we believe to be appropriate. The coverage provided by such insurance may not be adequate for all claims made and such claims may be contested by applicable insurance carriers.

### **Legal Proceedings**

We are not currently a party to any material legal proceedings.

## MANAGEMENT

The following sets forth certain information, as of the date of this prospectus, concerning the persons who are serving as our directors and executive officers.

### Executive Officers and Directors

The following table sets forth the name, age and position of each of our executive officers and directors.

Name	Age	Position(s)
<b>Executive Officers</b>		
William Lis	57	President, Chief Executive Officer and Executive Chairman of the Board
Jeet Mahal	50	Chief Financial and Business Officer and Corporate Secretary
Kevin N. Heller, M.D.	50	Executive Vice President, Research and Development
<b>Non-Employee Directors</b>		
Anna French, D.Phil. <sup>(1)(2)(3)</sup>	33	Director
Lawrence Klein, Ph.D. <sup>(3)</sup>	39	Director
Christian W. Nolet <sup>(1)(2)</sup>	64	Director
Judith Shizuru, M.D., Ph.D.	65	Director
Kurt von Emster <sup>(1)(2)(3)</sup>	54	Director

(1) Member of the audit committee.

(2) Member of the compensation committee.

(3) Member of the nominating and corporate governance committee.

### Executive Officers

**William Lis.** Mr. Lis has 30 years of biopharmaceutical experience and has served as our Chief Executive Officer and Executive Chairman of our Board since September 2021. Prior to that, Mr. Lis had served as Legacy Jasper's Chief Executive Officer and Executive Chairman of the Legacy Jasper Board since November 2019 and as its President since December 2019. Previously, Mr. Lis served as Chief Executive Officer and a Director of Portola Pharmaceuticals, Inc. (formerly listed on Nasdaq) from April 2010 until August 2018, after serving as Chief Operating Officer from November 2009 to April 2010, Vice President of Business and Commercial Operations from May 2008 to October 2009 and as Senior Director of Business Development from May 2005 to August 2005. Under his leadership, Portola successfully grew from a discovery-stage company to a fully integrated research and development and commercial organization, and independently discovered and developed Andexxa<sup>®</sup>, Bevyxxa<sup>®</sup> and cerdulatinib. He led corporate and academic institution partnerships and an initial public offering in October 2013. The company grew into a multi-billion valuation company during his tenure and was acquired by Alexion Pharmaceuticals, Inc. in July 2020. Prior to Portola, Mr. Lis held various management positions at Scios, Inc. (a Johnson & Johnson company), including as Vice President Business and Commercial Operations from November 2007 to April 2008, as Vice President of Business and New Product Development from August 2005 to November 2007 and as Director of Cardiovascular Marketing and New Products from January 2004 to May 2005, having led in-licensing efforts, development and the commercial operations for Xarelto<sup>®</sup>. He also held positions of increasing responsibility at Millennium Pharmaceuticals, Inc. (previously COR Therapeutics, Inc.) from October 1999 to November 2003, and prior to that he was with Rhone Poulenc Rorer in sales, marketing, medical affairs and business development, where he was involved in the commercial launch of Integrilin<sup>®</sup>, Lovenox<sup>®</sup>, Velcade<sup>®</sup> and Rilutek<sup>®</sup>. Mr. Lis has served as an independent member of the board of directors of Zai Lab Limited (Nasdaq: ZLAB) since October 2018. He also previously served as a member of the BIO Board of Directors for Emerging Companies and as an independent director of Eidos Therapeutics, Inc. (Nasdaq: EIDX) from December 2018 until it was acquired by BridgeBio Pharma, Inc. in January 2021. Mr. Lis holds a B.S. from the University of Maryland. We believe that Mr. Lis is qualified to serve on our Board due to his leadership and business and product development expertise, as well as his extensive experience in the pharmaceutical and therapeutics industry at both the executive and board level.

**Jeet Mahal.** Mr. Mahal has served as our Chief Financial and Business Officer and Corporate Secretary since September 2021. Prior to that, Mr. Mahal had served as Legacy Jasper's Chief Financial and Business Officer since December 2019. Prior to joining Legacy Jasper, Mr. Mahal worked at Portola Pharmaceuticals, Inc. from August 2008 to December 2019, where Mr. Mahal held a number of positions of increasing leadership, most recently as Vice President, Strategic Marketing from January 2019 to December 2019 and Vice President, Business Development from February 2013 to December 2018. While at Portola Pharmaceuticals, Inc., Mr. Mahal led the execution of multiple business development partnerships for Andexxa<sup>®</sup>, Bevyxxa<sup>®</sup> and cerdulatinib. Mr. Mahal also played a key role in the company's equity financings, including its initial public offering and multiple royalty transactions. Earlier in his career, from January 2006 to September 2008, Mr. Mahal was Director, Business and New Product Development, at Johnson & Johnson on the cardiovascular in-licensing and Xarelto<sup>®</sup> product development teams. Mr. Mahal started his career in the drug development laboratories at COR Therapeutics. Mr. Mahal holds a Bachelor's degree in Molecular and Cell Biology from U.C. Berkeley, a Master's degree in Engineering from North Carolina State University, a Master's degree in Molecular and Cell Biology from the Illinois Institute of Technology and an MBA from Duke University.

**Kevin N. Heller, M.D.** Dr. Heller has served as our Executive Vice President, Research and Development since September 2021. Prior to that, Dr. Heller had served as Legacy Jasper's Executive Vice President, Research and Development since August 2020. Prior to joining Legacy Jasper, Dr. Heller was Chief Medical Officer at NextCure, Inc., a biotechnology company developing immunotherapy-based biologics for cancer and other diseases, from April 2018 to August 2020. Before that, from May 2015 to April 2018, Dr. Heller was Vice President and head of antibody clinical development at Incyte Corporation, coordinating immunotherapy clinical development strategies for multiple antibody programs. Dr. Heller joined Incyte from AstraZeneca plc, where Dr. Heller was Senior Medical Director from May 2013 to May 2015, overseeing global medicines development in oncology. Dr. Heller began his biopharma industry experience at Bristol Myers Squibb from July 2007 to June 2013, where he led early development programs and was responsible for authoring and managing first-in-human clinical trials. Dr. Heller's most recent position at BMS was Global Lead for Oncology Search and Evaluation from July 2011 to June 2013, where he was responsible for leading a team matrix across disciplines during due diligence activities and preparing recommendations for possible acquisitions. Dr. Heller is currently Adjunct Professor of Medicine at Yale School of Medicine. He also serves as an industry advisor to CureSearch, an organization committed to childhood cancer research and the National Leadership Council for Society for Science. Dr. Heller received a Bachelor's degree in molecular biophysics and biochemistry from Yale University and a medical degree from George Washington University. Dr. Heller trained in pediatrics at the Children's Hospital of Buffalo and pediatric hematology/oncology at Memorial Sloan Kettering Cancer Center. Following his fellowship, Dr. Heller joined the faculty of the Rockefeller University as Instructor and subsequently Chief Clinical Scholar of Clinical Investigation.

#### **Non-Employee Directors**

**Anna French, D.Phil.** Dr. French has served as a member of our Board since September 2021. Dr. French served on the Legacy Jasper Board from November 2019 to September 2021. Dr. French is a Partner at Qiming Venture Partners USA, having joined the firm in July 2017, where she invests in biotech and digital health companies, focusing on advanced therapeutics including cell and gene therapy. Dr. French has served on the boards of directors of Umoja Biopharma, Inc. since August 2020, WindMIL Therapeutics, Inc. since June 2018 and Auron Therapeutics, Inc. since December 2020. Previously, Dr. French was a Management Consultant at the Boston Consulting Group (BCG) from November 2014 to June 2017, where she advised leading biopharma companies on their strategy and operations. Dr. French also led a global industry/academic consortium focused on cell therapy commercialization. Dr. French earned a D.Phil. from the University of Oxford, UK, where her research focused on the hematopoietic differentiation of human induced pluripotent stem cells. Dr. French has over 20 publications in the field of stem cell research. We believe that Dr. French is qualified to serve on our Board due to her stem cell expertise, as well as her experience investing in companies focused on advanced therapeutics.

**Lawrence Klein, Ph.D.** Dr. Klein has served as a member of our Board since September 2021. He has served in various positions at CRISPR Therapeutics AG (Nasdaq: CRSP), a biotechnology company, including Chief Operating Officer since January 2020, Chief Business Officer from January 2019 to January 2020, Senior Vice President, Business Development and Strategy from November 2017 to December 2018 and as Vice President, Strategy from February 2016 to November 2017. Before joining CRISPR, Dr. Klein was an Associate Partner at McKinsey & Company, a global management consulting firm, from October 2014 to February 2016. He has served as a director of Dyne Therapeutics, Inc. (Nasdaq: DYN) since September 2019. Dr. Klein received his B.S.

in biochemistry and physics from the University of Wisconsin-Madison and his Ph.D. in biophysics from Stanford University. We believe that Dr. Klein is qualified to sit on our Board due to his extensive background in immunology, hematologic malignancies, stem cell transplant and cell therapies, as well as his current and prior service with pharmaceutical and biotechnology companies on matters pertaining to strategy and operations.

**Christian W. Nolet.** Mr. Nolet has served as a member of our Board since September 2021. Mr. Nolet has more than 40 years of experience in various leadership roles in the audit services profession and in the life sciences industry. Mr. Nolet was an audit partner at Ernst & Young LLP (“EY”), a professional services firm, from November 2001 to June 2019. While at EY, Mr. Nolet led the West EY Life Sciences Industry Group and continues to serve on both the Executive Committee and Finance Committee (Co-Chair) of the California Life Sciences industry association. Mr. Nolet was also a member of the Finance & Investment Committee and Emerging Companies Section of BIO (the Biotechnology Innovation Organization). Prior to EY, Mr. Nolet was a partner at PricewaterhouseCoopers LLP from 1991 to 2001. Mr. Nolet holds a B.S. in Accounting from San Diego State University and is a retired Certified Public Accountant in California. Mr. Nolet has served on the board of directors of Revance Therapeutics, Inc. (Nasdaq: RVNC) since July 2019, on the board of directors of PolarityTE, Inc. (Nasdaq: PTE) since April 2020, and on the board of directors of Ambrx Biopharma Inc. (Nasdaq: AMAM) since January 2021. Mr. Nolet previously served on the board of directors of Viela Bio, Inc. from August 2019 until it was acquired in March 2021. We believe that Mr. Nolet is qualified to serve on our Board due to his experience with multiple life sciences companies ranging from growing venture-capital backed start-ups to Fortune 100 companies, and his financial expertise as a former audit partner and retired California Certified Public Accountant.

**Judith Shizuru, M.D., Ph.D.** Dr. Shizuru has served as a member of our Board since September 2021. Dr. Shizuru is the scientific co-founder of Legacy Jasper and served as a member of the Legacy Jasper Board from March 2018 to September 2021 and as Chair of Legacy Jasper’s Scientific Advisory Board from December 2019 to September 2021. Dr. Shizuru is a Professor of Medicine (Blood and Marrow Transplantation) and Pediatrics (Stem Cell Transplantation) at Stanford. Dr. Shizuru is a member of the Stanford Blood and Marrow Transplantation (BMT) faculty, the Stanford Immunology Program, and the Institute for Stem Cell Biology and Regenerative Medicine. Dr. Shizuru received a Bachelor’s degree from Bennington College and an M.D. and Ph.D. from the Stanford University School of Medicine. She trained as a resident in adult internal medicine at the University of California, San Francisco, and in the sub-specialty of hematology at Stanford. Dr. Shizuru has been attending on the Stanford Blood and Marrow Transplantation clinical service since 1997, and she oversees a research laboratory. Her laboratory is focused on understanding the cellular and molecular basis of resistance to engraftment of transplanted allogeneic hematopoietic cells, and the way in which bone marrow grafts modify immune responses including the induction of immune tolerance. Dr. Shizuru’s laboratory has developed the translational science of anti-CD117 antibodies, and was the first to advance an anti-human CD117 antibody as a transplant conditioning agent from the laboratory to the clinic. Dr. Shizuru has over 140 publications in the fields of immunology and hematopoietic cell transplantation. We believe that Dr. Shizuru is qualified to serve on our Board due to her expertise in immunology and transplant conditioning agents, as well as her knowledge of our technology and product candidates, having co-founded Legacy Jasper in 2018.

**Kurt von Emster.** Mr. von Emster has served as a member of our Board since September 2021. Mr. von Emster served on the Legacy Jasper Board from November 2019 to September 2021. Mr. von Emster has been a Partner at Abingworth LLP, a venture capital firm, since January 2015 and as Managing Partner since July 2015. Prior to joining Abingworth, Mr. von Emster was a co-founder and Partner of venBio LLC, a venture capital firm, from May 2009 until January 2015. In 2001, Mr. von Emster became a General Partner at MPM Capital, a leading biotechnology private equity firm, and launched the MPM BioEquities Fund, a crossover public and private biotechnology hedge fund. He was the portfolio manager of this fund from inception in 2001 until his departure in 2009. Mr. von Emster’s investment career started in 1989 at Franklin Templeton Investments where he founded and managed several health and biotechnology funds in the 1990s. Mr. von Emster currently has served on the boards of directors of Cymabay Therapeutics, Inc. (Nasdaq: CBAY) since April 2009, Tizona Therapeutics, Inc. since December 2020, Vera Therapeutics, Inc. (Nasdaq: VERA) since October 2020, Trishula Therapeutics, Inc. since December 2020, Vaxcyte, Inc. (Nasdaq: PCVX) since July 2015, Orbus Therapeutics, Inc. since July 2020 and SFJ Pharmaceuticals Inc. since April 2020 and previously served as a director of CRISPR Therapeutics AG from March 2015 to June 2019. Mr. von Emster holds a B.S. in Business and Economics from the University of California, Santa Barbara and is a Chartered Financial Analyst (CFA). We believe that that Mr. von Emster is qualified to serve on our Board due to his extensive financial and investment experience, as well as his experience serving on the board of directors of other therapeutic and pharmaceutical companies.

## **Family Relationships**

There are no family relationships among any of the individuals who serve as our directors or executive officers.

## **Board Composition**

Our business and affairs are organized under the direction of our Board, which currently consists of six members. Mr. Lis serves as Executive Chairman of our Board. The primary responsibilities of our Board are to provide oversight, strategic guidance, counseling and direction to our management. Our Board meets on a regular basis and on an *ad hoc* basis as required.

In accordance with the terms of our Amended and Restated Certificate of Incorporation and our Amended and Restated Bylaws, we divide our Board into three classes, as follows

- Class I, which consists of Dr. Klein and Mr. von Emster, whose terms will expire at our annual meeting of stockholders to be held in 2022;
- Class II, which consists of Dr. French and Dr. Shizuru, whose terms will expire at our annual meeting of stockholders to be held in 2023; and
- Class III, which consists of Mr. Lis and Mr. Nolet, whose terms will expire at our annual meeting of stockholders to be held in 2024.

At each annual meeting of stockholders to be held after the initial classification, the successors to directors whose terms then expire will serve until the third annual meeting following their election and until their successors are duly elected and qualified. The authorized number of directors that shall constitute our Board will be fixed exclusively by resolutions adopted by a majority of the authorized number of directors constituting our Board. No decrease in the number of directors constituting our Board will shorten the term of any incumbent director. This classification of our Board may have the effect of delaying or preventing changes in its control or management. Our directors may be removed only for cause by the affirmative vote of the holders of at least 66 $\frac{2}{3}$ % of our capital stock entitled to vote generally at an election of directors, voting together as a single class (provided that as of the three-year anniversary of the Closing Date, such reference to “66 $\frac{2}{3}$ %” shall be deemed to be “50%”).

Subject to applicable law and subject to the rights of the holders of any series of our preferred stock, any vacancies on our Board resulting from death, resignation, disqualification, removal or other causes and any newly created directorships resulting from any increase in the number of directors, shall, unless our Board determines by resolution that any such vacancies or newly created directorships shall be filled by the stockholders and except as otherwise provided by applicable law, be filled only by the affirmative vote of a majority of the directors then in office, even though less than a quorum, and not by the stockholders. Any director elected in accordance with the preceding sentence shall hold office for the remainder of the full term of the director for which the vacancy was created or occurred and until such director’s successor shall have been elected and qualified.

## **Director Independence**

Our Board has determined that each of our directors other than Mr. Lis and Dr. Shizuru qualifies as an independent director, as defined by Rule 5605(a)(2) of the Nasdaq Listing Rules, and our Board consists of a majority of “independent directors” as defined under the rules of the SEC and Nasdaq Stock Market listing rules relating to director independence requirements. In addition, we are subject to the rules of the SEC and the Nasdaq Stock Market relating to the membership, qualifications and operations of the audit committee, as discussed below.

## **Board Leadership Structure**

Our Board is chaired by Mr. Lis, the President and Chief Executive Officer. In such role, Mr. Lis has authority, among other things, to call and preside over our Board meetings, to set meeting agendas and to determine materials to be distributed to our Board. Our Board believes that combining the positions of Chief Executive Officer and Executive Chairman helps to ensure that our Board and management act with a common purpose and that separating the positions of Chief Executive Officer and Executive Chairman has the potential to give rise to divided leadership, which could interfere with good decision-making or weaken the ability to develop and implement strategy. Instead,

our Board believes that combining the positions of Chief Executive Officer and Executive Chairman provides a single, clear chain of command to execute its strategic initiatives and business plans. In addition, our Board believes that a combined Chief Executive Officer/Executive Chairman is better positioned to act as a bridge between management and our Board, facilitating the regular flow of information. We also believe that it is advantageous to have an Executive Chairman with an extensive history with and knowledge of our company (as is the case with our Chief Executive Officer) as compared to a relatively less informed independent Executive Chairman.

### **Role of our Board in Risk Oversight**

Our Board is responsible for overseeing our overall risk management process. The responsibility for managing risk rests with executive management while the committees of our Board and our Board as a whole participate in the oversight process. Our Board's risk oversight process builds upon management's risk assessment and mitigation processes, which include reviews of long-term strategic and operational planning, executive development and evaluation, regulatory and legal compliance and financial reporting and internal controls with respect to areas of potential material risk, including operations, finance, legal, regulatory, cybersecurity, strategic and reputational risk.

### **Board Committees**

Our Board has an audit committee, compensation committee and nominating and corporate governance committee. Our Board has adopted a new charter for each of these committees, which complies with the applicable requirements of current Nasdaq Stock Market rules. Copies of the charters for each committee are available on the Investors section of our website.

#### ***Audit Committee***

Our audit committee consists of Dr. French, Mr. Nolet and Mr. von Emster. Mr. Nolet serves as the chair of the audit committee. Each of the members of the audit committee satisfies the independence requirements of the Nasdaq Stock Market and Rule 10A-3 under the Exchange Act. Each member of the audit committee can read and understand fundamental financial statements in accordance with Nasdaq Stock Market audit committee requirements. The functions of this committee include, among other things:

- appointing, determining the compensation of, retaining, overseeing and evaluating our independent registered public accounting firm and any other registered public accounting firm engaged for the purpose of performing other review or attest services for us;
- prior to commencement of the audit engagement, reviewing and discussing with the independent registered public accounting firm a written disclosure by the prospective independent registered public accounting firm of all relationships between us, or persons in financial oversight roles with us, and such independent registered public accounting firm or their affiliates;
- determining and approving engagements of the independent registered public accounting firm, prior to commencement of the engagement, and the scope of and plans for the audit;
- monitoring the rotation of partners of the independent registered public accounting firm on our audit engagement;
- reviewing with management and the independent registered public accounting firm any fraud that includes management or other employees who have a significant role in our internal control over financial reporting and any significant changes in internal controls;
- establishing and overseeing procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters and the confidential and anonymous submission by employees of concerns regarding questionable accounting or auditing matters;
- reviewing the results of management's efforts to monitor compliance with our programs and policies designed to ensure compliance with laws and rules;
- overseeing our programs, policies, and procedures related to our information technology systems, including information asset security and data protection; and

- reviewing and discussing with management and the independent registered public accounting firm the results of the annual audit and the independent registered public accounting firm's assessment of the quality and acceptability of our accounting principles and practices and all other matters required to be communicated to the audit committee by the independent registered public accounting firm under generally accepted accounting standards, the results of the independent registered public accounting firm's review of our quarterly financial information prior to public disclosure and our disclosures in our periodic reports filed with the SEC.

Mr. Nolet qualifies as an audit committee financial expert within the meaning of SEC regulations and meets the financial sophistication requirements of the Nasdaq Listing Rules. Our independent registered public accounting firm and our management periodically meet separately with the audit committee.

The audit committee reviews, discusses and assesses its own performance and composition at least annually. The audit committee also periodically reviews and assesses the adequacy of its charter, including its role and responsibilities as outlined in its charter, and recommends any proposed changes to our Board for its consideration and approval.

The composition and functioning of the audit committee comply with all applicable requirements of the Sarbanes-Oxley Act and all applicable SEC and the Nasdaq Stock Market rules and regulations. We intend to comply with future requirements to the extent they become applicable to us.

### ***Compensation Committee***

Our compensation committee consists of Dr. French, Mr. Nolet and Mr. von Emster. Dr. French serves as the chair of the compensation committee. Each of the members of the compensation committee is a non-employee director as defined in Rule 16b-3 promulgated under the Exchange Act and satisfies the Nasdaq Stock Market independence requirements. The functions of this committee include, among other things:

- reviewing, modifying and approving (or, if it deems appropriate, making recommendations to our Board regarding) our overall compensation strategy and policies, and reviewing, modifying and approving corporate performance goals and objectives relevant to the compensation of our executive officers and other senior management;
- determining and approving (or, if it deems appropriate, recommending to our Board for determination and approval) the compensation and terms of employment of our Chief Executive Officer, including seeking to achieve an appropriate level of risk and reward in determining the long-term incentive component of the Chief Executive Officer's compensation;
- determining and approving (or, if it deems appropriate, recommending to our Board for determination and approval) the compensation and terms of employment of our executive officers and other members of senior management;
- reviewing and approving (or, if it deems appropriate, making recommendations to our Board regarding) the terms of employment agreements, severance agreements;
- change-of-control protections and other compensatory arrangements for our executive officers and other senior management;
- conducting periodic reviews of the base compensation levels of all of our employees generally;
- reviewing and approving the type and amount of compensation to be paid or awarded to non-employee directors;
- reviewing and approving the adoption, amendment and termination of our stock option plans, stock appreciation rights plans, pension and profit sharing plans, incentive plans, stock bonus plans, stock purchase plans, bonus plans, deferred compensation plans, 401(k) plans, supplemental retirement plans and similar programs, if any; and administering all such plans, establishing guidelines, interpreting plan documents, selecting participants, approving grants and awards and exercising such other power and authority as may be permitted or required under such plans; and

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- reviewing our incentive compensation arrangements to determine whether such arrangements encourage excessive risk-taking, reviewing and discussing at least annually the relationship between our risk management policies and practices and compensation and evaluating compensation policies and practices that could mitigate any such risk.

In addition, once we cease to be an “emerging growth company,” as defined in the JOBS Act, the responsibilities of the compensation committee will also include:

- reviewing and recommending to our Board for approval the frequency with which we conduct a vote on executive compensation, taking into account the results of the most recent stockholder advisory vote on the frequency of the vote on executive compensation, and reviewing and approving the proposals regarding the frequency of the vote on executive compensation to be included in our annual meeting proxy statements; and
- reviewing and discussing with management our Compensation Discussion and Analysis, and recommending to our Board that the Compensation Discussion and Analysis be approved for inclusion in our annual reports on Form 10-K, registration statements and our annual meeting proxy statements.

Under its charter, the compensation committee may form, and delegate authority to, subcommittees as appropriate. The compensation committee reviews, discusses and assesses its own performance and composition at least annually. The compensation committee also periodically reviews and assesses the adequacy of its charter, including its role and responsibilities as outlined in its charter, and recommends any proposed changes to our Board for its consideration and approval.

The composition and functioning of the compensation committee comply with all applicable requirements of the Sarbanes-Oxley Act and all applicable SEC and Nasdaq Stock Market rules and regulations. We intend to comply with future requirements to the extent they become applicable to us.

### ***Nominating and Corporate Governance Committee***

Our nominating and corporate governance committee consists of Dr. French, Dr. Klein and Mr. von Emster. Mr. von Emster serves as the chair of the nominating and corporate governance committee. Each of the members of the nominating and corporate governance committee satisfies the Nasdaq Stock Market independence requirements. The functions of this committee include, among other things:

- making recommendations to our Board regarding corporate governance issues;
- identifying, reviewing and evaluating candidates to serve as directors (consistent with criteria approved by our Board);
- determining the minimum qualifications for service on our Board;
- reviewing and evaluating incumbent directors;
- instituting and overseeing director orientation and director continuing education programs;
- serving as a focal point for communication between candidates, non-committee directors and our management;
- recommending to our Board for selection candidates to serve as nominees for director for the annual meeting of stockholders;
- making other recommendations to our Board regarding matters relating to the directors;
- reviewing succession plans for our Chief Executive Officer and our other executive officers;
- reviewing and overseeing matters of corporate responsibility and sustainability, including potential long- and short-term trends and impacts to our business of environmental, social, and governance issues, and our public reporting on these topics; and
- considering any recommendations for nominees and proposals submitted by stockholders.

The nominating and corporate governance committee periodically reviews, discusses and assesses the performance of our Board and the committees of our Board. In fulfilling this responsibility, the nominating and corporate governance committee seeks input from senior management, our Board and others. In assessing our Board, the nominating and corporate governance committee evaluates the overall composition of our Board, our Board's contribution as a whole and its effectiveness in serving our best interests and the best interests of our stockholders. The nominating and corporate governance committee reviews, discusses and assesses its own performance and composition at least annually. The nominating and corporate governance committee also periodically reviews and assesses the adequacy of its charter, including its role and responsibilities as outlined in its charter, and recommends any proposed changes to our Board for its consideration and approval.

The composition and functioning of the nominating and corporate governance committee comply with all applicable requirements of the Sarbanes-Oxley Act and all applicable SEC and the Nasdaq Stock Market rules and regulations. We intend to comply with future requirements to the extent they become applicable to us.

### **Compensation Committee Interlocks and Insider Participation**

None of the members of our compensation committee has ever been an executive officer or employee of ours. None of our executive officers currently serves, or has served during the last completed fiscal year, on the compensation committee or board of directors of any other entity that has one or more executive officers serves as a member of our Board or compensation committee. For a description of transactions between us and members of the compensation committee and affiliates of such members, please see the section of this prospectus entitled "*Certain Relationships and Related Party Transactions.*"

### **Code of Business Conduct and Ethics**

Following the Closing of the Business Combination, on September 24, 2021, our Board approved and adopted a new Code of Business Conduct and Ethics applicable to all of our employees, officers and directors. A copy of the code is available in the Investors section of our website at [www.jaspertherapeutics.com](http://www.jaspertherapeutics.com).

### **Limitation of Liability and Indemnification**

Our Amended and Restated Certificate of Incorporation eliminates the liability of a director to us for monetary damages to the fullest extent permitted by applicable law. Under Delaware law, a corporation may eliminate the personal liability of directors of a corporation to the corporation and its stockholders for monetary damages for breach of their fiduciary duties as directors, except for liability for any:

- breach of his or her duty of loyalty to the corporation or its stockholders;
- act or omission not in good faith or that involves intentional misconduct or a knowing violation of law;
- unlawful payments of dividends or unlawful stock repurchases or redemptions as provided in Section 174 of the DGCL; or
- transaction from which the director derived an improper personal benefit.

Our Amended and Restated Certificate of Incorporation does not eliminate a director's duty of care and, in appropriate circumstances, equitable remedies, such as injunctive or other forms of non-monetary relief, remain available under Delaware law. These limitations also do not affect a director's responsibilities under any other laws, such as the federal securities laws or other state or federal laws. Our Amended and Restated Bylaws provide that we will indemnify our directors and officers to the extent not prohibited by the DGCL or any other applicable law and may indemnify its employees and other agents as set forth in the DGCL or any other applicable law. Our Amended and Restated Bylaws also provide that we will be obligated to advance expenses incurred by a director or officer in advance of the final disposition of any proceeding and also permits us to purchase insurance on behalf of any person required or permitted to be indemnified under our Amended and Restated Bylaws. We have obtained a directors' and officers' liability insurance policy.

We have entered into separate indemnification agreements with each of our directors and executive officers in addition to the indemnification provided for in our Amended and Restated Certificate of Incorporation and our Amended and Restated Bylaws. These agreements, among other things, require us to indemnify each director and

executive officer to the fullest extent permitted by law, including indemnification of expenses such as attorneys' fees, judgments, fines and settlement amounts reasonably incurred by the director or executive officer in any action or proceeding, including any action or proceeding by or in right of our company arising out of the person's services as a director or executive officer of ours.

The limitation of liability and indemnification provisions in our Amended and Restated Certificate of Incorporation and our Amended and Restated Bylaws may discourage stockholders from bringing a lawsuit against directors for breach of their fiduciary duties. They may also reduce the likelihood of derivative litigation against directors and officers, even though an action, if successful, might benefit us and our stockholders. A stockholder's investment may be harmed to the extent we pay the costs of settlement and damage awards against directors and officers pursuant to these indemnification provisions.

We believe that these provisions in our Amended and Restated Certificate of Incorporation and our Amended and Restated Bylaws and these indemnification agreements are necessary to attract and retain qualified persons as directors and officers.

At present, there is no pending litigation or proceeding involving any of our directors or executive officers as to which indemnification is required or permitted, and we are not aware of any threatened litigation or proceeding that may result in a claim for indemnification.

### **Scientific Advisory Board**

We have established a scientific advisory board. We regularly seek advice and input from these experienced scientific leaders on matters related to its research and development programs. Our scientific advisory board consists of experts across a range of key disciplines relevant to our programs and science. We intend to continue to leverage the broad expertise of our advisors by seeking their counsel on important topics relating to its research and development programs.

**EXECUTIVE AND DIRECTOR COMPENSATION**

**EXECUTIVE COMPENSATION**

***Executive Officers and Director Compensation (AMHC Prior to Completion of the Transactions)***

Prior to the Closing, except for Vishal Kapoor, AMHC’s former president, none of AMHC’s executive officers or directors received any cash compensation for services rendered to AMHC. AMHC paid Mr. Kapoor a monthly base salary of \$8,333. Mr. Kapoor also received a one-time bonus in the amount of \$300,000 upon the successful Closing and public announcement of the Transactions.

***Legacy Jasper and Current Executive Compensation***

To achieve our goals, we have designed, and intend to modify as necessary, our compensation and benefits programs to attract, retain, incentivize and reward deeply talented and qualified executives who share our philosophy and desire to work towards achieving our goals. We believe our compensation programs should promote the success of the company and align executive incentives with the long-term interests of our stockholders. This section provides an overview of our executive compensation programs, including a narrative description of the material factors necessary to understand the information disclosed in the summary compensation table below. The following is a discussion and analysis of compensation arrangements of Legacy Jasper’s three named executive officers. As an “emerging growth company” as defined in the JOBS Act, we are not required to include a Compensation Discussion and Analysis section and has elected to comply with the scaled disclosure requirements applicable to emerging growth companies.

The Legacy Jasper Board or, following March 2020, the Compensation Committee of Legacy Jasper’s Board, with input from its Chief Executive Officer, historically determined the compensation for Legacy Jasper’s named executive officers. Legacy Jasper’s named executive officers for the year ended December 31, 2020, each of whom became an executive officer of ours at the Closing, were William Lis, Jasper’s Executive Chairman and Chief Executive Officer; Kevin N. Heller, M.D., Jasper’s Executive Vice President, Research and Development; and Jeet Mahal, Jasper’s Chief Financial Officer and Chief Business Officer and Corporate Secretary.

**2020 Summary Compensation Table**

The following table sets forth information concerning the compensation of Legacy Jasper’s named executive officers for the year ended December 31, 2020.

<b>Name and Principal Position</b>	<b>Year</b>	<b>Salary (\$)</b>	<b>Bonus (\$)</b>	<b>Option Awards (\$)<sup>(1)</sup></b>	<b>All Other Compensation (\$)</b>	<b>Total (\$)</b>
William Lis <sup>(2)</sup> <i>Executive Chairman and Chief Executive Officer</i>	2020	399,627	171,530	999,904	—	1,571,061
Kevin N. Heller, M.D. <sup>(3)</sup> <i>Executive Vice President, Research and Development</i>	2020	178,126	70,328	964,404	—	1,212,858
Jeet Mahal <i>Chief Financial Officer and Chief Business Officer</i>	2020	330,455	115,000	274,504	—	719,959

- (1) Amounts reported represent the aggregate grant date fair value of the stock options granted to the named executive officers during 2020 under the 2019 EIP, computed in accordance with the Financial Accounting Standards Board’s (“FASB”) Accounting Standards Codification (“ASC”) Topic 718. The assumptions used in calculating the grant date fair value of the stock options reported in this column are set forth in Note 12 to Legacy Jasper’s audited financial statements included elsewhere in this prospectus. This amount does not reflect the actual economic value that may be realized by the named executive officer, which will depend on factors including the continued service of the executive and the future value of our stock.
- (2) Mr. Lis earned a base salary of \$385,000 from January 1, 2020 to September 2, 2020, which was increased to \$430,000 on September 3, 2020 to reflect a market adjustment for similar roles in the industry.
- (3) Dr. Heller’s service to Legacy Jasper commenced on August 10, 2020. The salary and bonus indicated in the table are the amounts paid out in full, and do not represent the full year salary and bonus indicated in Dr. Heller’s offer letter prior to prorating.

**Narrative Disclosure to 2020 Summary Compensation Table**

**Base Salaries**

We use base salaries to recognize the experience, skills, knowledge and responsibilities required of all its employees, including its named executive officers. Base salaries are reviewed annually, typically in connection with our annual performance review process, and adjusted from time to time to realign salaries with market levels after taking into account individual responsibilities, performance and experience. During 2020, Mr. Lis' annual base salary was initially \$385,000, which was increased to \$430,000 effective September 3, 2020. Dr. Heller's annual base salary during 2020 was \$450,000. Mr. Mahal's annual base salary during 2020 was \$330,000.

**Bonus Compensation**

We pay cash bonuses to reward its executives for their performance over the fiscal year, based on an analysis by our Board or our Compensation Committee of our executives' performance during the year. During 2020, Mr. Lis' annual bonus target was initially equal to 35% of his annual base salary, which was increased to 40% of his annual base salary effective September 3, 2020. Dr. Heller's annual bonus target during 2020 was 40% of his annual base salary, prorated from his start date with the company. Mr. Mahal's annual bonus target during 2020 was 30% of his annual base salary. For 2020, Mr. Lis received a \$171,530 bonus, Dr. Heller received a \$70,328 bonus and Mr. Mahal received a \$115,000 bonus.

**Equity-Based Incentive Awards**

Although we do not yet have a formal policy with respect to the grant of equity incentive awards to its executive officers, we believe that equity grants provide our executives with a strong link to our long-term performance, create an ownership culture and help to align the interests of our executives and our stockholders. In addition, we believe that equity grants with a time-based vesting feature promote executive retention because this feature incentivizes our executive officers to remain in our employment during the vesting period. During the year ended December 31, 2020, Legacy Jasper granted options to purchase shares of its common stock to Mr. Lis, Dr. Heller and Mr. Mahal, as described in more detail in the "Outstanding Equity Awards at Fiscal Year End" table below.

All of our outstanding stock options were granted pursuant to the 2019 EIP.

**Outstanding Equity Awards at Fiscal Year End**

The following table sets forth information with respect to outstanding common stock option awards for each of Legacy Jasper's named executive officers as of December 31, 2020. The table reflects both vested and unvested option awards. The options were granted pursuant to the 2019 EIP and are currently subject to time-based vesting.

<b>Name</b>	<b>Option Grant Date</b>	<b>Vesting Commencement Date</b>	<b>Number of Securities Underlying Unexercised Options (#) Exercisable</b>	<b>Number of Securities Underlying Unexercised Earned Options (#) Unexercisable</b>	<b>Option Exercise Price (\$)<sup>(1)</sup></b>	<b>Option Expiration Date</b>
William Lis	6/1/2020 <sup>(2)</sup>	3/20/2019	2,113,703	474,505	\$ 0.20	5/31/2030
	9/3/2020 <sup>(3)</sup>	8/3/2020	180,290	631,019	\$ 0.20	9/2/2030
Kevin N. Heller, M.D.	9/2/2020 <sup>(4)</sup>	8/10/2020	—	2,329,392	\$ 0.20	9/1/2030
Jeet Mahal	6/1/2020 <sup>(4)</sup>	12/12/2019	—	776,463	\$ 0.20	5/31/2030

- (1) Represents the fair market value of a share of Legacy Jasper's common stock, as determined by Legacy Jasper's Board, on the option's grant date.
- (2) 50% of the shares subject to the option were fully vested upon grant. 129,410 shares vested on June 21, 2020 and 129,410 shares vest monthly thereafter through and including November 21, 2020. 43,137 shares vested on December 21, 2020, 43,137 shares vest monthly thereafter through and including October 21, 2021 and 43,137 shares shall vest on November 21, 2021 (on which date all shares subject to the option shall be vested).
- (3) 1/18<sup>th</sup> of the shares subject to the option vest on each one month anniversary of the Vesting Commencement Date.
- (4) 25% of the shares originally subject to the option vest on the one year anniversary of the Vesting Commencement Date and 1/48<sup>th</sup> of the number of shares originally subject to the option shall vest monthly thereafter.

## **Jasper 2019 Equity Incentive Plan**

The Legacy Jasper Board adopted the 2019 EIP on November 18, 2019, and the 2019 EIP was approved by Legacy Jasper's stockholders on November 18, 2019. The 2019 EIP terminated prior to and contingent upon the consummation of the Business Combination, and no further awards will be granted under the 2019 EIP. However, the 2019 EIP continues to govern outstanding awards granted thereunder. As of September 24, 2021, options to purchase 2,721,557 shares of our Common Stock were outstanding under the 2019 EIP, and no shares were reserved for future issuance under the 2019 EIP.

The following is only a summary of the material terms of the 2019 EIP, is not a complete description of all provisions of the 2019 EIP and should be read in conjunction with the 2019 EIP, which is filed as an exhibit to the registration statement of which this prospectus forms a part.

*Authorized Shares.* Under the 2019 EIP, an aggregate of 12,359,055 shares of Legacy Jasper's common stock were initially reserved for future issuance. The authorized shares are subject to adjustment in the event of a stock split, reverse stock split, liquidating dividend, combination of shares, exchange of shares, recapitalization, reincorporation, reorganization, or other similar change in the capitalization. Additionally, shares issued pursuant to awards under the 2019 EIP that are repurchased or that are forfeited, as well as shares reacquired as consideration for the exercise or purchase price of an award or to satisfy tax withholding obligations related to an award, will become available for future grant under the 2019 EIP.

*Types of Awards.* The 2019 EIP provided for the granting of (1) incentive stock options intended to qualify as incentive stock options under Section 422 of the Code, (2) nonstatutory stock options that do not qualify as an incentive stock option, (3) stock appreciation rights, (4) restricted stock awards, (5) restricted stock unit awards, and (6) other stock awards. Incentive stock options could only be granted only to Legacy Jasper's employees or employees of Legacy Jasper's affiliates, and stock awards other than incentive stock options may be granted to employees, directors and consultants. Only stock options were granted under the 2019 EIP.

*Stock Options.* The Legacy Jasper Board determined the exercise price for stock options, provided that the exercise price generally could not be less than 100% of the fair market value of Legacy Jasper's common stock on the date of grant, subject to certain exceptions relating to Section 409A of the Code. The term of a stock option may not exceed ten years. Unless an award agreement provides otherwise, the termination date shall be: (1) the earlier of eighteen months or upon the expiration of the option, if termination is due to death; (2) the earlier of twelve months or upon the expiration of the option, if termination is due to disability; or (3) three months, if termination is due to reasons other than for death, disability or cause. If the termination of service is due to cause, the stock option will terminate immediately upon such termination of service, and the participant will be prohibited from exercising the option.

*Transferability.* Stock options are generally not transferable except by will or by the laws of descent and distribution or as otherwise provided under the 2019 EIP.

*Administration.* The 2019 EIP is administered by the Compensation Committee of our Board, although the Compensation Committee may delegate the administration of the 2019 EIP to a committee. The administrator has full power to determine, among other things: (1) who will be granted awards; (2) when and how each award will be granted; (3) what type of award will be granted; (4) 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; (5) the number of shares of Common Stock subject to an award; and (6) the fair market value applicable to an award.

*Change in Control/Corporate Transactions.* The 2019 EIP provides that in the event of a change in control transaction (as defined in the 2019 EIP), a stock award may be subject to additional acceleration of vesting and exercisability as may be provided in the stock award agreement for such stock award or as may be provided in any other written agreement between us or our affiliate and the participant, but in the absence of such provision, no such acceleration will occur. In addition, the 2019 EIP provides that in the event of a corporate transaction (as defined in the 2019 EIP), our Board has the discretion to take a number of actions with respect to awards contingent upon the closing of the transaction, including arranging for the assumption or substitution of awards, arranging for the assignment of repurchase rights in respect of awards, accelerating the vesting of awards, canceling awards or making payments in respect of awards.

*Amendment.* Our Board generally has the authority to amend awards, subject to the award recipient's consent if the amendment is not favorable to the participant, except in connection with a capitalization adjustment.

## **Jasper Therapeutics, Inc. 2021 Equity Incentive Plan**

On August 24, 2021, our Board adopted, subject to the approval by our stockholders, the Jasper Therapeutics, Inc. 2021 Equity Incentive Plan (the “Equity Incentive Plan”). On September 22, 2021, our stockholders approved the Equity Incentive Plan. The Equity Incentive Plan became effective on September 23, 2021, the day immediately preceding the date on which the Closing occurred.

The following is only a summary of the material terms of the Equity Incentive Plan, is not a complete description of all provisions of the Equity Incentive Plan and should be read in conjunction with the Equity Incentive Plan, which is filed as an exhibit to the registration statement of which this prospectus forms a part.

### ***Purpose of the Equity Incentive Plan***

The purpose of the Equity Incentive Plan is to secure and retain the services of employees, directors and consultants, to provide incentives for such persons to exert maximum efforts for our success and to provide a means by which such persons may be given an opportunity to benefit from increases in value of our Common Stock through the granting of awards under the Equity Incentive Plan. We believe that the awards to be issued under the Equity Incentive Plan will motivate award recipients to offer their maximum effort to us and help focus them on the creation of long-term value consistent with the interests of our stockholders. We believe that grants of incentive awards are necessary to enable us to attract and retain top talent.

### ***Awards***

The Equity Incentive Plan provides for the grant of incentive stock options (“ISOs”) within the meaning of Section 422 of the Code, to our employees and our parent and subsidiary corporations’ employees, and for the grant of nonstatutory stock options (“NSOs”), stock appreciation rights, restricted stock awards, restricted stock unit awards, performance awards and other forms of awards to our employees, directors and consultants and any of our affiliates’ employees and consultants. As of September 30, 2021, there were approximately 22 employees, including three executive officers, five non-employee directors and twenty consultants eligible to be granted awards under the Equity Incentive Plan.

### ***Authorized Shares***

Initially, the maximum number of shares of our Common Stock that may be issued under the Equity Incentive Plan after it becomes effective will not exceed (i) 4,400,000 shares of our Common Stock, plus (ii) an additional number of shares equal to the number of shares of our Common Stock subject to outstanding awards granted under our 2019 EIP (as defined below) that, following the effective date of the Equity Incentive Plan, (a) are not issued because the award or any portion of the award expires or otherwise terminates without all of the shares covered by the award having been issued, (b) are withheld or reacquired to satisfy the exercise, strike or purchase price or (c) are withheld or reacquired to satisfy a tax withholding obligation. In addition, the number of shares of our Common Stock that will be reserved for issuance under the Equity Incentive Plan will automatically increase on January 1 of each year for a period of ten years, beginning on January 1, 2022 and ending on (and including) January 1, 2031, in an amount equal to the lesser of (1) 4% of the total number of shares of our Common Stock outstanding on December 31 of the immediately preceding year or (2) 2,750,000 shares of Common Stock; provided, however, that our Board may act prior to January 1 of a given year to provide that the increase for such year will be a lesser number of shares of Common Stock. Notwithstanding anything to the contrary in the foregoing sentence, the aggregate maximum number of shares of our Common Stock that may be issued on the exercise of ISOs under the Equity Incentive Plan is 4,400,000 shares, which amount will be increased commencing on January 1, 2022 and ending on (and including) January 1, 2031, in an amount equal to the lesser of (i) 4% of the total number of shares of Common Stock outstanding on December 31 of the preceding year, (ii) 2,750,000 shares of Common Stock, and (iii) such amount as may be determined by our Board. All of the foregoing share numbers are subject to adjustment as necessary to implement any changes in our capital structure (as described below).

Shares subject to awards that will be granted under the Equity Incentive Plan that expire or terminate without being exercised in full will not reduce the number of shares available for issuance under the Equity Incentive Plan. The settlement of any portion of an award in cash will not reduce the number of shares available for issuance under the Equity Incentive Plan. Shares withheld under an award to satisfy the exercise, strike or purchase price of an award or to satisfy a tax withholding obligation will not reduce the number of shares that will be available for

issuance under the Equity Incentive Plan. With respect to a stock appreciation right, only shares of Common Stock that are issued upon settlement of the stock appreciation right will count towards reducing the number of shares available for issuance under the Equity Incentive Plan. If any shares of our Common Stock issued pursuant to an award are forfeited back to or repurchased or reacquired by us (i) because of a failure to meet a contingency or condition required for the vesting of such shares; (ii) to satisfy the exercise, strike or purchase price of an award; or (iii) to satisfy a tax withholding obligation in connection with an award, the shares that are forfeited or repurchased or reacquired will revert to and again become available for issuance under the Equity Incentive Plan. The closing price of a share of our Common Stock on October 25, 2021 was \$11.79 per share.

### ***Plan Administration***

Our Board, or a duly authorized committee of our Board, will administer the Equity Incentive Plan. Our Board, or a duly authorized committee of our Board, may, in accordance with the terms of the Equity Incentive Plan, delegate to one or more of our officers the authority to (i) designate employees (other than officers) to be recipients of specified awards, and to the extent permitted by applicable law, the terms of such awards; and (ii) determine the number of shares subject to such awards granted to such employees. Under the Equity Incentive Plan, our Board, or a duly authorized committee of our Board, will have the authority to determine: award recipients; how and when each award will be granted; the types of awards to be granted; the provisions of each award, including the period of exercisability and the vesting schedule applicable to an award; the number of shares or cash equivalent subject to each award; the fair market value applicable to an award; and the terms of any performance award that is not valued in whole or in part by reference to, or otherwise based on, our Common Stock, including the amount of cash payment or other property that may be earned and the timing of payment.

Under the Equity Incentive Plan, (i) our Board will not, without stockholder approval, (A) reduce the exercise or strike price of an option or stock appreciation right (other than in connection with a capitalization adjustment), and (B) at any time when the exercise or strike price of an option or stock appreciation right is above the fair market value of a share of our Common Stock, cancel and re-grant or exchange such option or stock appreciation right for a new award with a lower (or no) purchase price or for cash, and (ii) a participant's rights under any award will not be materially adversely affected without the participant's written consent.

We will also designate a plan administrator to administer the day-to-day operations of the Equity Incentive Plan.

### ***Stock Options***

Options will be granted under stock option agreements adopted by our Board. Each option will be designated in writing as an ISO or an NSO. Our Board will determine the exercise price for stock options, within the terms and conditions of the Equity Incentive Plan, except the exercise price of a stock option generally will not be less than 100% of the fair market value of our Common Stock on the date of grant. Options granted under the Equity Incentive Plan will vest at the rate specified in the stock option agreement as will be determined by our Board. The terms and conditions of separate options need not be identical.

No option will be exercisable after the expiration of ten years (or five years in the case of ISOs granted to a person who owns or is deemed to own stock possessing more than 10% of our total combined voting power or that of any of our parent or subsidiary corporations) or a shorter period specified in the applicable award agreement. Unless the terms of an optionholder's stock option agreement, or other written agreement between us and the recipient, provide otherwise, if an optionholder's service relationship with us or any of our affiliates ceases for any reason other than disability, death, or cause, the optionholder may generally exercise any vested options for a period of three months following the cessation of service. If an optionholder's service relationship with us or any of our affiliates ceases due to death, or an optionholder dies within a certain period following cessation of service, the optionholder or a beneficiary may generally exercise any vested options for a period of 18 months following the date of death. If an optionholder's service relationship with us or any of our affiliates ceases due to disability, the optionholder may generally exercise any vested options for a period of 12 months following the cessation of service. In the event of a termination for cause, options generally terminate upon the termination date. An optionholder may not exercise an option at any time that the issuance of shares upon such exercise would violate applicable law. Unless provided otherwise in the optionholder's stock option agreement or other written agreement between an optionholder and us, if an optionholder's service relationship with us or any of our affiliates ceases for any reason other than for cause and, at any time during the last thirty days of the applicable post-termination exercise period: (i) the exercise

of the optionholder's option would be prohibited solely because the issuance of shares upon such exercise would violate applicable law, or (ii) the immediate sale of any shares issued upon such exercise would violate our trading policy, then the applicable post-termination exercise period will be extended to the last day of the calendar month that begins after the date the award would otherwise expire, with an additional extension of the exercise period to the last day of the next calendar month to apply if any of the foregoing restrictions apply at any time during such extended exercise period. There is no limitation as to the maximum permitted number of extensions. However, in no event may an option be exercised beyond the expiration of its term.

Acceptable consideration for the purchase of our Common Stock issued upon the exercise of a stock option will be determined by our Board and may include (i) cash or check, bank draft or money order payable to us; (ii) a broker-assisted cashless exercise; (iii) subject to certain conditions, the tender of shares of our Common Stock previously owned by the optionholder; (iv) a net exercise of the option if it is an NSO; or (v) other legal consideration acceptable to our Board.

Unless our Board provides otherwise, options or stock appreciation rights generally will not be transferable except by will or the laws of descent and distribution. Subject to approval of our Board or a duly authorized officer, an option may be transferred pursuant to a domestic relations order, official marital settlement agreement, or other divorce or separation instrument.

#### ***Limitations on ISOs***

The aggregate fair market value, determined at the time of grant, of our Common Stock with respect to ISOs that are exercisable for the first time by an optionholder 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 NSOs. No ISO may be granted to any person who, at the time of the grant, owns or is deemed to own stock possessing more than 10% of our total combined voting power or that of any of our parent or subsidiary corporations unless (i) 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 (ii) the term of the ISO does not exceed five years from the date of grant.

#### ***Restricted Stock Unit Awards***

Subject to the terms of the Equity Incentive Plan, each restricted stock unit award will have such terms and conditions as determined by our Board. A restricted stock unit award represents a participant's right to be issued on a future date the number of shares of our Common Stock that is equal to the number of restricted stock units subject to the award. A participant will not have voting or any other rights as a stockholder of ours with respect to any restricted stock unit award (unless and until shares are actually issued in settlement of a vested restricted stock unit award). A restricted stock unit award will be granted in consideration for a participant's services to us or an affiliate, such that the participant will not be required to make any payment to us (other than such services) with respect to the grant or vesting of the restricted stock unit award, or the issuance of any shares pursuant to the restricted stock unit award. Our Board may determine that restricted stock unit awards may be granted in consideration for any form of legal consideration that may be acceptable to our Board and permissible under applicable law. A restricted stock unit award may be settled by cash, delivery of stock (or any combination of our Common Stock and cash), or in any other form of consideration determined by our Board and set forth in the restricted stock unit award agreement. At the time of grant, our Board may impose such restrictions or conditions on the award of restricted stock units that delay delivery to a date following the vesting of the award. Additionally, dividend equivalents may be paid or credited in respect of shares covered by a restricted stock unit award. Except as otherwise provided in the applicable award agreement, or other written agreement between us and the recipient, restricted stock unit awards that have not vested will be forfeited once the participant's continuous service ends for any reason.

#### ***Restricted Stock Awards***

Restricted stock awards will be granted under restricted stock award agreements adopted by our Board. A restricted stock award may be awarded in consideration for cash, check, bank draft or money order, past or future services to us or any of our affiliates, or any other form of legal consideration that may be acceptable to our Board and permissible under applicable law. Our Board will determine the terms and conditions of restricted stock awards, including vesting and forfeiture terms. Dividends may be paid or credited with respect to shares subject to a

restricted stock award, as determined by our Board and specified in the applicable restricted stock award agreement. If a participant's service relationship with us ends for any reason, we may receive any or all of the shares of our Common Stock held by the participant that have not vested as of the date the participant terminates service with us through a forfeiture condition or a repurchase right.

### ***Stock Appreciation Rights***

Stock appreciation rights will be granted under stock appreciation right agreements adopted by our Board and denominated in shares of our Common Stock equivalents. The terms of separation stock appreciation rights need not be identical. Our Board will determine the purchase price or strike price for a stock appreciation right, which generally will not be less than 100% of the fair market value of our Common Stock on the date of grant. A stock appreciation right granted under the Equity Incentive Plan will vest at the rate specified in the stock appreciation right agreement as will be determined by our Board. Stock appreciation rights may be settled in cash or shares of our Common Stock (or any combination of our Common Stock and cash) or in any other form of payment, as determined by our Board and specified in the stock appreciation right agreement.

Our Board will determine the term of stock appreciation rights granted under the Equity Incentive Plan, up to a maximum of 10 years. 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. If a participant's service relationship with us or any of our affiliates ceases due to death, or a participant dies within a certain period following cessation of service, the participant or a beneficiary may generally exercise any vested stock appreciation rights for a period of 18 months following the date of death. If a participant's service relationship with us or any of our affiliates ceases due to disability, the participant may generally exercise any vested stock appreciation rights for a period of 12 months following the cessation of service. In the event of a termination for cause, stock appreciation rights generally terminate upon the termination date. A holder of a stock appreciation right may not exercise a stock appreciation right at any time that the issuance of shares upon such exercise would violate applicable law. Unless provided otherwise in the stock appreciation right agreement or other written agreement between the participant and us, if a participant's service relationship with us or any of our affiliates ceases for any reason other than for cause and, at any time during the last thirty days of the applicable post-termination exercise period: (i) the exercise of the participant's stock appreciation right would be prohibited solely because the issuance of shares upon such exercise would violate applicable law, or (ii) the immediate sale of any shares issued upon such exercise would violate our trading policy, then the applicable post-termination exercise period will be extended to the last day of the calendar month that begins after the date the award would otherwise expire, with an additional extension of the exercise period to the last day of the next calendar month to apply if any of the foregoing restrictions apply at any time during such extended exercise period. There is no limitation as to the maximum permitted number of extensions. However, in no event may a stock appreciation right be exercised beyond the expiration of its term.

### ***Performance Awards***

The Equity Incentive Plan will permit the grant of performance awards that may be settled in stock, cash or other property. Performance awards may be structured 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. Performance awards that are settled in cash or other property are not required to be valued in whole or in part by reference to, or otherwise based on, our Common Stock. The performance goals may be based on any measure of performance selected by our Board. The performance goals may be based on company-wide performance or performance of one or more business units, divisions, affiliates, or business segments, and may be either absolute or relative to the performance of one or more comparable companies or the performance of one or more relevant indices. Unless specified otherwise by our Board at the time the performance award is granted, our Board will appropriately make adjustments in the method of calculating the attainment of performance goals for a performance period as follows: (i) to exclude restructuring and/or other nonrecurring charges; (ii) to exclude exchange rate effects; (iii) to exclude the effects of changes to generally accepted accounting principles; (iv) to exclude the effects of any statutory adjustments to corporate tax rates; (v) to exclude the effects of items that are "unusual" in nature or occur "infrequently" as determined under generally accepted accounting principles; (vi) to exclude the dilutive effects of acquisitions or joint ventures; (vii) to assume that any business divested by us achieved performance objectives at targeted levels during the balance of a performance period following such divestiture; (viii) to exclude the effect of any change in the outstanding shares of our Common Stock by reason of any stock dividend or split, stock

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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; (ix) to exclude the effects of stock based compensation and the award of bonuses under our bonus plans; (x) to exclude costs incurred in connection with potential acquisitions or divestitures that are required to be expensed under generally accepted accounting principles; and (xi) to exclude the goodwill and intangible asset impairment charges that are required to be recorded under generally accepted accounting principles.

Our Board 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 the 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 performance award agreement or the written terms of a performance cash award. Our Board will determine the length of any performance period, the performance goals to be achieved during a performance period and the other terms and conditions of such awards.

### ***Other Stock Awards***

Our Board will be permitted to grant other awards, based in whole or in part by reference to, or otherwise based on, our Common Stock, either alone or in addition to other awards. Our Board will have the sole and complete discretion to determine the persons to whom and the time or times at which other stock awards will be granted, the number of shares under the other stock award (or cash equivalent) and all other terms and conditions of such awards.

### ***Non-Employee Director Compensation Limit***

The aggregate value of all compensation granted or paid following the effective date of the Equity Incentive Plan to any individual for service as a non-employee director with respect to any fiscal year, including awards granted under the Equity Incentive Plan (valued based on the grant date fair value for financial reporting purposes) and cash fees paid by us to such non-employee director, will not exceed \$750,000 in total value, except such amount will increase to \$1,000,000 for the year in which a non-employee director is first appointed or elected to our Board.

### ***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, our Board will appropriately and proportionately adjust (i) the class and maximum number of shares subject to the Equity Incentive Plan and the maximum number of shares by which the share reserve may annually increase pursuant to the Equity Incentive Plan; (ii) the class and maximum number of shares that may be issued on the exercise of ISOs; and (iii) the class and number of shares and exercise price, strike price, or purchase price, if applicable, of all outstanding awards granted under the Equity Incentive Plan.

### ***Corporate Transactions***

In the event of a corporate transaction (as defined below), unless otherwise provided in a participant's award agreement or other written agreement with us or one of our affiliates or unless otherwise expressly provided by our Board at the time of grant, any awards outstanding under the Equity Incentive Plan may be assumed, continued or substituted for, in whole or in part, by any surviving or acquiring corporation (or its parent company), and any reacquisition or repurchase rights held by us with respect to our Common Stock issued pursuant to awards may be assigned to the successor (or its parent company). If the surviving or acquiring corporation (or its parent company) does not assume, continue or substitute for such awards, then (i) with respect to any such awards that are held by participants whose continuous service has not terminated prior to the effective time of the corporate transaction, or current participants, the vesting (and exercisability, if applicable) of such awards will be accelerated in full (or, in the case of performance awards with multiple vesting levels depending on the level of performance, unless provided otherwise in the applicable award agreement, vesting will accelerate at 100% of the target level) to a date prior to the effective time of the corporate transaction (contingent upon the effectiveness of the corporate transaction), and such awards will terminate if not exercised (if applicable) at or prior to the effective time of the corporate transaction, and any reacquisition or repurchase rights held by us with respect to such awards will lapse (contingent upon the effectiveness of the corporate transaction); and (ii) any such awards that are held by persons other than current participants will terminate if not exercised (if applicable) prior to the occurrence of the corporate transaction, except that any reacquisition or repurchase rights held by us with respect to such awards will not terminate and may continue to be exercised notwithstanding the corporate transaction.

In the event an award will terminate if not exercised prior to the effective time of a corporate transaction, our Board may provide, in its sole discretion, that the holder of such award may not exercise such award but instead will receive a payment, in such form as may be determined by our Board, equal in value to the excess (if any) of (i) the value of the property the participant would have received upon the exercise of the award, over (ii) any per share exercise price payable by such holder, if applicable. As a condition to the receipt of an award, a participant will be deemed to have agreed that the award will be subject to the terms of any agreement under the Equity Incentive Plan governing a corporate transaction involving us.

Under the Equity Incentive Plan, a “corporate transaction” generally will be the consummation, in a single transaction or in a series of related transactions, of (i) a sale or other disposition of all or substantially all, as determined by our Board, of our consolidated assets; (ii) a sale or other disposition of at least 50% of our outstanding securities; (iii) a merger, consolidation or similar transaction following which we are not the surviving corporation; or (iv) a merger, consolidation or similar transaction following which we are the surviving corporation but the shares of our Common Stock outstanding immediately prior to such transaction are converted or exchanged into other property by virtue of the transaction.

#### ***Transferability***

Except as expressly provided in the Equity Incentive Plan or the form of award agreement, awards granted under the Equity Incentive Plan may not be transferred or assigned by a participant. After the vested shares subject to an award have been issued, or in the case of a restricted stock award and similar awards, after the issued shares have vested, the holder of such shares is free to assign, hypothecate, donate, encumber or otherwise dispose of any interest in such shares provided that any such actions are in compliance with the provisions herein, the terms of our trading policy and applicable law.

#### ***Clawback/Recovery***

All awards granted under the Equity Incentive Plan will be subject to recoupment in accordance with any clawback policy that we are required to adopt pursuant to the listing standards of any national securities exchange or association on which our securities are listed or as is otherwise required by the Dodd-Frank Wall Street Reform and Consumer Protection Act or other applicable law and any clawback policy that we otherwise adopt, to the extent applicable and permissible under applicable law. In addition, our Board may impose such other clawback, recovery or recoupment provisions in an award agreement as our Board determines necessary or appropriate, including but not limited to a reacquisition right in respect of previously acquired shares of our Common Stock or other cash or property upon the occurrence of cause.

#### ***Amendment or Termination***

Our Board may accelerate the time at which an award granted under the Equity Incentive Plan may first be exercised or the time during which an award grant under the Equity Incentive Plan or any part thereof will vest, notwithstanding the provisions in the award agreement stating the time at which it may first be exercised or the time during which it will vest. Our Board will have the authority to amend, suspend, or terminate the Equity Incentive Plan at any time, provided that such action does not materially impair the existing rights of any participant without such participant’s written consent. Certain material amendments will also require the approval of our stockholders. No ISOs may be granted after the tenth anniversary of the date our Board adopts the Equity Incentive Plan. No awards may be granted under the Equity Incentive Plan while it is suspended or after it is terminated.

#### **Certain U.S. Federal Income Tax Aspects of Awards Under the Equity Incentive Plan**

The following is a general summary under current law of the material federal income tax consequences to participants in the Equity Incentive Plan under U.S. law. This summary deals with the general tax principles that apply and is provided only for general information. Certain types of taxes, such as state and local income taxes and taxes imposed by jurisdictions outside the U.S., are not discussed. Tax laws are complex and subject to change and may vary depending on individual circumstances and from locality to locality. The summary does not discuss all aspects of income taxation that may be relevant to a participant in light of his or her personal investment circumstances and this summarized tax information is not tax advice.

### ***Section 162(m) of the Code***

Section 162(m) of the Code generally limits to \$1 million the amount that a publicly-held corporation is allowed each year to deduct for the compensation paid to the corporation's chief executive officer, chief financial officer and certain of the corporation's current and former executive officers.

### ***Stock Options***

A participant will not recognize taxable income at the time an option is granted, and we will not be entitled to a tax deduction at that time. A participant will recognize compensation taxable as ordinary income (and subject to income tax withholding in respect of an employee) upon exercise of an NSO equal to the excess of the fair market value of the shares purchased over their purchase price, and we will be entitled to a corresponding deduction, except to the extent the deduction limits of Section 162(m) of the Code apply. A participant will not recognize income (except for purposes of the alternative minimum tax) upon exercise of an ISO. If the shares acquired by exercise of an ISO are held for at least two years from the date the option was granted and one year from the date it was exercised, any gain or loss arising from a subsequent disposition of those shares will be taxed as long-term capital gain or loss, and we will not be entitled to any deduction. If, however, such shares are disposed of within either of the above-described periods, then in the year of that disposition, the participant will recognize compensation taxable as ordinary income equal to the excess of the lesser of (i) the amount realized upon that disposition, and (ii) the excess of the fair market value of those shares on the date of exercise over the exercise price, and we will be entitled to a corresponding deduction, except to the extent the deduction limits of Section 162(m) of the Code apply.

### ***Stock Appreciation Rights***

A participant will not recognize taxable income at the time a stock appreciation right is granted, and we will not be entitled to a tax deduction at that time. Upon exercise, the participant will recognize compensation taxable as ordinary income (and subject to income tax withholding in respect of an employee) in an amount equal to the fair market value of any shares delivered and the amount of cash paid upon settlement. This amount is deductible by us as a compensation expense, except to the extent the deduction limits of Section 162(m) of the Code apply.

### ***Restricted Stock***

A participant will not recognize taxable income at the time restricted stock is granted, and we will not be entitled to a tax deduction at that time, unless the participant makes an election to be taxed at that time. If such an election is made, the participant will recognize compensation taxable as ordinary income (and subject to income tax withholding in respect of an employee) at the time of the grant in an amount equal to the excess of the fair market value for the shares at such time over the amount, if any, paid for those shares. If such election is not made, the participant will recognize compensation taxable as ordinary income (and subject to income tax withholding in respect of an employee) at the time the restrictions constituting a substantial risk of forfeiture lapse in an amount equal to the excess of the fair market value of the shares at such time over the amount, if any, paid for those shares. The amount of ordinary income recognized by making the above-described election or upon the lapse of restrictions is deductible by us as compensation expense, except to the extent the deduction limits of Section 162(m) of the Code apply.

### ***Restricted Stock Units and Performance Awards***

A participant will not recognize taxable income at the time that restricted stock units or performance awards are granted, and we will not be entitled to a tax deduction at that time. Upon settlement of restricted stock units or performance awards, the participant will recognize compensation taxable as ordinary income (and subject to income tax withholding in respect of an employee) in an amount equal to the fair market value of any shares or other consideration delivered and the amount of any cash paid by us. The amount of ordinary income recognized is deductible by us as compensation expense, except to the extent the deduction limits of Section 162(m) of the Code apply.

### ***Other Stock Awards***

The tax consequences associated with any other stock award will vary depending on the specific terms of such award. Among the relevant factors are whether or not the award has a readily ascertainable fair market value, whether or not the award is subject to forfeiture provisions or restrictions on transfer, the nature of the property to be received by the participant under the award, and the participant's holding period and tax basis for the award or underlying shares of our Common Stock.

The tax consequences for equity awards outside of the U.S. may differ significantly from the U.S. federal income tax consequences described above.

### **Jasper Therapeutics, Inc. 2021 Employee Stock Purchase Plan**

On August 24, 2021, our Board adopted, subject to the approval by our stockholders, the Jasper Therapeutics, Inc. 2021 Employee Stock Plan (the "ESPP"). On September 22, 2021, our stockholders approved the ESPP. The ESPP became effective on September 23, 2021, the day immediately preceding the date on which the Closing occurred.

The following is only a summary of the material terms of the ESPP, is not a complete description of all provisions of the ESPP and should be read in conjunction with the ESPP, which is filed as an exhibit to the registration statement of which this prospectus forms a part.

#### ***Purpose***

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 related corporations. The ESPP will include two components. One component is designed to allow eligible U.S. employees to purchase our Common Stock in a manner that may qualify for favorable tax treatment under Section 423 of the Code (the "423 Component") and accordingly, it will be construed in a manner that is consistent with the requirements of Section 423 of the Code. We intend (but make no undertaking or representation to maintain) the 423 Component to qualify as an employee stock purchase plan, as that term is defined in Section 423(b) of the Code. The other component will permit the grant of purchase rights that do not qualify for such favorable tax treatment (the "Non-423 Component") in order to allow deviations necessary to permit participation by eligible employees who are foreign nationals or employed outside of the U.S. while complying with applicable foreign laws, and except as otherwise provided in the ESPP or determined by our Board, it will operate and be administered in the same manner as the 423 Component.

#### ***Share Reserve***

Initially, the maximum number of shares of our Common Stock that may be issued under the ESPP will not exceed 550,000 shares of our Common Stock. The number of shares of our Common Stock that will be reserved for issuance will automatically increase on January 1 of each year for a period of ten years, commencing on January 1 following the year in which the ESPP is adopted by our Board and approved by our stockholders and ending on (and including) January 1, 2031, in an amount equal to the lesser of (i) 1% of the total number of shares of our Common Stock outstanding on December 31 of the immediately preceding calendar year; and (ii) 550,000 shares, provided however, that our Board may act prior to January 1 of a given calendar year to provide that there will be no increase for such calendar year or the increase for such year will be a lesser number of shares than the amount set forth in clauses (i) and (ii) above. For the avoidance of doubt, up to the maximum number of shares of our Common Stock reserved may be used to satisfy purchases of our Common Stock under the 423 Component and any remaining portion of such maximum number of shares may be used to satisfy the purchases of our Common Stock under the Non-423 Component. The closing price of a share of our Common Stock on October 25, 2021 was \$11.79 per share.

If any purchase right granted under the ESPP terminates without having been exercised in full, the shares of our Common Stock not purchased under such purchase right will again become available for issuance under the ESPP.

The Common Stock purchasable under the ESPP will be shares of authorized but unissued or reacquired Common Stock, including shares repurchased by us on the open market.

### ***Administration***

Our Board will administer the ESPP. Our Board may delegate some or all of the administration of the ESPP to a committee or committees of our Board. All references to our Board in this proposal shall include a duly authorized committee of our Board except where the context dictates otherwise. Further, to the extent not prohibited by applicable law, our Board may, from time to time, delegate some or all of its authority under the ESPP to one or more of our officers or other persons or groups of persons as it deems necessary, appropriate or advisable under conditions or limitations that it may set at or after the time of the delegation. Our Board will have the authority to determine how and when purchase rights are granted and the provisions of each offering; to designate, from time to time, which of our related corporations will be eligible to participate in the 423 Component or the Non-423 Component, or which related corporations will be eligible to participate in each separate offering; to construe and interpret the ESPP and purchase rights thereunder, and to establish, amend and revoke rules and regulations for the ESPP's administration; to settle all controversies regarding the ESPP and purchase rights granted thereunder; to amend, suspend or terminate the ESPP; to exercise such powers and to perform such acts as it deems necessary or expedient to promote the best interests of us and our related corporations and to carry out the intent of the ESPP to be treated as an employee stock purchase plan with respect to the 423 Component; and to adopt such rules, procedures and sub-plans as are necessary or appropriate to permit or facilitate participation in the ESPP by employees who are foreign nationals or employed or located outside the United States.

All determinations, interpretations and constructions made by our Board in good faith will not be subject to review by any person and will be final, binding and conclusive on all persons.

### ***Offerings***

Our Board may 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 our Board. Each offering will be in the form and will contain those terms and conditions as our Board deems appropriate, and, with respect to the 423 Component, will comply with the requirements of Section 423(b)(5) of the Code. The provisions of separate offerings do not need to be identical, but each offering will include 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 applicable provisions contained in the ESPP.

If a participant has more than one purchase right outstanding under the ESPP, unless he or she otherwise indicates in forms delivered to us or a third party designee of ours: (i) each form will apply to all of his or her purchase rights under the ESPP, 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.

Our Board will have the discretion to structure an offering so that if the fair market value of a share of our 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 our Common Stock on the first day of 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.

### ***Eligibility***

Generally, purchase rights may only be granted to employees, including executive officers, employed by us (or by any of our affiliates or related corporations as designated by our Board) on the first day of an offering if such employee has been employed by us or by one of our designated affiliates or related corporations for such continuous period preceding such date (not to exceed two years) as our Board may require. Our Board may (unless prohibited by applicable law) require that employees have to satisfy one or both of the following service requirements with respect to the 423 Component: (i) being customarily employed by us, or any of our related corporations or affiliates, for more than 20 hours per week and more than five months per calendar year; or (ii) such other criteria as our Board may determine consistent with Section 423 of the Code with respect to the 423 Component. Our Board may provide that each person who, during the course of an offering, first becomes an eligible employee will, on the date or dates specified in the offering which coincides with the day on which the person becomes an eligible employee or which occurs thereafter, receive a purchase right under that offering, and the purchase right will thereafter be

deemed to be part of the offering with substantially identical characteristics. No employee will be eligible for the grant of any purchase rights under the ESPP if immediately after such rights are granted, such employee owns stock possessing five percent or more of the total combined voting power or value of all classes of our outstanding capital stock (or the stock of any related corporation) determined in accordance with the rules of Section 424(d) of the Code. As specified by Section 423(b)(8) of the Code, an employee may be granted purchase rights only if such purchase rights, together with any other rights granted under all employee stock purchase plans of ours or any of our related corporations, do not permit such employee's rights to purchase our stock or the stock of any of our related corporations to accrue at a rate which, when aggregated, exceeds \$25,000 (based on the fair market value per share of such Common Stock on the date that the purchase right is granted) for each calendar year such purchase rights are outstanding at any time. Our Board may also exclude from participation in the ESPP or any offering employees of ours, or of any of our related corporation, who are highly compensated employees, as within the meaning of Section 423(b)(4)(D) of the Code, or a subset of such highly compensated employees. As of September 30, 2021, there were approximately 22 employees, including three executive officers, who would have been eligible to participate in the ESPP (non-employee directors and consultants are not eligible to participate in the ESPP).

Notwithstanding anything in the foregoing paragraph to the contrary, in the case of an offering under the Non-423 Component, an employee (or a group of employees) may be excluded from participation in the ESPP or an offering if our Board has determined, in its sole discretion, that participation of such employee is not advisable or practical for any reason.

#### ***Purchase Rights; Purchase Price***

On the first day of each offering, each eligible employee, pursuant to an offering made under the ESPP, will be granted a purchase right to purchase up to that number of shares purchasable either with a percentage or with a maximum dollar amount, as designated by our Board, which will not exceed 15% of such employee's earnings (as defined by our Board) during each period that begins on the first day of the offering (or such later date as our 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. Our 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 our Common Stock will be purchased in accordance with such offering. Each eligible employee may purchase of up to 4,000 shares of our Common Stock in an offering (or such lesser number of shares determined by our Board prior to the start of the offering). Our Board may also specify (i) a maximum number of shares that may be purchased by any participant on any purchase date during an offering, (ii) a maximum aggregate number of shares that may be purchased by all participants in an offering and/or (iii) a maximum aggregate number of shares that may be purchased by all participants on any purchase date under an offering. If the aggregate number of shares issuable upon exercise of purchase rights granted under the offering would exceed any such maximum aggregate number, then, in the absence of any action by our Board otherwise, a pro rata allocation of the shares (rounded down to the nearest whole share) available, based on each participant's accumulated contributions, will be made in as nearly a uniform manner as will be practicable and equitable.

The purchase price of shares acquired pursuant to purchase rights will not be less than the lesser of (i) 85% of the fair market value of a share of our Common Stock on the first day of an offering; or (ii) 85% of the fair market value of a share of our Common Stock on the date of purchase.

#### ***Participation; Withdrawal; Termination***

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 us or our designee, within the time specified in the offering, an enrollment form provided by us or our designee. The enrollment form will specify the amount of contributions not to exceed the maximum amount specified by our Board. Each participant's contributions will be credited to a bookkeeping account for the participant under the ESPP and will be deposited with our general funds except where applicable law 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 first day of the applicable offering (or, in the case of a payroll date that occurs after the end of the prior offering but before the first day 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 if specifically provided in the offering, in addition to or instead of making contributions by payroll deductions, a participant may make contributions through payment by cash, check or wire transfer prior to a purchase date.

During an offering, a participant may cease making contributions and withdraw from the offering by delivering to us or our designee a withdrawal form provided by us. We 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 we 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 then 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 ESPP, but such participant will be required to deliver a new enrollment form to participate in subsequent offerings.

Unless otherwise required by applicable law, purchase rights granted pursuant to any offering under the ESPP 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 applicable law) or (ii) is otherwise no longer eligible to participate. We will distribute the individual's accumulated but unused contributions as soon as practicable to such individual.

Unless otherwise determined by our Board, a participant whose employment transfers or whose employment terminates with an immediate rehire (with no break in service) by or between us and one of our designated companies designated to participate in an offering (or between such designated companies) will not be treated as having terminated employment for purposes of participating in the ESPP or an offering. However, if a participant transfers from an offering under the 423 Component to an offering under the Non-423 Component, the exercise of the participant's purchase right will be qualified under the 423 Component only to the extent such exercise complies with Section 423 of the Code. If a participant transfers from an offering under the Non-423 Component to an Offering under the 423 Component, the exercise of the purchase right will remain non-qualified under the Non-423 Component. Our Board may establish different and additional rules governing transfers between separate offerings within the 423 Component and between offerings under the 423 Component and offerings under the Non-423 Component. Unless otherwise specified in the offering or as required by applicable law, we will have no obligation to pay interest on contributions.

#### ***Purchase of Shares***

On each purchase date, each participant's accumulated contributions will be applied to the purchase of shares, up to the maximum number of shares permitted by the ESPP and the applicable offering, at the purchase price specified in the offering. Unless otherwise provided in the offering, if any amount of accumulated contributions remains in a participant's account after the purchase of shares 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). No purchase rights may be exercised to any extent unless the shares of our Common Stock to be issued upon such exercise under the ESPP are covered by an effective registration statement pursuant to the Securities Act and the ESPP is in material compliance with all applicable U.S. federal and state, foreign and other securities, exchange control and other laws applicable to the ESPP. If on a purchase date the shares of our Common Stock are not so registered or the ESPP 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 our Common Stock are subject to such an effective registration statement and the ESPP is in material compliance, except that the purchase date will in no event be more than 27 months from the first day of an offering. If, on the purchase date, as delayed to the maximum extent permissible, the shares of our Common Stock are not registered and the ESPP is not in material compliance with all applicable laws, as determined by us in our sole discretion, no purchase rights will be exercised and all accumulated but unused contributions will be distributed to the ESPP participants without interest (unless the payment of interest is otherwise required by applicable law).

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 our Common Stock subject to purchase rights unless and until the participant's shares of our Common Stock acquired upon exercise of purchase rights are recorded in our books (or the books of Continental).

#### ***Changes to Capital Structure***

The ESPP provides that in the event of a change in our capital structure through actions such 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, our Board will appropriately and proportionately adjust: (i) the class(es) and maximum number of shares subject to the ESPP; (ii) the class(es) and maximum number of shares by which the share reserve is to increase automatically each year; (iii) the class(es) and number of shares subject to, and purchase

price applicable to, outstanding offerings and purchase rights; and (iv) the class(es) and number of shares that are subject to purchase limits under each ongoing offering. Our Board will make these adjustments, and its determination will be final, binding and conclusive.

### ***Corporate Transactions***

The ESPP provides that in the event of a corporate transaction (as defined below), any then-outstanding rights to purchase our Common Stock under the ESPP may be assumed, continued, or substituted for by any surviving or acquiring corporation (or its parent company). If the surviving or acquiring corporation (or its parent company) elects not to assume, continue, or substitute for such purchase rights, then (i) the participants' accumulated payroll contributions will be used to purchase shares of our Common Stock (rounded down to the nearest whole share) within 10 business days (or such other period specified by our Board) before such corporate transaction under the outstanding purchase rights, and such purchase rights will terminate immediately after such purchase, or (ii) our Board, in its discretion, may terminate outstanding offerings, cancel the outstanding purchase rights and refund the participants' accumulated contributions.

Under the ESPP, a "corporate transaction" is generally the consummation, in a single transaction or in a series of related transactions, of: (i) a sale or other disposition of all or substantially all, as determined by our Board, of the consolidated assets of us and our subsidiaries; (ii) a sale or other disposition of at least 50% of our outstanding securities; (iii) a merger, consolidation or similar transaction following which we are not the surviving corporation; or (iv) a merger, consolidation or similar transaction following which we are the surviving corporation but the shares of our Common Stock outstanding immediately prior to such transaction are converted or exchanged into other property by virtue of the transaction.

### ***Transferability***

During a participant's lifetime, purchase rights will be exercisable only by a participant. Purchase rights are not transferable by a participant, except by will, by the laws of descent and distribution, or, if permitted by us, by a beneficiary designation.

### ***Tax Withholding***

Each participant must make arrangements, satisfactory to us and any applicable related corporation, to enable us or our related corporation to fulfill any withholding obligation for taxes arising out of or in relation to a participant's participation in the ESPP. In our sole discretion and subject to applicable law, such withholding obligation may be satisfied in whole or in part by (i) withholding from the participant's salary or any other cash payment due to the participant from us or any related corporation; (ii) withholding from the proceeds of the sale of shares of our Common Stock acquired under the ESPP, either through a voluntary sale or a mandatory sale arranged by us; or (iii) any other method deemed acceptable by our Board. We will not be required to issue any shares of our Common Stock under the ESPP until such obligations are satisfied.

### ***Amendment, Suspension or Termination***

Our Board will have the authority to amend, suspend or terminate the ESPP. Any benefits, privileges, entitlements and obligations under any outstanding purchase right granted before an amendment, suspension or termination of the ESPP 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 facilitate compliance with any laws, listing requirements, or governmental regulations (including, without limitation, the provisions of Section 423 of the Code), or (iii) as necessary to obtain or maintain favorable tax, listing, or regulatory treatment. Except with respect to certain changes in our capital structure, stockholder approval is required for any amendment to the ESPP if such approval is required by applicable law or listing requirements. No purchase rights may be granted under the ESPP while it is suspended or after it is terminated.

### ***Certain U.S. Federal Income Tax Aspects of the ESPP***

The following is a general summary under current law of the material federal income tax consequences to participants in the ESPP under U.S. law. This summary deals with the general tax principles that apply and is provided only for general information. Certain types of taxes, such as state and local income taxes, are not discussed.

Tax laws are complex and subject to change and may vary depending on individual circumstances and from locality to locality. The summary does not discuss all aspects of income taxation that may be relevant to a participant in light of his or her personal investment circumstances. This summarized tax information is not tax advice.

The ESPP is intended to be an employee stock purchase plan within the meaning of Section 423 of the Code. The ESPP also authorizes the grant of rights to purchase shares that do not qualify under Section 423 pursuant to the non-423 component.

#### ***423 Component Offerings***

Under an employee stock purchase plan that qualifies under Section 423 of the Code, no taxable income will be recognized by a participant, and no deductions will be allowable to us, upon either the grant or the exercise of the purchase rights. Taxable income will not be recognized until there is a sale or other disposition of the shares acquired under the ESPP or in the event that the participant should die while still owning the purchased shares.

If the participant sells or otherwise disposes of the purchased shares (a) within two years after the start date of the offering in which the shares were acquired or (b) within one year after the purchase of the shares, then the participant generally will recognize ordinary income in the year of sale or disposition equal to the amount by which the fair market value of the shares on the purchase date exceeded the purchase price paid for those shares, and we will be entitled to an income tax deduction (subject to applicable limits under the Code), for the taxable year in which such disposition occurs equal in amount to such excess. The amount of this ordinary income will be added to the participant's basis in the shares, and any resulting gain or loss recognized upon the sale or disposition will be a capital gain or loss. If the shares have been held for more than one year since the date of purchase, the gain or loss will be long-term.

If the participant sells or disposes of the purchased shares more than two years after the start date of the offering in which the shares were acquired and more than one year after the purchase of the shares, then the participant generally will recognize ordinary income in the year of sale or disposition equal to the lesser of (a) the amount by which the fair market value of the shares on the sale or disposition date exceeded the purchase price paid for the shares, or (b) 15% of the fair market value of the shares on the start date of that offering. Any additional gain upon the disposition will be taxed as a long-term capital gain. Alternatively, if the fair market value of the shares on the date of the sale or disposition is less than the purchase price, there will be no ordinary income and any loss recognized will be a long-term capital loss. We will not be entitled to an income tax deduction with respect to such disposition.

#### ***Non-423 Component Offerings***

If a purchase right is granted under the Non-423 component of the ESPP to a participant who is subject to U.S. federal income tax, the amount equal to the difference between the fair market value of the shares on the purchase date and the purchase price is taxed as ordinary income at the time of such purchase and such income is subject to tax withholding. The amount of such ordinary income will be added to the participant's basis in the shares, and any additional gain or resulting loss recognized on the disposition of the shares after such basis adjustment will be a capital gain or loss. A capital gain or loss will be long-term if the participant holds the shares for more than one year after the purchase date. We may be entitled to a deduction in the year of purchase equal to the amount of ordinary income realized by the participant.

The tax consequences for shares purchased pursuant to the ESPP by participants who are not subject to U.S. tax law may differ significantly from the U.S. federal income tax consequences described above.

#### ***Perquisites, Health, Welfare and Retirement Benefits***

Our executive officers, during their employment with us, are eligible to participate in our employee benefit plans, including our medical and dental insurance plans, in each case on the same basis as all of our other employees. We generally do not provide perquisites or personal benefits to our named executive officers, except in limited circumstances. We do, however, pay the premiums for medical and dental insurance for all of our employees, including our named executive officers. Our Board may elect to adopt qualified or nonqualified benefit plans in the future if we determine that doing so is in our best interests.

## **Nonqualified Deferred Compensation**

We do not maintain nonqualified defined contribution plans or other nonqualified deferred compensation plans. Our Board may elect to provide our officers and other employees with nonqualified defined contribution or other nonqualified deferred compensation benefits in the future if we determine that doing so is in our best interests.

## **Employment Arrangements with Named Executive Officers**

### ***Employment Agreement with William Lis***

In connection with the Closing, on September 24, 2021, we entered into an Employment Agreement with William Lis (the “Lis Employment Agreement”) as our Executive Chairman and Chief Executive Officer. The Lis Employment Agreement initially provides for an annual base salary of \$530,000, subject to adjustment from time to time (the “Lis Base Salary”), and a target annual incentive bonus of 50% of the Lis Base Salary. The Lis Employment Agreement also provides that, subject to approval by our Board or its compensation committee, Mr. Lis will be granted, in the form of equity awards, an equal amount of shares of our Common Stock (the “Lis Shares”) and options to purchase shares of our Common Stock (the “Lis Options”) in an aggregate amount such that Mr. Lis’ beneficial ownership of our capital stock is equal to 3.0% of the outstanding shares of our capital stock as of the Closing. The Lis Shares will vest 50% on the six-month anniversary of the date of grant and 50% on the nine-month anniversary of the date of grant, and the Lis Options will be 25% vested on the date of grant and an additional 25% shall vest on each six-month anniversary thereafter if certain corporate milestones are met. Mr. Lis also is eligible to participate in the benefit plans that are generally available to all of our executive employees.

Mr. Lis’ employment with us is at-will, meaning either we or Mr. Lis may terminate the employment relationship with or without cause. However, Mr. Lis must provide at least 30 days’ advance written notice of any termination of his employment under the Lis Employment Agreement.

Mr. Lis will also continue to be eligible for payments and benefits under our employee severance plan applicable to executive committee members (the “Severance Plan”), which is described in the section titled “— *Employee Severance Plan*” below.

### ***Employment Agreement with Jeet Mahal***

In connection with Closing, on September 24, 2021, we entered into an Employment Agreement with Jeet Mahal (the “Mahal Employment Agreement”) as our Chief Financial Officer and Business Officer. The Mahal Employment Agreement initially provides for an annual base salary of \$400,000, subject to adjustment from time to time (the “Mahal Base Salary”), and a target annual incentive bonus of 40% of the Mahal Base Salary. The Mahal Employment Agreement also provides that Mr. Mahal will initially be granted equity compensation, in the same form and on such terms consistent with his existing equity holdings, such that Mr. Mahal’s beneficial ownership of our capital stock is equal to at least 0.75% of the outstanding shares of our capital stock as the date of grant as well as a second grant, to be made no later than by March 31, 2022, of an amount of equity interests in our company, and on such terms and in such form approved by our Executive Chairman, such that Mr. Mahal’s beneficial ownership of our capital stock is equal to at least 1.0% of the outstanding shares of our capital stock as the date of grant. Mr. Mahal also is eligible to participate in the benefit plans that are generally available to all of our executive employees.

Mr. Mahal’s employment with us is at-will, meaning either we or Mr. Mahal may terminate the employment relationship with or without cause. However, Mr. Mahal must provide at least 30 days’ advance written notice of any termination of his employment under the Mahal Employment Agreement.

Mr. Mahal will also continue to be eligible for payments and benefits under the Severance Plan.

### ***Employment Agreement with Kevin N. Heller, M.D.***

In connection with Closing, on September 24, 2021, we entered into an Employment Agreement with Kevin N. Heller, M.D. (the “Heller Employment Agreement”) as our Executive Vice President, Research and Development. The Heller Employment Agreement initially provides for an annual base salary of \$455,274.59, subject to adjustment from time to time (the “Heller Base Salary”), and a target annual incentive bonus of 40% of the Heller Base Salary. Dr. Heller also is eligible to participate in the benefit plans that are generally available to all of our executive employees.

Dr. Heller’s employment with us is at-will, meaning either we or Dr. Heller may terminate the employment relationship with or without cause. However, Dr. Heller must provide at least 30 days’ advance written notice of any termination of his employment under the Heller Employment Agreement.

Dr. Heller will also continue to be eligible for payments and benefits under the Severance Plan.

**Employee Severance Plan**

Under our employee severance plan applicable to executive committee members (which includes all of our named executive officers), which became effective in February 2021 (the “Severance Plan”), upon a named executive officer’s termination by us without “cause” (as defined in the Severance Policy) or a resignation by a named executive officer for “good reason” (as defined in the Severance Policy) within 24 months after a change in control (as defined in the Severance Policy, provided that the Business Combination is excluded from the definition of a change in control), the named executive officer will be eligible to receive (1) any earned but unpaid salary, unpaid and eligible expense reimbursements, accrued but unused vacation, and any vested benefits such named executive officer may have under any of our employee benefit plans, (2) continued payment of the named executive officer’s base salary for 12 months following termination (less applicable tax withholdings), and (3) full acceleration of vesting of any equity awards subject to any maximum term (with any vesting based on satisfaction of performance objectives deemed satisfied at 100% of target); provided that, in each case of (2) and (3), the terminated named executive officer executes a separation agreement satisfactory to us containing, but not limited to, a general release of claims, a non-disparagement clause and reaffirmation of such individual’s post-termination restrictive covenants.

**Emerging Growth Company Status**

We are an “emerging growth company,” as defined in the JOBS Act. As an emerging growth company we are 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 its Chief Executive Officer to the median of the annual total compensation of all of its employees, each as required by the Investor Protection and Securities Reform Act of 2010, which is part of the Dodd-Frank Act.

**DIRECTOR COMPENSATION**

Prior to the consummation of the Transactions, Legacy Jasper did not have any formal arrangements under which directors receive compensation for their service on the Legacy Jasper Board, and with the exception of Dr. Shizuru, who received compensation in connection with providing consulting services to Legacy Jasper, none of Legacy Jasper’s non-employee directors received any compensation for services to Legacy Jasper in 2020, as follows:

<b>Name<sup>(1)</sup></b>	<b>Fees Earned or Paid in Cash (\$)</b>	<b>Option Awards (\$)</b>	<b>All Other Compensation (\$)</b>	<b>Total (\$)</b>
Anna French, D.Phil.	—	—	—	—
Nisha Marathe, Ph.D. <sup>(2)</sup>	—	—	—	—
Mitchell Mutz, Ph.D. <sup>(3)</sup>	—	—	—	—
Judith Shizuru, M.D., Ph.D.	—	134,399 <sup>(4)</sup>	250,000 <sup>(5)</sup>	384,399
Kurt von Emster	—	—	—	—

- (1) Mr. Lis, Legacy Jasper’s Executive Chairman and Chief Executive Officer and a named executive officer, is not included in this table as he was an employee of Legacy Jasper and therefore receives no compensation for his service as a director. Mr. Lis’ compensation as an employee is included in the section entitled “— 2020 Summary Compensation Table” above.
- (2) Dr. Marathe was appointed to the Legacy Jasper Board effective September 3, 2020.
- (3) Dr. Mutz resigned from the Legacy Jasper Board effective August 6, 2020.

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- (4) Amount reported represents the aggregate grant date fair value of the stock options granted to Dr. Shizuru during 2020 under the 2019 EIP, computed in accordance with ASC Topic 718. The assumptions used in calculating the grant date fair value of the stock options are set forth in Note 12 to Legacy Jasper's audited financial statements included elsewhere in this /prospectus. This amount does not reflect the actual economic value that may be realized by Dr. Shizuru, which will depend on factors including the continued service of Dr. Shizuru and the future value of our Common Stock. As of December 31, 2020, Dr. Shizuru held options to purchase an aggregate of 517,642 shares of Legacy Jasper's common stock, and none of Legacy Jasper's other non-employee directors held any options to purchase shares of Legacy Jasper's common stock. Dr. Shizuru was granted this option in connection with Dr. Shizuru's role as a co-founder of Legacy Jasper and was granted to Dr. Shizuru in recognition of Legacy Jasper issuing and selling \$45.0 million of shares of its Series A-1 Preferred Stock.
- (5) Consists of fees earned by Dr. Shizuru for non-employee consulting services provided to Legacy Jasper.

**Current Director Compensation Policy**

We currently have no formal arrangements under which directors receive compensation for their service on our Board. However, it is anticipated that the Compensation Committee of our Board will determine the annual compensation to be paid to the members of our Board in the near term.

## CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

The following includes a summary of transactions since the formation of Legacy Jasper in March 2018 to which AMHC or Legacy Jasper has been a party in which the amount involved exceeded or will exceed \$120,000, and in which any of AMHC's or Legacy Jasper's directors, executive officers or, to AMHC's or Legacy Jasper's knowledge, beneficial owners of more than 5% of AMHC's or Legacy Jasper's capital stock or any member of the immediate family of any of the foregoing persons, had or will have a direct or indirect material interest, other than equity and other compensation, termination, change in control and other arrangements, which are described under "*Executive Compensation*."

### AMHC

In August 2019, our Sponsor acquired 2,875,000 Founder Shares for an aggregate purchase price of \$25,000. Prior to the initial investment in the company of \$25,000 by our Sponsor, the company had no assets, tangible or intangible. The number of Founder Shares issued was determined based on the expectation that such Founder Shares represent 20% of the outstanding shares upon completion of the Initial Public Offering. On January 3, 2020, 375,000 Founder Shares were returned by our Sponsor and then forfeited, as our underwriter did not exercise the over-allotment option, at all. The Founder Shares (including the Class A Common Stock issuable upon exercise thereof) may not, subject to certain limited exceptions, be transferred, assigned or sold by the holder.

Simultaneously with the closing of the Initial Public Offering, pursuant to the Private Placement Warrants Purchase Agreement, we completed the private sale of an aggregate of the Private Placement Warrants at a purchase price of \$1.00 per Private Placement Warrant to our Sponsor, generating gross proceeds to us of \$4,000,000. The Private Placement Warrants were identical to the Warrants sold as part of the Units in the Initial Public Offering, except that our Sponsor had agreed not to transfer, assign or sell any of the Private Placement Warrants (except to certain permitted transferees) until 30 days after the completion of our initial business combination. Our Sponsor forfeited the Private Placement Warrants in connection with the Business Combination.

We paid an aggregate of \$3,697 per month for office space used by one of our officers, to an entity that was affiliated with our former Chief Executive Officer. No written agreement existed for such office lease, as the payments were on a month to month basis. For the year ended December 31, 2020, we incurred and paid \$44,364 of such fees. For the period ended December 31, 2019, there were no such fees.

Our Sponsor had agreed to loan us up to \$300,000 which was used for a portion of the expenses of the Initial Public Offering. This loan was non-interest bearing, unsecured and was repaid upon the closing of the Initial Public Offering out of the offering proceeds not held in the Trust Account. Such loan was repaid upon the consummation of the Initial Public Offering.

On November 19, 2019, we entered into a registration rights agreement with respect to the Private Placement Warrants and the shares of Class A Common Stock issuable upon exercise of the foregoing and upon conversion of the Founder Shares. At the Closing of the Business Combination, Legacy Jasper, the Sponsor and certain Legacy Jasper stockholders entered into an Amended and Restated Registration Rights Agreement (the "Amended and Restated Registration Rights Agreement").

Concurrently with the execution of the Business Combination Agreement, we entered into the Subscription Agreements with each of the PIPE Investors, pursuant to which affiliates of the Sponsor funded \$28,350,000 in the PIPE Financing, and we, the Sponsor and Legacy Jasper entered into the Sponsor Support Agreement. Prior to the Closing, our Sponsor, AMHC and Legacy Jasper entered into an amendment (the "Support Agreement Amendment") to the Sponsor Support Agreement pursuant to which (i) our Sponsor agreed to place into escrow 1,050,000 of its shares of our Common Stock (the "Sponsor Earnout Shares"), which Sponsor Earnout Shares will be released as follows: (a) 250,000 Sponsor Earnout Shares will be released if, during the period from and after the Closing until the third anniversary of the Closing (the "Earnout Period"), over any twenty (20) trading days within any thirty (30) day consecutive trading day period, the volume-weighted average price of the Jasper Voting Common Stock (the "Applicable VWAP") is greater than or equal to \$11.50, (b) 500,000 Sponsor Earnout Shares will be released if, during the Earnout Period, the Applicable VWAP is greater than or equal to \$15.00, and (c) 300,000 Sponsor Earnout Shares will be released if, during the Earnout Period, the Applicable VWAP is greater than or equal

to \$18.00; and (ii) our Sponsor forfeited, effective as of immediately prior to the Closing, 200,000 shares of AMHC's Class B Common Stock beneficially owned by our Sponsor to AMHC for cancellation without any consideration for such forfeiture.

## Legacy Jasper

### Series A-1 Preferred Stock Financing

#### Second Closing

On December 23, 2019, Legacy Jasper completed the second initial closing under its Series A-1 Preferred Stock Purchase Agreement dated November 21, 2019, as amended on December 23, 2019 and September 11, 2020 (as amended, the "Series A-1 Purchase Agreement"), pursuant to which Legacy Jasper issued and sold an aggregate of 14,003,853 shares of its Series A-1 Preferred Stock at a purchase price of \$0.7509 per share, for an aggregate purchase price of \$10,515,493. In accordance with the Business Combination Agreement, at the Effective Time, all of the outstanding shares of Legacy Jasper Series A-1 Preferred Stock were cancelled, extinguished and converted into a number of shares of Legacy Jasper Common Stock based on Legacy Jasper's Equity Value. The following table summarizes purchases of shares of Legacy Jasper's Series A-1 Preferred Stock in the second initial closing by holders of more than 5% of Legacy Jasper's capital stock at the time of the second initial closing:

Name of 5% Legacy Jasper Stockholder <sup>(1)</sup>	Shares of Series A-1 Preferred Stock	Total Purchase Price
Qiming U.S. Healthcare Fund II, L.P. <sup>(2)</sup>	1,165,268	\$ 874,999.75
Abingworth Bioventures VII LP <sup>(2)</sup>	1,072,046	\$ 804,999.35
Citadel Multi-Strategy Equities Master Fund Ltd.	932,214	\$ 699,999.50

(1) Additional details regarding these stockholders and their equity holdings are provided in this prospectus under the section entitled "Description of Our Securities."

(2) At the time of the second initial closing, this entity had a representative serving on the Legacy Jasper Board.

#### First Milestone Closing

On November 20, 2020, Legacy Jasper completed the first milestone closing under the Series A-1 Purchase Agreement, pursuant to which it issued and sold an aggregate of 14,316,154 shares of its Series A-1 Preferred Stock at a purchase price of \$0.7509 per share, for an aggregate purchase price of \$10,750,000. In accordance with the Business Combination Agreement, at the Effective Time, all of the outstanding shares of Legacy Jasper Series A-1 Preferred Stock will be cancelled, extinguished and converted into a number of shares of Legacy Jasper Common Stock based on Legacy Jasper's Equity Value. The following table summarizes purchases of shares of Legacy Jasper's Series A-1 Preferred Stock in the first milestone closing by holders of more than 5% of Legacy Jasper's capital stock at the time of the first milestone closing:

Name of 5% Legacy Jasper Stockholder <sup>(1)</sup>	Shares of Series A-1 Preferred Stock	Total Purchase Price
Qiming U.S. Healthcare Fund II, L.P. <sup>(2)</sup>	3,579,038	\$ 2,687,499.63
Abingworth Bioventures VII LP <sup>(2)</sup>	3,292,715	\$ 2,472,499.69
Citadel Multi-Strategy Equities Master Fund Ltd.	2,863,231	\$ 2,150,000.16
Roche Finance Ltd <sup>(2)</sup>	3,292,715	\$ 2,472,499.69

(1) Additional details regarding these stockholders and their equity holdings are provided in this prospectus under the section entitled "Description of Our Securities."

(2) At the time of the first milestone closing, this entity had a representative serving on the Legacy Jasper Board.

### *Second Milestone Closing*

On February 26, 2021, Legacy Jasper completed the second milestone closing under the Series A-1 Purchase Agreement, pursuant to which it issued and sold an aggregate of 14,316,146 shares of its Series A-1 Preferred Stock at a purchase price of \$0.7509 per share, for an aggregate purchase price of \$10,749,994. In accordance with the Business Combination Agreement, at the Effective Time, all of the outstanding shares of Legacy Jasper Series A-1 Preferred Stock will be cancelled, extinguished and converted into a number of shares of Legacy Jasper Common Stock based on Legacy Jasper's Equity Value. The following table summarizes purchases of shares of Legacy Jasper's Series A-1 Preferred Stock in the second milestone closing by holders of more than 5% of Legacy Jasper's capital stock at the time of second milestone closing:

<b>Name of 5% Legacy Jasper Stockholder<sup>(1)</sup></b>	<b>Shares of Series A-1 Preferred Stock</b>	<b>Total Purchase Price</b>
Qiming U.S. Healthcare Fund II, L.P. <sup>(2)</sup>	3,579,038	\$ 2,687,499.63
Abingworth Bioventures VII LP <sup>(2)</sup>	3,292,715	\$ 2,472,499.69
Citadel Multi-Strategy Equities Master Fund Ltd.	2,863,230	\$ 2,149,999.41
Roche Finance Ltd <sup>(2)</sup>	3,292,715	\$ 2,472,499.69

- (1) Additional details regarding these stockholders and their equity holdings are provided in this prospectus under the section entitled "Description of Our Securities."  
(2) At the time of the second milestone closing, this entity had a representative serving on the Legacy Jasper Board.

### ***Agreements Related to the Series A-1 and Series A-2 Preferred Stock Financings***

In connection with Jasper's Series A-1 Preferred Stock and Series A-2 Preferred Stock financings, Legacy Jasper entered into an Investors' Rights Agreement (the "Legacy Jasper Investors' Rights Agreement"), a Right of First Refusal and Co-Sale Agreement (the "Legacy Jasper Rights of First Refusal and Co-Sale Agreement") and a Voting Agreement (the "Legacy Jasper Voting Agreement"), in each case dated November 21, 2019, with the purchasers of Legacy Jasper's Series A-1 Preferred Stock and Series A-2 Preferred Stock and certain of the holders of Legacy Jasper's common stock.

#### *Legacy Jasper Investors' Rights Agreement*

Pursuant to the Legacy Jasper Investors' Rights Agreement, Legacy Jasper granted certain registration rights to certain holders of its preferred stock and certain holders of its outstanding capital stock, including Abingworth Bioventures VII LP ("Abingworth"), Qiming U.S. Healthcare Fund II, L.P. ("Qiming"), Citadel Multi-Strategy Equities Master Fund Ltd. ("Citadel") and Roche Finance Ltd ("Roche") (collectively, the "Major Investors"), including the right to demand that Legacy Jasper file a registration statement, subject to certain limitations, and to request that their shares be covered by a registration statement that it is otherwise filing. In addition, pursuant to the Legacy Jasper Investors' Rights Agreement, Legacy Jasper granted the Major Investors a right of first offer with respect to future sales of Legacy Jasper's securities, subject to certain exceptions, and certain information, inspection, visitation and observer rights. The Legacy Jasper Investors' Rights Agreement terminated immediately prior to the Effective Time.

#### *Right of First Refusal and Co-Sale Agreement*

Pursuant to the Legacy Jasper Right of First Refusal and Co-Sale Agreement, Legacy Jasper granted certain rights to certain holders of Legacy Jasper's preferred stock and certain holders of its outstanding capital stock, including the Major Investors. Pursuant to the Right of First Refusal and Co-Sale Agreement, Legacy Jasper had a right of first refusal in respect of certain sales of securities by Susan Prohaska Ph.D. and Judith Shizuru M.D., Ph.D. (collectively, the "Key Holders"). The Right of First Refusal and Co-Sale Agreement terminated immediately prior to the Effective Time.

### *Voting Agreement*

Pursuant to the Legacy Jasper Voting Agreement, certain holders of Legacy Jasper’s preferred stock and certain holders of its outstanding capital stock, including Abingworth, Qiming, Citadel, Amgen Inc. and the Key Holders, agreed to certain drag-along provisions related to a potential sale of Legacy Jasper. The Legacy Jasper Voting Agreement also contained provisions with respect to the elections of Legacy Jasper’s Board and the composition thereof. Pursuant to the Legacy Jasper Voting Agreement, each of Abingworth, Qiming and Roche had the right to designate one member to be elected to Legacy Jasper’s Board. The Legacy Jasper Voting Agreement also designated Judith Shizuru, a holder of more than 5% of Legacy Jasper’s capital stock, as a director representing the common stockholders. The Legacy Jasper Voting Agreement terminated immediately prior to the Effective Time, and none of Legacy Jasper’s stockholders have any continuing rights regarding the election or designation of members of our Board.

### *PIPE Financing*

In connection with the Business Combination Agreement, AMHC entered into Subscription Agreements with the PIPE Investors to consummate the PIPE Financing. Pursuant to the Subscription Agreements, the PIPE Investors subscribed for and purchased, and AMHC issued and sold to the PIPE Investors, an aggregate of 10,000,000 shares of AMHC Class A Common Stock at a price of \$10.00 per share, for aggregate gross proceeds of \$100,000,000. Five of the PIPE Investors or their affiliates were beneficial holders of more than 5% of Legacy Jasper’s capital stock, and the table below sets forth the number of shares of AMHC Class A Common Stock purchased by such holders:

<b>Name of 5% Legacy Jasper Stockholder<sup>(1)</sup></b>	<b>Shares of AMHC Class A Common Stock</b>	<b>Total Purchase Price</b>
Entities Affiliated with Citadel Advisors LLC	515,000	\$ 5,150,000
Roche Finance Ltd	300,000	\$ 3,000,000
Qiming U.S. Healthcare Fund II, L.P.	550,000	\$ 5,500,000
Abingworth Bioventures VII LP	750,000	\$ 7,500,000
Amgen Inc.	500,000	\$ 5,000,000

- (1) Additional details regarding these stockholders and their equity holdings are provided in this prospectus under the section entitled “Principal Stockholders.”

### *Ownership Election Agreements*

Concurrently with Legacy Jasper’s entry into the Business Combination Agreement, Legacy Jasper entered into an Ownership Election Agreement (the “Election Agreement”) with each of Abingworth, Qiming, Citadel and Roche. Pursuant to the Election Agreements with each of Abingworth, Qiming and Roche, the Legacy Jasper stockholder party thereto irrevocably elected to receive its respective transaction share consideration in the form of Legacy Jasper Voting Common Stock and to waive its respective rights under Legacy Jasper’s certificate of incorporation and the Series A-1 Purchase Agreement to receive non-voting common stock in connection with the Business Combination. Pursuant to the Election Agreement with Citadel, Citadel irrevocably elected to receive its allocable transaction share consideration in that number of shares of our Voting Common Stock and Non-Voting Common Stock such that, immediately following the Closing of the Business Combination, the sum of (1) the Common Stock allocated to Citadel as transaction share consideration, less (2) the portion of such transaction share consideration allocable to Citadel in shares of Non-Voting Common Stock, plus (3) the number of shares of Voting Common Stock acquired by Citadel pursuant to the PIPE Financing, is equal to or less than 8.4% of the outstanding AMHC Common Stock as of immediately following the Closing of the Business Combination.

### *Dr. Shizuru Consulting Agreement*

On December 16, 2019, Legacy Jasper entered into a consulting agreement with Judith Shizuru, M.D., Ph.D., a member of the Legacy Jasper Board and holder of more than 5% of Legacy Jasper’s capital stock, pursuant to which Dr. Shizuru provides Legacy Jasper with consulting and advisory services in exchange for a cash fee of \$20,833 per month, or \$250,000 per year.

***Indemnification Agreements***

Upon the consummation of the Business Combination, we entered into separate indemnification agreements with each of our directors and executive officers in addition to the indemnification provided for in our Amended and Restated Certificate of Incorporation and our Amended and Restated Bylaws. These agreements, among other things, require us to indemnify each director and executive officer to the fullest extent permitted by law, including indemnification of expenses such as attorneys' fees, judgments, fines and settlement amounts reasonably incurred by the director or executive officer in any action or proceeding, including any action or proceeding by or in right of our company, arising out of the person's services as a director or executive officer of ours.

***Policies and Procedures for Transactions with Related Persons***

We have adopted a written related person transaction policy setting forth the policies and procedures for the review and approval or ratification of related person transactions. This policy covers, with certain exceptions set forth in Item 404 of Regulation S-K under the Securities Act, any transaction, arrangement or relationship, or any series of similar transactions, arrangements or relationships in which we were or are to be a participant, where the amount involved exceeds \$120,000 and a related person had or will have a direct or indirect material interest, including, without limitation, purchases of goods or services by or from the related person or entities in which the related person has a material interest, indebtedness, guarantees of indebtedness and employment by us of a related person. In reviewing and approving any such transactions, our audit committee is tasked to consider all relevant facts and circumstances, including, but not limited to, whether the transaction is on terms comparable to those that could be obtained in an arm's length transaction with an unrelated third party and the extent of the related person's interest in the transaction.

**PRINCIPAL STOCKHOLDERS**

The following table sets forth information regarding the beneficial ownership of our Common Stock immediately following consummation of the Transactions by:

- each person known to be the beneficial owner of more than 5% of our outstanding Common Stock immediately following the consummation of the Transactions;
- each of our current named executive officers and directors; and
- all of our executive officers and directors as a group following the consummation of the Transactions.

Beneficial ownership is determined according to the rules of the SEC, which generally provide that a person has beneficial ownership of a security if he, she or it possesses sole or shared voting or investment power over that security. Under those rules, beneficial ownership includes securities that the individual or entity has the right to acquire, such as through the exercise of stock options, within 60 days. Shares subject to options that are currently exercisable or exercisable within 60 days of the Closing Date are considered outstanding and beneficially owned by the person holding such options for the purpose of computing the percentage ownership of that person but are not treated as outstanding for the purpose of computing the percentage ownership of any other person. Unless otherwise indicated, we believe that the persons and entities named in the table below have sole voting and investment power with respect to all shares shown as beneficially owned by them.

Name and Address of Beneficial Owner <sup>(1)</sup>	Voting Common Stock		Non-Voting Common Stock	
	Number of Shares	% of Class	Number of Shares	% of Class
<b>Directors and Named Executive Officers:</b>				
William Lis <sup>(2)</sup>	921,763	2.5%	—	—
Anna French, D.Phil.	—	—	—	—
Lawrence Klein, Ph.D.	—	—	—	—
Christian W. Nolet	—	—	—	—
Judith Shizuru, M.D., Ph.D. <sup>(3)</sup>	1,275,682	3.5%	—	—
Kurt von Emster <sup>(4)</sup>	5,628,558	15.4%	—	—
Kevin N. Heller, M.D. <sup>(2)</sup>	205,553	*	—	—
Jeet Mahal <sup>(5)</sup>	140,079	*	—	—
<b>All directors and named executive officers as a group (8 persons)</b>	<b>8,171,635</b>	<b>21.6%</b>	<b>—</b>	<b>—</b>
<b>Five Percent Holders:</b>				
Abingworth Bioventures VII LP <sup>(4)</sup>	5,628,558	15.4%	—	—
Amgen Inc. <sup>(6)</sup>	2,700,000	7.4%	—	—
Amplitude Healthcare Holdings LLC <sup>(7)</sup>	2,300,000	6.3%	—	—
Entities affiliated with Citadel Advisors LLC <sup>(8)</sup>	3,685,391	9.9%	1,296,022	100%
Qiming U.S. Healthcare Fund II, L.P. <sup>(9)</sup>	5,852,982	16.0%	—	—
Roche Finance Ltd <sup>(10)</sup>	4,624,606	12.7%	—	—
Howard Hoffen <sup>(7)(11)</sup>	2,500,000	6.8%	—	—
Balaji Venkataraman <sup>(12)</sup>	2,385,000	6.5%	—	—
Kenneth Clifford <sup>(7)(11)</sup>	2,500,000	6.8%	—	—

\* Indicates less than 1%

(1) Unless otherwise noted, the business address of each of those listed in the table above is 2200 Bridge Pkwy Suite #102, Redwood City, CA 94065.

(2) Consists solely of shares of our Common Stock issuable upon exercise of options that are exercisable within 60 days of the Closing Date.

(3) Consists of (i) 1,129,512 shares of our Common Stock, of which 847,134 shares are vested or will vest within 60 days of the Closing Date, and (ii) 146,170 shares of our Common Stock issuable upon exercise of options that are exercisable within 60 days of the Closing Date.

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- (5) Abingworth Bioventures VII GP LP (“ABV VII”), a Scottish limited partnership, serves as the general partner of ABV VII. Abingworth General Partner VII LLP, an English limited liability partnership (together with Abingworth Bioventures VII GP LP, the “General Partners”), serves as the general partner of Abingworth Bioventures VII GP LP. ABV VII (acting by its general partner Abingworth Bioventures VII GP LP, acting by its general partner Abingworth General Partner VII LLP) has delegated to Abingworth LLP (“Abingworth”) all investment and dispositive power over the securities held by ABV VII. An investment committee of Abingworth, currently comprised of Timothy Haines, Kurt von Emster, a member of our Board, Bali Muralidhar, Brian Gallagher, Andrew Sinclair and Genghis Lloyd-Harris (collectively the “Investment Committee”), approves investment and voting decisions by a specified majority vote, and no individual member has the sole control or voting power over the securities held by ABV VII. Each of Abingworth, Abingworth Bioventures VII GP LP, Abingworth General Partner VII LLP, and each member of the Investment Committee disclaims beneficial ownership of the shares of Common Stock held by ABV VII. The address of Abingworth Bioventures VII LP is 38 Jermyn Street, London, SW1Y6DN, UK.
- (5) Consists of (i) 109,627 shares of our Common Stock, and (ii) 30,452 shares of our Common Stock issuable upon exercise of options that are exercisable within 60 days of the Closing Date.
- (6) The mailing address of Amgen Inc. is One Amgen Center Drive, Thousand Oaks, CA 91320. Amgen and Legacy Jasper are party to that certain Exclusive License Agreement dated November 21, 2019.
- (7) The Sponsor is the record holder of 2,300,000 shares of our Common Stock reported herein. Metalmark Amplitude Healthcare Holdings LLC is the managing member of the Sponsor. Howard Hoffen, our former Chairman, and Kenneth Clifford, our former Chief Financial Officer, are partners of Metalmark Capital II LLC, which is the managing member of Metalmark Amplitude Healthcare Holdings LLC. Each of Messrs. Hoffen and Clifford disclaim any beneficial ownership of the reported shares other than to the extent of their respective pecuniary interest therein, directly or indirectly. Balaji Venkataraman, our former Chief Executive Officer, is the managing member of Avego Healthcare Capital Holdings, LLC, which is the general partner of Avego Healthcare Capital, L.P., a member of the Sponsor. Mr. Venkataraman disclaims any beneficial ownership of the reported shares other than to the extent of his pecuniary interest therein, directly or indirectly. In addition, each of Howard Hoffen, Balaji Venkataraman, Kenneth Clifford, Vishal Kapoor, Frederic N. Eshelman, Ernest Mario, Peter Dolan and Glenn Reicin, former directors and officers of ours, is a member of the Sponsor and accordingly has pecuniary interest in the shares reported herein. Each such person disclaims any beneficial ownership of the reported shares other than to the extent of any pecuniary interest they may have therein, directly or indirectly. 1,050,000 of the 2,300,000 shares of our Common Stock held of record by the Sponsor are currently held in escrow, pursuant to which (A) 250,000 shares will be released from escrow if, during the period from and after the Closing until the third anniversary of the Closing (the “Earnout Period”), over twenty (20) trading days within any thirty (30) day consecutive trading day period, the volume-weighted average purchase price of our Common Stock (the “Applicable VWAP”) is greater than or equal to \$11.50, (B) 500,000 of the shares will be released if, during the Earnout Period, the Applicable VWAP is greater than or equal to \$15.00, and (C) 300,000 of the shares will be released if, during the Earnout Period, the applicable VWAP is greater than or equal to \$18.00. The address of the Sponsor is 1177 Avenue of the Americas, Fl 40, New York, NY 10036.
- (8) Consists of (i) 2,464,504 shares of our Common Stock held by Citadel Multi-Strategy Equities Master Fund Ltd. (“CEMF”), (ii) 515,000 shares of our Common Stock held by Citadel CEMF Investments Ltd. (“CEMF Investments”), and (iii) a portion of the 1,296,022 shares of our Non-Voting Common Stock held by CEMF. In accordance with our Amended and Restated Certificate of Incorporation, in no event shall the holder of shares of class of Non-Voting Common Stock be entitled to convert such shares into our Common Stock for any number of shares of our Common Stock that, upon giving effect to such exercise, would cause the aggregate number of shares of our Common Stock owned by the holder and its affiliates to exceed 9.9% of the outstanding shares of our Common Stock immediately after giving effect to such conversion (the “Beneficial Ownership Limitation”). The number of shares of Common Stock beneficially owned by entities affiliated with Citadel Advisors LLC includes 705,887 shares of our Common Stock issuable upon the conversion of 705,887 shares of our Non-Voting Common Stock, which is the maximum number of shares of our Common Stock issuable to CEMF upon conversion of our Non-Voting Common Stock as of the Closing Date, after giving effect to the Beneficial Ownership Limitation. CEMF Investments is a wholly-owned subsidiary of CEMF. Citadel Advisors LLC (“Citadel Advisors”) is the portfolio manager for CEMF and CEMF Investments. Citadel Advisors Holdings LP (“CAH”) is the sole member of Citadel Advisors. Citadel GP LLC (“CGP”) is the general partner of CAH. Mr. Kenneth Griffin owns a controlling interest in CGP. Mr. Griffin, as the owner of a controlling interest in CGP, may be deemed to have shared power to vote or direct the vote of, and/or shared power to dispose or direct the disposition of, shares held by CEMF and CEMF Investments. The foregoing shall not be construed as an admission that Mr. Griffin or any of the Citadel related entities listed above is the beneficial owner of any securities referenced herein other than the securities actually owned by such person (if any). The address of both CEMF and CEMF Investments is c/o Citadel Advisors LLC, 601 Lexington Avenue, New York, NY 10022.
- (9) Qiming U.S. Healthcare Fund II, L.P. is the record holder of the Common Stock reported herein. The general partner of Qiming U.S. Healthcare Fund II, L.P. is Qiming U.S. Healthcare GP II, LLC. Gary Rieschel and Mark D. McDade are the managing partners of Qiming U.S. Healthcare GP II, LLC. Each of Qiming U.S. Healthcare GP II, LLC, Mr. Rieschel and

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- Mr. McDade may be deemed to beneficially own the shares beneficially owned by Qiming U.S. Healthcare Fund II, L.P., but each disclaims beneficial ownership of such shares. The address for each of these entities and individuals is 11100 NE 8<sup>th</sup> St., Suite 200, Bellevue, WA 98004.
- (10) Roche Finance Ltd is a wholly-owned subsidiary of Roche Holding Ltd, a Swiss corporation whose shares are publicly traded on the Swiss SIX Stock Exchange. The principal business address of Roche Finance Ltd is Grenzacherstrasse 122, 4070 Basel, Switzerland.
- (11) Consists of (i) 2,300,000 shares of our Common Stock held by the Sponsor, and (ii) 200,000 shares of our Common Stock held by HC IC Holdings LLC. Messrs. Hoffen and Clifford are members of HC IC Holdings LLC. Each of Messrs. Hoffen and Clifford disclaim any beneficial ownership of the reported shares other than to the extent of their respective pecuniary interest therein, directly or indirectly. Mr. Hoffen is our former Chairman, and Kenneth Clifford is our former Chief Financial Officer. The address of HC IC Holdings LLC and Messrs. Hoffen and Clifford is 1177 Avenue of the Americas, Fl 40, New York, NY 10036.
- (12) Consists of (i) 22,000,000 shares of our Common Stock held by Avego Healthcare Capital, L.P., and (ii) 385,000 shares of our Common Stock held by Velan Capital Partners LP. Mr. Venkataraman is the managing member of Avego Healthcare Capital Holdings, LLC, which is the general partner of Avego Healthcare Capital, L.P., a member of the Sponsor, and is the managing member of Velan Capital Holdings LLC, which is the general partner of Velan Capital Partners LP. Mr. Venkataraman disclaims any beneficial ownership of the reported shares other than to the extent of his pecuniary interest therein, directly or indirectly. Mr. Venkataraman is our former Chief Executive Officer. The address of Avego Healthcare Capital, L.P., Velan Capital Partners LP and Mr. Venkataraman is 1055B Powers Place, Alpharetta, GA 30009.

## SELLING STOCKHOLDERS

Unless the context otherwise requires, as used in this prospectus, “Selling Stockholders” includes the selling stockholders listed below and donees, pledgees, transferees or other successors-in-interest selling shares received after the date of this prospectus from a selling stockholder as a gift, pledge or other non-sale related transfer.

We have prepared this prospectus to allow the Selling Stockholders or their successors, assignees or other permitted transferees to sell or otherwise dispose of, from time to time, up to 31,785,471 shares of our Common Stock that were previously issued to the Selling Stockholders and up to 1,296,022 shares of our Common Stock that are issuable upon conversion of 1,296,022 shares of Non-Voting Common Stock previously issued to a Selling Stockholder. This prospectus also relates to the issuance by us and resale of up to 5,000,000 shares of our Common Stock upon the exercise of the Public Warrants.

The shares of our Common Stock to be offered by the Selling Stockholders are “restricted” securities under applicable federal and state securities laws and are being registered under the Securities Act to give the Selling Stockholders the opportunity to sell these shares publicly. The registration of these shares does not require that any of the shares be offered or sold by the Selling Stockholders. Subject to these resale restrictions, the Selling Stockholders may from time to time offer and sell all or a portion of their shares indicated below in privately negotiated transactions or on the Nasdaq Capital Market or any other market on which our Common Stock may subsequently be listed.

Certain of the Selling Stockholders are subject to certain restrictions on transfer until the date that is 180 days after the Closing Date. See the section of this prospectus entitled “*Securities Act Restrictions on Resale of Our Securities — Lock-Up Agreements*”.

No estimate can be given as to the amount or percentage of our Common Stock that will be held by the Selling Stockholders after any sales made pursuant to this prospectus because the Selling Stockholders are not required to sell any of the Resale Shares being registered under this prospectus. The following table assumes that the Selling Stockholders will sell all of the Resale Shares listed in this prospectus.

Unless otherwise indicated in the footnotes below, no Selling Stockholder has had any material relationship with us or any of our affiliates within the past three years other than as a security holder.

We have prepared this table based on written representations and information furnished to us by or on behalf of the Selling Stockholders. Since the date on which the Selling Stockholders provided this information, the Selling Stockholders may have sold, transferred or otherwise disposed of all or a portion of the shares of our Common Stock in a transaction exempt from the registration requirements of the Securities Act. Unless otherwise indicated in the footnotes below, we believe that: (1) none of the Selling Stockholders are broker-dealers or affiliates of broker-dealers, (2) no Selling Stockholder has direct or indirect agreements or understandings with any person to distribute its respective shares, and (3) the Selling Stockholders have sole voting and investment power with respect to all shares beneficially owned, subject to applicable community property laws. To the extent any Selling Stockholder identified below is, or is affiliated with, a broker-dealer, it could be deemed to be an “underwriter” within the meaning of the Securities Act. Information about the Selling Stockholders may change over time. Any changed information will be set forth in supplements to this prospectus, if required.

Up to 5,000,000 shares of our Common Stock issuable upon the exercise of the Public Warrants, which are also covered by this prospectus, are not included in the table below.

The following table sets forth information with respect to the beneficial ownership of our Common Stock held, as of immediately following consummation of the Transactions on September 24, 2021, by the Selling Stockholders and the number of shares being registered hereby and information with respect to shares to be beneficially owned by the Selling Stockholders after completion of the offering of the shares for resale. We have determined beneficial ownership in accordance with the rules of the SEC. The inclusion of any shares in this table does not constitute an admission of beneficial ownership by the persons named below. The percentages in the following table reflect the shares beneficially owned by the Selling Stockholders as a percentage of the total number of shares of our Common Stock outstanding as of immediately following consummation of the Transactions on September 24, 2021. As of such date, following consummation of the Transactions, 36,520,288 shares of Common Stock were outstanding.

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Name and Address of Selling Stockholder <sup>(1)</sup>	Beneficial Ownership Before the Offering		Shares to be Sold in the Offering	Beneficial Ownership After the Offering	
	Number of Shares	Percent		Number of Shares	Percent
Abingworth Bioventures VII L.P. <sup>(2)</sup>	5,628,558	15.4%	5,628,558	—	—
Alexandria Venture Investments, LLC <sup>(3)</sup>	476,052	1.3%	100,000	376,052	1.0%
Amgen Inc. <sup>(4)</sup>	2,700,000	7.4%	500,000	2,200,000	6.0%
Amplitude Healthcare Holdings LLC <sup>(5)</sup>	2,300,000	6.3%	2,300,000	—	—
Apeiron Investment Group Ltd. <sup>(6)</sup>	250,000	*	250,000	—	—
Avego Healthcare Capital, L.P. <sup>(7)</sup>	2,000,000	5.5%	2,000,000	—	—
Entities affiliated with Citadel Advisors LLC <sup>(8)</sup>	3,685,391	9.9%	4,275,526	—	—
Ernest Mario <sup>(9)</sup>	30,000	*	30,000	—	—
Federated Hermes Kaufmann Funds <sup>(10)</sup>	1,500,000	4.1%	1,500,000	—	—
Fredric N. Eshelman <sup>(11)</sup>	100,000	*	100,000	—	—
Glenn Reicin <sup>(12)</sup>	15,000	*	15,000	—	—
HC IC Holdings LLC <sup>(13)</sup>	200,000	*	200,000	—	—
Jeet Mahal <sup>(14)</sup>	140,079	*	109,627	30,452	*
John Devane <sup>(15)</sup>	10,000	*	10,000	—	—
Judith Shizuru <sup>(16)</sup>	1,275,682	3.5%	1,129,512	146,170	*
Kaiser Foundation Hospitals <sup>(17)</sup>	600,000	1.6%	600,000	—	—
Kaiser Permanente Group Trust <sup>(17)</sup>	1,400,000	3.8%	1,400,000	—	—
Kingdon Healthcare Private Equity, LLC <sup>(18)</sup>	230,000	*	230,000	—	—
M. Kingdon Offshore Master Fund, L.P. <sup>(19)</sup>	270,000	*	270,000	—	—
Mario 2002 Grandchildren's Trust <sup>(20)</sup>	20,000	*	20,000	—	—
Peter Dolan <sup>(21)</sup>	25,000	*	25,000	—	—
Qiming U.S. Healthcare Fund II, L.P. <sup>(22)</sup>	5,852,982	16.0%	5,852,982	—	—
Roche Finance Ltd <sup>(23)</sup>	4,624,606	12.7%	4,624,606	—	—
Susan Prohaska <sup>(24)</sup>	1,275,682	3.5%	1,275,682	—	—
Velan Capital Partners LP <sup>(25)</sup>	385,000	1.1%	385,000	—	—
Virinder Nohria 2014 Family Living Trust <sup>(26)</sup>	57,500	*	50,000	7,500	*
Woodline Master Fund LP <sup>(27)</sup>	200,000	*	200,000	—	—
<b>TOTAL</b>	<b>35,251,532</b>	<b>—</b>	<b>33,081,493</b>	<b>2,760,174</b>	<b>—</b>

\* Indicates less than 1%

- (1) Unless otherwise noted, the business address of each of those listed in the table above is 2200 Bridge Pkwy Suite #102, Redwood City, CA 94065.
- (2) Abingworth Bioventures VII GP LP (“ABV VII”), a Scottish limited partnership, serves as the general partner of ABV VII. Abingworth General Partner VII LLP, an English limited liability partnership (together with Abingworth Bioventures VII GP LP, the “General Partners”), serves as the general partner of Abingworth Bioventures VII GP LP. ABV VII (acting by its general partner Abingworth Bioventures VII GP LP, acting by its general partner Abingworth General Partner VII LLP) has delegated to Abingworth LLP (“Abingworth”) all investment and dispositive power over the securities held by ABV VII. An investment committee of Abingworth, currently comprised of Timothy Haines, Kurt von Emster, a member of our Board, Bali Muralidhar, Brian Gallagher, Andrew Sinclair and Genghis Lloyd-Harris (collectively the “Investment Committee”), approves investment and voting decisions by a specified majority vote, and no individual member has the sole control or voting power over the securities held by ABV VII. Each of Abingworth, Abingworth

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- Bioventures VII GP LP, Abingworth General Partner VII LLP, and each member of the Investment Committee disclaims beneficial ownership of the shares of Common Stock held by ABV VII. The address of the Selling Stockholder is 38 Jermyn Street, London, SW1Y6DN, UK.
- (3) Alexandria Venture Investments, LLC (“Alexandria”) is the record holder of the Common Stock reported herein. The managing member of Alexandria is Alexandria Real Estate Equities, Inc., which has full voting and investment power with respect to the shares owned by Alexandria. The address of the Selling Stockholder is 26 North Euclid Ave., Pasadena, California 91101.
  - (4) The mailing address of Amgen Inc. is One Amgen Center Drive, Thousand Oaks, CA 91320. Amgen Inc. and Legacy Jasper are party to that certain Exclusive License Agreement dated November 21, 2019.
  - (5) The Sponsor is the record holder of the Common Stock reported herein. Metalmark Amplitude Healthcare Holdings LLC is the managing member of the Sponsor. Howard Hoffen, our former Chairman, and Kenneth Clifford, our former Chief Financial Officer, are partners of Metalmark Capital II LLC, which is the managing member of Metalmark Amplitude Healthcare Holdings LLC. Each of Messrs. Hoffen and Clifford disclaim any beneficial ownership of the reported shares other than to the extent of their respective pecuniary interest therein, directly or indirectly. Balaji Venkataraman, our former Chief Executive Officer, is the managing member of Avego Healthcare Capital Holdings, LLC, which is the general partner of Avego Healthcare Capital, L.P., a member of the Sponsor. Mr. Venkataraman disclaims any beneficial ownership of the reported shares other than to the extent of his pecuniary interest therein, directly or indirectly. In addition, each of Howard Hoffen, Balaji Venkataraman, Kenneth Clifford, Vishal Kapoor, Frederic N. Eshelman, Ernest Mario, Peter Dolan and Glenn Reicin, former directors and officers of ours, is a member of the Sponsor and accordingly has pecuniary interest in the shares reported herein. Each such person disclaims any beneficial ownership of the reported shares other than to the extent of any pecuniary interest they may have therein, directly or indirectly. 1,050,000 shares of our Common Stock held of record by the Sponsor are currently held in escrow, pursuant to which (A) 250,000 shares will be released from escrow if, during the period from and after the Closing until the third anniversary of the Closing (the “Earnout Period”), over twenty (20) trading days within any thirty (30) day consecutive trading day period, the volume-weighted average purchase price of our Common Stock (the “Applicable VWAP”) is greater than or equal to \$11.50, (B) 500,000 of the shares will be released if, during the Earnout Period, the Applicable VWAP is greater than or equal to \$15.00, and (C) 300,000 of the shares will be released if, during the Earnout Period, the applicable VWAP is greater than or equal to \$18.00. The address of the Selling Stockholder is 1177 Avenue of the Americas, Fl 40, New York, NY 10036.
  - (6) Apeiron Investment Group Ltd. (“Apeiron”) is the record holder of the Common Stock reported herein. Christian Angermayer is the majority shareholder of Apeiron and may be deemed to share beneficial ownership of the securities beneficially owned by Apeiron. The address of the Selling Stockholder is Beatrice, 66 & 67, Amery Street, Sliema SLM1707, Malta.
  - (7) Avego Healthcare Capital, L.P., a managing member of the Sponsor, is the record holder of the Common Stock reported herein. Avego Healthcare Capital Holdings, LLC is the general partner of Avego Healthcare Capital, L.P. Mr. Venkataraman is the managing member of Avego Healthcare Capital Holdings, LLC. Mr. Venkataraman disclaims any beneficial ownership of the reported shares other than to the extent of his pecuniary interest therein, directly or indirectly. Mr. Venkataraman is our former Chief Executive Officer. The address the Selling Stockholder is 1055B Powers Place, Alpharetta, GA 30009.
  - (8) Consists of (i) 2,464,504 shares of our Common Stock held by Citadel Multi-Strategy Equities Master Fund Ltd. (“CEMF”), (ii) 515,000 shares of our Common Stock held by Citadel CEMF Investments Ltd. (“CEMF Investments”), and (iii) 705,887 shares of our Common Stock issuable upon the conversion of 705,887 shares of our Non-Voting Common Stock held by CEMF, which is the maximum number of shares of our Common Stock issuable to CEMF upon conversion of our Non-Voting Common Stock as of the Closing Date, after giving effect to the Beneficial Ownership Limitation (as defined in note 8 to the “Principal Stockholders” table above). In accordance with our Amended and Restated Certificate of Incorporation, in no event shall the holder of shares of class of Non-Voting Common Stock be entitled to convert such shares into our Common Stock for any number of shares of our Common Stock that, upon giving effect to such exercise, would cause the aggregate number of shares of our Common Stock owned by the holder and its affiliates to exceed the Beneficial Ownership Limitation. “Shares to be Sold in the Offering” includes 1,296,022 shares of our Common Stock issuable upon conversion of all 1,296,022 shares of our Non-Voting Common Stock. CEMF Investments is a wholly-owned subsidiary of CEMF. Citadel Advisors LLC (“Citadel Advisors”) is the portfolio manager for CEMF and CEMF Investments. Citadel Advisors Holdings LP (“CAH”) is the sole member of Citadel Advisors. Citadel GP LLC (“CGP”) is the general partner of CAH. Mr. Kenneth Griffin owns a controlling interest in CGP. Mr. Griffin, as the owner of a controlling interest in CGP, may be deemed to have shared power to vote or direct the vote of, and/or shared power to dispose or to direct the disposition of, the shares held by CEMF or CEMF Investments. The foregoing shall not be construed as an admission that Mr. Griffin or any of the Citadel related entities listed above is the beneficial owner of any securities referenced herein other than the securities actually owned by such person (if any). The address of both CEMF and CEMF Investments is c/o Citadel Advisors LLC, 601 Lexington Avenue, New York, NY 10022.

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- (9) Consists of: (i) 15,000 shares of our Common Stock held by Ernest Mario, and (ii) 15,000 shares of our Common Stock held by Ernest Mario Fifteen Year Residence Trust. Ernest Mario and Jeremy Mario are the trustees of Ernest Mario Fifteen Year Residence Trust. Ernest Mario served as a member of our Board from November 2019 until September 2021. The address of Ernest Mario and Ernest Mario Fifteen Year Residence Trust is PO Box 445, 20 Fairmount Avenue, Chatham, NJ 07928.
- (10) Beneficial ownership consists of (i) 668,100 shares of our Common Stock held by Federated Hermes Kaufmann Fund, a portfolio of Federated Hermes Equity Funds, (ii) 18,600 shares of our Common Stock held by Federated Hermes Kaufmann Fund II, a portfolio of Federated Hermes Insurance Series, and (iii) 813,300 shares of our Common Stock held by Federated Hermes Kaufmann Small Cap Fund, a portfolio of Federated Hermes Equity Funds (collectively, the “Federated Hermes Kaufmann Funds”). The address of the Federated Hermes Kaufmann Funds is 4000 Ericsson Drive, Warrendale, Pennsylvania 15086-7561. The Federated Hermes Kaufmann Funds are managed by Federated Equity Management Company of Pennsylvania and subadvised by Federated Global Investment Management Corp., which are wholly-owned subsidiaries of FII Holdings, Inc., which is a wholly-owned subsidiary of Federated Hermes, Inc. (the “Federated Hermes Parent”). All of the Federated Hermes Parent’s outstanding voting stock is held in the Voting Shares Irrevocable Trust (the “Trust”) for which Thomas R. Donahue, Rhodora J. Donahue and J. Christopher Donahue, who are collectively referred to as Trustees, act as trustees. The Federated Hermes Parent’s subsidiaries have the power to direct the vote and disposition of the securities held by the Federated Hermes Kaufmann Funds. Each of the Federated Hermes Parent, its subsidiaries, the Trust, and each of the Trustees expressly disclaim beneficial ownership of such securities.
- (11) Mr. Eshelman served as a member of our Board from November 2019 until September 2021. The address of the Selling Stockholder is 319 3<sup>rd</sup> Street, Suite 301, Wilmington, NC 28401.
- (12) Mr. Reicin served as a member of our Board from November 2019 until September 2021. The address of the Selling Stockholder is 179 East Lane, Stamford, CT 06905.
- (13) HC IC Holdings LLC is the record holder of the Common Stock reported herein. Messrs. Hoffen and Clifford are members of HC IC Holdings LLC. Each of Messrs. Hoffen and Clifford disclaim any beneficial ownership of the reported shares other than to the extent of their respective pecuniary interest therein, directly or indirectly. Mr. Hoffen is our former Chairman, and Kenneth Clifford is our former Chief Financial Officer. The address of the Selling Stockholder is 1177 Avenue of the Americas, Fl 40, New York, NY 10036.
- (14) Mr. Mahal’s holdings consist of (i) 109,627 shares of our Common Stock, and (ii) 30,452 shares of our Common Stock issuable upon exercise of options that are exercisable within 60 days of the Closing Date. Mr. Mahal is our Chief Financial Officer and Chief Business Officer.
- (15) Mr. Devane served an advisor to our Sponsor from November 2019 until September 2021. The address of the Selling Stockholder is 12 Mornington Road, Ranelagh Dublin 6 Ireland.
- (16) Dr. Shizuru’s holdings consist of (i) 1,129,512 shares of our Common Stock, of which 847,134 shares are vested or will vest within 60 days of the Closing Date, and (ii) 146,170 shares of our Common Stock issuable upon exercise of options that are exercisable within 60 days of the Closing Date. Dr. Shizuru is a member of our Board and is a founder of Legacy Jasper.
- (17) The address of the Selling Stockholder is One Kaiser Plaza — The Ordway Building, Oakland, CA 94612.
- (18) Kingdon Healthcare Private Equity, LLC is the record holder of the Common Stock reported herein. Kingdon Capital Management, LLC is the manager of Kingdon Healthcare Private Equity, LLC. Mark Kingdon is the managing member of Kingdon Capital Management, LLC. The address of each of the entities and individuals referenced in this footnote is Kingdon Capital Management LLC 152 West 57<sup>th</sup> Street, 50<sup>th</sup> Floor, New York, NY 10019.
- (19) M. Kingdon Offshore Master Fund L.P. is the record holder of the Common Stock reported herein. Kingdon GP, LLC is the general partner of M. Kingdon Offshore Master Fund L.P. and Kingdon Capital Management, LLC is the investment adviser of M. Kingdon Offshore Master Fund L.P. Mark Kingdon is the managing member of both Kingdon GP, LLC and Kingdon Capital Management, LLC. The address of each of the entities and individuals referenced in this footnote is Kingdon Capital Management LLC 152 West 57<sup>th</sup> Street, 50<sup>th</sup> Floor, New York, NY 10019.
- (20) Mario 2002 Grandchildren’s Trust is the record holder of the Common Stock reported herein. Gregory Mario is the trustee of Mario 2002 Grandchildren’s Trust. The address of the Selling Stockholder is PO Box 445, 20 Fairmount Avenue, Chatham, NJ 07928.
- (21) Mr. Dolan served as a member of our Board from November 2019 until September 2021. The address of the Selling Stockholder is 1596 Gore Trail, Edwards, Colorado 81632.
- (22) Qiming U.S. Healthcare Fund II, L.P. is the record holder of the Common Stock reported herein. The general partner of Qiming U.S. Healthcare Fund II, L.P. is Qiming U.S. Healthcare GP II, LLC. Gary Rieschel and Mark D. McDade are the managing partners of Qiming U.S. Healthcare GP II, LLC. Each of Qiming U.S. Healthcare GP II, LLC, Mr. Rieschel and Mr. McDade may be deemed to beneficially own the shares beneficially owned by Qiming U.S. Healthcare Fund II, L.P., but each disclaims beneficial ownership of such shares. The address for each of these entities and individuals is 11100 NE 8<sup>th</sup> St., Suite 200, Bellevue, WA 98004.
- (23) Roche Finance Ltd is the record holder of the Common Stock reported herein. Roche Finance Ltd is a wholly-owned subsidiary of Roche Holding Ltd, a Swiss corporation whose shares are publicly traded on the Swiss SIX Stock Exchange. The address of the Selling Stockholder is Grenzacherstrasse 122, 4070 Basel, Switzerland.

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- (24) Dr. Prohaska's holdings consist of 1,275,682 shares of our Common Stock, of which 993,304 shares are vested or will vest within 60 days of the Closing. Dr. Prohaska is a founder of Legacy Jasper. The address of the Selling Stockholder is 101 Laurel Avenue, Menlo Park, CA 94025.
- (25) Velan Capital Partners LP is record holder of the Common Stock reported herein. The general partner of Velan Capital Partners LP is Velan Capital Holdings LLC. Velan Principals GP LLC is the managing member of Velan Capital Holdings LLC. Balaji Venkatarman is the managing member of Velan Principals GP LLC. Mr. Venkataraman disclaims any beneficial ownership of the reported shares other than to the extent of his pecuniary interest therein, directly or indirectly. Mr. Venkataraman is our former Chief Executive Officer. The address of the Selling Stockholder is 1055B Powers Place, Alpharetta, GA 30009.
- (26) Consists of: (i) 55,000 shares of our Common Stock held by Virinder Nohria 2014 Family Living Trust (50,000 shares of which are being registered hereby), and (ii) 2,500 shares held by the Mohun Patrick Nohria 2013 Gift Trust, a trust for the benefit of Virinder Nohria's son. Virinder Nohria is the trustee of the Virinder Nohria 2014 Family Living Trust. The trustees of the Mohun Patrick Nohria 2013 Gift Trust are Balaji Venkataraman and Aashish Nohria. The address of the Selling Stockholder is 120 Emerald Ln, Roswell, GA 30075.
- (27) Woodline Master Fund LP is the record holder of the Common Stock reported herein. Woodline Partners LP serves as the investment manager of Woodline Master Fund LP and may be deemed to be the beneficial owner of the shares reported on this line. Woodline Master Fund LP disclaims any beneficial ownership of these shares. The address of the Selling Stockholder is 4 Embarcadero Center, Suite 3450, San Francisco, CA 94111.

## DESCRIPTION OF OUR SECURITIES

The following summary of certain provisions of our securities does not purport to be complete and is subject to our Amended and Restated Certificate of Incorporation, our Amended and Restated Bylaws and the provisions of applicable law. A copy of our Amended and Restated Certificate of Incorporation and a copy of our Amended and Restated Bylaws are exhibits to the registration statement of which this prospectus forms a part.

### **Authorized and Outstanding Stock**

Our Amended and Restated Certificate of Incorporation authorizes the issuance of 490,000,000 shares of Voting Common Stock, 2,000,000 shares of Non-Voting Common Stock, and 10,000,000 shares of undesignated Preferred Stock.

### **Common Stock**

Under our Amended and Restated Certificate of Incorporation, holders of our Voting Common Stock and our Non-Voting Common Stock will have identical rights other than with respect to voting and conversion rights, each as described below.

### ***Voting Power***

Except as otherwise expressly provided in our Amended and Restated Certificate of Incorporation or as required by applicable law, on any matter that is submitted to a vote by our stockholders, holders of our Voting Common Stock will be entitled to one vote per share of Voting Common Stock, and holders of Non-Voting Common Stock will not be entitled to any votes per share of Non-Voting Common Stock, including for the election of directors.

### ***Conversion Rights***

Holders of Voting Common Stock do not have conversion rights, while holders of Non-Voting Common Stock shall have the right to convert each share of Non-Voting Common Stock held by such holder into one share of Voting Common Stock at such holder's election by providing written notice to us, provided that as a result of such conversion, such holder, together with its affiliates and any members of a Schedule 13(d) group with such holder, would not beneficially own in excess of 9.9% of our Voting Common Stock following such conversion. However, this ownership limitation may be increased to any other percentage designated by such holder of our Non-Voting Common Stock (and applicable only to such holder) upon 61 days' prior written notice to us or decreased to any other percentage designated by such holder of our Non-Voting Common Stock (and applicable only to such holder) at any time upon prior written notice to us. Holders of our Non-Voting Common Stock are also permitted to make certain transfers to non-affiliates upon which such transferred shares would immediately convert to shares of our Voting Common Stock upon the written request of the original holder and the written certification from the transferee holder of its non-affiliation with the original holder of such Non-Voting Common Stock.

### ***Dividends***

Holders of our Common Stock are entitled to receive ratably any dividends declared by our Board or a committee thereof out of funds legally available for that purpose, subject to any preferential dividend rights of any then outstanding preferred stock. Our Common Stock does not have preemptive rights or other subscription rights or redemption or sinking fund provisions.

### ***Liquidation, Dissolution and Winding Up***

In the event of our voluntary or involuntary liquidation, dissolution or winding up, our net assets will be distributed pro rata to the holders of our Common Stock, subject to any liquidation preference of any then outstanding Preferred Stock. The holders of Non-Voting Common Stock will rank on parity with holders of Voting Common Stock as to such distributions.

### ***Preemptive or Other Rights***

Our stockholders have no preemptive or other subscription rights, and there are no sinking fund or redemption provisions applicable to our Common Stock.

### ***Election of Directors***

Our Board will remain divided into three classes, Class I, Class II and Class III, with only one class of directors being elected in each year and each class serving a three-year term, except that our current Class I directors shall serve an initial one-year term (and three-year terms subsequently) and our current Class II directors shall serve an initial two-year term (and three-year terms subsequently). There is no cumulative voting with respect to the election of directors.

### ***Preferred Stock***

Our Amended and Restated Certificate of Incorporation provides that shares of our Preferred Stock may be issued from time to time in one or more series. Our Board is authorized to fix the number of shares applicable to any such series of Preferred Stock and to determine or alter for each such series, such voting powers, full or limited, or no voting powers, and such designation, preferences, and relative, participating, optional or other rights and such qualifications, limitations or restrictions thereof. Our Board will be able to, without stockholder approval, issue Preferred Stock with voting and other rights that could adversely affect the voting power and other rights of the holders of our Common Stock and could have anti-takeover effects. The ability of our Board to issue Preferred Stock without stockholder approval could have the effect of delaying, deferring or preventing a change of control of our company or the removal of existing management. As of September 24, 2021, there were no shares of Preferred Stock outstanding.

### ***Certain Anti-Takeover Provisions of Delaware Law***

#### ***Special Meetings of Stockholders***

Our Amended and Restated Bylaws provide that special meetings of stockholders may be called only by a majority vote of our Board, by the Chairman of our Board, or by our Chief Executive Officer. Our Amended and Restated Bylaws limit the business that may be conducted at an annual meeting of stockholders to those matters properly brought before the meeting.

#### ***Advance Notice Requirements for Stockholder Proposals and Director Nominations***

Our Amended and Restated Bylaws provide that stockholders seeking to bring business before an annual meeting of stockholders, or to nominate candidates for election as directors at an annual meeting of stockholders, must provide timely notice of their intent in writing. To be timely under our Amended and Restated Bylaws, a stockholder's notice will generally need to be received by the corporate secretary at our principal executive offices not later than the close of business on the 90<sup>th</sup> day nor earlier than the close of business on the 120<sup>th</sup> day prior to the first anniversary of the preceding year's annual meeting; provided, however, that in the event the date of the annual meeting is advanced more than 30 days prior to or delayed by more than 60 days after the anniversary of the preceding year's annual meeting, or if no annual meeting was held in the preceding year, notice by the stockholder to be timely must be so received not earlier than the close of business on the 120<sup>th</sup> day prior to such annual meeting and not later than the close of business on the later of the 90<sup>th</sup> day prior to such annual meeting and the 10<sup>th</sup> day following the day on which notice of the date of such annual meeting was mailed or public announcement of the date of such meeting is first made, whichever first occurs. Pursuant to Rule 14a-8 of the Exchange Act, proposals seeking inclusion in our annual proxy statement must comply with the notice periods contained therein. Our Amended and Restated Bylaws specify certain requirements as to the form and content of a stockholders' meeting. These provisions may preclude our stockholders from bringing matters before an annual meeting of stockholders or from making nominations for directors at an annual meeting of stockholders.

#### ***Authorized but Unissued Shares***

The authorized but unissued Common Stock and Preferred Stock are available for future issuances without stockholder approval and could be utilized for a variety of corporate purposes, including future offerings to raise

additional capital, acquisitions and employee benefit plans. The existence of authorized but unissued and unreserved Common Stock and Preferred Stock could render more difficult or discourage an attempt to obtain control of our company by means of a proxy contest, tender offer, merger or otherwise.

#### ***Written Consent by Stockholders***

Our Amended and Restated Certificate of Incorporation and our Amended and Restated Bylaws provide that no action shall be taken by our stockholders except at an annual or special meeting of stockholders called in accordance with our Amended and Restated Bylaws, and no action shall be taken by the stockholders by written consent or electronic transmission.

#### ***Amendments to Certificate of Incorporation and Bylaws***

Our Amended and Restated Certificate of Incorporation requires the affirmative vote of the holders of at least 66 $\frac{2}{3}$ % of the voting power of all of the then-outstanding shares of our capital stock entitled to vote generally in the election of directors, voting together as a single class to alter, amend or appeal Articles V (regarding directors), VI (regarding indemnification), VII (exclusive forum) or VIII (regarding amendments of our Amended and Restated Certificate of Incorporation) of our Amended and Restated Certificate of Incorporation (provided that as of the three-year anniversary of the Closing Date of the Business Combination, such reference to “66 $\frac{2}{3}$ %” shall be deemed to be “50%”).

Our Amended and Restated Bylaws provide that they may be adopted, amended, or repealed by our stockholders by the affirmative vote of the holders of at least 66 $\frac{2}{3}$ % 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 (provided that as of the three-year anniversary of the Closing Date of the Business Combination, such reference to “66 $\frac{2}{3}$ %” shall be deemed to be “50%”).

#### ***Removal of Directors***

Our Amended and Restated Certificate of Incorporation provides that, subject to the rights of any series of Preferred Stock, directors may be removed at any time, but only for cause and only by the affirmative vote of 66 $\frac{2}{3}$ % of the voting power of all then outstanding capital stock entitled to vote generally at an election of directors, voting together as a single class (provided that as of the three-year anniversary of the Closing Date of the Business Combination, such reference to “66 $\frac{2}{3}$ %” shall be deemed to be “50%”).

#### ***Exclusive Forum Selection***

Our Amended and Restated Certificate of Incorporation and our Amended and Restated Bylaws provide that the Court of Chancery of the State of Delaware will be the sole and exclusive forum for the following claims or causes of actions or proceedings under Delaware statutory or common law: (i) any derivative action or claim brought on our behalf; (ii) any action or proceeding asserting a claim of breach of a fiduciary duty owed by any of our current or former directors, officers or other employees to our company or our stockholders; (iii) any action or proceeding asserting a claim against us or any of our current or former directors, officers or other employees, arising out of or pursuant to any provision of the DGCL, our Amended and Restated Certificate of Incorporation or our Amended and Restated Bylaws; (iv) any action asserting a claim against us or any of our directors, officers, or other employees governed by the internal-affairs doctrine or otherwise related to our internal affairs; (v) any action or claim to interpret, apply, enforce or determine the validity of our Amended and Restated Certificate of Incorporation or Amended and Restated Bylaws; and (vi) any action or claim as to which the DGCL confers jurisdiction to the Court of Chancery of the State of Delaware, in all cases to the fullest extent permitted by law and subject to the court having personal jurisdiction over the indispensable parties named as defendants. Further, pursuant to our Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws, these foregoing provisions would not apply to suits brought to enforce a duty or liability created by the Exchange Act, the Securities Act or any other claim for which the federal courts have exclusive jurisdiction. Any person or entity holding, owning or otherwise acquiring any interest in shares of our capital stock shall be deemed to have notice of and to have consented to such provisions.

Although we believe these provisions benefit us by providing increased consistency in the application of Delaware law in the types of lawsuits to which they apply, a court may determine that these provisions are unenforceable, and to the extent they are enforceable, the provisions may have the effect of discouraging lawsuits against our directors and officers, although our stockholders will not be deemed to have waived our compliance with federal securities laws and the rules and regulations thereunder. Additionally, we cannot be certain that a court will decide that these provisions are either applicable or enforceable, and if a court were to find the choice of forum provisions contained in our Amended and Restated Certificate of Incorporation and our Amended and Restated Bylaws 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, operating results and financial condition.

Our Amended and Restated Certificate of Incorporation provides that the exclusive forum provision will be applicable to the fullest extent permitted by applicable law. Section 27 of the Exchange Act creates exclusive federal jurisdiction over all suits brought to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder. As a result, the exclusive forum provision will not apply to suits brought to enforce any duty or liability created by the Exchange Act or any other claim for which the federal courts have exclusive jurisdiction. Furthermore, Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all suits brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder. Accordingly, both state and federal courts have jurisdiction to entertain such claims. To prevent having to litigate claims in multiple jurisdictions and the threat of inconsistent or contrary rulings by different courts, among other considerations, our Amended and Restated Certificate of Incorporation and our Amended and Restated Bylaws provide that the federal district courts of the United States are the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act, including all causes of action asserted against any defendant named in such complaint.

### ***Section 203 of the Delaware General Corporation Law***

We are subject to provisions of Section 203 of the DGCL regulating corporate takeovers under our Amended and Restated Certificate of Incorporation. This statute prevents certain Delaware corporations, under certain circumstances, from engaging in a “business combination” with:

- a stockholder who owns 15% or more of our outstanding voting stock (otherwise known as an “interested stockholder”);
- an affiliate of an interested stockholder; or
- an associate of an interested stockholder, for three years following the date that the stockholder became an interested stockholder.

A “business combination” includes a merger or sale of more than 10% of our assets. However, the above provisions of Section 203 do not apply if:

- our Board approves the transaction that made the stockholder an “interested stockholder,” prior to the date of the transaction;
- after the completion of the transaction that resulted in the stockholder becoming an interested stockholder, that stockholder owned at least 85% of our voting stock outstanding at the time the transaction commenced, other than statutorily excluded shares of common stock; or
- on or subsequent to the date of the transaction, our initial business combination is approved by our Board and authorized at a meeting of our stockholders, and not by written consent, by an affirmative vote of at least two-thirds of the outstanding voting stock not owned by the interested stockholder.

Under certain circumstances, this provision will make it more difficult for a person who would be an “interested stockholder” to effect various business combinations with us for a three-year period. This provision may encourage companies interested in acquiring us to negotiate in advance with our Board because the stockholder approval requirement would be avoided if our Board approves either the business combination or the transaction which results in the stockholder becoming an interested stockholder. These provisions also may have the effect of preventing changes in our Board, and may make it more difficult to accomplish transactions which stockholders may otherwise deem to be in their best interests.

## **Limitation on Liability and Indemnification of Directors and Officers**

Our Amended and Restated Certificate of Incorporation eliminates directors' liability for monetary damages to the fullest extent permitted by applicable law. Our Amended and Restated Certificate of Incorporation and our Amended and Restated Bylaws require us to indemnify and advance expenses to, to the fullest extent permitted by applicable law, its directors and officers. Our Amended and Restated Certificate of Incorporation and our Amended and Restated Bylaws authorize our Board to determine whether to indemnify and advance expenses to, as set forth in the DGCL or any other applicable law, our employees and other agents. Further, our Amended and Restated Certificate of Incorporation prohibits any retroactive changes to the rights or protections or increase the liability of any director in effect at the time of the alleged occurrence of any act or omission to act giving rise to liability or indemnification. We believe that these provisions in our Amended and Restated Certificate of Incorporation and our Amended and Restated Bylaws are necessary to attract and retain qualified persons as directors and officers. However, these provisions may discourage stockholders from bringing a lawsuit against directors us for breach of their fiduciary duty. These provisions also may have the effect of reducing the likelihood of derivative litigation against directors and officers, even though such an action, if successful, might otherwise benefit us and our stockholders. Furthermore, a stockholder's investment may be adversely affected to the extent we pay the costs of settlement and damage awards against directors and officers pursuant to these indemnification provisions.

## **Warrants**

Each Public Warrant entitles the registered holder to purchase one share of Common Stock at a price of \$11.50 per share, subject to adjustment as discussed below, at any time commencing 30 days after the Closing. The Public Warrants will expire five (5) years after the Closing of the Business Combination, at 5:00 p.m., New York City time, or earlier upon redemption or liquidation.

We will not be obligated to deliver any shares of Common Stock pursuant to the exercise of a Public Warrant and will have no obligation to settle such Public Warrant exercise unless a registration statement under the Securities Act with respect to the shares of Common Stock underlying the Public Warrants is then effective and a prospectus relating thereto is current, subject to our satisfying our obligations described below with respect to registration. No Public Warrant will be exercisable and we will not be obligated to issue shares of Common Stock upon exercise of a Public Warrant unless the Common Stock issuable upon such Public Warrant exercise has been registered, qualified or deemed to be exempt under the securities laws of the state of residence of the registered holder of the Public Warrants. In the event that the conditions in the two immediately preceding sentences are not satisfied with respect to a Public Warrant, the holder of such Public Warrant will not be entitled to exercise such Public Warrant and such Public Warrant may have no value and expire worthless.

We have agreed that as soon as practicable, but in no event later than 15 business days, after the Closing, we will use our reasonable best efforts to file, and within 60 business days following the Business Combination to have declared effective, a registration statement for the registration, under the Securities Act, of the shares of Common Stock issuable upon exercise of the Public Warrants. We will use our reasonable best efforts to maintain the effectiveness of such registration statement, and a current prospectus relating thereto, until the expiration of the Public Warrants in accordance with the provisions of the Warrant Agreement. Notwithstanding the above, if our Common Stock is at the time of any exercise of a Public Warrant not listed on a national securities exchange such that it satisfies the definition of a "covered security" under Section 18(b)(1) of the Securities Act, we may, at our option, require holders of Public Warrants who exercise their Public Warrants to do so on a "cashless basis" in accordance with Section 3(a)(9) of the Securities Act and, in the event we so elect, we will not be required to file or maintain in effect a registration statement, but we will be required to use our best efforts to register or qualify the shares under applicable blue sky laws to the extent an exemption is not available.

Once the Public Warrants become exercisable, we may call the Public Warrants for redemption:

- in whole and not in part;
- at a price of \$0.01 per warrant;
- upon not less than 30 days' prior written notice of redemption to each warrant holder; and

- if, and only if, the reported last sale price of our Common Stock equals or exceeds \$18.00 per share (as adjusted for stock splits, stock dividends, reorganizations, recapitalizations and the like) for any 20 trading days within a 30-trading day period ending three business days before we send the notice of redemption to the warrant holders.

If and when the Public Warrants become redeemable by us, we may exercise our redemption right if the issuance of shares of Common Stock upon exercise of the Public Warrants is not exempt from registration or qualification under applicable state blue sky laws or we are unable to effect such registration or qualification.

We have established the last of the redemption criterion discussed above to prevent a redemption call unless there is at the time of the call a significant premium to the warrant exercise price. If the foregoing conditions are satisfied and we issue a notice of redemption of the Public Warrants, each warrant holder will be entitled to exercise its Public Warrant prior to the scheduled redemption date. However, the price of the Common Stock may fall below the \$18.00 redemption trigger price (as adjusted for stock splits, stock dividends, reorganizations, recapitalizations and the like) as well as the \$11.50 warrant exercise price after the redemption notice is issued.

If we call the Public Warrants for redemption as described above, our management will have the option to require any holder that wishes to exercise its Public Warrant to do so on a “cashless basis.” In determining whether to require all holders to exercise their Public Warrants on a “cashless basis,” our management will consider, among other factors, our cash position, the number of Public Warrants that are outstanding and the dilutive effect on our stockholders of issuing the maximum number of shares of Common Stock issuable upon the exercise of the Public Warrants. If our management takes advantage of this option, all holders of Public Warrants would pay the exercise price by surrendering their Public Warrants for that number of shares of Common Stock equal to the quotient obtained by dividing (x) the product of the number of shares of our Common Stock underlying the Public Warrants, multiplied by the excess of the “fair market value” (defined below) over the exercise price of the Public Warrants by (y) the fair market value. The “fair market value” shall mean the average last reported sale price of our Common Stock for the 10 trading days ending on the third trading day prior to the date on which the notice of redemption is sent to the holders of Public Warrants. If our management takes advantage of this option, the notice of redemption will contain the information necessary to calculate the number of shares of our Common Stock to be received upon exercise of the Public Warrants, including the “fair market value” in such case. Requiring a cashless exercise in this manner will reduce the number of shares to be issued and thereby lessen the dilutive effect of a Public Warrant redemption. We believe this feature is an attractive option to us if we do not need the cash from the exercise of the Public Warrants after the Closing.

A holder of a Public Warrant may notify us in writing in the event it elects to be subject to a requirement that such holder will not have the right to exercise such Public Warrant, to the extent that after giving effect to such exercise, such person (together with such person’s affiliates), to the Public Warrant agent’s actual knowledge, would beneficially own in excess of 4.8% or 9.8% (or such other amount as a holder may specify) of the shares of our Common Stock outstanding immediately after giving effect to such exercise.

If the number of outstanding shares of our Common Stock is increased by a stock dividend payable in shares of our Common Stock, or by a split-up of shares of our Common Stock or other similar event, then, on the effective date of such stock dividend, split-up or similar event, the number of shares of our Common Stock issuable on exercise of each Public Warrant will be increased in proportion to such increase in the outstanding shares of our Common Stock. A rights offering to holders of our Common Stock entitling holders to purchase shares of our Common Stock at a price less than the fair market value will be deemed a stock dividend of a number of shares of our Common Stock equal to the product of (i) the number of shares of our Common Stock actually sold in such rights offering (or issuable under any other equity securities sold in such rights offering that are convertible into or exercisable for our Common Stock) multiplied by (ii) one minus the quotient of (x) the price per share of our Common Stock paid in such rights offering divided by (y) the fair market value. For these purposes (i) if the rights offering is for securities convertible into or exercisable for our Common Stock, in determining the price payable for our Common Stock, there will be taken into account any consideration received for such rights, as well as any additional amount payable upon exercise or conversion and (ii) fair market value means the volume weighted average price of our Common Stock as reported during the ten (10) trading day period ending on the trading day prior to the first date on which the shares of our Common Stock trade on the applicable exchange or in the applicable market, regular way, without the right to receive such rights.

In addition, if we, at any time while the Public Warrants are outstanding and unexpired, pay a dividend or make a distribution in cash, securities or other assets to the holders of our Common Stock on account of such shares of our Common Stock (or other shares of our capital stock into which the Public Warrants are convertible), other than (a) as described above, (b) certain ordinary cash dividends, (c) to satisfy the redemption rights of the holders of our Common Stock in connection with the Closing of the Business Combination, (d) to satisfy the redemption rights of the holders of our Common Stock in connection with a stockholder vote to amend the Current Charter (i) to modify the substance or timing of our obligation to allow redemption in connection with our initial business combination or to redeem 100% of our Public Shares if we do not complete our initial business combination within 24 months from the closing of the Initial Public Offering or (ii) with respect to any other provision relating to stockholders' rights or pre-initial business combination activity, or (e) in connection with the redemption of our Public Shares upon our failure to complete our initial business combination, then the warrant exercise price will be decreased, effective immediately after the effective date of such event, by the amount of cash and/or the fair market value of any securities or other assets paid on each share of our Common Stock in respect of such event.

If the number of outstanding shares of our Common Stock is decreased by a consolidation, combination, reverse stock split or reclassification of shares of our Common Stock or other similar event, then, on the effective date of such consolidation, combination, reverse stock split, reclassification or similar event, the number of shares of our Common Stock issuable on exercise of each Public Warrant will be decreased in proportion to such decrease in outstanding shares of our Common Stock.

Whenever the number of shares of our Common Stock purchasable upon the exercise of the Public Warrants is adjusted, as described above, the warrant exercise price will be adjusted by multiplying the warrant exercise price immediately prior to such adjustment by a fraction (x) the numerator of which will be the number of shares of our Common Stock purchasable upon the exercise of the Public Warrants immediately prior to such adjustment, and (y) the denominator of which will be the number of shares of our Common Stock purchasable immediately thereafter.

In case of any reclassification or reorganization of the outstanding shares of our Common Stock (other than those described above or that solely affects the par value of such shares of our Common Stock), or in the case of any merger or consolidation of us with or into another corporation (other than a consolidation or merger in which we are the continuing corporation and that does not result in any reclassification or reorganization of our outstanding shares of our Common Stock), or in the case of any sale or conveyance to another corporation or entity of the assets or other property of us as an entirety or substantially as an entirety in connection with which we are dissolved, the holders of the Public Warrants will thereafter have the right to purchase and receive, upon the basis and upon the terms and conditions specified in the Public Warrants and in lieu of the shares of our Common Stock immediately theretofore purchasable and receivable upon the exercise of the rights represented thereby, the kind and amount of shares of stock or other securities or property (including cash) receivable upon such reclassification, reorganization, merger or consolidation, or upon a dissolution following any such sale or transfer, that the holder of the Public Warrants would have received if such holder had exercised their Public Warrants immediately prior to such event. If less than 70% of the consideration receivable by the holders of our Common Stock in such a transaction is payable in the form of common stock in the successor entity that is listed for trading on a national securities exchange or is quoted in an established over-the-counter market, or is to be so listed for trading or quoted immediately following such event, and if the registered holder of the Public Warrant properly exercises the Public Warrant within thirty days following public disclosure of such transaction, the Public Warrant exercise price will be reduced as specified in the Warrant Agreement based on the Black-Scholes value (as defined in the Warrant Agreement) of the Public Warrant. The Public Warrants will be issued in registered form under the Warrant Agreement. You should review a copy of the Warrant Agreement, which has been publicly filed with the SEC and which you can find in the list of exhibits to this registration statement, for a complete description of the terms and conditions applicable to the Public Warrants. The Warrant Agreement provides that the terms of the Public Warrants may be amended without the consent of any holder to cure any ambiguity or correct any defective provision, but requires the approval by the holders of at least 50% of the then outstanding Public Warrants to make any change that adversely affects the interests of the registered holders of Public Warrants.

The Public Warrants may be exercised upon surrender of the warrant certificate on or prior to the expiration date at the offices of the warrant agent, with the exercise form on the reverse side of the warrant certificate completed and executed as indicated, accompanied by full payment of the exercise price (or on a cashless basis, if applicable), by certified or official bank check payable to us, for the number of Public Warrants being exercised. The

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warrant holders do not have the rights or privileges of holders of our Common Stock or any voting rights until they exercise their Public Warrants and receive shares of our Common Stock. After the issuance of shares of our Common Stock upon exercise of the Public Warrants, each holder will be entitled to one vote for each share held of record on all matters to be voted on by stockholders.

No fractional shares will be issued upon exercise of the Public Warrants. If, upon exercise of the Public Warrants, a holder would be entitled to receive a fractional interest in a share, we will, upon exercise, round down to the nearest whole number of shares of our Common Stock to be issued to the warrant holder.

## MATERIAL UNITED STATES FEDERAL INCOME TAX CONSEQUENCES

The following discussion is a summary of certain material U.S. federal income tax considerations generally applicable to the purchase, ownership and disposition of our common stock, which we refer to herein as our securities. All prospective holders of our securities should consult their tax advisors with respect to the U.S. federal, state, local and non-U.S. tax consequences of the purchase, ownership and disposition of our securities.

This discussion is not a complete analysis of all potential U.S. federal income tax consequences relating to the purchase, ownership and disposition of our securities. This summary is based upon current provisions of the Code, existing U.S. Treasury Regulations promulgated thereunder, published administrative pronouncements and rulings of the U.S. Internal Revenue Service (the “IRS”), and judicial decisions, all as in effect as of the date of this prospectus. These authorities are subject to change and differing interpretation, possibly with retroactive effect. Any change or differing interpretation could alter the tax consequences to holders described in this discussion. There can be no assurance that a court or the IRS will not challenge one or more of the tax consequences described herein, and we have not obtained, nor do we intend to obtain, a ruling with respect to the U.S. federal income tax consequences to a holder of the purchase, ownership or disposition of our securities.

We assume in this discussion that a holder holds our securities as a “capital asset” within the meaning of Section 1221 of the Code (generally, property held for investment). This discussion does not address all aspects of U.S. federal income taxation that may be relevant to a particular holder in light of that holder’s individual circumstances, nor does it address the special tax accounting rules under Section 451(b) of the Code, any alternative minimum, Medicare contribution, estate or gift tax consequences, or any aspects of U.S. state, local or non-U.S. taxes or any non-income U.S. federal tax laws. This discussion also does not address consequences relevant to holders subject to special tax rules, such as holders that own, or are deemed to own, more than 5% of our capital stock (except to the extent specifically set forth below), corporations that accumulate earnings to avoid U.S. federal income tax, tax-exempt organizations, governmental organizations, banks, financial institutions, investment funds, insurance companies, brokers, dealers or traders in securities, commodities or currencies, regulated investment companies or real estate investment trusts, persons that have a “functional currency” other than the U.S. dollar, tax-qualified retirement plans, holders who hold or receive our securities pursuant to the exercise of employee stock options or otherwise as compensation, holders holding our securities as part of a hedge, straddle or other risk reduction strategy, conversion transaction or other integrated investment, holders deemed to sell our securities under the constructive sale provisions of the Code, passive foreign investment companies, controlled foreign corporations, S corporations and other pass-through entities for income tax purposes and certain former U.S. citizens or long-term residents.

In addition, this discussion does not address the tax treatment of partnerships (or entities or arrangements that are treated as partnerships for U.S. federal income tax purposes) or persons that hold our securities through such partnerships. If a partnership, including any entity or arrangement treated as a partnership for U.S. federal income tax purposes, holds our securities, the U.S. federal income tax treatment of a partner in such partnership will generally depend upon the status of the partner and the activities of the partnership. Such partners and partnerships should consult their tax advisors regarding the tax consequences of the purchase, ownership and disposition of our securities.

For purposes of this discussion, a “U.S. Holder” means a beneficial owner of our securities (other than a partnership or an entity or arrangement treated as a partnership for U.S. federal income tax purposes) that is, for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation, or an entity treated as a corporation for U.S. federal income tax purposes, created or organized in the United States or under the laws of the United States or of 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 if (a) a U.S. court can exercise primary supervision over the trust’s administration and one or more U.S. persons have the authority to control all of the trust’s substantial decisions or (b) the trust has a valid election in effect under applicable U.S. Treasury Regulations to be treated as a U.S. person.

For purposes of this discussion, a “non-U.S. Holder” is a beneficial owner of our securities that is neither a U.S. Holder nor a partnership or an entity or arrangement treated as a partnership for U.S. federal income tax purposes.

## **Tax Considerations Applicable to U.S. Holders**

### ***Taxation of Distributions***

If we pay distributions or make constructive distributions (other than certain distributions of our stock or rights to acquire our stock) to U.S. Holders of our common stock, such distributions generally 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. Distributions in excess of our current and accumulated earnings and profits will constitute a return of capital that will be applied against and reduce (but not below zero) the U.S. Holder’s adjusted tax basis in our common stock. Any remaining excess will be treated as gain realized on the sale or other disposition of our common stock and will be treated as described under “— *Tax Considerations Applicable to U.S. Holders — Gain or Loss on Sale, Taxable Exchange or Other Taxable Disposition of Common Stock*” below.

Dividends we pay to a U.S. Holder that is a taxable corporation will generally qualify for the dividends received deduction if the requisite holding period is satisfied. With certain exceptions (including dividends treated as investment income for purposes of investment interest deduction limitations), and provided certain holding period requirements are met, dividends we pay to a non-corporate U.S. Holder will generally constitute “qualified dividends” that will be subject to tax at long-term capital gains rates. If the holding period requirements are not satisfied, a corporation may not be able to qualify for the dividends received deduction and would have taxable income equal to the entire dividend amount, and non-corporate holders may be subject to tax on such dividend at ordinary income tax rates instead of the preferential rates that apply to qualified dividend income.

### ***Gain or Loss on Sale, Taxable Exchange or Other Taxable Disposition of Common Stock***

A U.S. Holder generally will recognize gain or loss on the sale, taxable exchange or other taxable disposition of our common stock. Any such gain or loss will be capital gain or loss, and will be long-term capital gain or loss if the U.S. Holder’s holding period for the common stock so disposed of exceeds one year. The amount of gain or loss recognized will generally be equal to the difference between (1) the sum of the amount of cash and the fair market value of any property received in such disposition and (2) the U.S. Holder’s adjusted tax basis in its common stock so disposed of. A U.S. Holder’s adjusted tax basis in its common stock will generally equal the U.S. Holder’s acquisition cost for such common stock (or, in the case of common stock received upon exercise of a warrant, the U.S. Holder’s initial basis for such common stock, which generally will be an amount equal to the sum of the holder’s initial investment in the warrant and the exercise price), less any prior distributions treated as a return of capital. Long-term capital gains recognized by non-corporate U.S. Holders are generally eligible for reduced rates of tax. If the U.S. Holder’s holding period for the common stock so disposed of is one year or less, any gain on a sale or other taxable disposition of the shares would be subject to short-term capital gain treatment and would be taxed at ordinary income tax rates. The deductibility of capital losses is subject to limitations.

### ***Information Reporting and Backup Withholding***

In general, information reporting requirements may apply to dividends paid to a U.S. Holder and to the proceeds of the sale or other disposition of our shares of common stock, unless the U.S. Holder is an exempt recipient. Backup withholding may apply to such payments if the U.S. Holder fails to provide a taxpayer identification number (or furnishes an incorrect taxpayer identification number) or a certification of exempt status, or has been notified by the IRS that it is subject to backup withholding (and such notification has not been withdrawn).

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules will be allowed as a credit against a U.S. Holder’s U.S. federal income tax liability and may entitle such holder to a refund, provided the required information is timely furnished to the IRS. Taxpayers should consult their tax advisors regarding their qualification for an exemption from backup withholding and the procedures for obtaining such an exemption.

## Tax Considerations Applicable to Non-U.S. Holders

### ***Taxation of Distributions***

In general, any distributions (including constructive distributions) we make to a non-U.S. Holder of shares on our common stock, to the extent paid out of our current or accumulated earnings and profits (as determined under U.S. federal income tax principles), will constitute dividends for U.S. federal income tax purposes and, provided such dividends are not effectively connected with the non-U.S. Holder's conduct of a trade or business within the United States, we will be required to withhold tax from the gross amount of the dividend at a rate of 30%, unless such non-U.S. Holder is eligible for a reduced rate of withholding tax under an applicable income tax treaty and provides proper certification of its eligibility for such reduced rate (usually on an IRS Form W-8BEN or W-8BEN-E, as applicable). Any distribution not constituting a dividend will be treated first as reducing (but not below zero) the non-U.S. Holder's adjusted tax basis in its shares of our common stock and, to the extent such distribution exceeds the non-U.S. Holder's adjusted tax basis, as gain realized from the sale or other disposition of the common stock, which will be treated as described under "*— Tax Considerations Applicable to Non-U.S. Holders — Gain on Sale, Taxable Exchange or Other Taxable Disposition of Common Stock*" below. In addition, if we determine that we are likely to be classified as a "United States real property holding corporation" (see "*Tax Considerations Applicable to Non-U.S. Holders — Gain on Sale, Taxable Exchange or Other Taxable Disposition of Common Stock*" below), we will withhold 15% of any distribution that exceeds our current and accumulated earnings and profits.

Dividends we pay to a non-U.S. Holder that are effectively connected with such non-U.S. Holder's conduct of a trade or business within the United States (or if a tax treaty applies, are attributable to a U.S. permanent establishment or fixed base maintained by the non-U.S. Holder) will generally not be subject to U.S. withholding tax, provided such non-U.S. Holder complies with certain certification and disclosure requirements (generally by providing an IRS Form W-8ECI). Instead, such dividends generally will be subject to U.S. federal income tax, net of certain deductions, at the same individual or corporate rates applicable to U.S. Holders. If the non-U.S. Holder is a corporation, dividends that are effectively connected income may also be subject to a "branch profits tax" at a rate of 30% (or such lower rate as may be specified by an applicable income tax treaty).

### ***Gain on Sale, Taxable Exchange or Other Taxable Disposition of Common Stock***

A non-U.S. Holder generally will not be subject to U.S. federal income or withholding tax in respect of gain recognized on a sale, taxable exchange or other taxable disposition of our common stock, unless:

- the gain is effectively connected with the conduct of a trade or business by the non-U.S. Holder within the United States (and, if an applicable tax treaty so requires, is attributable to a U.S. permanent establishment or fixed base maintained by the non-U.S. Holder);
- the non-U.S. Holder is an individual who is present in the United States for 183 days or more in the taxable year of disposition and certain other conditions are met; or
- we are or have been a "United States real property holding corporation" for U.S. federal income tax purposes at any time during the shorter of the five-year period ending on the date of disposition or the period that the non-U.S. Holder held our common stock and, in the case where shares of our common stock are regularly traded on an established securities market, the non-U.S. Holder has owned, directly or constructively, more than 5% of our common stock at any time within the shorter of the five-year period preceding the disposition or such Non-U.S. Holder's holding period for the shares of our common stock. There can be no assurance that our common stock will be treated as regularly traded on an established securities market for this purpose.

Gain described in the first bullet point above will be subject to tax at generally applicable U.S. federal income tax rates as if the non-U.S. Holder were a U.S. resident. Any gains described in the first bullet point above of a non-U.S. Holder that is a foreign corporation may also be subject to an additional "branch profits tax" at a 30% rate (or lower applicable treaty rate). Gain described in the second bullet point above will generally be subject to a flat 30% U.S. federal income tax. Non-U.S. Holders are urged to consult their tax advisors regarding possible eligibility for benefits under income tax treaties.

If the third bullet point above applies to a non-U.S. Holder and applicable exceptions are not available, gain recognized by such holder on the sale, exchange or other disposition of our common stock will be subject to tax at generally applicable U.S. federal income tax rates. In addition, a buyer of our common stock from such holder may be required to withhold U.S. income tax at a rate of 15% of the amount realized upon such disposition. We will be classified as a United States real property holding corporation if the fair market value of our “United States real property interests” equals or exceeds 50% of the sum of the fair market value of our worldwide real property interests plus our other assets used or held for use in a trade or business, as determined for U.S. federal income tax purposes. We do not believe we currently are or will become a United States real property holding corporation in the reasonably foreseeable future, however there can be no assurance in this regard. Non-U.S. Holders are urged to consult their tax advisors regarding the application of these rules.

#### ***Foreign Account Tax Compliance Act***

Provisions of the Code and Treasury Regulations and administrative guidance promulgated thereunder commonly referred as the “Foreign Account Tax Compliance Act” (“FATCA”) generally impose withholding at a rate of 30% in certain circumstances on dividends (including constructive dividends) in respect of our securities which are held by or through certain foreign financial institutions (including investment funds), unless any such institution (1) enters into, and complies with, an agreement with the IRS to report, on an annual basis, information with respect to interests in, and accounts maintained by, the institution that are owned by certain U.S. persons and by certain non-U.S. entities that are wholly or partially owned by U.S. persons and to withhold on certain payments, or (2) if required under an intergovernmental agreement between the United States and an applicable foreign country, reports such information to its local tax authority, which will exchange such information with the U.S. authorities. An intergovernmental agreement between the United States and an applicable foreign country may modify these requirements. Accordingly, the entity through which our securities are held will affect the determination of whether such withholding is required. Similarly, dividends in respect of our securities held by an investor that is a non-financial non-U.S. entity that does not qualify under certain exceptions will generally be subject to withholding at a rate of 30%, unless such entity either (1) certifies to us or the applicable withholding agent that such entity does not have any “substantial United States owners” or (2) provides certain information regarding the entity’s “substantial United States owners,” which will in turn be provided to the U.S. Department of Treasury. Withholding under FATCA was scheduled to apply to payments of gross proceeds from the sale or other disposition of property that produces U.S.-source interest or dividends, however, the IRS released proposed regulations that, if finalized in their proposed form, would eliminate the obligation to withhold on such gross proceeds. Although these proposed Treasury Regulations are not final, taxpayers generally may rely on them until final Treasury Regulations are issued. Prospective investors should consult their tax advisors regarding the possible implications of FATCA on their investment in our securities.

#### ***Information Reporting and Backup Withholding.***

Information returns will be filed with the IRS in connection with payments of dividends and the proceeds from a sale or other disposition of our common stock. A non-U.S. Holder may have to comply with certification procedures to establish that it is not a United States person in order to avoid information reporting and backup withholding requirements. The certification procedures required to claim a reduced rate of withholding under a treaty generally will satisfy the certification requirements necessary to avoid the backup withholding as well. Backup withholding is not an additional tax. The amount of any backup withholding from a payment to a non-U.S. Holder will be allowed as a credit against such holder’s U.S. federal income tax liability and may entitle such holder to a refund, provided that the required information is timely furnished to the IRS.

## SECURITIES ACT RESTRICTIONS ON RESALE OF OUR SECURITIES

Pursuant to Rule 144 under the Securities Act (“Rule 144”), a person who has beneficially owned restricted shares of our common stock or our warrants for at least six months would be entitled to sell their securities provided that (i) such person is not deemed to have been our affiliate at the time of, or at any time during the three months preceding, a sale and (ii) we are subject to the Exchange Act periodic reporting requirements for at least three months before the sale and have filed all required reports under Section 13 or 15(d) of the Exchange Act during the 12 months (or such shorter period as we are required to file reports) preceding the sale.

Persons who have beneficially owned restricted shares of our common stock or our warrants for at least six months but who are our affiliates at the time of, or at any time during the three months 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:

- 1% of the total number of our Common Stock then outstanding; or
- the average weekly reported 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.

Sales by our affiliates under Rule 144 are also limited by manner of sale provisions and notice requirements and to the availability of current public information about us.

### Restrictions on the Use of Rule 144 by Shell Companies or Former Shell Companies

Rule 144 is not available for the resale of securities initially issued by shell companies (other than business combination related shell companies) or issuers that have been at any time previously a shell company. However, Rule 144 also includes an important exception to this prohibition if the following conditions are met:

- the issuer of the securities that was formerly a shell company has ceased to be a shell company;
- the issuer of the securities is subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act;
- the issuer of the securities has filed all Exchange Act reports and material required to be filed, as applicable, during the preceding 12 months (or such shorter period that the issuer was required to file such reports and materials), other than Current Reports on Form 8-K; and
- at least one year has elapsed from the time that the issuer filed current Form 10 type information with the SEC reflecting its status as an entity that is not a shell company.

As a result, our pre-closing stockholders will be able to sell their common stock and warrants, as applicable, pursuant to Rule 144 without registration commencing September 30, 2022.

Following the recent consummation of the Business Combination, we are no longer be a shell company, and so, once the conditions set forth in the exceptions listed above are satisfied, Rule 144 will become available for the resale of the above noted restricted securities.

### Lock-up Agreements

Pursuant to the Amended and Restated Registration Rights Agreement, certain former stockholders of Legacy Jasper and the Sponsor agreed not to, subject to certain exceptions, effect any sale or distribution of any our equity securities held by any of them during the 180-day period following the closing of the Business Combination. The lock-up period described above will not apply to any shares acquired in the PIPE Financing.

## PLAN OF DISTRIBUTION

We are registering the shares of our Common Stock previously issued to the Selling Stockholders and shares of our Common Stock issuable upon conversion of our non-voting common stock previously issued to the Selling Stockholders to permit the resale of these shares of Common Stock by the holders thereof from time to time after the date of this prospectus. We will not receive any of the proceeds from the sale by the Selling Stockholders of the shares of Common Stock. We will bear all fees and expenses incident to our obligation to register the shares of Common Stock.

We are also registering the issuance by us of up to 5,000,000 shares of our Common Stock that are issuable upon exercise of the Public Warrants. We will receive proceeds from the Public Warrants exercised in the event that such Public Warrants are exercised for cash.

The Selling Stockholders may sell all or a portion of the shares of Common Stock beneficially owned by them and offered hereby from time to time directly or through one or more underwriters, broker-dealers or agents. If the shares of Common Stock are sold through underwriters or broker-dealers, the Selling Stockholders will be responsible for underwriting fees, discounts or commissions or agent's commissions (it being understood that the Selling Stockholders shall not be deemed to be underwriters solely as a result of their participation in this offering). The shares of Common Stock may be sold in one or more transactions at fixed prices, at prevailing market prices at the time of the sale, at varying prices determined at the time of sale, or at negotiated prices. The Selling Stockholders will act independently of us in making decisions with respect to the timing, manner and size of each sale. These sales may be effected in transactions, which may involve cross or block transactions:

- on any national securities exchange or quotation service on which the securities may be listed or quoted at the time of sale;
- in the over-the-counter market;
- in transactions otherwise than on these exchanges or systems or in the over-the-counter market;
- through the writing or settlement of options or other hedging transactions, whether such options are listed on an options exchange or otherwise;
- in ordinary brokerage transactions and transactions in which the broker-dealer solicits purchasers;
- in block trades in which the broker-dealer will attempt to sell the shares as agent but may position and resell a portion of the block as principal to facilitate the transaction;
- through purchases by a broker-dealer as principal and resale by the broker-dealer for its account;
- in an exchange distribution in accordance with the rules of the applicable exchange;
- in privately negotiated transactions;
- in short sales;
- in settlement of short sales entered into after the effective date of the registration statement of which this prospectus is a part;
- through the distribution of the Common Stock by any Selling Stockholder to its partners, members or stockholders;
- through one or more underwritten offerings on a firm commitment or best efforts basis;
- whereby broker-dealers may agree with the Selling Stockholders to sell a specified number of such shares at a stipulated price per share;
- directly to one or more purchasers;
- through delayed delivery requirements;

- by pledge to secured debts and other obligations;
- in a combination of any such methods of sale; and
- in any other method permitted pursuant to applicable law.

In addition, a Selling Stockholder that is an entity may elect to make a pro rata in-kind distribution of securities to its members, partners or stockholders pursuant to the registration statement of which this prospectus is a part by delivering this prospectus. Such members, partners or stockholders would thereby receive freely tradeable securities pursuant to the distribution through a registration statement. To the extent a distributee is an affiliate of ours (or to the extent otherwise required by law), we may, at our option, file a prospectus supplement in order to permit the distributees to use the prospectus to resell the securities acquired in the distribution.

If the Selling Stockholders effect such transactions by selling shares of Common Stock to or through underwriters, broker-dealers or agents, such underwriters, broker-dealers or agents may receive commissions in the form of discounts, concessions or commissions from the Selling Stockholders or commissions from purchasers of the shares of Common Stock for whom they may act as agent or to whom they may sell as principal (which discounts, concessions or commissions as to particular underwriters, broker-dealers or agents may be in excess of those customary in the types of transactions involved; it being understood that the Selling Stockholders shall not be deemed to be underwriters solely as a result of their participation in this offering). In connection with sales of the shares of Common Stock or otherwise, the Selling Stockholders may enter into hedging transactions with broker-dealers, which may in turn engage in short sales of the shares of Common Stock in the course of hedging in positions they assume. The Selling Stockholders may also sell shares of Common Stock short and deliver shares of Common Stock covered by this prospectus to close out short positions and to return borrowed shares in connection with such short sales. The Selling Stockholders may also loan or pledge shares of Common Stock to broker-dealers that in turn may sell such shares. The Selling Stockholders may pledge or grant a security interest in some or all of the shares of Common Stock owned by them and, if they default in the performance of their secured obligations, the pledgees or secured parties may offer and sell the shares of Common Stock from time to time pursuant to this prospectus or any amendment to this prospectus under Rule 424(b)(3) or other applicable provision of the Securities Act amending, if necessary, the list of Selling Stockholders to include the pledgee, transferee or other successors in interest as Selling Stockholders under this prospectus. The Selling Stockholders also may transfer and donate the shares of Common Stock in other circumstances in which case the transferees, donees, pledgees or other successors in interest will be the selling beneficial owners for purposes of this prospectus.

The Selling Stockholders and any broker-dealer participating in the distribution of the shares of Common Stock may be deemed to be “underwriters” within the meaning of the Securities Act, and any commission paid, or any discounts or concessions allowed to, any such broker-dealer may be deemed to be underwriting commissions or discounts under the Securities Act (it being understood that the Selling Stockholders shall not be deemed to be underwriters solely as a result of their participation in this offering). At the time a particular offering of the shares of Common Stock is made, a prospectus supplement, if required, will be distributed which will set forth the aggregate amount of shares of Common Stock being offered and the terms of the offering, including the name or names of any broker-dealers or agents, any discounts, commissions and other terms constituting compensation from the Selling Stockholders and any discounts, commissions or concessions allowed or reallocated or paid to broker-dealers. The Selling Stockholders may indemnify any broker-dealer that participates in transactions involving the sale of the shares of Common Stock against certain liabilities, including liabilities arising under the Securities Act.

Under the securities laws of some states, the shares of Common Stock may be sold in such states only through registered or licensed brokers or dealers. In addition, in some states the shares of Common Stock may not be sold unless such shares have been registered or qualified for sale in such state or an exemption from registration or qualification is available and is complied with.

The aggregate proceeds to the Selling Stockholders from the sale of the Common Stock offered will be the purchase price of the Common Stock less discounts or commissions, if any. The Selling Stockholders reserve the right to accept and, together with their agents from time to time, to reject, in whole or in part, any proposed purchase of Common Stock to be made directly or through agents. There can be no assurance that any Selling Stockholder will sell any or all of the shares of Common Stock registered pursuant to the registration statement of which this prospectus forms a part.

The Selling Stockholders and any other person participating in such distribution will be subject to applicable provisions of the Exchange Act and the rules and regulations thereunder, including, without limitation, Regulation M of the Exchange Act, which may limit the timing of purchases and sales of any of the shares of Common Stock by the Selling Stockholders and any other participating person. Regulation M may also restrict the ability of any person engaged in the distribution of the shares of Common Stock to engage in market-making activities with respect to the shares of Common Stock. All of the foregoing may affect the marketability of the shares of Common Stock and the ability of any person or entity to engage in market-making activities with respect to the shares of Common Stock.

We will incur costs, fees and expenses in effecting the registration of the Resale Shares covered by this prospectus, including, without limitation, all registration, filing, stock exchange fees, printing expenses, all fees and expenses of complying with applicable securities laws and the fees and disbursements of our counsel and of our independent registered public accounting firm and reasonable fees; provided, however, that a Selling Stockholder will pay all underwriting discounts (it being understood that the Selling Stockholders shall not be deemed to be underwriters solely as a result of their participation in this offering), selling commissions or transfer taxes, if any. We will indemnify the Selling Stockholders against certain liabilities, including certain liabilities arising under the Securities Act or the Exchange Act. We may be indemnified by certain of the Selling Stockholders against certain liabilities, including certain liabilities arising under the Securities Act or the Exchange Act, that may arise from any written information furnished to us by a Selling Stockholder specifically for use in this prospectus.

A holder of Public Warrants may exercise its Public Warrants in accordance with the Warrant Agreement on or before the expiration date set forth therein by surrendering, at the office of the warrant agent, Continental Stock Transfer & Trust Company, the certificate evidencing such Public Warrant, with the form of election to purchase set forth thereon, properly completed and duly executed, accompanied by full payment of the exercise price and any and all applicable taxes due in connection with the exercise of the Public Warrant, subject to any applicable provisions relating to cashless exercises in accordance with the Warrant Agreement.

Once sold under the registration statement of which this prospectus forms a part, the shares of Common Stock will be freely tradable in the hands of persons other than our affiliates.

## LEGAL MATTERS

The validity of the shares of our common stock being offered by this prospectus will be passed upon for us by Paul Hastings LLP, Palo Alto, California.

## EXPERTS

The financial statements of Amplitude Healthcare Acquisition Corporation as of December 31, 2020, and for the period from August 13, 2019 (inception) through December 31, 2020, appearing in this prospectus have been audited by WithumSmith+Brown, PC, independent registered public accounting firm, as set forth in their report thereon, appearing elsewhere in this prospectus and are included in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

The financial statements of Jasper Therapeutics, Inc. as of December 31, 2020 and 2019 and for each of the two years in the period ended December 31, 2020 included in this prospectus have been so included in reliance on the report (which contains an explanatory paragraph relating to Jasper Therapeutics, Inc.'s ability to continue as a going concern as described in Note 1 to the financial statements) of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

## WHERE YOU CAN FIND ADDITIONAL INFORMATION

We have filed with the SEC a registration statement on Form S-1 under the Securities Act with respect to the Shares being offered under this prospectus. This prospectus, which constitutes a part of the registration statement, does not contain all of the information set forth in the registration statement of which this prospectus is a part and the exhibits to such registration statement. For further information with respect to us and the Common Stock offered by this prospectus, we refer you to the registration statement of which this prospectus is a part and the exhibits to such registration statement. Statements contained in this prospectus as to the contents of any contract or any other document are not necessarily complete. If a contract or document has been filed as an exhibit to the registration statement, please see the copy of the contract or document that has been filed. Each statement in this prospectus relating to a contract or document filed as an exhibit is qualified in all respects by the filed exhibit.

The SEC maintains an Internet website that contains reports, proxy statements and other information about issuers, like us, that file electronically with the SEC. The address of that website is [www.sec.gov](http://www.sec.gov). You may also request a copy of these filings, at no cost, by writing us at 2200 Bridge Pkwy Suite #102, Redwood City, CA 94065 or telephoning us at (650) 549-1400.

We are subject to the information and reporting requirements of the Exchange Act and, in accordance with this law, file periodic reports, proxy statements and other information with the SEC. These periodic reports, proxy statements and other information are available at the website of the SEC referred to above. We also maintain a website at [www.jaspertherapeutics.com](http://www.jaspertherapeutics.com). You may access these materials free of charge as soon as reasonably practicable after they are electronically filed with, or furnished to, the SEC. Information contained on our website is not a part of this prospectus and the inclusion of our website address in this prospectus is an inactive textual reference only.

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## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and the Board of Directors of  
Amplitude Healthcare Acquisition Corporation

### Opinion on the Financial Statements

We have audited the accompanying balance sheets of Amplitude Healthcare Acquisition Corporation (the “Company”) as of December 31, 2020 and 2019, the related statements of operations, changes in stockholders’ equity and cash flows for year ended December 31, 2020 and for the period from August 13, 2019 (inception) through December 31, 2019, 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 as of December 31, 2020 and 2019, and the results of its operations and its cash flows for the year ended December 31, 2020 and for the period from August 13, 2019 (inception) through December 31, 2019, in conformity with accounting principles generally accepted in the United States of America.

### Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the financial statements, if the Company is unable to complete a Business Combination by the close of business on November 22, 2021, then the Company will cease all operations except for the purpose of liquidating. This date for mandatory liquidation and subsequent dissolution raises substantial doubt about the Company’s ability to continue as a going concern. Management’s plans in regard to these matters are also described in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

### Restatement of Financial Statements

As discussed in Note 2 to the financial statements, the Securities and Exchange Commission issued a public statement entitled *Staff Statement on Accounting and Reporting Considerations for Warrants Issued by Special Purpose Acquisition Companies (“SPACs”)* (the “Public Statement”) on April 12, 2021, which discusses the accounting for certain warrants as liabilities. The Company previously accounted for its warrants as equity instruments. Management evaluated its warrants against the Public Statement, and determined that the warrants should be accounted for as liabilities. Accordingly, the financial statements have been restated to correct the accounting and related disclosure for the warrants.

### Basis for Opinion

These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits 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 provides a reasonable basis for our opinion.

/s/ WithumSmith+Brown, PC

We have served as the Company’s auditor since 2020.

New York, New York  
May 24, 2021

**AMPLITUDE HEALTHCARE ACQUISITION CORPORATION**  
**BALANCE SHEETS (As Restated)**

	December 31,	
	2020	2019
<b>ASSETS</b>		
Current assets		
Cash	\$ 770,114	\$ 1,212,755
Prepaid income taxes	4,549	—
Prepaid expenses	146,979	326,308
Total Current Assets	921,642	1,539,063
Marketable securities held in Trust Account	100,339,379	100,154,572
<b>TOTAL ASSETS</b>	<b>\$ 101,261,021</b>	<b>\$ 101,693,635</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities		
Accounts payable and accrued expenses	\$ 269,451	\$ 95,139
Income taxes payable	—	16,225
Total Current Liabilities	269,451	111,364
Warrant liability	13,130,000	7,240,000
Deferred underwriting fee payable	3,500,000	3,500,000
<b>TOTAL LIABILITIES</b>	<b>16,899,451</b>	<b>10,851,364</b>
<b>Commitments and Contingencies</b>		
Class A common stock subject to possible redemption, 7,936,156 and 8,584,227 shares as of December 31, 2020 and 2019, respectively (at \$10.00 per share)	79,361,560	85,842,270
<b>Stockholders' Equity</b>		
Preferred stock, \$0.0001 par value; 1,000,000 shares authorized, none issued and outstanding	—	—
Class A common stock, \$0.0001 par value; 100,000,000 shares authorized; 2,063,844 and 1,415,773 issued and outstanding (excluding 7,936,156 and 8,584,227 shares subject to possible redemption) as of December 31, 2020 and 2019, respectively	206	142
Class B common stock, \$0.0001 par value; 10,000,000 shares authorized; 2,500,000 and 2,875,000 shares issued and outstanding at December 31, 2020 and 2019 <sup>(1)</sup>	250	288
Additional paid-in capital	12,076,635	5,595,951
Accumulated deficit	(7,077,081)	(596,380)
<b>Total Stockholders' Equity</b>	<b>5,000,010</b>	<b>5,000,001</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$ 101,261,021</b>	<b>\$ 101,693,635</b>

(1) At December 31, 2019, included up to 375,000 Class B shares subject to forfeiture if the over-allotment option was not exercised in full or in part by the underwriters (see Note 5).

*The accompanying notes are an integral part of the financial statements.*

**AMPLITUDE HEALTHCARE ACQUISITION CORPORATION**  
**STATEMENTS OF OPERATIONS (As Restated)**

	Year Ended December 31, 2020	For the Period from August 13, 2019 (Inception) Through December 31, 2019
General and administrative expenses	\$ 935,400	\$ 136,304
<b>Loss from operations</b>	<b>(935,400)</b>	<b>(136,304)</b>
Other income (expense):		
Change in fair value of warrant liability	(5,890,000)	(360,000)
Transaction costs allocated to warrant liability	—	(238,423)
Interest earned on marketable securities held in Trust Account	383,150	154,572
(Loss) income before provision for income taxes	(6,442,250)	(580,155)
Provision for income taxes	(38,451)	(16,225)
<b>Net (loss) income</b>	<b>\$ (6,480,701)</b>	<b>\$ (596,380)</b>
Weighted average shares outstanding of Class A redeemable common stock	10,000,000	10,000,000
<b>Basic and diluted net income per share, Class A redeemable common stock</b>	<b>\$ 0.01</b>	<b>\$ 0.01</b>
Weighted average shares outstanding of Class B non-redeemable common stock <sup>(1)</sup>	2,500,000	2,500,000
<b>Basic and diluted net loss per share, Class B non-redeemable common stock</b>	<b>\$ (2.65)</b>	<b>\$ (0.26)</b>

- (1) In 2019, excluded an aggregate of up to 375,000 Class B shares subject to forfeiture if the over-allotment option is not exercised in full or in part by the underwriters.

*The accompanying notes are an integral part of the financial statements.*

**AMPLITUDE HEALTHCARE ACQUISITION CORPORATION**  
**STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (As Restated)**

	Class A Common Stock		Class B Common Stock		Additional Paid-in Capital	Retained Earnings (Accumulated Deficit)	Total Stockholders' Equity
	Shares	Amount	Shares	Amount			
<b>Balance – August 13, 2019 (inception)</b>	—	\$ —	—	\$ —	\$ —	\$ —	\$ —
Issuance of Class B common stock to Sponsor <sup>(1)</sup>	—	—	2,875,000	288	24,712	—	25,000
Sale of 10,000,000 Units, net of underwriting discount, offering costs and fair value of Public Warrants	10,000,000	1,000			90,479,479		90,480,479
Excess of proceeds over the fair value of Private Placement Warrants	—	—	—	—	933,172	—	933,172
Class A common stock subject to possible redemption	(8,584,227)	(858)	—	—	(85,841,412)	—	(85,842,270)
Net loss	—	—	—	—	—	(596,380)	(596,380)
<b>Balance – December 31, 2019</b>	<b>1,415,773</b>	<b>\$ 142</b>	<b>2,875,000</b>	<b>\$ 288</b>	<b>\$ 5,595,951</b>	<b>\$ (596,380)</b>	<b>\$ 5,000,001</b>
Change in value of Class A common stock subject to possible redemption	648,071	64	—	—	6,480,646	—	6,480,710
Forfeiture of Class B common stock by Sponsor	—	—	(375,000)	(38)	38	—	—
Net loss	—	—	—	—	—	(6,480,701)	(6,480,701)
<b>Balance – December 31, 2020</b>	<b><u>2,063,844</u></b>	<b><u>\$ 206</u></b>	<b><u>2,500,000</u></b>	<b><u>\$ 250</u></b>	<b><u>\$ 12,076,635</u></b>	<b><u>\$ (7,077,081)</u></b>	<b><u>\$ 5,000,010</u></b>

(1) Included 375,000 Class B shares subject to forfeiture if the over-allotment option is not exercised in full or in part by the underwriters.

*The accompanying notes are an integral part of the financial statements.*

**AMPLITUDE HEALTHCARE ACQUISITION CORPORATION**  
**STATEMENTS OF CASH FLOWS (As Restated)**

	Year Ended	
	December 31,	
	2020	2019
<b>Cash Flows from Operating Activities:</b>		
Net loss	\$ (6,480,701)	\$ (596,380)
Adjustments to reconcile net (loss) income to net cash used in operating activities:		
Interest earned on marketable securities held in Trust Account	(383,150)	(154,572)
Change in fair value of warrant liability	5,890,000	360,000
Transaction costs allocated to warrant liability	—	238,423
Changes in operating assets and liabilities:		
Prepaid income taxes	(4,549)	—
Prepaid expenses	179,329	(326,308)
Accounts payable and accrued expenses	174,312	95,139
Income taxes payable	(16,225)	16,225
<b>Net cash used in operating activities</b>	<b>(640,984)</b>	<b>(367,473)</b>
<b>Cash Flows from Investing Activities:</b>		
Investment of cash into Trust Account	—	(100,000,000)
Cash withdrawn from Trust Account for franchise and income taxes	198,343	—
<b>Net cash provided by (used in) investing activities</b>	<b>198,343</b>	<b>(100,000,000)</b>
<b>Cash Flows from Financing Activities:</b>		
Proceeds from sale of Units, net of underwriting discounts paid	—	98,000,000
Proceeds from sale of Private Placement Warrants	—	4,000,000
Repayment of promissory note – related party	—	(183,876)
Payment of offering costs	—	(235,896)
<b>Net cash provided by financing activities</b>	<b>—</b>	<b>101,580,228</b>
<b>Net Change in Cash</b>	<b>(442,641)</b>	<b>1,212,755</b>
Cash – Beginning of period	1,212,755	—
<b>Cash – End of period</b>	<b>\$ 770,114</b>	<b>\$ 1,212,755</b>
<b>Supplemental cash flow information:</b>		
Cash paid for income taxes	\$ 59,225	\$ —
<b>Non-cash investing and financing activities:</b>		
Initial classification of Class A common stock subject to possible redemption	\$ —	\$ 86,198,400
Change in value of Class A common stock subject to possible redemption	\$ (6,480,710)	\$ (356,130)
Deferred underwriting fee payable	\$ —	\$ 3,500,000
Payment of offering costs through promissory note – related party	\$ —	\$ 183,876
Deferred offering costs paid directly by stockholder in exchange for issuance of Class B common stock	\$ —	\$ 25,000

*The accompanying notes are an integral part of the financial statements.*

**AMPLITUDE HEALTHCARE ACQUISITION CORPORATION  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1. DESCRIPTION OF ORGANIZATION AND BUSINESS OPERATIONS**

Amplitude Healthcare Acquisition Corporation (the “Company”) was incorporated in Delaware on August 13, 2019. The Company was formed for the purpose of effecting a merger, share exchange, asset acquisition, share purchase, reorganization or similar business combination with one or more businesses (the “Business Combination”).

Although the Company is not limited to a particular industry or sector for purposes of consummating a Business Combination, the Company intends to focus its search on companies in the healthcare industry. The Company is an early stage and emerging growth company and, as such, the Company is subject to all of the risks associated with early stage and emerging growth companies.

As of December 31, 2020, the Company had not commenced any operations. All activity through December 31, 2020 relates to the Company’s formation, the initial public offering (“Initial Public Offering”), which is described below, and identifying a target company for a Business Combination. The Company will not generate any operating revenues until after the completion of its initial Business Combination, at the earliest. The Company generates non-operating income in the form of interest income from the proceeds derived from the Initial Public Offering.

The registration statement for the Company’s Initial Public Offering was declared effective on November 19, 2019. On November 22, 2019, the Company consummated the Initial Public Offering of 10,000,000 units (the “Units” and, with respect to the shares of Class A common stock included in the Units sold, the “Public Shares”), generating gross proceeds of \$100,000,000, which is described in Note 4.

Simultaneously with the closing of the Initial Public Offering, the Company consummated the sale of 4,000,000 warrants (the “Private Placement Warrants”) at a price of \$1.00 per Private Placement Warrant in a private placement to Amplitude Healthcare Holdings LLC, a Delaware limited liability company (the “Sponsor”), generating gross proceeds of \$4,000,000, which is described in Note 5.

Transaction costs amounted to \$5,944,772, consisting of \$2,000,000 of underwriting fees, \$3,500,000 of deferred underwriting fees and \$444,772 of other offering costs.

Following the closing of the Initial Public Offering on November 22, 2019, an amount of \$100,000,000 (\$10.00 per Unit) from the net proceeds of the sale of the Units in the Initial Public Offering and the sale of the Private Placement Warrant was placed in a trust account (“Trust Account”) and invested in U.S. government securities, within the meaning set forth in Section 2(a)(16) of the Investment Company Act, with a maturity of 180 days or less or in any open-ended investment company that holds itself out as a money market fund selected by the Company meeting the conditions of Rule 2a-7 of the Investment Company Act of 1940, as amended (the “Investment Company Act”), as determined by the Company, until the earlier of: (i) the completion of a Business Combination and (ii) the distribution of the Trust Account, as described below.

The Company’s management has broad discretion with respect to the specific application of the net proceeds of the Initial Public Offering and the sale of Private Placement Warrants, although substantially all of the net proceeds are intended to be applied generally toward consummating a Business Combination. There is no assurance that the Company will be able to complete a Business Combination successfully. The Company must complete a Business Combination with one or more target businesses that together have an aggregate fair market value of at least 80% of the assets held in the Trust Account (excluding the deferred underwriting commissions and taxes payable on interest earned on the Trust Account) at the time of the agreement to enter into a Business Combination. The Company will only complete a Business Combination if the post-transaction company owns or acquires 50% or more of the outstanding voting securities of the target or otherwise acquires a controlling interest in the target sufficient for it not to be required to register as an investment company under the Investment Company Act.

**AMPLITUDE HEALTHCARE ACQUISITION CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1. DESCRIPTION OF ORGANIZATION AND BUSINESS OPERATIONS (cont.)**

The Company will provide its holders of the outstanding Public Shares (the “Public Stockholders”) with the opportunity to redeem all or a portion of their Public Shares upon the completion of a Business Combination either (i) in connection with a stockholder meeting called to approve the Business Combination or (ii) by means of a tender offer. The decision as to whether the Company will seek stockholder approval of a Business Combination or conduct a tender offer will be made by the Company, solely in its discretion. The Public Stockholders will be entitled to redeem their Public Shares for a pro rata portion of the amount then in the Trust Account (\$10.00 per Public Share, plus any pro rata interest earned on the funds held in the Trust Account and not previously released to the Company to pay its tax obligations). The per-share amount to be distributed to Public Stockholders who redeem their Public Shares will not be reduced by the deferred underwriting commissions the Company will pay to the underwriters (as discussed in Note 7). There will be no redemption rights upon the completion of a Business Combination with respect to the Company’s warrants.

The Company will proceed with a Business Combination if the Company has net tangible assets of at least \$5,000,001 immediately prior to or upon such consummation of a Business Combination and, if the Company seeks stockholder approval, a majority of the shares voted are voted in favor of the Business Combination. If a stockholder vote is not required by law and the Company does not decide to hold a stockholder vote for business or other legal reasons, the Company will, pursuant to its Certificate of Incorporation (the “Certificate of Incorporation”), conduct the redemptions pursuant to the tender offer rules of the U.S. Securities and Exchange Commission (“SEC”) and file tender offer documents with the SEC prior to completing a Business Combination. If, however, stockholder approval of the transactions is required by law, or the Company decides to obtain stockholder approval for business or legal reasons, the Company will offer to redeem shares in conjunction with a proxy solicitation pursuant to the proxy rules and not pursuant to the tender offer rules. If the Company seeks stockholder approval in connection with a Business Combination, the Company’s Sponsor, officers and directors (the “Initial Stockholders”) have agreed to vote their Founder Shares (as defined in Note 6) and any Public Shares purchased during or after the Initial Public Offering in favor of approving a Business Combination. Additionally, each Public Stockholder may elect to redeem their Public Shares irrespective of whether they vote for or against the proposed transaction.

If the Company seeks stockholder approval of a Business Combination and it does not conduct redemptions pursuant to the tender offer rules, the Certificate of Incorporation provides that a Public Stockholder, together with any affiliate of such stockholder or any other person with whom such stockholder is acting in concert or as a “group” (as defined under Section 13 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”)), will be restricted from redeeming its shares with respect to more than an aggregate of 10% or more of the Public Shares, without the prior consent of the Company.

The Sponsor has agreed (a) to waive its redemption rights with respect to any Founder Shares and Public Shares held by it in connection with the completion of a Business Combination and in connection with a stockholder vote to approve an amendment to our amended and restated certificate of incorporation (1) to modify the substance or timing of the Company’s obligation to redeem 100% of its Public Shares if it does not complete a Business Combination by November 22, 2021 or (2) with respect to any other provision relating to stockholders’ rights or pre-Business Combination activity and (b) not to propose an amendment to the Certificate of Incorporation (i) that would modify the substance or timing of the Company’s obligation to redeem 100% of its Public Shares if the Company does not complete a Business Combination by November 22, 2021 or (ii) with respect to any other provision relating to stockholders’ rights or pre-initial business combination activity, unless the Company provides the Public Stockholders with the opportunity to redeem their Public Shares in conjunction with any such amendment.

**AMPLITUDE HEALTHCARE ACQUISITION CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1. DESCRIPTION OF ORGANIZATION AND BUSINESS OPERATIONS (cont.)**

The Company will have until November 22, 2021 to complete a Business Combination (the “Combination Period”). If the Company is unable to complete a Business Combination within the Combination Period, the Company will (i) cease all operations except for the purpose of winding up, (ii) as promptly as reasonably possible but not more than ten business days thereafter, redeem the Public Shares, at a per-share price, payable in cash, equal to the aggregate amount then on deposit in the Trust Account including interest earned on the funds held in the Trust Account and not previously released to the Company to pay its tax obligations (less up to \$100,000 of interest to pay dissolution expenses), divided by the number of then outstanding Public Shares, which redemption will completely extinguish Public Stockholders’ rights as stockholders (including the right to receive further liquidating distributions, if any), subject to applicable law, and (iii) as promptly as reasonably possible following such redemption, subject to the approval of the Company’s remaining stockholders and the Company’s board of directors, dissolve and liquidate, subject in each case to the Company’s obligations under Delaware law to provide for claims of creditors and the requirements of other applicable law. There will be no redemption rights or liquidating distributions with respect to the Company’s warrants, which will expire worthless if the Company fails to complete a Business Combination within the Combination Period.

The Initial Stockholders have agreed to waive their liquidation rights with respect to the Founder Shares if the Company fails to complete a Business Combination within the Combination Period. However, if the Initial Stockholders or any of their respective affiliates acquire Public Shares after the Initial Public Offering, such Public Shares will be entitled to liquidating distributions from the Trust Account if the Company fails to complete a Business Combination within the Combination Period. The underwriters have agreed to waive their rights to their deferred underwriting commission (see Note 7) held in the Trust Account in the event the Company does not complete a Business Combination within the Combination Period and, in such event, such amounts will be included with the other funds held in the Trust Account that will be available to fund the redemption of the Public Shares. In the event of such distribution, it is possible that the per share value of the assets remaining available for distribution will be less than the Initial Public Offering price per Unit (\$10.00).

In order to protect the amounts held in the Trust Account, the Sponsor has agreed to be liable to the Company if and to the extent any claims by a third party for services rendered or products sold to the Company, or a prospective target business with which the Company has discussed entering into a transaction agreement, reduce the amount of funds in the Trust Account to below (i) \$10.00 per Public Share or (ii) such lesser amount per Public Share held in the Trust Account as of the date of the liquidation of the Trust Account due to reductions in the value of the trust assets, in each case net of the interest which may be withdrawn to pay taxes. This liability will not apply with respect to any claims by a third party who executed a waiver of any and all rights to seek access to the Trust Account and except as to any claims under the Company’s indemnity of the underwriters of the Initial Public Offering against certain liabilities, including liabilities under the Securities Act of 1933, as amended (the “Securities Act”). Moreover, in the event that an executed waiver is deemed to be unenforceable against a third party, the Sponsor will not be responsible to the extent of any liability for such third-party claims. The Company will seek to reduce the possibility that the Sponsor will have to indemnify the Trust Account due to claims of creditors by endeavoring to have all vendors, service providers (except the Company’s independent registered public accounting firm), prospective target businesses or other entities with which the Company does business, execute agreements with the Company waiving any right, title, interest or claim of any kind in or to monies held in the Trust Account.

***Going Concern***

In connection with the Company’s assessment of going concern considerations in accordance with Financial Accounting Standard Board’s Accounting Standards Update (“ASU”) 2014-15, “Disclosures of Uncertainties about an Entity’s Ability to Continue as a Going Concern,” the Company has until November 22, 2021 to consummate a Business Combination. It is uncertain that the Company will be able to consummate a Business Combination by

**AMPLITUDE HEALTHCARE ACQUISITION CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1. DESCRIPTION OF ORGANIZATION AND BUSINESS OPERATIONS (cont.)**

this time. If a Business Combination is not consummated by this date, there will be a mandatory liquidation and subsequent dissolution of the Company. Management has determined that the mandatory liquidation, should a Business Combination not occur, and potential subsequent dissolution raises substantial doubt about the Company's ability to continue as a going concern. The Company intends to consummate a business combination by this date but there is no guarantee it will be able to do so. No adjustments have been made to the carrying amounts of assets or liabilities should the Company be required to liquidate after November 22, 2021.

**NOTE 2. RESTATEMENT OF PREVIOUSLY ISSUED FINANCIAL STATEMENTS**

The Company previously accounted for its outstanding Public Warrants (as defined in Note 4) and Private Placement Warrants (collectively, with the Public Warrants, the "Warrants") issued in connection with its Initial Public Offering as components of equity instead of as derivative liabilities. The warrant agreement governing the Warrants includes a provision that provides for potential changes to the settlement amounts dependent upon the characteristics of the holder of the warrant. In addition, the warrant agreement includes a provision that in the event of a tender offer or exchange offer made to and accepted by holders of more than 50% of the outstanding shares of a single class of stock, all holders of the Warrants would be entitled to receive cash for their Warrants (the "tender offer provision").

On April 12, 2021, the Acting Director of the Division of Corporation Finance and Acting Chief Accountant of the Securities and Exchange Commission together issued a statement regarding the accounting and reporting considerations for warrants issued by special purpose acquisition companies entitled "Staff Statement on Accounting and Reporting Considerations for Warrants Issued by Special Purpose Acquisition Companies ("SPACs")" (the "SEC Statement"). Specifically, the SEC Statement focused on certain settlement terms and provisions related to certain tender offers following a business combination, which terms are similar to those contained in the warrant agreement (the "Warrant Agreement").

In further consideration of the SEC Statement, the Company's management further evaluated the Warrants under Accounting Standards Codification ("ASC") Subtopic 815-40, Contracts in Entity's Own Equity. ASC Section 815-40-15 addresses equity versus liability treatment and classification of equity-linked financial instruments, including warrants, and states that a warrant may be classified as a component of equity only if, among other things, the warrant is indexed to the issuer's common stock. Under ASC Section 815-40-15, a warrant is not indexed to the issuer's common stock if the terms of the warrant require an adjustment to the exercise price upon a specified event and that event is not an input to the fair value of the warrant. Based on management's evaluation, the Company's audit committee, in consultation with management, concluded that the Company's Private Placement Warrants are not indexed to the Company's common stock in the manner contemplated by ASC Section 815-40-15 because the holder of the instrument is not an input into the pricing of a fixed-for-fixed option on equity shares. In addition, based on management's evaluation, the Company's audit committee, in consultation with management, concluded that the tender offer provision fails the "classified in stockholders' equity" criteria as contemplated by ASC Section 815-40-25.

As a result of the above, the Company should have classified the Warrants as derivative liabilities in its previously issued financial statements. Under this accounting treatment, the Company is required to measure the fair value of the Warrants at the end of each reporting period as well as re-evaluate the treatment of the warrants and recognize changes in the fair value from the prior period in the Company's operating results for the current period.

**AMPLITUDE HEALTHCARE ACQUISITION CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 2. RESTATEMENT OF PREVIOUSLY ISSUED FINANCIAL STATEMENTS (cont.)**

The Company's accounting for the Warrants as components of equity instead of as derivative liabilities did not have any effect on the Company's previously reported investments held in trust, operating expenses, cash flows or cash.

	As Previously Reported	Restatement	As Restated
<b>Balance sheet as of November 22, 2019 (audited)</b>			
Warrant Liabilities	\$ —	\$ 6,880,000	\$ 6,880,000
Class A Common Stock Subject to Possible Redemption	93,078,400	(6,880,000)	86,198,400
Class A Common Stock	69	69	138
Additional Paid-in Capital	5,001,471	238,354	5,239,825
Accumulated Deficit	(1,823)	(238,423)	(240,246)
Total Stockholders' Equity	5,000,005	—	5,000,005
Numbers of Class A common stock subject to redemption	9,307,840	(688,000)	8,619,840
<b>Balance sheet as of December 31, 2019 (audited)</b>			
Warrant Liabilities	\$ —	\$ 7,240,000	\$ 7,240,000
Class A Common Stock Subject to Possible Redemption	93,082,270	(7,240,000)	85,842,270
Class A Common Stock	69	72	141
Additional Paid-in Capital	4,997,601	598,351	5,595,952
(Accumulated Deficit) Retained Earnings	2,043	(598,423)	(596,380)
Total Stockholders' Equity	5,000,001	—	5,000,001
Numbers of Class A common stock subject to redemption	9,308,227	(724,000)	8,584,227
<b>Balance sheet as of March 31, 2020 (unaudited)</b>			
Warrant Liabilities	\$ —	\$ 5,850,000	\$ 5,850,000
Class A Common Stock Subject to Possible Redemption	93,121,120	(5,850,000)	87,271,120
Class A Common Stock	69	59	128
Additional Paid-in Capital	4,958,789	(791,636)	4,167,154
Retained Earnings	40,902	791,577	832,479
Total Stockholders' Equity	5,000,010	—	5,000,010
Numbers of Class A common stock subject to redemption	9,312,112	(585,000)	8,727,112
<b>Balance sheet as of June 30, 2020 (unaudited)</b>			
Warrant Liabilities	\$ —	\$ 9,000,000	\$ 9,000,000
Class A Common Stock Subject to Possible Redemption	92,839,070	(9,000,000)	83,839,070
Class A Common Stock	72	90	162
Additional Paid-in Capital	5,240,836	2,358,333	7,599,169
Accumulated Deficit	(241,157)	(2,358,423)	(2,599,580)
Total Stockholders' Equity	5,000,001	—	5,000,001
Numbers of Class A common stock subject to redemption	9,283,907	(900,000)	8,383,907

**AMPLITUDE HEALTHCARE ACQUISITION CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 2. RESTATEMENT OF PREVIOUSLY ISSUED FINANCIAL STATEMENTS (cont.)**

	As Previously Reported	Restatement	As Restated
<b>Balance sheet as of September 30, 2020 (unaudited)</b>			
Warrant Liabilities	\$ —	\$ 10,660,000	\$ 10,660,000
Class A Common Stock Subject to Possible Redemption	92,637,870	(10,660,000)	81,977,870
Class A Common Stock	74	107	181
Additional Paid-in Capital	5,442,034	4,018,316	9,460,350
Accumulated Deficit	(442,348)	(4,018,423)	(4,460,771)
Total Stockholders' Equity	5,000,010	—	5,000,010

Numbers of Class A common stock subject to redemption	9,263,787	(1,066,000)	8,197,787
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**Balance sheet as of December 31, 2020 (audited)**

Warrant Liabilities	\$ —	\$ 13,130,000	\$ 13,130,000
Class A Common Stock Subject to Possible Redemption	92,491,560	(13,130,000)	79,361,560
Class A Common Stock	75	131	206
Additional Paid-in Capital	5,588,343	6,488,292	12,076,635
Accumulated Deficit	(588,658)	(6,488,423)	(7,077,081)
Total Stockholders' Equity	5,000,010	—	5,000,010

Numbers of Class A common stock subject to redemption	9,249,156	(1,313,000)	7,936,156
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**Statement of Operations for the period from August 19, 2019 (inception) to December 31, 2019 (audited)**

Change in fair value of warrant liability	\$ —	\$ (360,000)	\$ (360,000)
Transaction costs allocated to warrant liability	—	(238,423)	(238,423)
Net income (loss)	2,043	(598,423)	(596,380)
Weighted average shares outstanding of Class A redeemable common stock	10,000,000		10,000,000
Basic and diluted net loss per share, Class A	0.01	—	0.01
Weighted average shares outstanding of Class B non-redeemable common stock	2,500,000	—	2,500,000
Basic and diluted net loss per share, Class B	(0.02)	(0.24)	(0.26)

**Statement of Operations for the Three Months Ended March 31, 2020 (unaudited)**

Change in fair value of warrant liability	\$ —	\$ 1,390,000	\$ 1,390,000
Net income	38,859	1,390,000	1,428,859
Weighted average shares outstanding of Class A redeemable common stock	10,000,000		10,000,000
Basic and diluted net loss per share, Class A	0.02	0.00	0.02
Weighted average shares outstanding of Class B non-redeemable common stock	2,500,000		2,500,000
Basic and diluted net loss per share, Class B	(0.07)	0.56	0.49

**AMPLITUDE HEALTHCARE ACQUISITION CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 2. RESTATEMENT OF PREVIOUSLY ISSUED FINANCIAL STATEMENTS (cont.)**

	As Previously Reported	Restatement	As Restated
<b>Statement of Operations for the Three Months Ended June 30, 2020 (unaudited)</b>			
Change in fair value of warrant liability	\$ —	\$ (3,150,000)	\$ (3,150,000)
Net loss	(282,059)	(3,150,000)	(3,432,059)
Weighted average shares outstanding of Class A redeemable common stock	10,000,000		10,000,000
Basic and diluted net loss per share, Class A	0.00	—	0.00
Weighted average shares outstanding of Class B nonredeemable common stock	2,500,000		2,500,000
Basic and diluted net loss per share, Class B	(0.11)	(1.26)	(1.37)
<b>Statement of Operations for the Six Months Ended June 30, 2020 (unaudited)</b>			
Change in fair value of warrant liability	\$ —	\$ (1,760,000)	\$ (1,760,000)
Net loss	(243,200)	(1,760,000)	(2,003,200)
Weighted average shares outstanding of Class A redeemable common stock	10,000,000		10,000,000
Basic and diluted net loss per share, Class A	0.02	—	0.02
Weighted average shares outstanding of Class B nonredeemable common stock	2,500,000		2,500,000
Basic and diluted net loss per share, Class B	(0.18)	(1.26)	(1.44)
<b>Statement of Operations for the Three Months Ended September 30, 2020 (unaudited)</b>			
Change in fair value of warrant liability	\$ —	\$ (1,660,000)	\$ (1,660,000)
Net loss	(201,191)	(1,660,000)	(1,861,191)
Weighted average shares outstanding of Class A redeemable common stock	10,000,000		10,000,000
Basic and diluted net loss per share, Class A	0.00	—	0.00
Weighted average shares outstanding of Class B nonredeemable common stock	2,500,000		2,500,000
Basic and diluted net loss per share, Class B	(0.08)	(0.66)	(0.74)
<b>Statement of Operations for the Nine Months Ended September 30, 2020 (unaudited)</b>			
Change in fair value of warrant liability	\$ —	\$ (3,420,000)	\$ (3,420,000)
Net loss	(444,391)	(3,420,000)	(3,864,391)
Weighted average shares outstanding of Class A redeemable common stock	10,000,000		10,000,000
Basic and diluted net loss per share, Class A	0.02	—	0.02
Weighted average shares outstanding of Class B nonredeemable common stock	2,500,000		2,500,000
Basic and diluted net loss per share, Class B	(0.25)	(0.66)	(0.91)

**AMPLITUDE HEALTHCARE ACQUISITION CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 2. RESTATEMENT OF PREVIOUSLY ISSUED FINANCIAL STATEMENTS (cont.)**

	As Previously Reported	Restatement	As Restated
<b>Statement of Operations for the Year Ended December 31, 2020 (audited)</b>			
Change in fair value of warrant liability	\$ —	\$ (5,890,000)	\$ (5,890,000)
Net loss	(590,701)	(5,890,000)	(6,480,701)
Weighted average shares outstanding of Class A redeemable common stock	10,000,000		10,000,000
Basic and diluted net loss per share, Class A	0.01	—	0.01
Weighted average shares outstanding of Class B non-redeemable common stock	2,500,000		2,500,000
Basic and diluted net loss per share, Class B	(0.29)	(2.36)	(2.65)
<b>Statement of Cash Flows for the period from August 19, 2019 (inception) to December 31, 2019 (audited)</b>			
Change in fair value of warrant liability	\$ —	\$ 360,000	\$ 360,000
Transaction costs allocated to warrant liability	—	238,423	238,423
Net income (loss)	2,043	(598,423)	(596,380)
Initial classification of Class A common stock subject to possible redemption	93,078,400	(6,880,000)	86,198,400
Change in value of Class A common stock subject to possible redemption	3,870	(360,000)	(356,130)
<b>Statement of Cash Flows for the Three Months Ended March 31, 2020 (unaudited)</b>			
Change in fair value of warrant liability	\$ —	\$ (1,390,000)	\$ (1,390,000)
Net income	38,859	1,390,000	1,428,859
Change in value of Class A common stock subject to possible redemption	38,850	1,390,000	1,428,850
<b>Statement of Cash Flows for the Six Months Ended June 30, 2020 (unaudited)</b>			
Change in fair value of warrant liability	\$ —	\$ 1,760,000	\$ 1,760,000
Net loss	(243,200)	(1,760,000)	(2,003,200)
Change in value of Class A common stock subject to possible redemption	(243,200)	(1,760,000)	(2,003,200)
<b>Statement of Cash Flows for the Nine Months Ended September 30, 2020 (unaudited)</b>			
Change in fair value of warrant liability	\$ —	\$ (3,420,000)	\$ (3,420,000)
Net loss	(444,391)	(3,420,000)	(3,864,391)
Change in value of Class A common stock subject to possible redemption	(444,400)	(3,420,000)	(3,864,400)
<b>Statement of Cash Flows for the Year Ended December 31, 2020 (audited)</b>			
Change in fair value of warrant liability	\$ —	\$ (5,890,000)	\$ (5,890,000)
Net loss	(590,701)	(5,890,000)	(6,480,701)
Change in value of Class A common stock subject to possible redemption	(590,710)	(5,890,000)	(6,480,710)

**AMPLITUDE HEALTHCARE ACQUISITION CORPORATION  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Basis of Presentation***

The accompanying financial statements are presented in accordance with accounting principles generally accepted in the United States of America (“GAAP”) and pursuant to the rules and regulations of the SEC.

***Emerging Growth Company***

The Company is an “emerging growth company,” as defined in Section 2(a) of the Securities Act, as modified by the Jumpstart Our Business Startups Act of 2012 (the “JOBS Act”), and it may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies including, but not limited to, not being required to comply with the independent registered public accounting firm attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in its periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved.

Further, Section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Exchange Act) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but any such election to opt out is irrevocable. The Company has elected not to opt out of such extended transition period which means that when a standard is issued or revised and it has different application dates for public or private companies, the Company, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard. This may make comparison of the Company’s financial statements with another public company which is neither an emerging growth company nor an emerging growth company which has opted out of using the extended transition period difficult or impossible because of the potential differences in accounting standards used.

***Use of Estimates***

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Making estimates requires management to exercise significant judgment. It is at least reasonably possible that the estimate of the effect of a condition, situation or set of circumstances that existed at the date of the financial statements, which management considered in formulating its estimate, could change in the near term due to one or more future events. Accordingly, the actual results could differ significantly from those estimates.

***Cash and Cash Equivalents***

The Company considers all short-term investments with an original maturity of three months or less when purchased to be cash equivalents. The Company did not have any cash equivalents as of December 31, 2020 and 2019.

***Marketable Securities Held in Trust Account***

The Company classifies its U.S. Treasury and equivalent securities as held-to-maturity in accordance with ASC Topic 320 “Investments — Debt and Equity Securities.” Held-to-maturity securities are those securities which the Company has the ability and intent to hold until maturity. Held-to-maturity treasury securities are recorded at amortized cost on the accompanying balance sheets and adjusted for the amortization or accretion of premiums or discounts.

**AMPLITUDE HEALTHCARE ACQUISITION CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

***Class A Common Stock Subject to Possible Redemption***

The Company accounts for its Class A common stock subject to possible redemption in accordance with the guidance in Accounting Standards Codification (“ASC”) Topic 480 “Distinguishing Liabilities from Equity.” Shares of Class A common stock subject to mandatory redemption is classified as a liability instrument and is measured at fair value. Conditionally redeemable common stock (including common stock that features redemption rights that is either within the control of the holder or subject to redemption upon the occurrence of uncertain events not solely within the Company’s control) is classified as temporary equity. At all other times, common stock is classified as stockholders’ equity. The Company’s Class A common stock features certain redemption rights that are considered to be outside of the Company’s control and subject to occurrence of uncertain future events. Accordingly, at December 31, 2020 and 2019, the 9,249,156 and 9,308,227, respectively, shares of common stock subject to possible redemption is presented as temporary equity, outside of the stockholders’ equity section of the Company’s balance sheets.

***Offering Costs***

Offering costs consist of legal, accounting, underwriting fees and other costs incurred through the balance sheet date that are directly related to the Initial Public Offering. Offering costs amounted to \$5,944,772, of which \$5,706,349 were charged to stockholders’ equity upon the completion of the Initial Public Offering and \$238,423 were expensed to the statement of operations.

***Warrant Liability***

The Company accounts for the Warrants in accordance with the guidance contained in ASC 815-40 under which the Warrants do not meet the criteria for equity treatment and must be recorded as liabilities. Accordingly, the Company classifies the Warrants as liabilities at their fair value and adjusts the Warrants to fair value at each reporting period. This liability is subject to re-measurement at each balance sheet date until exercised, and any change in fair value is recognized in the Company’s statement of operations. The fair value of Public Warrants as of November 19, 2019 and December 31, 2019 is estimated using Monte Carlo simulations at each measurement date and subsequently the Warrants were valued using the public trading prices of the Public Warrants.

***Income Taxes***

The Company accounts for income taxes under ASC 740, “Income Taxes” (“ASC 740”). ASC 740 requires the recognition of deferred tax assets and liabilities for both the expected impact of differences between the financial statements and tax basis of assets and liabilities and for the expected future tax benefit to be derived from tax loss and tax credit carry forwards. ASC 740 additionally requires a valuation allowance to be established when it is more likely than not that all or a portion of deferred tax assets will not be realized.

ASC Topic 740 prescribes a recognition threshold and a measurement attribute for the financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities. The Company recognizes accrued interest and penalties related to unrecognized tax benefits as income tax expense. There were no unrecognized tax benefits and no amounts accrued for interest and penalties as of December 31, 2020 and 2019. The Company is currently not aware of any issues under review that could result in significant payments, accruals or material deviation from its position.

The Company may be subject to potential examination by federal, state and city taxing authorities in the areas of income taxes. These potential examinations may include questioning the timing and amount of deductions, the nexus of income among various tax jurisdictions and compliance with federal, state and city tax laws. The Company’s management does not expect that the total amount of unrecognized tax benefits will materially change over the next twelve months. The Company is subject to income tax examinations by major taxing authorities since inception.

**AMPLITUDE HEALTHCARE ACQUISITION CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)****Net Income (Loss) per Common Share**

Net income (loss) per common share is computed by dividing net income (loss) by the weighted average number of common shares outstanding for the periods. The Company has not considered the effect of warrants sold in the Initial Public Offering and private placement to purchase 9,000,000 shares of Class A common stock in the calculation of diluted income (loss) per share, since the exercise of the warrants are contingent upon the occurrence of future events and the inclusion of such warrants would be anti-dilutive.

The Company's statements of operations includes a presentation of income (loss) per share for common shares subject to redemption in a manner similar to the two-class method of income per share. Net income per common share, basic and diluted, for Class A redeemable common stock is calculated by dividing the interest income earned on the Trust Account, net of applicable franchise and income taxes, by the weighted average number of Class A redeemable common stock since issuance. Net loss per common share, basic and diluted, for Class B non-redeemable common stock is calculated by dividing the net income (loss), less income attributable to Class A redeemable common stock, by the weighted average number of Class B non-redeemable common stock outstanding for the periods. Class B non-redeemable common stock includes the Founder Shares as these shares do not have any redemption features and do not participate in the income earned on the Trust Account.

The following table reflects the calculation of basic and diluted net income (loss) per common share (in dollars, except per share amounts):

	Year Ended December 31, 2020	For the Period from August 13, 2019 (Inception) Through December 31, 2019
<b>Redeemable Class A Common Stock</b>		
Numerator: Earnings allocable to Redeemable Class A Common Stock		
Interest Income	\$ 383,150	\$ 154,572
Income and Franchise Tax	(238,501)	(93,535)
Net Earnings	<u>\$ 144,649</u>	<u>\$ 61,037</u>
Denominator: Weighted Average Redeemable Class A Common Stock		
Redeemable Class A Common Stock, Basic and Diluted	10,000,000	10,000,000
Earnings/Basic and Diluted Redeemable Class A Common Stock	<u>\$ 0.01</u>	<u>\$ 0.01</u>
<b>Non-Redeemable Class B Common Stock</b>		
Numerator: Net (Loss) Income minus Redeemable Net Earnings		
Net (Loss) Income	\$ (6,480,701)	\$ 596,380
Redeemable Net Earnings	(144,649)	(61,037)
Non-Redeemable Net Loss	<u>\$ (6,625,350)</u>	<u>\$ (535,343)</u>
Denominator: Weighted Average Non-Redeemable Class B Common Stock		
Non-Redeemable Class B Common Stock, Basic and Diluted	2,500,000	2,500,000
Loss/Basic and Diluted Non-Redeemable Class B Common Stock	<u>\$ (2.65)</u>	<u>\$ (0.26)</u>

Note: As of December 31, 2020 and 2019, basic and diluted shares are the same as there are no non-redeemable securities that are dilutive to the stockholders.

**AMPLITUDE HEALTHCARE ACQUISITION CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

***Concentration of Credit Risk***

Financial instruments that potentially subject the Company to concentrations of credit risk consist of a cash account in a financial institution, which, at times, may exceed the Federal Depository Insurance Coverage of \$250,000. The Company has not experienced losses on this account and management believes the Company is not exposed to significant risks on such account.

***Fair Value of Financial Instruments***

The fair value of the Company's assets and liabilities, which qualify as financial instruments under ASC Topic 820, "Fair Value Measurement," approximates the carrying amounts represented in the accompanying balance sheets, primarily due to their short-term nature.

***Fair Value Measurements***

Fair value is defined as the price that would be received for sale of an asset or paid for transfer of a liability, in an orderly transaction between market participants at the measurement date. GAAP establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). These tiers include:

- Level 1, defined as observable inputs such as quoted prices (unadjusted) for identical instruments in active markets;
- Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable such as quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in markets that are not active; and
- Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions, such as valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

In some circumstances, the inputs used to measure fair value might be categorized within different levels of the fair value hierarchy. In those instances, the fair value measurement is categorized in its entirety in the fair value hierarchy based on the lowest level input that is significant to the fair value measurement.

***Derivative Financial Instruments***

The Company evaluates its financial instruments to determine if such instruments are derivatives or contain features that qualify as embedded derivatives in accordance with ASC Topic 815, "Derivatives and Hedging". For derivative financial instruments that are accounted for as liabilities, the derivative instrument is initially recorded at its fair value on the grant date and is then re-valued at each reporting date, with changes in the fair value reported in the statements of operations. The classification of derivative instruments, including whether such instruments should be recorded as liabilities or as equity, is evaluated at the end of each reporting period. Derivative liabilities are classified in the balance sheet as current or non-current based on whether or not net-cash settlement or conversion of the instrument could be required within 12 months of the balance sheet date.

***Recent Accounting Standards***

Management does not believe that any recently issued, but not yet effective, accounting standards, if currently adopted, would have a material effect on the Company's financial statements.

**AMPLITUDE HEALTHCARE ACQUISITION CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 4. INITIAL PUBLIC OFFERING**

Pursuant to the Initial Public Offering, the Company sold 10,000,000 Units at a price of \$10.00 per Unit. Each Unit consists of one share of Class A common stock and one-half of one redeemable warrant (“Public Warrant”). Each whole Public Warrant will entitle the holder to purchase one share of Class A common stock at a price of \$11.50 per share, subject to adjustment (see Note 8).

**NOTE 5. PRIVATE PLACEMENT**

Simultaneously with the closing of the Initial Public Offering, the Sponsor purchased an aggregate of 4,000,000 Private Placement Warrants at a price of \$1.00 per Private Placement Warrant, for an aggregate purchase price of \$4,000,000. Each Private Placement Warrant is exercisable to purchase one share of Class A common stock at a price of \$11.50 per share. A portion of the proceeds from the Private Placement Warrants were added to the proceeds from the Initial Public Offering held in the Trust Account. If the Company does not complete a Business Combination within the Combination Period, the proceeds of the sale of the Private Placement Warrants will be used to fund the redemption of the Public Shares (subject to the requirements of applicable law), and the Private Placement Warrants will expire worthless. There will be no redemption rights or liquidating distributions from the Trust Account with respect to the Placement Warrants.

**NOTE 6. RELATED PARTY TRANSACTIONS**

***Founder Shares***

In August 2019, the Sponsor purchased 2,875,000 shares (the “Founder Shares”) of the Company’s Class B common stock for an aggregate consideration of \$25,000. The Founder Shares will automatically convert into Class A common stock upon consummation of a Business Combination on a one-for-one basis, subject to certain adjustments, as described in Note 8.

The Founder Shares included an aggregate of up to 375,000 shares subject to forfeiture to the extent that the underwriters’ over-allotment option was not exercised in full or in part, so that the Initial Stockholders would own, on an as-converted basis, 20% of the Company’s issued and outstanding shares after the Initial Public Offering (assuming the Initial Stockholders did not purchase any Public Shares in the Initial Public Offering). On January 6, 2020, the underwriters’ election to exercise their over-allotment option expired unexercised, resulting in the forfeiture of 375,000 shares. Accordingly, as of December 31, 2020, there are 2,500,000 Founder Shares issued and outstanding.

The Initial Stockholders have agreed, subject to limited exceptions, not to transfer, assign or sell any of their Founder Shares until the earlier of: (A) 180 days after the completion of a Business Combination or (B) subsequent to a Business Combination, the date on which the Company completes a liquidation, merger, capital stock exchange, reorganization or other similar transaction that results in all of the Company’s Public Stockholders having the right to exchange their shares of common stock for cash, securities or other property.

***Promissory Note — Related Party***

On August 23, 2019, the Sponsor agreed to loan the Company an aggregate of up to \$300,000 to cover expenses related to the Initial Public Offering (the “Promissory Note”). The Promissory Note was non-interest bearing and payable on the earlier of March 31, 2020 or the completion of the Initial Public Offering. The borrowings outstanding under the Promissory Note of \$183,876 were repaid upon the consummation of the Initial Public Offering on November 22, 2019.

***Related Party Loans***

In addition, in order to finance transaction costs in connection with a Business Combination, the Sponsor or an affiliate of the Sponsor, or certain of the Company’s officers and directors may, but are not obligated to, loan the Company funds as may be required (“Working Capital Loans”). If the Company completes a Business Combination, the Company would repay the Working Capital Loans out of the proceeds of the Trust Account

**AMPLITUDE HEALTHCARE ACQUISITION CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 6. RELATED PARTY TRANSACTIONS (cont.)**

released to the Company. Otherwise, the Working Capital Loans would be repaid only out of funds held outside the Trust Account. In the event that a Business Combination does not close, the Company may use a portion of proceeds held outside the Trust Account to repay the Working Capital Loans but no proceeds held in the Trust Account would be used to repay the Working Capital Loans. Except for the foregoing, the terms of such Working Capital Loans, if any, have not been determined and no written agreements exist with respect to such loans. The Working Capital Loans would either be repaid upon consummation of a Business Combination, without interest, or, at the lender's discretion, up to \$1,500,000 of such Working Capital Loans may be convertible into warrants of the post Business Combination entity at a price of \$1.00 per warrant. The warrants would be identical to the Private Placement Warrants. As of December 31, 2020 and 2019, no Working Capital Loans were outstanding.

***Related Party Consulting Agreement***

On March 30, 2020, the Company entered into a consulting agreement with a relative of one of the members of the Company's Board of Directors. The consultant will provide the Company due diligence services related to potential acquisitions and, in return, receive a fee of \$600 per hour for services rendered. For the year ended December 31, 2020, \$7,050 were incurred and paid under the agreement.

***Related Party Arrangement***

The Company has an arrangement with an entity, which is 45% owned by the Company's Chief Executive Officer, whereby it currently pays an aggregate of \$3,697 per month for office space. No written agreement currently exists, as such, the payments are on a month to month basis. For the year ended December 31, 2020, the Company incurred and paid \$44,364 of such fees. For the period ended December 31, 2019, there were no such fees.

**NOTE 7. COMMITMENTS AND CONTINGENCIES**

***Risks and Uncertainties***

Management continues to evaluate the impact of the COVID-19 pandemic and has concluded that while it is reasonably possible that the virus could have a negative effect on the Company's financial position, results of its operations and/or search for a target company, the specific impact is not readily determinable as of the date of these financial statements. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

***Registration Rights***

Pursuant to a registration rights agreement entered into on November 19, 2019, holders of the Founder Shares, Private Placement Warrants and warrants that may be issued upon conversion of Working Capital Loans (and any shares of Class A common stock issuable upon the exercise of the Private Placement Warrants and warrants that may be issued upon conversion of Working Capital Loans and upon conversion of the Founder Shares) are entitled to registration rights, requiring the Company to register such securities for resale (in the case of the Founder Shares, only after conversion to Class A common stock). The holders of the majority of these securities will be entitled to make up to three demands, excluding short form demands, that the Company register such securities. In addition, the holders have certain "piggy-back" registration rights with respect to registration statements filed subsequent to the completion of a Business Combination and rights to require the Company to register for resale such securities pursuant to Rule 415 under the Securities Act. The Company will bear the expenses incurred in connection with the filing of any such registration statements.

**AMPLITUDE HEALTHCARE ACQUISITION CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 7. COMMITMENTS AND CONTINGENCIES (cont.)**

***Underwriting Agreement***

The underwriters were paid a cash underwriting discount of \$0.20 per Unit, or \$2,000,000 in the aggregate. The underwriters are entitled to a deferred fee of \$0.35 per Unit, or \$3,500,000 in the aggregate. A portion of such amount may be paid to third parties not participating in Initial Public Offering (but who are members of FINRA) that assist the Company in consummating a Business Combination. The election to make such payments to third parties will be solely at the discretion of the Company's management team, and such third parties will be selected by the management team in their sole and absolute discretion; provided, that no single third party (together with its affiliates) may be paid an amount in excess of the portion of the aggregate deferred underwriting commission paid to the underwriters unless the parties otherwise agree. The deferred fee will become payable to the underwriters from the amounts held in the Trust Account solely in the event that the Company completes a Business Combination, subject to the terms of the underwriting agreement.

**NOTE 8. STOCKHOLDERS' EQUITY**

***Preferred Stock*** — The Company is authorized to issue 1,000,000 shares of preferred stock with a par value of \$0.0001 per share with such designations, voting and other rights and preferences as may be determined from time to time by the Company's board of directors. At December 31, 2020 and 2019, there were no shares of preferred stock issued or outstanding.

***Class A Common Stock*** — The Company is authorized to issue 100,000,000 shares of Class A common stock with a par value of \$0.0001 per share. Holders of Class A common stock are entitled to one vote for each share. At December 31, 2020 and 2019, there were 2,063,844 and 1,415,773 shares of Class A common stock issued or outstanding, excluding 7,936,156 and 8,584,227 shares of Class A common stock subject to possible redemption, respectively.

***Class B Common Stock*** — The Company is authorized to issue 10,000,000 shares of Class B common stock with a par value of \$0.0001 per share. Holders of Class B common stock are entitled to one vote for each share. At December 31, 2020 and 2019, there were 2,500,000 and 2,875,000 shares of Class B common stock issued and outstanding, respectively.

Holders of Class B common stock will have the right to elect all of the Company's directors prior to a Business Combination. Holders of Class A common stock and Class B common stock will vote together as a single class on all other matters submitted to a vote of stockholders, except as required by law.

The shares of Class B common stock will automatically convert into shares of Class A common stock at the closing of a Business Combination on a one-for-one basis, subject to adjustment. In the case that additional shares of Class A common stock, or equity-linked securities, are issued or deemed issued in excess of the amounts offered in the Initial Public Offering and related to the closing of a Business Combination, the ratio at which shares of Class B common stock shall convert into shares of Class A common stock will be adjusted (unless the holders of a majority of the outstanding shares of Class B common stock agree to waive such adjustment with respect to any such issuance or deemed issuance) so that the number of shares of Class A common stock issuable upon conversion of all shares of Class B common stock will equal, in the aggregate, on an as-converted basis, 20% of the sum of the total number of all shares of common stock outstanding upon the completion of the Initial Public Offering plus all shares of Class A common stock and equity-linked securities issued or deemed issued in connection with a Business Combination (excluding any shares or equity-linked securities issued, or to be issued, to any seller in a Business Combination). Holders of Founder Shares may also elect to convert their shares of Class B common stock into an equal number of shares of Class A common stock, subject to adjustment as provided above, at any time.

**AMPLITUDE HEALTHCARE ACQUISITION CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 9. WARRANT LIABILITY**

Public Warrants may only be exercised for a whole number of shares. No fractional warrants will be issued upon separation of the Units and only whole warrants will trade. The Public Warrants will become exercisable on the later of (a) 30 days after the completion of a Business Combination or (b) 12 months from the closing of the Initial Public Offering. The Public Warrants will expire five years after the completion of a Business Combination or earlier upon redemption or liquidation.

The Company will not be obligated to deliver any shares of Class A common stock pursuant to the exercise of a warrant and will have no obligation to settle such warrant exercise unless a registration statement under the Securities Act with respect to the shares of Class A common stock underlying the warrants is then effective and a prospectus relating thereto is current, subject to the Company satisfying its obligations with respect to registration. No warrant will be exercisable and the Company will not be obligated to issue any shares of Class A common stock upon exercise of a warrant unless Class A common stock issuable upon such warrant exercise has been registered, qualified or deemed to be exempt under the securities laws of the state of residence of the registered holder of the warrants.

The Company has agreed that as soon as practicable, but in no event later than 15 business days, after the closing of a Business Combination, the Company will use its best efforts to file, and within 60 business days following a Business Combination to have declared effective, a registration statement for the registration, under the Securities Act, of the shares of Class A common stock issuable upon exercise of the warrants. The Company will use its reasonable best efforts to maintain the effectiveness of such registration statement, and a current prospectus relating thereto, until the expiration of the warrants in accordance with the provisions of the warrant agreement. Notwithstanding the above, if the Class A common stock is at the time of any exercise of a warrant not listed on a national securities exchange such that it satisfies the definition of a “covered security” under Section 18(b)(1) of the Securities Act, the Company may, at its option, require holders of Public Warrants who exercise their warrants to do so on a “cashless basis” in accordance with Section 3(a)(9) of the Securities Act and, in the event the Company so elects, the Company will not be required to file or maintain in effect a registration statement, but will be required to use its best efforts to register or qualify the shares under applicable blue sky laws to the extent an exemption is not available.

Once the warrants become exercisable, the Company may redeem the Public Warrants:

- in whole and not in part;
- at a price of \$0.01 per warrant;
- upon not less than 30 days’ prior written notice of redemption to each warrant holder; and
- if, and only if, the reported last sale price of the Company’s Class A common stock equals or exceeds \$18.00 per share for any 20 trading days within a 30-trading day period ending three business days before the Company sends the notice of redemption to each warrant holder.

If and when the warrants become redeemable by the Company, the Company may exercise its redemption right even if it is unable to register or qualify the underlying securities for sale under all applicable state securities laws.

If the Company calls the Public Warrants for redemption, management will have the option to require all holders that wish to exercise the Public Warrants to do so on a “cashless basis,” as described in the warrant agreement. The exercise price and number of shares of Class A common stock issuable upon exercise of the warrants may be adjusted in certain circumstances including in the event of a stock dividend, or recapitalization, reorganization, merger or consolidation. However, the warrants will not be adjusted for issuance of Class A common stock at a price below its exercise price, except as discussed below. Additionally, in no event will the Company be required to net cash settle the warrants. If the Company is unable to complete a Business Combination within the Combination Period and the Company liquidates the funds held in the Trust Account, holders of warrants will not receive any of such funds with respect to their warrants, nor will they receive any distribution from the Company’s assets held outside of the Trust Account with the respect to such warrants. Accordingly, the warrants may expire worthless.

**AMPLITUDE HEALTHCARE ACQUISITION CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 9. WARRANT LIABILITY (cont.)**

In addition, if (x) the Company issues additional shares of Class A common stock or equity-linked securities for capital raising purposes in connection with the closing of a Business Combination at an issue price or effective issue price of less than \$9.20 per share of Class A common stock (with such issue price or effective issue price to be determined in good faith by the Company’s board of directors and, in the case of any such issuance to the sponsor or its affiliates, without taking into account any Founder Shares held by the sponsor or such affiliates, as applicable, prior to such issuance) (the “Newly Issued Price”), (y) the aggregate gross proceeds from such issuances represent more than 60% of the total equity proceeds, and interest thereon, available for the funding of a Business Combination on the date of the consummation of a Business Combination (net of redemptions), and (z) the volume weighted average trading price of the Company’s Class A common stock during the 20 trading day period starting on the trading day prior to the day on which the Company consummates a Business Combination (such price, the “Market Value”) is below \$9.20 per share, then the exercise price of the warrants will be adjusted (to the nearest cent) to be equal to 115% of the higher of the Market Value and the Newly Issued Price, and the \$18.00 per share redemption trigger price will be adjusted (to the nearest cent) to be equal to 180% of the higher of the Market Value and the Newly Issued Price.

The Private Placement Warrants are identical to the Public Warrants underlying the Units sold in the Initial Public Offering, except that the Private Placement Warrants and the Class A common stock issuable upon the exercise of the Private Placement Warrants will not be transferable, assignable or saleable until 30 days after the completion of a Business Combination, subject to certain limited exceptions. Additionally, the Placement Warrants will be exercisable on a cashless basis and be non-redeemable so long as they are held by the initial purchasers or their permitted transferees. If the Private Placement Warrants are held by someone other than the initial purchasers or their permitted transferees, the Private Placement Warrants will be redeemable by the Company and exercisable by such holders on the same basis as the Public Warrants.

**NOTE 10. INCOME TAX**

The Company’s net deferred tax assets are as follows:

	As of December 31,	
	2020	2019
Deferred tax asset		
Organizational costs/Startup expenses	\$ 166,813	\$ 12,389
Total deferred tax asset	166,813	12,389
Valuation allowance	(166,813)	(12,389)
Deferred tax asset, net of allowance	<u>\$ —</u>	<u>\$ —</u>

The income tax provision consists of the following:

	For the year ended December 31,	
	2020	2019
Federal		
Current	\$ 38,451	\$ 16,225
Deferred	(154,424)	(12,389)
State		
Current	\$ —	\$ —
Deferred	—	—
Change in valuation allowance	154,424	12,389
Income tax provision	<u>\$ 38,451</u>	<u>\$ 16,225</u>

**AMPLITUDE HEALTHCARE ACQUISITION CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 10. INCOME TAX (cont.)**

As of December 31, 2020 and 2019, the Company did not have any U.S. federal and state net operating loss carryovers available to offset future taxable income.

In assessing the realization of the deferred tax assets, management considers whether it is more likely than not that some portion of all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which temporary differences representing net future deductible amounts become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment. After consideration of all of the information available, management believes that significant uncertainty exists with respect to future realization of the deferred tax assets and has therefore established a full valuation allowance. For the year ended December 31, 2020 and the period ended December 31, 2019, the change in the valuation allowance was \$154,424 and \$12,389, respectively.

A reconciliation of the federal income tax rate to the Company's effective tax rate is as follows:

	For the year ended December 31,	
	2020	2019
Statutory federal income tax rate	21.0%	21.0%
State taxes, net of federal tax benefit	0.0%	0.0%
Change in fair value of warrant liability	(19.2)%	(13.0)%
Transaction costs allocated to warrant liability	0.0%	(8.6)%
Change in valuation allowance	(2.4)%	(2.1)%
Income tax provision	<u>(0.6)%</u>	<u>(2.7)%</u>

The Company files income tax returns in the U.S. federal jurisdiction in various state and local jurisdictions and is subject to examination by the various taxing authorities.

**NOTE 11. FAIR VALUE MEASUREMENTS**

The fair value of the Company's financial assets and liabilities reflects management's estimate of amounts that the Company would have received in connection with the sale of the assets or paid in connection with the transfer of the liabilities in an orderly transaction between market participants at the measurement date. In connection with measuring the fair value of its assets and liabilities, the Company seeks to maximize the use of observable inputs (market data obtained from independent sources) and to minimize the use of unobservable inputs (internal assumptions about how market participants would price assets and liabilities). The following fair value hierarchy is used to classify assets and liabilities based on the observable inputs and unobservable inputs used in order to value the assets and liabilities:

- Level 1: Quoted prices in active markets for identical assets or liabilities. An active market for an asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2: Observable inputs other than Level 1 inputs. Examples of Level 2 inputs include quoted prices in active markets for similar assets or liabilities and quoted prices for identical assets or liabilities in markets that are not active.
- Level 3: Unobservable inputs based on our assessment of the assumptions that market participants would use in pricing the asset or liability.

**AMPLITUDE HEALTHCARE ACQUISITION CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 11. FAIR VALUE MEASUREMENTS (cont.)**

The Company classifies its U.S. Treasury and equivalent securities as held-to-maturity in accordance with ASC Topic 320 “Investments — Debt and Equity Securities.” Held-to-maturity securities are those securities which the Company has the ability and intent to hold until maturity. Held-to-maturity treasury securities are recorded at amortized cost on the accompanying balance sheets and adjusted for the amortization or accretion of premiums or discounts.

At December 31, 2020 and 2019, assets held in the Trust Account were comprised of \$100,339,379 and \$100,154,572, respectively, in money market funds, which are invested in U.S. Treasury Securities. Through December 31, 2020, the Company withdrew \$198,343 of interest earned on the Trust Account to pay for its franchise and income tax obligations, of which such amount was withdrawn during the year ended December 31, 2020.

The following table presents information about the Company’s assets and liabilities that are measured at fair value on a recurring basis at December 31, 2020 and 2019 and indicates the fair value hierarchy of the valuation inputs the Company utilized to determine such fair value:

Description	Level	December 31, 2020	Level	December 31, 2019
<b>Assets:</b>				
Marketable securities held in Trust Account – U.S.				
Treasury Securities Money Market Fund	1	\$ 100,339,379	1	\$ 100,154,572
<b>Liabilities:</b>				
Warrant Liability – Public Warrants	1	7,250,000	3	4,000,000
Warrant Liability – Private Placement Warrants	3	5,880,000	3	3,240,000

The Warrants were accounted for as liabilities in accordance with ASC 815-40 and are presented within warrant liabilities on the Company’s balance sheets. The warrant liabilities are measured at fair value at inception and on a recurring basis, with changes in fair value presented within change in fair value of warrant liabilities in the consolidated statement of operations.

The Private Warrants were initially valued using a Modified Black Scholes Option Pricing Model, which is considered to be a Level 3 fair value measurement. The Modified Black Scholes model’s primary unobservable input utilized in determining the fair value of the Private Warrants is the expected volatility of the common stock. The expected volatility as of the Initial Public Offering date was derived from observable public warrant pricing on comparable ‘blank-check’ companies without an identified target. The expected volatility as of subsequent valuation dates was implied from the Company’s own Public Warrant pricing. A Monte Carlo simulation methodology was used in estimating the fair value of the Public Warrants for periods where no observable traded price was available, using the same expected volatility as was used in measuring the fair value of the Private Placement Warrants. For periods subsequent to the detachment of the Public Warrants from the Units, the close price of the Public Warrant price was used as the fair value as of each relevant date.

The following table presents the quantitative information regarding Level 3 fair value measurements:

	December 31, 2020	December 31, 2019
Stock price	10.01	\$ 9.67
Term to initial business combination (in years)	0.75	1.0
Volatility	20.0%	11.5%
Risk-free rate	0.47%	1.76%
Dividend yield	0.0%	0.0%

**AMPLITUDE HEALTHCARE ACQUISITION CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 11. FAIR VALUE MEASUREMENTS (cont.)**

The following table presents the changes in the fair value of Level 3 warrant liabilities:

	<b>Private Placement</b>	<b>Public</b>	<b>Level 3 Warrant Liabilities</b>
Fair value as of August 13, 2019 (inception)	\$ —	\$ —	\$ —
Initial measurement on November 22, 2019	3,080,000	3,800,000	6,880,000
Change in fair value	160,000	200,000	360,000
Fair value as of December 31, 2019	3,240,000	4,000,000	7,240,000
Change in fair value	2,640,000	(750,000)	1,890,000
Transfer to Level 1	—	(3,250,000)	(3,250,000)
Fair value as of December 31, 2020	<u>\$ 5,880,000</u>	<u>\$ —</u>	<u>\$ 5,880,000</u>

Transfers to/from Levels 1, 2 and 3 are recognized at the end of the reporting period in which a change in valuation technique or methodology occurs. The estimated fair value of the Public Warrants transferred from a Level 3 measurement to a Level 1 measurement on March 31, 2020 was \$3,250,000.

**NOTE 12. SUBSEQUENT EVENTS**

The Company evaluated subsequent events and transactions that occurred after the balance sheet date up to the date that the financial statements were issued. Based upon this review, except as described in Note 2 and below, the Company did not identify any subsequent events that would have required adjustment or disclosure in the financial statements.

On May 5, 2021, the Company entered into a business combination agreement (the “Business Combination Agreement”) by and among the Company, Ample Merger Sub, Inc., a Delaware corporation and a wholly owned subsidiary of the Company (“Merger Sub”) and Jasper Therapeutics, Inc., a Delaware corporation (“Jasper”). The Business Combination Agreement provides, among other things, that on the terms and subject to the conditions set forth therein, Merger Sub will merge with and into Jasper, with Jasper surviving as a wholly-owned subsidiary of the Company. Concurrently with the execution of the Business Combination Agreement, the Company entered into Subscription Agreements with each of the PIPE Investors (as defined in the Business Combination Agreement), pursuant to which the PIPE Investors have agreed to subscribe for and purchase, and the Company has agreed to issue and sell to the PIPE Investors, an aggregate of 10,000,000 shares of common stock at a price of \$10.00 per share, for aggregate gross proceeds of \$100.0 million (the “PIPE Financing”). The consummation of the PIPE Financing is contingent upon, among other things, the closing of the transactions contemplated by the Business Combination Agreement (the “Proposed Business Combination”). Under the Business Combination Agreement, the obligations of each of Jasper and the Company to consummate the Proposed Business Combination are subject to the satisfaction or waiver of certain customary closing conditions of the respective parties, including, among others, the approval and adoption of the Business Combination Agreement and transactions contemplated thereby by the requisite vote of Jasper’s stockholders and the Company’s stockholders.

**AMPLITUDE HEALTHCARE ACQUISITION CORPORATION**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**

	June 30, 2021	December 31, 2020
	(unaudited)	
<b>ASSETS</b>		
Current assets		
Cash	\$ 309,730	\$ 770,114
Prepaid income taxes	9,620	4,549
Prepaid expenses and other current assets	103,577	146,979
Total Current Assets	<u>422,927</u>	<u>921,642</u>
Investments held in Trust Account	100,126,108	100,339,379
<b>Total Assets</b>	<b><u>\$ 100,549,035</u></b>	<b><u>\$ 101,261,021</u></b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities		
Accounts payable and accrued expenses	\$ 328,928	\$ 269,451
Total Current Liabilities	328,928	269,451
Warrant liability	10,430,000	13,130,000
Deferred underwriting fee payable	3,500,000	3,500,000
<b>Total Liabilities</b>	<b><u>14,258,928</u></b>	<b><u>16,899,451</u></b>
<b>Commitments and contingencies</b>		
Class A common stock subject to possible redemption, 8,129,010 and 7,936,156 shares at \$10.00 per share as of June 30, 2021 and December 31, 2020, respectively	81,290,100	79,361,560
<b>Stockholders' Equity</b>		
Preferred stock, \$0.0001 par value; 1,000,000 shares authorized; none issued and outstanding	—	—
Class A common stock, \$0.0001 par value; 100,000,000 shares authorized; 1,870,990 and 2,063,844 issued and outstanding (excluding 8,129,010 and 7,936,156 shares subject to possible redemption) as of June 30, 2021 and December 31, 2020, respectively	187	206
Class B common stock, \$0.0001 par value; 10,000,000 shares authorized; 2,500,000 shares issued and outstanding as of June 30, 2021 and December 31, 2020	250	250
Additional paid-in capital	10,148,114	12,076,635
Accumulated deficit	(5,148,544)	(7,077,081)
<b>Total Stockholders' Equity</b>	<b><u>5,000,007</u></b>	<b><u>5,000,010</u></b>
<b>Total Liabilities and Stockholders' Equity</b>	<b><u>\$ 100,549,035</u></b>	<b><u>\$ 101,261,021</u></b>

The accompanying notes are an integral part of the unaudited condensed consolidated financial statements.

**AMPLITUDE HEALTHCARE ACQUISITION CORPORATION**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
**(UNAUDITED)**

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
General and administrative expenses	\$ 562,032	\$ 327,561	\$ 776,434	\$ 556,227
<b>Loss from operations</b>	(562,032)	(327,561)	(776,434)	(556,227)
Other income (expense):				
Change in fair value of warrant liability	(3,010,000)	(3,150,000)	2,700,000	(1,760,000)
Interest earned on marketable securities held in Trust Account	2,498	44,307	4,971	369,655
Total other (expense) income, net	(3,007,502)	(3,105,693)	2,704,971	(1,390,345)
(Loss) Income before income taxes	(3,569,534)	(3,433,254)	1,928,537	(1,946,572)
Benefit from (Provision for) income taxes	—	1,195	—	(56,628)
<b>Net (loss) income</b>	<b>\$ (3,569,534)</b>	<b>\$ (3,432,059)</b>	<b>\$ 1,928,537</b>	<b>\$ (2,003,200)</b>
Weighted average shares outstanding of Class A redeemable common stock				
	10,000,000	10,000,000	10,000,000	10,000,000
<b>Basic and diluted income per share, Class A redeemable common stock</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 0.02</b>
Weighted average shares outstanding of Class B non-redeemable common stock				
	2,500,000	2,500,000	2,500,000	2,500,000
<b>Basic and diluted net (loss) income per share, Class B non-redeemable common stock</b>	<b>\$ (1.43)</b>	<b>\$ (1.37)</b>	<b>\$ 0.77</b>	<b>\$ (0.80)</b>

The accompanying notes are an integral part of the unaudited condensed consolidated financial statements.

**AMPLITUDE HEALTHCARE ACQUISITION CORPORATION**  
**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY**  
**(UNAUDITED)**

**THREE AND SIX MONTHS ENDED JUNE 30, 2021**

	Class A Common Stock		Class B Common Stock		Additional Paid-in Capital	Retained Earnings/ (Accumulated Deficit)	Total Stockholders' Equity
	Shares	Amount	Shares	Amount			
<b>Balance – January 1, 2021</b>	2,063,844	\$ 206	2,500,000	\$ 250	\$ 12,076,635	\$ (7,077,081)	\$ 5,000,010
Change in value of Class A common stock subject to possible redemption	(549,808)	(56)	—	—	(5,498,024)	—	(5,498,080)
Net income	—	—	—	—	—	5,498,071	5,498,071
<b>Balance – March 31, 2021 (unaudited)</b>	1,514,036	\$ 150	2,500,000	\$ 250	\$ 6,578,611	\$ (1,579,010)	\$ 5,000,001
Change in value of Class A common stock subject to possible redemption	356,954	37	—	—	3,569,503	—	3,569,540
Net loss	—	—	—	—	—	(3,569,534)	(3,569,534)
<b>Balance – June 30, 2021 (unaudited)</b>	<u>1,870,990</u>	<u>\$ 187</u>	<u>2,500,000</u>	<u>\$ 250</u>	<u>\$ 10,148,114</u>	<u>\$ (5,148,544)</u>	<u>\$ 5,000,007</u>

**THREE AND SIX MONTHS ENDED JUNE 30, 2020**

	Class A Common Stock		Class B Common Stock		Additional Paid-in Capital	Retained Earnings/ (Accumulated Deficit)	Total Stockholders' Equity
	Shares	Amount	Shares	Amount			
<b>Balance – January 1, 2020</b>	1,415,773	\$ 142	2,875,000	\$ 288	\$ 5,595,951	\$ (596,380)	\$ 5,000,001
Change in value of Class A common stock subject to possible redemption	(142,885)	(15)	—	—	(1,428,835)	—	(1,428,850)
Forfeiture of Class B common stock by Sponsor	—	—	(375,000)	(38)	38	—	—
Net income	—	—	—	—	—	1,428,859	1,428,859
<b>Balance – March 31, 2020 (unaudited)</b>	1,272,888	\$ 127	2,500,000	\$ 250	\$ 4,167,154	\$ 832,479	\$ 5,000,010
Change in value of Class A common stock subject to possible redemption	343,205	35	—	—	3,432,015	—	3,432,050
Net loss	—	—	—	—	—	(3,432,059)	(3,432,059)
<b>Balance – June 30, 2020 (unaudited)</b>	<u>1,616,093</u>	<u>\$ 162</u>	<u>2,500,000</u>	<u>\$ 250</u>	<u>\$ 7,599,169</u>	<u>\$ (2,599,580)</u>	<u>\$ 5,000,001</u>

The accompanying notes are an integral part of the unaudited condensed consolidated financial statements.

**AMPLITUDE HEALTHCARE ACQUISITION CORPORATION**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(UNAUDITED)**

	<b>Six Months Ended June 30,</b>	<b>Six Months Ended June 30,</b>
	<b>2021</b>	<b>2020</b>
<b>Cash Flows from Operating Activities:</b>		
Net income (loss)	\$ 1,928,537	\$ (2,003,200)
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Change in fair value of warrant liabilities	(2,700,000)	1,760,000
Interest earned on marketable securities held in Trust Account	(4,971)	(369,655)
Changes in operating assets and liabilities:		
Prepaid income taxes	(5,071)	—
Prepaid expenses and other current assets	43,402	59,226
Accounts payable and accrued expenses	59,477	90,281
Income taxes payable	—	56,628
<b>Net cash used in operating activities</b>	<b>(678,626)</b>	<b>(406,720)</b>
<b>Cash Flows from Investing Activities:</b>		
Cash withdrawn from Trust Account to pay for taxes and franchise fees	218,242	108,214
<b>Net cash provided by investing activities</b>	<b>218,242</b>	<b>108,214</b>
<b>Net Change in Cash</b>	<b>(460,384)</b>	<b>(298,506)</b>
Cash – Beginning of period	770,114	1,212,755
Cash – End of period	<u>\$ 309,730</u>	<u>\$ 914,249</u>
<b>Supplemental cash flow information:</b>		
Cash paid for income taxes	\$ (5,170)	—
<b>Supplemental disclosure of non-cash activities:</b>		
Change in value of Class A common stock subject to possible redemption	<u>\$ 1,928,540</u>	<u>\$ 243,200</u>

The accompanying notes are an integral part of the unaudited condensed consolidated financial statements.

**AMPLITUDE HEALTHCARE ACQUISITION CORPORATION**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2021**  
**(Unaudited)**

**NOTE 1. DESCRIPTION OF ORGANIZATION AND BUSINESS OPERATIONS**

Amplitude Healthcare Acquisition Corporation (the “Company”) is a blank check company incorporated in Delaware on August 13, 2019. The Company was formed for the purpose of effecting a merger, share exchange, asset acquisition, share purchase, reorganization or similar business combination with one or more businesses (the “Business Combination”).

The Company has one subsidiary, Ample Merger Sub, Inc., a Delaware corporation and wholly owned subsidiary of the Company (“Merger Sub”).

Although the Company is not limited to a particular industry or sector for purposes of consummating a Business Combination, the Company intends to focus its search on companies in the healthcare industry. The Company is an early stage and emerging growth company and, as such, the Company is subject to all of the risks associated with early stage and emerging growth companies.

As of June 30, 2021, the Company had not commenced any operations. All activity through June 30, 2021 relates to the Company’s formation, the initial public offering (“Initial Public Offering”), which is described below, and identifying a target company for a Business Combination. The Company will not generate any operating revenues until after the completion of its initial Business Combination, at the earliest. The Company generates non-operating income in the form of interest income from the proceeds derived from the Initial Public Offering.

The registration statement for the Company’s Initial Public Offering was declared effective on November 19, 2019. On November 22, 2019, the Company consummated the Initial Public Offering of 10,000,000 units (the “Units” and, with respect to the shares of Class A common stock included in the Units sold, the “Public Shares”), generating gross proceeds of \$100,000,000, which is described in Note 3.

Simultaneously with the closing of the Initial Public Offering, the Company consummated the sale of 4,000,000 warrants (the “Private Placement Warrants”) at a price of \$1.00 per Private Placement Warrant in a private placement to Amplitude Healthcare Holdings LLC, a Delaware limited liability company (the “Sponsor”), generating gross proceeds of \$4,000,000, which is described in Note 4.

Transaction costs amounted to \$5,944,772, consisting of \$2,000,000 of underwriting fees, \$3,500,000 of deferred underwriting fees and \$444,772 of other offering costs.

Following the closing of the Initial Public Offering on November 22, 2019, an amount of \$100,000,000 (\$10.00 per Unit) from the net proceeds of the sale of the Units in the Initial Public Offering and the sale of the Private Placement Warrant was placed in a trust account (the “Trust Account”) and invested in U.S. government securities, within the meaning set forth in Section 2(a)(16) of the Investment Company Act of 1940, as amended (the “Investment Company Act”), with a maturity of 180 days or less or in any open-ended investment company that holds itself out as a money market fund selected by the Company meeting the conditions of Rule 2a-7 of the Investment Company Act, as determined by the Company, until the earlier of: (i) the completion of a Business Combination and (ii) the distribution of the Trust Account, as described below.

The Company’s management has broad discretion with respect to the specific application of the net proceeds of the Initial Public Offering and the sale of Private Placement Warrants, although substantially all of the net proceeds are intended to be applied generally toward consummating a Business Combination. There is no assurance that the Company will be able to complete a Business Combination successfully. The Company must complete a Business Combination with one or more target businesses that together have an aggregate fair market value of at least 80% of the assets held in the Trust Account (excluding the deferred underwriting commissions and taxes payable on interest earned on the Trust Account) at the time of the agreement to enter into a Business Combination. The Company will only complete a Business Combination if the post-transaction company owns or acquires 50% or more of the outstanding voting securities of the target or otherwise acquires a controlling interest in the target sufficient for it not to be required to register as an investment company under the Investment Company Act.

**AMPLITUDE HEALTHCARE ACQUISITION CORPORATION**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2021**  
**(Unaudited)**

**NOTE 1. DESCRIPTION OF ORGANIZATION AND BUSINESS OPERATIONS (cont)**

The Company will provide its holders of the outstanding Public Shares (the “Public Stockholders”) with the opportunity to redeem all or a portion of their Public Shares upon the completion of a Business Combination either (i) in connection with a stockholder meeting called to approve the Business Combination or (ii) by means of a tender offer. The decision as to whether the Company will seek stockholder approval of a Business Combination or conduct a tender offer will be made by the Company, solely in its discretion. The Public Stockholders will be entitled to redeem their Public Shares for a pro rata portion of the amount then in the Trust Account (\$10.00 per Public Share, plus any pro rata interest earned on the funds held in the Trust Account and not previously released to the Company to pay its tax obligations). The per-share amount to be distributed to Public Stockholders who redeem their Public Shares will not be reduced by the deferred underwriting commissions the Company will pay to the underwriters (as discussed in Note 6). There will be no redemption rights upon the completion of a Business Combination with respect to the Company’s warrants.

The Company will proceed with a Business Combination if the Company has net tangible assets of at least \$5,000,001 immediately prior to or upon such consummation of a Business Combination and, if the Company seeks stockholder approval, a majority of the shares voted are voted in favor of the Business Combination. If a stockholder vote is not required by law and the Company does not decide to hold a stockholder vote for business or other legal reasons, the Company will, pursuant to its Amended and Restated Certificate of Incorporation (the “Certificate of Incorporation”), conduct the redemptions pursuant to the tender offer rules of the U.S. Securities and Exchange Commission (the “SEC”) and file tender offer documents with the SEC prior to completing a Business Combination. If, however, stockholder approval of the transactions is required by law, or the Company decides to obtain stockholder approval for business or legal reasons, the Company will offer to redeem shares in conjunction with a proxy solicitation pursuant to the proxy rules and not pursuant to the tender offer rules. If the Company seeks stockholder approval in connection with a Business Combination, the Company’s Sponsor, officers and directors (the “Initial Stockholders”) have agreed to vote their Founder Shares (as defined in Note 5) and any Public Shares purchased during or after the Initial Public Offering in favor of approving a Business Combination. Additionally, each Public Stockholder may elect to redeem their Public Shares irrespective of whether they vote for or against the proposed transaction.

If the Company seeks stockholder approval of a Business Combination and it does not conduct redemptions pursuant to the tender offer rules, the Certificate of Incorporation provides that a Public Stockholder, together with any affiliate of such stockholder or any other person with whom such stockholder is acting in concert or as a “group” (as defined under Section 13 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”)), will be restricted from redeeming its shares with respect to more than an aggregate of 10% or more of the Public Shares, without the prior consent of the Company.

The Sponsor has agreed (a) to waive its redemption rights with respect to any Founder Shares and Public Shares held by it in connection with the completion of a Business Combination and in connection with a stockholder vote to approve an amendment to our Certificate of Incorporation (1) to modify the substance or timing of the Company’s obligation to redeem 100% of its Public Shares if it does not complete a Business Combination by November 22, 2021 or (2) with respect to any other provision relating to stockholders’ rights or pre-Business Combination activity and (b) not to propose an amendment to the Certificate of Incorporation (i) that would modify the substance or timing of the Company’s obligation to redeem 100% of its Public Shares if the Company does not complete a Business Combination by November 22, 2021 or (ii) with respect to any other provision relating to stockholders’ rights or pre-initial business combination activity, unless the Company provides the Public Stockholders with the opportunity to redeem their Public Shares in conjunction with any such amendment.

The Company will have until November 22, 2021 to complete a Business Combination (the “Combination Period”). If the Company is unable to complete a Business Combination within the Combination Period, the Company will (i) cease all operations except for the purpose of winding up, (ii) as promptly as reasonably possible but not more than ten business days thereafter, redeem the Public Shares, at a per-share price, payable in cash, equal

**AMPLITUDE HEALTHCARE ACQUISITION CORPORATION**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2021**  
**(Unaudited)**

**NOTE 1. DESCRIPTION OF ORGANIZATION AND BUSINESS OPERATIONS (cont)**

to the aggregate amount then on deposit in the Trust Account including interest earned on the funds held in the Trust Account and not previously released to the Company to pay its tax obligations (less up to \$100,000 of interest to pay dissolution expenses), divided by the number of then outstanding Public Shares, which redemption will completely extinguish Public Stockholders' rights as stockholders (including the right to receive further liquidating distributions, if any), subject to applicable law, and (iii) as promptly as reasonably possible following such redemption, subject to the approval of the Company's remaining stockholders and the Company's board of directors, dissolve and liquidate, subject in each case to the Company's obligations under Delaware law to provide for claims of creditors and the requirements of other applicable law. There will be no redemption rights or liquidating distributions with respect to the Company's warrants, which will expire worthless if the Company fails to complete a Business Combination within the Combination Period.

The Initial Stockholders have agreed to waive their liquidation rights with respect to the Founder Shares if the Company fails to complete a Business Combination within the Combination Period. However, if the Initial Stockholders or any of their respective affiliates acquire Public Shares after the Initial Public Offering, such Public Shares will be entitled to liquidating distributions from the Trust Account if the Company fails to complete a Business Combination within the Combination Period. The underwriters have agreed to waive their rights to their deferred underwriting commission (see Note 6) held in the Trust Account in the event the Company does not complete a Business Combination within the Combination Period and, in such event, such amounts will be included with the other funds held in the Trust Account that will be available to fund the redemption of the Public Shares. In the event of such distribution, it is possible that the per share value of the assets remaining available for distribution will be less than the Initial Public Offering price per Unit (\$10.00).

In order to protect the amounts held in the Trust Account, the Sponsor has agreed to be liable to the Company if and to the extent any claims by a third party for services rendered or products sold to the Company, or a prospective target business with which the Company has discussed entering into a transaction agreement, reduce the amount of funds in the Trust Account to below (i) \$10.00 per Public Share or (ii) such lesser amount per Public Share held in the Trust Account as of the date of the liquidation of the Trust Account due to reductions in the value of the trust assets, in each case net of the interest which may be withdrawn to pay taxes. This liability will not apply with respect to any claims by a third party who executed a waiver of any and all rights to seek access to the Trust Account and except as to any claims under the Company's indemnity of the underwriters of the Initial Public Offering against certain liabilities, including liabilities under the Securities Act of 1933, as amended (the "Securities Act"). Moreover, in the event that an executed waiver is deemed to be unenforceable against a third party, the Sponsor will not be responsible to the extent of any liability for such third-party claims. The Company will seek to reduce the possibility that the Sponsor will have to indemnify the Trust Account due to claims of creditors by endeavoring to have all vendors, service providers (except the Company's independent registered public accounting firm), prospective target businesses or other entities with which the Company does business, execute agreements with the Company waiving any right, title, interest or claim of any kind in or to monies held in the Trust Account.

**Going Concern**

In connection with the Company's assessment of going concern considerations in accordance with Financial Accounting Standard Board's Accounting Standards Update ("ASU") 2014-15, "Disclosures of Uncertainties about an Entity's Ability to Continue as a Going Concern," the Company has until November 22, 2021 to consummate a Business Combination. It is uncertain that the Company will be able to consummate a Business Combination by this time. If a Business Combination is not consummated by this date, there will be a mandatory liquidation and subsequent dissolution of the Company. Management has determined that the mandatory liquidation, should a Business Combination not occur, and potential subsequent dissolution raises substantial doubt about the Company's ability to continue as a going concern. The Company intends to consummate a business combination by this date but there is no guarantee it will be able to do so. If the Business Combination is not consummated the Company will need to raise additional capital through loans or additional investments from its Sponsor, stockholders, officers,

**AMPLITUDE HEALTHCARE ACQUISITION CORPORATION**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2021**  
**(Unaudited)**

**NOTE 1. DESCRIPTION OF ORGANIZATION AND BUSINESS OPERATIONS (cont)**

directors, or third parties. If the Company is unable to raise additional capital, it may be required to take additional measures to conserve liquidity, which could include, but not necessarily be limited to, curtailing operations, suspending the pursuit of a potential transaction, and reducing overhead expenses. The Company cannot provide any assurance that new financing will be available to it on commercially acceptable terms, if at all. These conditions raise substantial doubt about the Company's ability to continue as a going concern through one year from the date of these financial statements if a Business Combination is not consummated. No adjustments have been made to the carrying amounts of assets or liabilities should the Company be required to liquidate after November 22, 2021.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information and in accordance with the instructions to Form 10-Q and Article 8 of Regulation S-X of the SEC. Certain information or footnote disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted, pursuant to the rules and regulations of the SEC for interim financial reporting. Accordingly, they do not include all the information and footnotes necessary for a complete presentation of financial position, results of operations, or cash flows. In the opinion of management, the accompanying unaudited condensed consolidated financial statements include all adjustments, consisting of a normal recurring nature, which are necessary for a fair presentation of the financial position, operating results and cash flows for the periods presented.

The accompanying unaudited condensed consolidated financial statements should be read in conjunction with Amendment No. 1 to the Company's Annual Report on Form 10-K/A for the year ended December 31, 2020 as filed with the SEC on May 24 2021, which contains the audited financial statements and notes thereto. The financial information as of December 31, 2020 is derived from the audited financial statements presented in Amendment No. 1 to the Company's Annual Report on Form 10-K/A for the year ended December 31, 2020. The interim results for the three and six months ended June 30, 2021 are not necessarily indicative of the results to be expected for the year ending December 31, 2021 or for any future periods.

**Emerging Growth Company**

The Company is an "emerging growth company," as defined in Section 2(a) of the Securities Act, as modified by the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"), and it may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies including, but not limited to, not being required to comply with the independent registered public accounting firm attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in its periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved.

Further, Section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Exchange Act) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but any such election to opt out is irrevocable. The Company has

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**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont)**

elected not to opt out of such extended transition period which means that when a standard is issued or revised and it has different application dates for public or private companies, the Company, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard. This may make comparison of the Company's financial statements with another public company which is neither an emerging growth company nor an emerging growth company which has opted out of using the extended transition period difficult or impossible because of the potential differences in accounting standards used.

**Principles of Consolidation**

The accompanying condensed consolidated financial statements include the accounts of the Company and its majority owned subsidiary where the Company has the ability to exercise control. All significant intercompany balances and transactions have been eliminated in consolidation. Activities in relation to the noncontrolling interest are not considered to be significant and are therefore not presented in the accompanying financial statements.

**Use of Estimates**

The preparation of condensed financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Making estimates requires management to exercise significant judgment. It is at least reasonably possible that the estimate of the effect of a condition, situation or set of circumstances that existed at the date of the financial statements, which management considered in formulating its estimate, could change in the near term due to one or more future events. One of the more significant accounting estimates included in these financial statements is the determination of the fair value of the warrant liability. Such estimates may be subject to change as more current information becomes available and, accordingly, the actual results could differ significantly from those estimates.

**Cash and Cash Equivalents**

The Company considers all short-term investments with an original maturity of three months or less when purchased to be cash equivalents. The Company did not have any cash equivalents as of June 30, 2021 and December 31, 2020.

**Marketable Securities Held in Trust Account**

The Company classifies its U.S. Treasury and equivalent securities as held-to-maturity in accordance with ASC Topic 320 "Investments — Debt and Equity Securities." Held-to-maturity securities are those securities which the Company has the ability and intent to hold until maturity. Held-to-maturity treasury securities are recorded at amortized cost on the accompanying condensed consolidated balance sheets and adjusted for the amortization or accretion of premiums or discounts.

**Warrant Liabilities**

The Company does not use derivative instruments to hedge exposures to cash flow, market, or foreign currency risks. The Company evaluates all of its financial instruments, including issued stock purchase warrants, to determine if such instruments are derivatives or contain features that qualify as embedded derivatives, pursuant to Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 480, "Distinguishing Liabilities

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**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont)**

from Equity” (“ASC 480”) and FASB ASC Topic 815, “Derivatives and Hedging” (“ASC 815”). The Company accounts for warrants as either equity-classified or liability-classified instruments based on an assessment of the warrant’s specific terms and applicable authoritative guidance in ASC 480 and ASC 815. The assessment considers whether the warrants are freestanding financial instruments pursuant to ASC 480, meet the definition of a liability pursuant to ASC 480, and whether the warrants meet all of the requirements for equity classification under ASC 815, including whether the warrants are indexed to the Company’s own common stock, among other conditions for equity classification. This assessment, which requires the use of professional judgment, is conducted at the time of warrant issuance and as of each subsequent quarterly period end date while the warrants are outstanding.

For issued or modified warrants that meet all of the criteria for equity classification, the warrants are required to be recorded as a component of additional paid-in capital at the time of issuance. For issued or modified warrants that do not meet all the criteria for equity classification, the warrants are required to be recorded at their initial fair value on the date of issuance, and each balance sheet date thereafter. Changes in the estimated fair value of the warrants are recognized as a non-cash gain or loss on the statements of operations. The fair value of the warrants was estimated using the public trading prices of the Public Warrants.

**Class A Common Stock Subject to Possible Redemption**

The Company accounts for its common stock subject to possible redemption in accordance with the guidance in ASC 480. Common stock subject to mandatory redemption is classified as a liability instrument and is measured at fair value. Conditionally redeemable common stock (including common stock that features redemption rights that is either within the control of the holder or subject to redemption upon the occurrence of uncertain events not solely within the Company’s control) is classified as temporary equity. At all other times, common stock is classified as stockholders’ equity. The Company’s common stock features certain redemption rights that are considered to be outside of the Company’s control and subject to occurrence of uncertain future events. Accordingly, at June 30, 2021 and December 31, 2020, the 8,129,010 and 7,936,156 shares of common stock subject to possible redemption, respectively, are presented as temporary equity, outside of the stockholders’ equity section of the Company’s condensed consolidated balance sheets.

**Offering Costs**

Offering costs consisted of legal, accounting, underwriting fees and other costs and expenses incurred through the Initial Public Offering that were directly related to the Initial Public Offering. Offering costs were allocated to the separable financial instruments issued in the Initial Public Offering based on a relative fair value basis, compared to total proceeds received. Offering costs associated with warrant liabilities were expensed as incurred in the condensed consolidated statements of operations. Offering costs associated with the Class A common stock issued were charged to stockholders’ equity upon the completion of the Initial Public Offering.

**Income Taxes**

The Company accounts for income taxes under ASC 740, “Income Taxes” (“ASC 740”). ASC 740 requires the recognition of deferred tax assets and liabilities for both the expected impact of differences between the financial statement and tax basis of assets and liabilities and for the expected future tax benefit to be derived from tax loss and tax credit carry forwards. ASC 740 additionally requires a valuation allowance to be established when it is more likely than not that all or a portion of deferred tax assets will not be realized.

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**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont)**

ASC Topic 740 prescribes a recognition threshold and a measurement attribute for the financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities. The Company recognizes accrued interest and penalties related to unrecognized tax benefits as income tax expense. There were no unrecognized tax benefits and no amounts accrued for interest and penalties as of June 30, 2021 and December 31, 2020. The Company is currently not aware of any issues under review that could result in significant payments, accruals or material deviation from its position. As of June 30, 2021 and December 31, 2020, the Company had a deferred tax asset of approximately \$329,000 and \$167,000, respectively, which had a full valuation allowance recorded against it, of approximately \$329,000 and \$167,000, respectively.

The Company's currently taxable income primarily consists of interest income on the Trust Account. The Company's general and administrative costs are generally considered start-up costs and are not currently deductible. During the three and six months ended June 30, 2021 and 2020, the Company recorded no income tax expense. The Company's effective tax rate for the three and six months ended June 30, 2021 differs from the expected income tax rate due primarily to permanent differences related to the change in the fair value of the warrant liability.

The Company may be subject to potential examination by federal, state and city taxing authorities in the areas of income taxes. These potential examinations may include questioning the timing and amount of deductions, the nexus of income among various tax jurisdictions and compliance with federal, state and city tax laws. The Company's management does not expect that the total amount of unrecognized tax benefits will materially change over the next twelve months. The Company is subject to income tax examinations by major taxing authorities since inception.

**Net income (Loss) per Common Share**

Net income (loss) per share is computed by dividing net income (loss) by the weighted average number of common shares outstanding for the period. The Company has not considered the effect of warrants sold in the Initial Public Offering and private placement to purchase 9,000,000 shares of Class A common stock in the calculation of diluted income per share, since the exercise of the warrants are contingent upon the occurrence of future events and the inclusion of such warrants would be anti-dilutive.

The Company's statements of operations include a presentation of income (loss) per share for common shares subject to possible redemption in a manner similar to the two-class method of income (loss) per share. Net income (loss) per common share, basic and diluted, for Class A redeemable common stock is calculated by dividing the interest income earned on the Trust Account, net of applicable franchise and income taxes, by the weighted average number of Class A redeemable common stock outstanding for the reporting period. Net loss per share, basic and diluted, for Class B non-redeemable common stock is calculated by dividing the net loss, adjusted for income attributable to Class A redeemable common stock, by the weighted average number of Class B non-redeemable common stock outstanding for the reporting period. Class B non-redeemable common stock includes the Founder Shares as these shares do not have any redemption features and do not participate in the income earned on the Trust Account.

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**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont)**

The following table reflects the calculation of basic and diluted net income (loss) per common share (in dollars, except per share amounts):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
<b>Class A common stock subject to possible redemption</b>				
Numerator: Earnings allocable to Class A common stock subject to possible redemption				
Interest earned on marketable securities held in Trust Account	\$ 2,498	\$ 44,307	\$ 4,971	\$ 369,655
Less: Income and Franchise Tax available to be withdrawn from the Trust Account	(2,498)	(44,307)	(4,971)	(369,655)
<b>Redeemable Net Earnings</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>
<b>Denominator: Weighted Average Redeemable Class A Common Stock</b>				
Redeemable Class A Common Stock, Basic and Diluted	10,000,000	10,000,000	10,000,000	10,000,000
<b>Earnings/Basic and Diluted Redeemable Class A Common Stock</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 0.02</b>
<b>Non-Redeemable Class B Common Stock</b>				
Numerator: Net Income minus Redeemable Net Earnings				
Net (Loss) Income	\$ (3,569,534)	\$ (3,432,059)	\$ 1,928,537	\$ (2,003,200)
Less: Redeemable Net Earnings	—	—	—	—
<b>Non-Redeemable Net (Loss) Income</b>	<b>\$ (3,569,534)</b>	<b>\$ (3,432,059)</b>	<b>\$ 1,928,537</b>	<b>\$ (2,003,200)</b>
<b>Denominator: Weighted Average Non-Redeemable Class B Common Stock</b>				
Non-Redeemable Class B Common Stock, Basic and Diluted	2,500,000	2,500,000	2,500,000	2,500,000
<b>Earnings (Loss)/Basic and Diluted Non-Redeemable Class B Common Stock</b>	<b>\$ (1.43)</b>	<b>\$ (1.37)</b>	<b>\$ 0.77</b>	<b>\$ (0.80)</b>

**Concentration of Credit Risk**

Financial instruments that potentially subject the Company to concentrations of credit risk consist of a cash account in a financial institution, which, at times, may exceed the Federal Depository Insurance Corporation coverage limits of \$250,000. At June 30, 2021 and December 31, 2020, the Company has not experienced losses on this account and management believes the Company is not exposed to significant risks on such account.

**Fair Value of Financial Instruments**

The fair value of the Company's assets and liabilities, which qualify as financial instruments under ASC Topic 820, "Fair Value Measurement," approximates the carrying amounts represented in the accompanying condensed consolidated balance sheets, primarily due to their short-term nature other than the warrant liabilities (see Note 8).

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**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont)**

**Fair Value Measurements**

Fair value is defined as the price that would be received for sale of an asset or paid for transfer of a liability, in an orderly transaction between market participants at the measurement date. GAAP establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). These tiers include:

- Level 1, defined as observable inputs such as quoted prices (unadjusted) for identical instruments in active markets;
- Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable such as quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in markets that are not active; and
- Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions, such as valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

In some circumstances, the inputs used to measure fair value might be categorized within different levels of the fair value hierarchy. In those instances, the fair value measurement is categorized in its entirety in the fair value hierarchy based on the lowest level input that is significant to the fair value measurement.

**Derivative Financial Instruments**

The Company evaluates its financial instruments to determine if such instruments are derivatives or contain features that qualify as embedded derivatives in accordance with ASC 815. For derivative financial instruments that are accounted for as liabilities, the derivative instrument is initially recorded at its fair value on the grant date and is then re-valued at each reporting date, with changes in the fair value reported in the statements of operations. The classification of derivative instruments, including whether such instruments should be recorded as liabilities or as equity, is evaluated at the end of each reporting period. Derivative liabilities are classified in the balance sheet as current or non-current based on whether or not net-cash settlement or conversion of the instrument could be required within 12 months of the balance sheet date.

**Recent Accounting Standards**

In August 2020, the FASB issued Accounting Standards Update (“ASU”) 2020-06, Debt — Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging — Contracts in Entity’s Own Equity (Subtopic 815-40) (“ASU 2020-06”) to simplify accounting for certain financial instruments. ASU 2020-06 eliminates the current models that require separation of beneficial conversion and cash conversion features from convertible instruments and simplifies the derivative scope exception guidance pertaining to equity classification of contracts in an entity’s own equity. The new standard also introduces additional disclosures for convertible debt and freestanding instruments that are indexed to and settled in an entity’s own equity. ASU 2020-06 amends the diluted earnings per share guidance, including the requirement to use the if-converted method for all convertible instruments. ASU 2020-06 is effective January 1, 2022 and should be applied on a full or modified retrospective basis, with early adoption permitted beginning on January 1, 2021. The Company adopted ASU 2020-06 effective January 1, 2021. The adoption of ASU 2020-06 did not have an impact on the Company’s condensed consolidated financial statements.

Management does not believe that any other recently issued, but not yet effective, accounting standards, if currently adopted, would have a material effect on the Company’s condensed consolidated financial statements.

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**NOTE 3. INITIAL PUBLIC OFFERING**

Pursuant to the Initial Public Offering, the Company sold 10,000,000 Units at a price of \$10.00 per Unit. Each Unit consists of one share of Class A common stock and one-half of one redeemable warrant (“Public Warrant”). Each whole Public Warrant will entitle the holder to purchase one share of Class A common stock at a price of \$11.50 per share, subject to adjustment (see Note 8).

**NOTE 4. PRIVATE PLACEMENT**

Simultaneously with the closing of the Initial Public Offering, the Sponsor purchased an aggregate of 4,000,000 Private Placement Warrants at a price of \$1.00 per Private Placement Warrant, for an aggregate purchase price of \$4,000,000. Each Private Placement Warrant is exercisable to purchase one share of Class A common stock at a price of \$11.50 per share. A portion of the proceeds from the Private Placement Warrants were added to the proceeds from the Initial Public Offering held in the Trust Account. If the Company does not complete a Business Combination within the Combination Period, the proceeds of the sale of the Private Placement Warrants will be used to fund the redemption of the Public Shares (subject to the requirements of applicable law), and the Private Placement Warrants will expire worthless. There will be no redemption rights or liquidating distributions from the Trust Account with respect to the Private Placement Warrants.

**NOTE 5. RELATED PARTY TRANSACTIONS**

**Founder Shares**

In August 2019, the Sponsor purchased 2,875,000 shares (the “Founder Shares”) of the Company’s Class B common stock for an aggregate consideration of \$25,000. The Founder Shares will automatically convert into Class A common stock upon consummation of a Business Combination on a one-for-one basis, subject to certain adjustments, as described in Note 7.

The Founder Shares included an aggregate of up to 375,000 shares subject to forfeiture to the extent that the underwriters’ over-allotment option was not exercised in full or in part, so that the Initial Stockholders would own, on an as-converted basis, 20% of the Company’s issued and outstanding shares after the Initial Public Offering (assuming the Initial Stockholders did not purchase any Public Shares in the Initial Public Offering). On January 6, 2020, the underwriters’ election to exercise their over-allotment option expired unexercised, resulting in the forfeiture of 375,000 shares. Accordingly, as of June 30, 2021 and December 31, 2020, there are 2,500,000 Founder Shares issued and outstanding.

The Initial Stockholders have agreed, subject to limited exceptions, not to transfer, assign or sell any of their Founder Shares until the earlier to occur of: (A) 180 days after the completion of a Business Combination or (B) subsequent to a Business Combination, the date on which the Company completes a liquidation, merger, capital stock exchange, reorganization or other similar transaction that results in all of the Company’s Public Stockholders having the right to exchange their shares of common stock for cash, securities or other property.

**Related Party Loans**

In addition, in order to finance transaction costs in connection with a Business Combination, the Sponsor or an affiliate of the Sponsor, or certain of the Company’s officers and directors may, but are not obligated to, loan the Company funds as may be required (the “Working Capital Loans”). If the Company completes a Business Combination, the Company would repay the Working Capital Loans out of the proceeds of the Trust Account released to the Company. Otherwise, the Working Capital Loans would be repaid only out of funds held outside the Trust Account. In the event that a Business Combination does not close, the Company may use a portion of proceeds held outside the Trust Account to repay the Working Capital Loans but no proceeds held in the Trust Account would be used to repay the Working Capital Loans. Except for the foregoing, the terms of such Working Capital Loans, if any, have not been determined and no written agreements exist with respect to such loans. The Working Capital

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**NOTE 5. RELATED PARTY TRANSACTIONS (cont)**

Loans would either be repaid upon consummation of a Business Combination, without interest, or, at the lender's discretion, up to \$1,500,000 of such Working Capital Loans may be convertible into warrants of the post Business Combination entity at a price of \$1.00 per warrant. The warrants would be identical to the Private Placement Warrants. As of June 30, 2021 and December 31, 2020, no Working Capital Loans were outstanding.

**Related Party Consulting Agreement**

On March 30, 2020, the Company entered into a consulting agreement with a relative of one of the members of the Company's board of directors. The consultant will provide the Company due diligence services related to potential acquisitions and, in return, receive a fee of \$600 per hour for services rendered. For the three and six months ended June 30, 2021 and 2020, \$0 and \$7,050, respectively, were incurred and paid under the agreement. There were no such fees for the three and six months ended June 30, 2021.

**Related Party Arrangement**

The Company has an arrangement with an entity, which is 45% owned by the Company's Chief Executive Officer, whereby it currently pays an aggregate of \$3,697 per month for office space. No written agreement currently exists, as such, the payments are on a month to month basis. For the three and six months ended June 30, 2021 and 2020, the Company incurred and paid \$11,091 and \$22,182 in fees for these services, respectively.

**Sponsor Support Agreement**

Concurrently with the execution of a business combination agreement (the "Business Combination Agreement") by and among the Company, Ample Merger Sub, Inc., a Delaware corporation and a wholly owned subsidiary of the Company ("Merger Sub") and Jasper Therapeutics, Inc., a Delaware corporation ("Jasper"), the Sponsor entered into a support agreement with the Company and Jasper, as described in Note 6.

**NOTE 6. COMMITMENTS AND CONTINGENCIES**

**Risks and Uncertainties**

Management continues to evaluate the impact of the COVID-19 pandemic on the industry and has concluded that while it is reasonably possible that the virus could have a negative effect on the Company's financial position, results of its operations and/or search for a target company, the specific impact is not readily determinable as of the date of these condensed consolidated financial statements. The condensed consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

**Registration Rights**

Pursuant to a registration rights agreement entered into on November 19, 2019, holders of the Founder Shares, Private Placement Warrants and warrants that may be issued upon conversion of Working Capital Loans (and any shares of Class A common stock issuable upon the exercise of the Private Placement Warrants and warrants that may be issued upon conversion of Working Capital Loans and upon conversion of the Founder Shares) are entitled to registration rights, requiring the Company to register such securities for resale (in the case of the Founder Shares, only after conversion to Class A common stock). The holders of the majority of these securities will be entitled to make up to three demands, excluding short form demands, that the Company register such securities. In addition, the holders have certain "piggy-back" registration rights with respect to registration statements filed subsequent to the completion of a Business Combination and rights to require the Company to register for resale such securities pursuant to Rule 415 under the Securities Act. The Company will bear the expenses incurred in connection with the filing of any such registration statements.

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**NOTE 6. COMMITMENTS AND CONTINGENCIES (cont)**

**Underwriting Agreement**

The underwriters were paid a cash underwriting discount of \$0.20 per Unit, or \$2,000,000 in the aggregate. One of the underwriters is entitled to a portion of a deferred fee of \$0.35 per Unit, or \$3,500,000 in the aggregate. Another portion of such amount will be paid to a third party that did not participate in the Initial Public Offering (but who is a member of FINRA) that is assisting the Company in consummating a Business Combination. The deferred fee will become payable from the amounts held in the Trust Account solely in the event that the Company completes a Business Combination, subject to the terms of the underwriting agreement and subsequent related agreements.

**Business Combination Agreement**

On May 5, 2021, the Company entered into the Business Combination Agreement. The Business Combination Agreement provides, among other things, that on the terms and subject to the conditions set forth therein, Merger Sub will merge with and into Jasper, with Jasper surviving as a wholly-owned subsidiary of the Company (the “Merger”). In connection with the closing of the transactions contemplated by the Business Combination Agreement (the “Proposed Business Combination”), the Company has commitments for PIPE financing of \$100.0 million which will be received in exchange for 10,000,000 Class A common shares of the Company. The consummation of the PIPE Financing is contingent upon, among other things, the closing of the Proposed Business Combination. The Business Combination Agreement and the Proposed Business Combination were approved by each of the board of directors of the Company and Jasper. Under the Business Combination Agreement, the obligations of each of Jasper and the Company to consummate the Proposed Business Combination are subject to the satisfaction or waiver of certain customary closing conditions of the respective parties, including, among others, the approval and adoption of the Business Combination Agreement and transactions contemplated thereby by the requisite vote of Jasper’s stockholders and the Company’s stockholders.

***The Business Combination***

In accordance with the terms and subject to the conditions of the Business Combination Agreement, at the effective time of the Merger (the “Effective Time”), (i) the outstanding common and preferred stock of Jasper will be automatically canceled, extinguished and converted into a number of shares of the Company’s voting common stock, par value \$0.0001 per share (the “Company New Voting Shares”) and, in certain circumstances, shares of the Company’s non-voting common stock, par value \$0.0001 per share (the “Company New Non-Voting Shares”) and together with the Company New Voting Shares, the “Company Shares”), based on an equity value of Jasper equal to \$275.0 million (the “Jasper Equity Value”); (ii) each outstanding vested and unvested option to purchase shares of Jasper common stock will be canceled in exchange for a comparable option to purchase Company New Voting Shares, based on the Jasper Equity Value; and (iii) each unvested award of restricted shares of Jasper common stock will be converted into a comparable right to receive restricted Company Shares, based on the Jasper Equity Value, in each of the foregoing cases, as described in the Business Combination Agreement. Upon closing of the Proposed Business Combination, the Company will change its name to “Jasper Therapeutics, Inc.” (“New Jasper”).

The Business Combination is expected to close in the third quarter of 2021, following the receipt of the required approval of the Company’s stockholders and the fulfillment of other customary closing conditions.

***Representations and Warranties; Covenants***

The parties to the Business Combination Agreement have agreed to customary representations and warranties for transactions of this type. In addition, the parties to the Business Combination Agreement agreed to be bound by certain customary covenants for transactions of this type, including, among others, covenants with respect to the conduct of Jasper, the Company and their respective subsidiaries during the period between execution of the Business Combination Agreement and the closing of the Proposed Business Combination. The representations, warranties, agreements and covenants of the parties set forth in the Business Combination Agreement will terminate

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**NOTE 6. COMMITMENTS AND CONTINGENCIES (cont)**

at the closing of the Proposed Business Combination, except for those covenants and agreements that, by their terms, contemplate performance after the closing of the Proposed Business Combination. Each of the parties to the Business Combination Agreement has agreed to use its reasonable best efforts to take or cause to be taken all actions and things necessary to consummate the Proposed Business Combination.

*Conditions to Closing*

Under the Business Combination Agreement, the obligations of each of Jasper and the Company to consummate the Proposed Business Combination are subject to the satisfaction or waiver of certain customary closing conditions of the respective parties, including, among others: (i) the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 and the rules and regulations promulgated thereunder relating to the Proposed Business Combination having been expired or been terminated; (ii) no order or law issued by any court of competent jurisdiction or other governmental entity or other legal restraint or prohibition preventing the consummation of the transactions contemplated by the Business Combination Agreement being in effect; (iii) the registration statement/proxy statement to be filed by the Company relating to the Business Combination Agreement and the Proposed Business Combination becoming effective in accordance with the provisions of the Securities Act, no stop order being issued by the SEC and remaining in effect with respect to the registration statement/proxy statement to be filed by the Company relating to the Business Combination Agreement and the Proposed Business Combination, and no proceeding seeking such a stop order being threatened or initiated by the SEC and remaining pending; (iv) the Company's initial listing application with Nasdaq in connection with the Proposed Business Combination having been approved (subject to notice of issuance) and, immediately following the Effective Time, the Company having satisfied any applicable initial and continuing listing requirements of Nasdaq, and the Company having not received any notice of non-compliance therewith that has not been cured, and Company New Voting Shares having been approved for listing on Nasdaq; (v) the approval and adoption of the Business Combination Agreement and transactions contemplated thereby by the requisite vote of Jasper's stockholders (the "Required Jasper Stockholder Vote") and the Company's stockholders (the "Required Company Stockholder Vote"); and (vi) after giving effect to the transactions contemplated by the Business Combination Agreement, the Company having net tangible assets of at least \$5,000,001 (as determined in accordance with Rule 3a51(g)(1) of the Exchange Act) upon consummation of the Proposed Business Combination.

The obligation of the Company to consummate the Proposed Business Combination is also subject to the satisfaction or waiver of certain other closing conditions, including, among others: (i) certain employees of Jasper having executed and delivered employment agreements to the Company; and (ii) the absence of a Jasper Material Adverse Effect (as defined in the Business Combination Agreement) since the date of the Proposed Business Combination that is continuing. The obligation of Jasper to consummate the Proposed Business Combination is also subject to the satisfaction or waiver of certain other closing conditions, including, among others, a minimum cash condition under which, as of the Effective Time and after distribution of the Trust Account pursuant to the Business Combination Agreement, the sum of (i) the aggregate cash proceeds available for release to the Company and Merger Sub from the Trust Account in connection with the transactions contemplated by the Business Combination Agreement (after giving effect to any Company stockholder redemptions) and (ii) the aggregate cash proceeds actually received by the Company and Merger Sub in respect of the PIPE Financing (as defined below), being in the aggregate at least \$130.0 million.

*Termination*

The Business Combination Agreement may be terminated under certain customary and limited circumstances at any time prior to the closing of the Proposed Business Combination, including, but not limited to, (i) by the mutual written consent of the Company and Jasper; (ii) by the Company, subject to certain exceptions, if any of the representations or warranties made by Jasper are not true and correct or if Jasper fails to perform any of its respective covenants or agreements under the Business Combination Agreement (including an obligation to

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consummate the closing of the Proposed Business Combination) such that certain conditions to the obligations of the Company could not be satisfied and the breach (or breaches) of such representations or warranties or failure (or failures) to perform such covenants or agreements is (or are) not cured or cannot be cured within the earlier of (A) thirty (30) days after written notice thereof, and (B) November 30, 2021 (the “Termination Date”); (iii) by Jasper, subject to certain exceptions, if any of the representations or warranties made by the Company or Merger Sub are not true and correct or if the Company or Merger Sub fail to perform any of their covenants or agreements under the Business Combination Agreement (including an obligation to consummate the closing of the Proposed Business Combination) such that the conditions to the obligations of Jasper could not be satisfied and the breach (or breaches) of such representations or warranties or failure (or failures) to perform such covenants or agreements is (or are) not cured or cannot be cured within the earlier of (A) thirty (30) days after written notice thereof, and (B) the Termination Date; (iv) by either the Company or Jasper, if the transactions contemplated by the Business Combination Agreement are not consummated on or prior to the Termination Date, unless the breach of any covenants or obligations under the Business Combination Agreement by the party seeking to terminate proximately caused the failure to consummate the transactions contemplated by the Business Combination Agreement; (v) by either the Company or Jasper, if (A) any governmental entity shall have issued an order or taken any other action permanently enjoining, restraining or otherwise prohibiting the transactions contemplated by the Business Combination Agreement and such order or other action shall have become final and nonappealable; or (B) if the Required Company Stockholder Vote is not obtained; and (vi) by the Company, if Jasper does not deliver, or cause to be delivered to the Company, the Jasper stockholder written consent or the Jasper Stockholder Support Agreements (as defined below) when required under the Business Combination Agreement.

If the Business Combination Agreement is validly terminated, none of the parties to the Business Combination Agreement will have any liability or any further obligation under the Business Combination Agreement, other than customary confidentiality obligations, except in the case of Willful Breach or Fraud (each, as defined in the Business Combination Agreement).

*Other Agreements*

The Business Combination Agreement contemplates the execution of various additional agreements and instruments, on or before the closing of the Proposed Business Combination, including, among others, the following:

**Sponsor Support Agreement**

Concurrently with the execution of the Business Combination Agreement, the Sponsor entered into a support agreement with the Company and Jasper (the “Sponsor Support Agreement”), pursuant to which the Sponsor has agreed to, among other things, (i) vote in favor of the Business Combination Agreement and the transactions contemplated thereby (including the Merger); (ii) vote against any Company Acquisition Proposal (as defined in the Business Combination Agreement) and certain other matters as set forth in the Sponsor Support Agreement; (iii) waive any adjustment to the conversion ratio set forth in the governing documents of the Company (whether resulting from the transactions contemplated by the Subscription Agreements (as defined below) or otherwise); (iv) be bound by certain transfer restrictions with respect to its shares in the Company prior to the closing of the Proposed Business Combination; (v) place into escrow certain of its shares in the Company (the “Sponsor Earnout Shares”), to be released as follows (A) fifty percent (50%) of the Sponsor Earnout Shares, if, during the period from and after the closing of the Proposed Business Combination until the third anniversary of the closing of the Proposed Business Combination (the “Earnout Period”) within any thirty (30) day consecutive Trading Day Period (as defined in the Sponsor Support Agreement) the VWAP (as defined in the Sponsor Support Agreement) of Company Shares is greater than or equal to \$15.00 and (B) fifty percent (50%) of the Sponsor Earnout Shares, if, during the Earnout Period, over any

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**NOTE 6. COMMITMENTS AND CONTINGENCIES (cont)**

twenty (20) Trading Days within any thirty (30) consecutive Trading Day period, the VWAP of the Company Shares is greater than or equal to \$18.00; and (vi) forfeit all private placement warrants owned by the Sponsor immediately prior to the closing of the Proposed Business Combination, in each case subject to the terms and conditions of the Sponsor Support Agreement. The Sponsor Support Agreement will terminate automatically upon the earlier of (a) a written agreement to terminate the Sponsor Support Agreement executed by the Sponsor, the Company and Jasper, (b) by written notice by either party to the other party after the date that is thirty (30) days after the Termination Date if the closing of the Proposed Business Combination has not occurred by that date, and (c) the termination of the Proposed Business Combination in accordance with its terms prior to the Effective Time. Unless the Sponsor Support Agreement is terminated in accordance with the foregoing, the Sponsor agrees not to effect a redemption of all or a portion of the Company's Class A common stock, as set forth in the Company's governing documents.

**PIPE Subscription Agreements**

Concurrently with the execution of the Business Combination Agreement, the Company entered into Subscription Agreements (the "Subscription Agreements") with each of the PIPE Investors (as defined in the Business Combination Agreement), pursuant to which the PIPE Investors have agreed to subscribe for and purchase, and the Company has agreed to issue and sell to the PIPE Investors, an aggregate of 10,000,000 Class A common shares of the Company at a price of \$10.00 per share, for aggregate gross proceeds of \$100.0 million (the "PIPE Financing"). The Class A common shares issued pursuant to the Subscription Agreements will not be registered under the Securities Act when issued. Such shares to be issued pursuant to the Subscription Agreements will be issued in reliance upon the exemption provided in Section 4(a)(2) of the Securities Act. The Company has granted the PIPE Investors certain registration rights in connection with the PIPE Financing. The consummation of the PIPE Financing is contingent upon, among other things, the closing of the Proposed Business Combination.

**Jasper Stockholder Support Agreements**

On May 5, 2021, certain stockholders of Jasper (collectively, the "Jasper Supporting Stockholders") duly executed and delivered to the Company transaction support agreements (collectively, the "Jasper Stockholder Support Agreements"), pursuant to which each Jasper Supporting Stockholder agreed to, among other things, support and vote in favor of the Business Combination Agreement and the transactions contemplated thereby (including the Proposed Business Combination), not to transfer his, her or its shares of Jasper common stock or preferred stock prior to the closing of the Proposed Business Combination, and to execute the Registration Rights Agreement (as defined below) prior to the closing of the Proposed Business Combination. The Jasper Stockholder Support Agreements terminate at the earlier of the Effective Time and the date the Business Combination Agreement is terminated in accordance with its terms. In addition, the Jasper Stockholder Support Agreement for one stockholder also terminates upon the earlier of (i) the Effective Time, (ii) the Termination Date set forth in the Business Combination Agreement, (iii) the date the Business Combination Agreement is terminated in accordance with its terms, (iv) the occurrence of certain liquidation events of the Company, (v) the time of a modification, amendment or waiver of the Business Combination Agreement without such stockholder's consent which decreases the form or proportion of the consideration to be paid to such stockholder, (vi) modification of the conditions to the consummation of the transaction which adversely affects in any material respect the stockholder or (vii) modification of the Termination Date set forth in the Business Combination Agreement.

**Amended and Restated Registration Rights Agreement**

The Business Combination Agreement contemplates that, at or prior to the closing of the Proposed Business Combination, the Company, the Sponsor and certain Jasper stockholders will enter into an Amended and Restated Registration Rights Agreement (the "Registration Rights Agreement"), pursuant to which, among other things, Sponsor and such Jasper stockholders (i) will agree not to, subject to certain exceptions set forth therein, effect any

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**NOTE 6. COMMITMENTS AND CONTINGENCIES (cont)**

sale or distribution of New Jasper equity securities held by them during the 180-day lock-up period described therein and (ii) will be granted certain registration rights with respect to their respective shares of common stock of New Jasper, in each case, subject to the terms and conditions set forth in the Registration Rights Agreement. The lock-up period described above will not apply to any shares acquired in the PIPE Financing.

**NOTE 7. STOCKHOLDERS' EQUITY**

**Preferred Stock** — The Company is authorized to issue 1,000,000 shares of preferred stock with a par value of \$0.0001 per share with such designations, voting and other rights and preferences as may be determined from time to time by the Company's board of directors. As of June 30, 2021 and December 31, 2020, there were no shares of preferred stock issued or outstanding.

**Class A Common Stock** — The Company is authorized to issue 100,000,000 shares of Class A common stock with a par value of \$0.0001 per share. Holders of Class A common stock are entitled to one vote for each share. As of June 30, 2021 and December 31, 2020, there were 1,870,990 and 2,063,844 shares of Class A common stock issued or outstanding, excluding 8,129,010 and 7,936,156 shares of Class A common stock subject to possible redemption, respectively.

**Class B Common Stock** — The Company is authorized to issue 10,000,000 shares of Class B common stock with a par value of \$0.0001 per share. Holders of Class B common stock are entitled to one vote for each share. As of June 30, 2021 and December 31, 2020, there were 2,500,000 shares of Class B common stock issued and outstanding.

Holders of Class B common stock will have the right to elect all of the Company's directors prior to a Business Combination. Holders of Class A common stock and Class B common stock will vote together as a single class on all other matters submitted to a vote of stockholders, except as required by law.

The shares of Class B common stock will automatically convert into shares of Class A common stock at the closing of a Business Combination on a one-for-one basis, subject to adjustment. In the case that additional shares of Class A common stock, or equity-linked securities, are issued or deemed issued in excess of the amounts offered in the Initial Public Offering and related to the closing of a Business Combination, the ratio at which shares of Class B common stock shall convert into shares of Class A common stock will be adjusted (unless the holders of a majority of the outstanding shares of Class B common stock agree to waive such adjustment with respect to any such issuance or deemed issuance) so that the number of shares of Class A common stock issuable upon conversion of all shares of Class B common stock will equal, in the aggregate, on an as-converted basis, 20% of the sum of the total number of all shares of common stock outstanding upon the completion of the Initial Public Offering plus all shares of Class A common stock and equity-linked securities issued or deemed issued in connection with a Business Combination (excluding any shares or equity-linked securities issued, or to be issued, to any seller in a Business Combination). Holders of Founder Shares may also elect to convert their shares of Class B common stock into an equal number of shares of Class A common stock, subject to adjustment as provided above, at any time.

**NOTE 8. WARRANT LIABILITIES**

Public Warrants may only be exercised for a whole number of shares. No fractional warrants will be issued upon separation of the Units and only whole warrants will trade. The Public Warrants will become exercisable on the later of (a) 30 days after the completion of a Business Combination or (b) 12 months from the closing of the Initial Public Offering. The Public Warrants will expire five years after the completion of a Business Combination or earlier upon redemption or liquidation.

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**NOTE 8. WARRANT LIABILITIES (cont)**

The Company will not be obligated to deliver any shares of Class A common stock pursuant to the exercise of a warrant and will have no obligation to settle such warrant exercise unless a registration statement under the Securities Act with respect to the shares of Class A common stock underlying the warrants is then effective and a prospectus relating thereto is current, subject to the Company satisfying its obligations with respect to registration. No warrant will be exercisable and the Company will not be obligated to issue any shares of Class A common stock upon exercise of a warrant unless Class A common stock issuable upon such warrant exercise has been registered, qualified or deemed to be exempt under the securities laws of the state of residence of the registered holder of the warrants.

The Company has agreed that as soon as practicable, but in no event later than 15 business days, after the closing of a Business Combination, the Company will use its best efforts to file, and within 60 business days following a Business Combination to have declared effective, a registration statement for the registration, under the Securities Act, of the shares of Class A common stock issuable upon exercise of the warrants. The Company will use its reasonable best efforts to maintain the effectiveness of such registration statement, and a current prospectus relating thereto, until the expiration of the warrants in accordance with the provisions of the warrant agreement. Notwithstanding the above, if the Class A common stock is at the time of any exercise of a warrant not listed on a national securities exchange such that it satisfies the definition of a “covered security” under Section 18(b)(1) of the Securities Act, the Company may, at its option, require holders of Public Warrants who exercise their warrants to do so on a “cashless basis” in accordance with Section 3(a)(9) of the Securities Act and, in the event the Company so elects, the Company will not be required to file or maintain in effect a registration statement, but will be required to use its best efforts to register or qualify the shares under applicable blue sky laws to the extent an exemption is not available.

Once the warrants become exercisable, the Company may redeem the Public Warrants:

- in whole and not in part;
- at a price of \$0.01 per warrant;
- upon not less than 30 days’ prior written notice of redemption to each warrant holder; and
- if, and only if, the reported last sale price of the Company’s Class A common stock equals or exceeds \$18.00 per share for any 20 trading days within a 30-trading day period ending three business days before the Company sends the notice of redemption to each warrant holder.

If and when the warrants become redeemable by the Company, the Company may exercise its redemption right even if it is unable to register or qualify the underlying securities for sale under all applicable state securities laws.

If the Company calls the Public Warrants for redemption, management will have the option to require all holders that wish to exercise the Public Warrants to do so on a “cashless basis,” as described in the warrant agreement. The exercise price and number of shares of Class A common stock issuable upon exercise of the warrants may be adjusted in certain circumstances including in the event of a stock dividend, or recapitalization, reorganization, merger or consolidation. However, the warrants will not be adjusted for issuance of Class A common stock at a price below its exercise price, except as discussed below. Additionally, in no event will the Company be required to net cash settle the warrants. If the Company is unable to complete a Business Combination within the Combination Period and the Company liquidates the funds held in the Trust Account, holders of warrants will not receive any of such funds with respect to their warrants, nor will they receive any distribution from the Company’s assets held outside of the Trust Account with the respect to such warrants. Accordingly, the warrants may expire worthless.

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**NOTE 8. WARRANT LIABILITIES (cont)**

In addition, if (x) the Company issues additional shares of Class A common stock or equity-linked securities for capital raising purposes in connection with the closing of a Business Combination at an issue price or effective issue price of less than \$9.20 per share of Class A common stock (with such issue price or effective issue price to be determined in good faith by the Company's board of directors and, in the case of any such issuance to the sponsor or its affiliates, without taking into account any Founder Shares held by the sponsor or such affiliates, as applicable, prior to such issuance) (the "Newly Issued Price"), (y) the aggregate gross proceeds from such issuances represent more than 60% of the total equity proceeds, and interest thereon, available for the funding of a Business Combination on the date of the consummation of a Business Combination (net of redemptions), and (z) the volume weighted average trading price of the Company's Class A common stock during the 20 trading day period starting on the trading day prior to the day on which the Company consummates a Business Combination (such price, the "Market Value") is below \$9.20 per share, then the exercise price of the warrants will be adjusted (to the nearest cent) to be equal to 115% of the higher of the Market Value and the Newly Issued Price, and the \$18.00 per share redemption trigger price will be adjusted (to the nearest cent) to be equal to 180% of the higher of the Market Value and the Newly Issued Price.

The Private Placement Warrants are identical to the Public Warrants underlying the Units sold in the Initial Public Offering, except that the Private Placement Warrants and the Class A common stock issuable upon the exercise of the Private Placement Warrants will not be transferable, assignable or saleable until 30 days after the completion of a Business Combination, subject to certain limited exceptions. Additionally, the Placement Warrants will be exercisable on a cashless basis and be non-redeemable so long as they are held by the initial purchasers or their permitted transferees. If the Private Placement Warrants are held by someone other than the initial purchasers or their permitted transferees, the Private Placement Warrants will be redeemable by the Company and exercisable by such holders on the same basis as the Public Warrants.

**NOTE 9. FAIR VALUE MEASUREMENTS**

The fair value of the Company's financial assets and liabilities reflects management's estimate of amounts that the Company would have received in connection with the sale of the assets or paid in connection with the transfer of the liabilities in an orderly transaction between market participants at the measurement date. In connection with measuring the fair value of its assets and liabilities, the Company seeks to maximize the use of observable inputs (market data obtained from independent sources) and to minimize the use of unobservable inputs (internal assumptions about how market participants would price assets and liabilities). The following fair value hierarchy is used to classify assets and liabilities based on the observable inputs and unobservable inputs used in order to value the assets and liabilities:

- Level 1: Quoted prices in active markets for identical assets or liabilities. An active market for an asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2: Observable inputs other than Level 1 inputs. Examples of Level 2 inputs include quoted prices in active markets for similar assets or liabilities and quoted prices for identical assets or liabilities in markets that are not active.
- Level 3: Unobservable inputs based on our assessment of the assumptions that market participants would use in pricing the asset or liability.

The Company classifies its U.S. Treasury and equivalent securities as held-to-maturity in accordance with ASC Topic 320 "Investments — Debt and Equity Securities." Held-to-maturity securities are those securities which the Company has the ability and intent to hold until maturity. Held-to-maturity treasury securities are recorded at amortized cost on the accompanying balance sheets and adjusted for the amortization or accretion of premiums or discounts.

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**NOTE 9. FAIR VALUE MEASUREMENTS (cont)**

At June 30, 2021 and December 31, 2020, assets held in the Trust Account were comprised of \$100,126,108 and \$100,339,379, respectively, in money market funds, which are invested in U.S. Treasury Securities. During the six months ended June 30, 2021 and 2020, the Company withdrew \$218,242 and \$108,214, respectively, of interest earned on the Trust Account to pay for its franchise and income tax obligations.

The following table presents information about the Company’s assets and liabilities that are measured at fair value on a recurring basis at June 30, 2021 and December 31, 2020 and indicates the fair value hierarchy of the valuation inputs the Company utilized to determine such fair value:

Description	Level	June 30, 2021	December 31, 2020
<b>Assets:</b>			
Marketable securities held in Trust Account – U.S. Treasury Securities Money Market Fund			
	1	\$ 100,126,108	\$ 100,339,379
<b>Liabilities:</b>			
Warrant liability – Public Warrants			
	1	5,750,000	7,250,000
Warrant liability – Private Placement Warrants			
	3	4,680,000	5,880,000

The Warrants were accounted for as liabilities in accordance with ASC 815-40 and are presented within warrant liabilities on the Company’s condensed consolidated balance sheets. The warrant liabilities are measured at fair value at inception and on a recurring basis, with changes in fair value presented within change in fair value of warrant liabilities in the condensed consolidated statements of operations.

The Private Warrants were initially valued using a Modified Black Scholes Option Pricing Model, which is considered to be a Level 3 fair value measurement. The Modified Black Scholes model’s primary unobservable input utilized in determining the fair value of the Private Warrants is the expected volatility of the common stock. The expected volatility as of the Initial Public Offering date was derived from observable public warrant pricing on comparable ‘blank-check’ companies without an identified target. The expected volatility as of subsequent valuation dates was implied from the Company’s own Public Warrant pricing. A Monte Carlo simulation methodology was used in estimating the fair value of the Public Warrants for periods where no observable traded price was available, using the same expected volatility as was used in measuring the fair value of the Private Placement Warrants. For periods subsequent to the detachment of the Public Warrants from the Units, the close price of the Public Warrant price was used as the fair value as of each relevant date.

The following table presents the quantitative information regarding Level 3 fair value measurements:

	June 30, 2021	December 31, 2020
Stock price	\$ 9.94	\$ 10.01
Term to initial business combination (in years)	0.25	0.75
Volatility	17.2%	20.0%
Risk-free rate	0.91%	0.47%
Dividend yield	0.0%	0.0%

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**NOTE 9. FAIR VALUE MEASUREMENTS (cont)**

The following table presents the changes in the fair value of Level 3 warrant liabilities for the three and six months ended June 30, 2021 and 2020:

	<b>Private Placement</b>	<b>Public</b>	<b>Level 3 Warrant Liabilities</b>
<b>Fair value as of December 31, 2020</b>	\$ 5,880,000	—	\$ 5,880,000
Change in fair value for the three months ended March 31, 2021	(2,560,000)	—	(2,560,000)
<b>Fair value as of March 31, 2021</b>	3,320,000	—	3,320,000
Change in fair value for the three months ended June 30, 2021	1,360,000	—	1,360,000
<b>Fair value as of June 30, 2021</b>	\$ 4,680,000	—	\$ 4,680,000

The change in fair value for the three and six months ended June 30, 2020 were (\$640,000) and \$1,400,000, respectively.

**NOTE 10. SUBSEQUENT EVENTS**

The Company evaluated subsequent events and transactions that occurred after the balance sheet date up to the date that the condensed consolidated financial statements were issued. Based upon this review, the Company did not identify any subsequent events that would have required adjustment or disclosure in the condensed consolidated financial statements.

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Board of Directors and Stockholders of  
Jasper Therapeutics, Inc.

***Opinion on the Financial Statements***

We have audited the accompanying balance sheets of Jasper Therapeutics, Inc. (the “Company”) as of December 31, 2020 and 2019, and the related statements of operations and comprehensive loss, of redeemable convertible preferred stock and stockholders’ deficit and of cash flows for the years then ended, including 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 as of December 31, 2020 and 2019, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

***Substantial Doubt about the Company’s Ability to Continue as a Going Concern***

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company has incurred losses from operations and negative cash flows since its inception that raise substantial doubt about its ability to continue as a going concern. Management’s plans in regard to these matters are also described in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

***Basis for Opinion***

These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these financial statements in accordance with the standards of the PCAOB and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers LLP  
San Jose, California  
June 7, 2021

We have served as the Company’s auditor since 2021.

**JASPER THERAPEUTICS, INC.**  
**BALANCE SHEETS**  
*(in thousands, except share and per share data)*

<b>Assets</b>	<b>December 31, 2019</b>	<b>December 31, 2020</b>
<b>Current assets:</b>		
Cash and cash equivalents	\$ 27,163	\$ 19,838
Other receivables	—	600
Prepaid expenses and other current assets	—	247
Total current assets	<u>27,163</u>	<u>20,685</u>
Property and equipment, net	—	693
Operating lease right-of-use assets, net	—	1,336
Restricted cash	—	345
Other non-current assets	48	298
Total assets	<u>\$ 27,211</u>	<u>\$ 23,357</u>
<b>Liabilities, Redeemable Convertible Preferred Stock and Stockholders' Deficit</b>		
<b>Current liabilities:</b>		
Accounts payable	\$ 623	\$ 1,417
Accrued expenses and other current liabilities	1,370	2,595
Total current liabilities	<u>1,993</u>	<u>4,012</u>
Derivative tranche liability	4,053	8,158
Non-current portion of operating lease liabilities	—	1,624
Other non-current liabilities	63	853
Total liabilities	<u>6,109</u>	<u>14,647</u>
<b>Commitments and contingencies (Note 9)</b>		
Redeemable convertible preferred stock: \$0.001 par value – 69,136,757 shares authorized at December 31, 2019 and 2020; 39,859,217 and 54,820,596 shares issued and outstanding at December 31, 2019 and 2020, respectively; liquidation value \$29,930 and \$41,165 at December 31, 2019 and 2020, respectively	25,836	43,840
<b>Stockholders' deficit</b>		
Common stock: \$0.001 par value – 177,841,414 shares authorized at December 31, 2019 and 2020; 9,544,882 and 9,812,035 shares issued and outstanding at December 31, 2019 and 2020, respectively	10	10
Additional paid-in capital	400	1,673
Accumulated deficit	<u>(5,144)</u>	<u>(36,813)</u>
Total stockholders' deficit	<u>(4,734)</u>	<u>(35,130)</u>
Total liabilities, redeemable convertible preferred stock and stockholders' deficit	<u>\$ 27,211</u>	<u>\$ 23,357</u>

The accompanying notes are an integral part of these financial statements.

**JASPER THERAPEUTICS, INC.**  
**STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**  
*(in thousands, except share and per share data)*

	Year Ended December 31, 2019	Year Ended December 31, 2020
Operating expenses		
Research and development	\$ 3,618	\$ 15,883
General and administrative	1,092	4,800
Total operating expenses	4,710	20,683
Loss from operations	(4,710)	(20,683)
Interest and other (expense) income, net	(533)	(111)
Change in fair value of derivative liability	256	(10,875)
Total other income (expense), net	(277)	(10,986)
Net loss and comprehensive loss	\$ (4,987)	\$ (31,669)
Net loss per share attributable to common stockholders, basic and diluted	\$ (1.11)	\$ (5.17)
Weighted-average shares used in computing net loss per share attributable to common stockholders, basic and diluted	4,510,978	6,125,897

The accompanying notes are an integral part of these financial statements.

**JASPER THERAPEUTICS, INC.**  
**STATEMENTS OF REDEEMABLE CONVERTIBLE PREFERRED**  
**STOCK AND STOCKHOLDERS' DEFICIT**  
*(in thousands, except share data)*

	Redeemable Convertible Preferred Stock		Common Stock		Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount			
<b>Balance as of January 1, 2019</b>	—	\$ —	8,000,000	\$ 8	\$ 32	\$ (157)	\$ (117)
Issuance of common stock upon exchange of convertible notes	—	—	1,544,882	2	356	—	358
Issuance of Series A – 2 redeemable convertible preferred stock to in exchange for license	100	862					
Issuance of Series A – 1 redeemable convertible preferred stock for cash, net of issuance costs of \$389 and tranche liability of \$4,309	37,309,218	23,318					
Issuance of Series A – 1 redeemable convertible preferred stock upon exchange of convertible notes	2,549,899	1,656					
Vesting of founders' restricted stock	—	—	—	—	6	—	6
Stock – based compensation expense	—	—	—	—	6	—	6
Net loss	—	—	—	—	—	(4,987)	(4,987)
<b>Balance as of December 31, 2019</b>	<u>39,859,217</u>	<u>25,836</u>	<u>9,544,882</u>	<u>10</u>	<u>400</u>	<u>(5,144)</u>	<u>(4,734)</u>
Issuance of common stock upon exercise of stock options	—	—	267,153	—	53	—	53
Issuance of Series A – 1 redeemable convertible preferred stock for cash	14,961,379	11,234	—	—	—	—	—
Settlement of the redeemable convertible preferred stock tranche liability	—	6,770	—	—	—	—	—
Vesting of founders' restricted stock	—	—	—	—	10	—	10
Stock – based compensation expense	—	—	—	—	1,210	—	1,210
Net loss	—	—	—	—	—	(31,669)	(31,669)
<b>Balance as of December 31, 2020</b>	<u>54,820,596</u>	<u>\$ 43,840</u>	<u>9,812,035</u>	<u>\$ 10</u>	<u>\$ 1,673</u>	<u>\$ (36,813)</u>	<u>\$ (35,130)</u>

The accompanying notes are an integral part of these financial statements.

**JASPER THERAPEUTICS, INC.**  
**STATEMENTS OF CASH FLOWS**  
*(in thousands)*

	<b>Year Ended December 31, 2019</b>	<b>Year Ended December 31, 2020</b>
<b>Cash flows from operating activities</b>		
Net loss	\$ (4,987)	\$ (31,669)
Adjustments to reconcile net loss to net cash used in operating activities		
Non-cash lease expense	—	21
Stock-based compensation expense	6	1,210
Change in fair value of derivative liability	(256)	10,875
Loss on extinguishment of convertible notes	478	—
License acquired in exchange for issuance of shares	862	—
Changes in operating assets and liabilities:		
Prepaid expenses and other current assets	11	(247)
Other non-current assets	(48)	(250)
Accounts payable	536	358
Accrued expenses and other current liabilities	1,405	1,225
Operating lease liability	—	10
Other non-current liabilities	24	200
Net cash used in operating activities	<u>(1,969)</u>	<u>(18,267)</u>
<b>Cash flows from financing activities</b>		
Proceeds from the issuance of convertible note, net of issuance costs	1,500	—
Proceeds from issuance of redeemable convertible preferred stock, net of issuance costs	27,627	11,234
Proceeds from issuance of common stock	1	—
Proceeds from exercise of common stock options	—	53
Net cash provided by financing activities	<u>29,128</u>	<u>11,287</u>
Net increase (decrease) in cash, cash equivalents and restricted cash	<u>27,159</u>	<u>(6,980)</u>
<b>Cash, cash equivalents and restricted cash</b>		
Cash, cash equivalents and restricted cash at beginning of the year	4	27,163
Cash, cash equivalents and restricted cash at end of the year	<u>\$ 27,163</u>	<u>\$ 20,183</u>
<b>Supplemental and non-cash items reconciliations:</b>		
Accounts payable and accrued expenses for purchases of property and equipment	\$ —	\$ 436
Right-of-use asset obtained in exchange for lease liabilities	\$ —	\$ 1,357
Non-cash leasehold improvements	\$ —	\$ 256
Recognition (settlement) of derivative tranche liability	\$ 4,309	\$ (6,770)
Vesting of founders' restricted stock	\$ 6	\$ 10
Letter of credit issued in connection with lease recognition	\$ —	\$ 345
License acquired in exchange for issuance of shares	\$ 862	\$ —

The accompanying notes are an integral part of these financial statements.

**JASPER THERAPEUTICS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1. ORGANIZATION AND DESCRIPTION OF BUSINESS**

***Description of Business***

Jasper Therapeutics, Inc. (“Jasper” or the “Company”) was incorporated in March 2018. The Company is a clinical-stage biotechnology company dedicated to enabling cures through hematopoietic stem cell transplants. The Company is focused on the development and commercialization of safer, more effective conditioning agents and stem cell grafts to allow for expanded use of curative therapy with stem cell transplantation and gene therapies. Its drug development pipeline includes multiple product candidates designed to improve stem cell transplants. The lead compound, JSP191, is in clinical development as a conditioning antibody that clears hematopoietic (blood and bone marrow) stem cells from bone marrow in patients undergoing hematopoietic cell transplantation. The Company is also developing engineered hematopoietic stem cell products. The Company is headquartered in Redwood City, California.

***Liquidity and Going Concern***

The Company has incurred significant losses and negative cash flows from operations since its inception. During the years ended December 31, 2019 and December 31, 2020, the Company incurred net losses of \$5.0 million and \$31.7 million, respectively. During the years ended December 31, 2019 and December 31, 2020, the Company had negative operating cash flows of \$2.0 million and \$18.3 million, respectively. As of December 31, 2020, the Company had an accumulated deficit of \$36.8 million.

The Company has historically financed its operations primarily through issuance of redeemable convertible preferred stock and convertible notes. The Company expects to continue to incur operating losses and negative cash flows from operations to support the development of its product candidates, for the expansion of its product portfolio and to continue its research and development activities, including preclinical studies and clinical trials. The Company’s activities are subject to significant risks and uncertainties, including completing requisite clinical activities to support regulatory approvals, market acceptance of the Company’s product candidates, if approved, as well as the timing and extent of spending on research and development.

The Company’s cash and cash equivalents of \$19.8 million as of December 31, 2020, in addition to \$10.7 million received in February 2021 upon the closing of the third tranche Series A-1 financing, are not sufficient for the Company to continue as a going concern for at least one year from the issuance date of these annual financial statements. Additional funds are necessary to maintain current operations and to continue research and development activities. The Company’s management plans to monitor expenses and raise additional capital through a combination of public and private equity, debt financings, strategic alliances, and licensing arrangements. The Company’s ability to access capital when needed is not assured and, if capital is not available to the Company when, and in the amounts, needed, the Company could be required to delay, scale back, or abandon some or all of its development programs and other operations, which could materially harm the Company’s business, financial condition and results of operations. These factors raise substantial doubt about the Company’s ability to continue as a going concern.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. The accompanying financial statements do not reflect any adjustments relating to the recoverability and reclassifications of assets and liabilities that might be necessary if the Company is unable to continue as a going concern.

***Coronavirus Pandemic***

In March 2020, the World Health Organization declared the global novel coronavirus disease 2019 (“COVID-19”) outbreak a pandemic. The ongoing COVID-19 pandemic may continue to affect the Company’s ability to initiate and complete preclinical and clinical studies, delay the initiation of its planned clinical trials or future clinical trials or the progress, enrollment in or completion of its ongoing clinical trials, impede regulatory activities, disrupt the supply chain and the manufacture or shipment of drug substances and finished drug products for its product candidates for use in its clinical trials, impair testing, monitoring, data collection and analysis and other related activities or have other adverse effects on the Company’s business, results of operations and financial

**JASPER THERAPEUTICS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1. ORGANIZATION AND DESCRIPTION OF BUSINESS (cont.)**

condition. In addition, the pandemic has caused substantial disruption in the financial markets and may adversely impact economies worldwide, both of which could result in adverse effects on the Company's business and operations and its ability to raise additional funds to support its operations.

The Company is following, and will continue to follow, recommendations from the U.S. Centers for Disease Control and Prevention as well as federal, state, and local governments regarding working-from-home practices for non-essential employees as well as return-to-work policies and procedures. The Company expects to continue to take actions as may be required or recommended by government authorities or as the Company determines are in the best interests of its employees and other business partners in light of the pandemic.

While the Company's operations to date have not been significantly impacted by the COVID-19 pandemic, it cannot at this time predict the specific extent, duration, or full impact that the COVID-19 pandemic will have on its business, financial condition and operations, including planned clinical trials and clinical development timelines. The Company experienced slower than anticipated patient enrollment in its SCID clinical trial due to reluctance of these immunocompromised patients to travel and undergo hospitalization during the pandemic. The Company may continue to experience interruptions to its clinical trials due to the COVID-19 pandemic. The impact of the COVID-19 pandemic on the Company's financial performance will depend on future developments, including the duration and spread of the pandemic, its impact on the Company's clinical trial enrollment, trial sites, contract research organizations ("CROs"), contract manufacturing organizations ("CMOs"), and other third parties with whom it does business, its impact on regulatory authorities and the Company's key scientific and management personnel, progress of vaccination and related governmental advisories and restrictions. These developments and the impact of the COVID-19 pandemic on the financial markets and the overall economy are highly uncertain and cannot be predicted. If the financial markets or the overall economy are impacted for an extended period, the Company's business may be materially adversely affected.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*****Basis of Presentation***

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP").

***Use of Estimates***

The preparation of financial statements in conformity with 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 income and expenses during the reporting periods. Significant estimates and assumptions made in the accompanying financial statements include but are not limited to the valuation of common and redeemable convertible preferred stock, fair value of derivative liability and the measurement of stock-based compensation. 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 materially differ from those estimates.

***Cash, Cash Equivalents, and Restricted Cash***

The following table provides a reconciliation of cash and restricted cash reported within the balance sheets that sum to the total amount shown in the statements of cash flows (in thousands):

	<b>December 31, 2019</b>	<b>December 31, 2020</b>
Cash and cash equivalents	\$ 27,163	\$ 19,838
Restricted cash	—	345
Total cash, cash equivalents and restricted cash	\$ 27,163	\$ 20,183

**JASPER THERAPEUTICS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

Cash and cash equivalents consist of checking bank accounts and investments in money market funds with an original maturity of three months or less at the time of purchase. The recorded carrying amount of cash and cash equivalents approximates their fair value. Restricted cash relates to the letter of credit secured in conjunction with the operating lease (Note 9).

***Concentrations of Credit Risk and Other Risks and Uncertainties***

The Company's cash and cash equivalents are maintained with financial institutions in the United States of America. Management believes that these financial institutions are financially sound. The Company has not experienced any losses on its cash and cash equivalents.

The Company is subject to risks common to companies in the development stage, including, but not limited to, development and regulatory approval of new product candidates, development of markets and distribution channels, dependence on key personnel, and the ability to obtain additional capital as needed to fund its product plans. To achieve profitable operations, the Company must successfully develop and obtain requisite regulatory approvals for, manufacture, and market its product candidates. There can be no assurance that any such product candidate can be developed and approved or manufactured at an acceptable cost and with appropriate performance characteristics, or that such product will be successfully marketed. These factors could have a material adverse effect on the Company's future financial results.

Products developed by the Company require approval from the FDA or other international regulatory agencies prior to commercial sales. There can be no assurance that the Company's future products will receive the necessary clearances. If the Company were denied such clearances or such clearances were delayed, it could have a materially adverse impact on the Company.

***Property and Equipment, Net***

Property and equipment, net is stated at cost less accumulated depreciation and amortization. Depreciation and amortization are recorded using the straight-line method over the estimated useful lives of the assets, generally 3 to 5 years. Leasehold improvements are amortized over the shorter of the estimated useful life of the asset or the remaining term of the lease. Upon the sale or retirement of assets, the cost and related accumulated depreciation are removed from the balance sheets and the resulting gain or loss is reflected in the statements of operations and comprehensive loss. Maintenance and repairs are charged to operations as incurred. As of December 31, 2020, the Company's property and equipment consisted of equipment of \$0.4 million and leasehold improvements of \$0.3 million.

***Impairment of Long-Lived Assets***

The Company reviews its long-lived assets for impairment, principally property and equipment, whenever events or changes in business circumstances indicate the carrying amount of an asset may not be fully recoverable. Recoverability of assets held and used is measured by comparing the carrying amount of an asset to future net cash flows expected to be generated by the asset. If the Company determines that the carrying value of long-lived assets may not be recoverable, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Fair value is determined through various valuation techniques, principally discounted cash flow models, to assess the fair values of long-lived assets. The Company did not record any impairment of long-lived assets during the year ended December 31, 2020.

***Leases***

The Company determines whether an arrangement is or contains a lease at the inception of the arrangement and whether such a lease is classified as a financing lease or operating lease at the commencement date of the lease. Leases with a term greater than one year are recognized on the balance sheet as operating right-of-use assets and non-current portion of operating lease liabilities. The Company elected not to recognize the right-of-use assets

**JASPER THERAPEUTICS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

and lease liabilities for leases with lease terms of 12 months or less (short-term leases). Lease liabilities and their corresponding right-of-use assets are recorded based on the present value of lease payments over the expected lease term. As the interest rate implicit in the Company's lease contracts is not readily determinable, the Company utilizes a collateralized incremental borrowing rate based on the information available at the commencement date to determine the present value of lease payments. Certain adjustments to the right-of-use asset may be required for items such as initial direct costs paid or incentives received and impairment charges if the Company determines the right-of-use asset is impaired.

The Company considers the lease term to be the noncancelable period that it has the right to use the underlying asset, together with any periods where it is reasonably certain it will exercise an option to extend (or not terminate) the lease. Periods covered by an option to extend (or not terminate) the lease in which the exercise of the option is controlled by the lessor are included in the lease term.

Rent expense for operating leases is recognized on a straight-line basis over the lease term and is presented in operating expenses on the statements of operations and comprehensive loss. The Company has elected to not separate lease and non-lease components for its real estate leases and instead accounts for each separate lease component and the non-lease components associated with that lease component as a single lease component. Variable lease payments are recognized as lease expense as incurred and are presented in operating expenses on the statements of operations and comprehensive loss.

The Company has no finance leases as of December 31, 2019 and 2020.

***Fair Value of Financial Instruments***

The Company's financial instruments consist of cash and cash equivalents, prepaid expenses and other current assets, accounts payable, accrued expenses and other current liabilities, derivative tranche liability and other non-current liabilities. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. The carrying amounts of cash, prepaid expenses and other current assets, accounts payable, accrued expenses and other current liabilities, approximate fair value due to their short-term maturities.

***Redeemable Convertible Preferred Stock***

The Company recorded all shares of redeemable convertible preferred stock at their respective fair values on the dates of issuance, net of issuance costs and bifurcated derivative tranche liability, which was bifurcated as it was concluded to be a freestanding financial instrument liability. The redeemable convertible preferred stock was recorded outside of permanent equity because while it was not mandatorily redeemable, in certain events considered not solely within the Company's control such as a merger, acquisition or sale of all or substantially all of the Company's assets (each, a deemed liquidation event), the redeemable convertible preferred stock became redeemable at the option of the holders of at least 55% of the then outstanding shares. The Company has not adjusted the carrying values of the redeemable convertible preferred stock to its liquidation preference because a deemed liquidation event obligating the Company to pay the liquidation preferences to holders of shares of redeemable convertible preferred stock was not probable of occurring.

***Derivative Tranche Liability***

The Company has determined that its obligation to issue additional shares of redeemable convertible preferred stock upon the occurrence of certain events, including a number of patients enrolled in the clinical trials, or the consent of the Company's Board of Directors (the "Board"), represents a freestanding financial instrument. The instrument is classified as a liability on the balance sheets and is subject to re-measurement at each balance sheet date and at the settlement date, any change in fair value is recognized in the statements of operations and comprehensive loss.

**JASPER THERAPEUTICS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

***Accrued Research and Development Expenses***

The Company has entered into various agreements with outsourced vendors, CMOs and CROs. The Company makes estimates of accrued research and development expenses as of each balance sheet date based on facts and circumstances known at that time. The Company periodically confirms the accuracy of its estimates with the service providers and makes adjustments, if necessary. Research and development accruals are estimated based on the level of services performed, progress of the studies, including the phase or completion of events, and contracted costs. The estimated costs of research and development services provided, but not yet invoiced, are included in accrued expenses on the balance sheets. If the actual timing of the performance of services or the level of effort varies from the original estimates, the Company will adjust the accrual accordingly. Payments made under these arrangements in advance of the performance of the related services are recorded as prepaid expenses and other current assets until the services are rendered. To date, there have been no material differences between estimates of such expenses and the amounts actually incurred.

***Research and Development***

The Company expenses research and development (“R&D”) expenses as incurred. R&D expenses consist primarily of personnel-related expenses, clinical studies, engineering and product development costs to support regulatory clearance of, and related regulatory compliance for, the Company’s products. Specifically, R&D expenses that support regulatory approval of, and related regulatory compliance for, the Company’s products include costs associated with the Company’s clinical studies, consisting of clinical trial design, clinical site establishment and management, clinical data management, travel expenses and the costs of products used for the Company’s clinical trials. Personnel-related expenses include salaries, benefits, bonuses and stock-based compensation of the Company’s R&D employees. Non personnel-related expenses include costs of outside consultants, testing, materials and supplies, and allocated overhead, including rent, equipment, depreciation and utilities. R&D expenses are charged to expense when incurred.

***General and Administrative***

General and administrative expenses include compensation, employee benefits and stock-based compensation for executive management, finance administration and human resources, allocated facility costs, professional service fees and other general overhead costs, including allocated depreciation to support the Company’s operations.

***Stock-Based Compensation***

The Company measures its stock-based awards made to employees and non-employees based on the estimated fair values of the awards as of the grant date using the Black-Scholes option-pricing model. The model requires management to make a number of assumptions, including common stock fair value, expected volatility, expected term, risk-free interest rate and expected dividend yield. The Company estimates common stock fair value using methodologies, approaches and assumptions consistent with the American Institute of Certified Public Accountants Accounting and Valuation Guide, *Valuation of Privately-Held-Company Equity Securities Issued as Compensation* (the “Practice Aid”). The Company expenses the fair value of its equity-based compensation awards on a straight-line basis over the requisite service period, which is the period in which the related services are received. The Company accounts for award forfeitures as they occur. The expense for stock-based awards with performance conditions is recognized when it is probable that a performance condition is met during the vesting period.

***Income Taxes***

The Company accounts for income taxes using the asset and liability method. The Company recognizes deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements or tax returns. Deferred tax assets and liabilities are determined based on the difference between the financial statements and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse.

**JASPER THERAPEUTICS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

In evaluating the ability to recover its deferred income tax assets, the Company considers all available positive and negative evidence, including its operating results, ongoing tax planning, and forecasts of future taxable income on a jurisdiction-by-jurisdiction basis. In the event the Company determines that it would be able to realize its deferred income tax assets in the future in excess of their net recorded amount, it would make an adjustment to the valuation allowance that would reduce the provision for income taxes. Conversely, if all or part of the net deferred tax assets are determined not to be realizable in the future, an adjustment to the valuation allowance would be charged to the provision of income taxes in the period when such determination is made. As of December 31, 2020 and 2019, the Company has recorded a full valuation allowance on its deferred tax assets.

Tax benefits related to uncertain tax positions are recognized when it is more likely than not that a tax position will be sustained during an audit. Interest and penalties related to unrecognized tax benefits are included within the provision for income tax.

***Foreign Currency Transactions***

Transactions denominated in foreign currencies are initially measured in U.S. dollars using the exchange rate on the date of the transaction. Foreign currency denominated monetary assets and liabilities are subsequently re-measured at the end of each reporting period using the exchange rate at that date, with the corresponding foreign currency transaction gain or loss recorded in the statements of operations and comprehensive loss and statements of cash flows. Nonmonetary assets and liabilities are not subsequently re-measured.

***Comprehensive loss***

Comprehensive loss represents all changes in stockholders' deficit except those resulting from distributions to stockholders. There have been no items qualifying as other comprehensive income (loss) during the years ended December 31, 2020 and 2019, and therefore, the Company's comprehensive loss was the same as its reported net loss.

***Net Loss per Share Attributable to Common Stockholders***

Basic net loss per common share is calculated by dividing the net loss attributable to common stockholders by the weighted-average number of shares of common stock outstanding during the period, without consideration of potentially dilutive securities. Diluted net loss per share is computed by dividing the net loss attributable to common stockholders by the weighted-average number of shares of common stock and potentially dilutive securities outstanding for the period. For purposes of the diluted net loss per share calculation, the redeemable convertible preferred stock, common stock subject to repurchase, and stock options are considered to be potentially dilutive securities.

Basic and diluted net loss attributable to common stockholders per share is presented in conformity with the two-class method required for participating securities as the redeemable convertible preferred stock is considered a participating security. The Company's participating securities do not have a contractual obligation to share in the Company's losses. As such, the net loss is attributed entirely to common stockholders. Because the Company has reported a net loss for the reporting periods presented, the diluted net loss per common share is the same as basic net loss per common share for those periods.

***Segment Reporting***

Operating segments are defined as components of an entity for which separate financial information is available and that is regularly reviewed by the Chief Operating Decision Maker ("CODM") in deciding how to allocate resources to an individual segment and in assessing performance. The Company's CODM is its Chief Executive Officer. The Company has determined it operates as a single operating and reportable segment, as the CODM does not assess the performance of individual product lines on measures of profit or loss, or asset-based metrics for purposes of making operating decisions, allocating resources, and evaluating financial performance. All long-lived assets are maintained in the United States.

**JASPER THERAPEUTICS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

***Recently Adopted Accounting Pronouncements***

In February 2016, the Financial Accounting Standards Board (the “FASB”) issued Accounting Standards Update (“ASU”) No. 2016-02, *Leases (Topic 842)*. In July 2018, the FASB issued ASU No. 2018-10, *Codification Improvements to Topic 842, Leases*, which provides clarification to ASU No. 2016-02. These ASUs (collectively, the new lease standard) require an entity to recognize an operating lease liability and an operating lease right-of-use asset on the balance sheets for operating leases with lease terms of more than twelve months. Lessor accounting is largely unchanged. For private companies, these ASUs are effective for fiscal years beginning after December 15, 2020, and interim periods within fiscal years beginning after December 15, 2021, and should be applied through a modified retrospective transition approach for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements. Early adoption is permitted. The Company adopted this ASU effective January 1, 2019. At the date of initial application, the Company elected the following practical expedients as permitted under Topic 842: (i) elected to account for lease and non-lease components as a single lease component, and (ii) elected the package of practical expedients permitted under the transition guidance, which allowed the Company to carryforward (1) its historical lease classification, (2) its assessment on whether a contract was or contains a lease, and (3) its initial direct costs for leases that existed prior to the date of adoption. The Company has elected not to use hindsight. The adoption of this ASU did not have a material effect on the Company’s financial statements and related disclosures.

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which amends existing guidance on the impairment of financial assets and adds an impairment model that is based on expected losses rather than incurred losses and requires an entity to recognize as an allowance its estimate of expected credit losses for its financial assets. An entity will apply this guidance through a cumulative-effect adjustment to retained earnings upon adoption (a modified-retrospective approach) while a prospective transition approach is required for debt securities for which an other-than-temporary impairment had been recognized before the effective date. For public business entities that meet the definition of a Securities and Exchange Commission (the “SEC”) filer, excluding entities eligible to be smaller reporting companies as defined by the SEC, adoption is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. For SEC filers that are eligible to be smaller reporting companies and for all other entities, this ASU is effective for fiscal years beginning after December 15, 2022, and interim periods within those fiscal years. Early adoption is permitted. The Company early adopted this ASU effective January 1, 2020. The adoption of this ASU did not have a material effect on the Company’s financial statements and related disclosures.

In July 2017, the FASB issued ASU No. 2017-11, *Earnings Per Share (Topic 260); Distinguishing Liabilities from Equity (Topic 480); Derivatives and Hedging (Topic 815): (Part I) Accounting for Certain Financial Instruments with Down Round Features, (Part II) Replacement of the Indefinite Deferral for Mandatorily Redeemable Financial Instruments of Certain Nonpublic Entities and Certain Mandatorily Redeemable Noncontrolling Interests with a Scope Exception*. This ASU simplifies the accounting for certain financial instruments with down round features, a provision in an equity-linked financial instrument (or embedded feature) that provides a downward adjustment of the current exercise price based on the price of future equity offerings. Down round features are common in warrants, preferred shares and convertible debt instruments issued by private companies and early-stage public companies. This update requires companies to disregard the down round feature when assessing whether the instrument is indexed to its own stock, for purposes of determining liability or equity classification. The amendments in Part I should be applied (1) retrospectively to outstanding financial instruments with a down round feature by means of a cumulative-effect adjustment to the balance sheet as of the beginning of the first fiscal year and interim periods; and (2) retrospectively to outstanding financial instruments with a down round feature for each prior reporting period presented. The amendments in Part II do not require any transition guidance because those amendments do not have an accounting effect. The Company adopted this ASU effective January 1, 2019. The adoption of this ASU did not have a material effect on the Company’s financial statements and related disclosures.

**JASPER THERAPEUTICS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

In February 2018, the FASB issued ASU No. 2018-02, *Income Statement-Reporting Comprehensive Income (Topic 220)*. The standard update allows for a reclassification from accumulated other comprehensive income to retained earnings for stranded tax effects resulting from the Tax Cuts and Jobs Act of 2017 (the “Tax Act”). Consequently, the ASU 2018-02 eliminates the stranded tax effects resulting from the Tax Act. The new standard is effective for fiscal years and interim periods beginning after December 15, 2018. Early adoption is permitted, including adoption in any interim period for reporting periods for which financial statements have not yet been issued. The new standard should be applied either in the period of adoption or retrospectively to each period (or periods) in which the effect of the change in the U.S. federal corporate income tax rate in the Tax Act is recognized. The Company adopted the new standard on January 1, 2019. As the Company did not have other comprehensive income (loss), the adoption of this ASU did not have an effect on the Company’s financial statements and related disclosures.

In March 2018, the FASB issued ASU No. 2018-05, *Income Taxes (Topic 740) — Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 118*. This ASU amends ASC 740, Income Taxes, to provide guidance on accounting for the tax effects of the Tax Cuts and Jobs Act (the “Tax Act”) pursuant to Staff Accounting Bulletin No. 118, which allows companies to complete the accounting under ASC 740 within a one-year measurement period from the Tax Act enactment date. This ASU was effective upon issuance, and the adoption of this ASU did not have an effect on the Company’s financial statements and related disclosures.

In June 2018, the FASB issued ASU No. 2018-07, *Compensation — Stock Compensation (Topic 718): Improvements to Non-employee Share-Based Payment Accounting*, which expands the scope of Topic 718 to include all share-based payment transactions for acquiring goods and services from nonemployees and simplifies the accounting for nonemployee share-based payment transactions. The accounting for share-based payments to nonemployees and employees will be substantially aligned because of this update. This ASU specifies that Topic 718 applies to all share-based payment transactions in which the grantor acquires goods and services to be used or consumed in its own operations by issuing share-based payment awards. This ASU also clarifies that Topic 718 does not apply to share-based payments used to effectively provide (1) financing to the issuer or (2) awards granted in conjunction with selling goods or services to customers as part of a contract accounted for under Topic 606. The transition method provided by ASU No. 2018-07 is a modified retrospective basis, which recognizes a cumulative-effect adjustment to the opening balance of retained earnings in the period of adoption. For private companies, this ASU is effective for fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020. Early adoption is permitted but may take place no earlier than a company’s adoption date of Topic 606, Revenue from Contracts with Customers. The Company adopted this ASU effective January 1, 2019. The adoption of this ASU did not have a material effect on the Company’s financial statements and related disclosures.

In August 2018, the FASB issued ASU No. 2018-13, *Fair Value Measurement (Topic 820), Disclosure Framework-Changes to the Disclosure Requirements for Fair Value Measurement*. This ASU amends the disclosure requirement in ASC Topic 820, Fair Value Measurement, by adding, changing, or removing certain disclosures. It applies to all entities that are required under this guidance to provide disclosure about recurring or nonrecurring fair value measurements. This ASU is effective for all entities for fiscal years beginning after December 15, 2019, and interim periods within those fiscal years. Early adoption is permitted. The Company adopted this ASU effective January 1, 2020. The adoption of this ASU did not have a material effect on the Company’s financial statements and related disclosures.

***New Accounting Pronouncements Not Yet Adopted***

In December 2019, the FASB issued ASU 2019-12, *Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes*, which removes certain exceptions to the general principles in Topic 740 and improves consistent application of and simplifies U.S. GAAP for other areas of Topic 740 by clarifying and amending existing guidance. For private companies, this ASU is effective for fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. Early adoption is permitted. The Company is currently evaluating the impact of this guidance on its financial statements.

**JASPER THERAPEUTICS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

In March 2020, the FASB issued ASU No. 2020-04, *Reference Rate Reform (Topic 848)* (“ASU 2020-04”). The amendments in ASU 2020-04 provide optional expedients and exceptions for applying U.S. GAAP to contracts, hedging relationships, and other transactions affected by reference rate reform if certain criteria are met. The amendments in this ASU are effective for all entities as of March 12, 2020 through December 31, 2022. An entity may elect to apply the amendments for contract modifications by Topic or Industry Subtopic as of any date from the beginning an interim period that includes or is subsequent to March 12, 2020, or prospectively from the date that the financial statements are available to be issued. Once elected for a Topic or an Industry Subtopic, the amendments must be applied prospectively for all eligible contract modifications for that Topic or Industry Subtopic. The Company is currently evaluating the impact of the adoption of this ASU on the Company’s financial statements and related disclosures.

In August 2020, the FASB issued ASU 2020-06, *Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging-Contracts in Entity’s Own Equity (Subtopic 815-40)*. This ASU simplifies the accounting for certain financial instruments with characteristics of liabilities and equity, including convertible instruments and contracts on an entity’s own equity. Specifically, the ASU removes: i) major separation models required under U.S. GAAP and ii) certain settlement conditions that are required for equity contracts to qualify for the derivative scope exception, which will permit more equity contract to qualify for the exception. For public companies, this ASU is effective for interim and annual reporting periods beginning after December 15, 2021. For all other entities, the amendments are effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2022. Early adoption is permitted. The Company is currently evaluating the impact of the adoption of this ASU on the Company’s financial statements and related disclosures.

**NOTE 3. FAIR VALUE MEASUREMENTS**

The Company measures certain financial assets and liabilities at fair value on a recurring basis. Fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or a liability. A three-tier fair value hierarchy is established as a basis for considering such assumptions and for inputs used in the valuation methodologies in measuring fair value:

- Level 1 — Inputs are unadjusted, quoted prices in active markets for identical assets or liabilities at the measurement date;
- Level 2 — Inputs are observable, unadjusted quoted prices in active markets for similar assets or liabilities, unadjusted quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the related assets or liabilities; and
- Level 3 — Unobservable inputs that are significant to the measurement of the fair value of the assets or liabilities that are supported by little or no market data.

In determining fair value, the Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible as well as considers counterparty credit risk in its assessment of fair value.

Assets and liabilities measured at fair value are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Company’s assessment of the significance of a particular input to the fair value measurement in its entirety requires management to make judgments and consider factors specific to the asset or liability.

**JASPER THERAPEUTICS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 3. FAIR VALUE MEASUREMENTS (cont.)**

The fair value of Level 1 securities is determined using quoted prices in active markets for identical assets. Level 1 securities consist of highly liquid money market funds. In addition, restricted cash collateralized by money market funds is a financial asset measured at fair value and is a Level 1 financial instrument under the fair value hierarchy.

Financial assets and liabilities are considered Level 2 when their fair values are determined using inputs that are observable in the market or can be derived principally from or corroborated by observable market data, such as pricing for similar securities, recently executed transactions, cash flow models with yield curves, and benchmark securities. In addition, Level 2 financial instruments are valued using comparisons to like-kind financial instruments and models that use readily observable market data as their basis. The Company had no financial instruments classified at Level 2 as of December 31, 2019 and 2020.

Financial assets and liabilities are considered Level 3 when their fair values are determined using pricing models, discounted cash flow methodologies or similar techniques and at least one significant model assumption or input is unobservable. Level 3 liabilities that are measured at fair value on a recurring basis include restricted stock liability and derivative tranche liability.

During the period presented, the Company has not changed the manner in which it values liabilities that are measured at estimated fair value using Level 3 inputs. There were no transfers within the hierarchy during the years ended December 31, 2020 and 2019.

The following table sets forth the fair value of the Company's financial assets and liabilities measured on a recurring basis by level within the fair value hierarchy (in thousands):

	<b>December 31, 2019</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial liabilities</b>				
Derivative tranche liability	\$ —	\$ —	\$ 4,053	\$ 4,053
<b>Total fair value of liabilities</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 4,053</b>	<b>\$ 4,053</b>
	<b>December 31, 2020</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial assets</b>				
Money market funds	\$ 18,778	\$ —	\$ —	\$ 18,778
<b>Total fair value of assets</b>	<b>\$ 18,778</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 18,778</b>
<b>Financial liabilities</b>				
Derivative tranche liability	\$ —	\$ —	\$ 8,158	\$ 8,158
<b>Total fair value of liabilities</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 8,158</b>	<b>\$ 8,158</b>

The following table sets forth a summary of the changes in the fair value of the Company's Level 3 financial liabilities (in thousands):

	<b>December 31, 2019</b>	<b>December 31, 2020</b>
<b>Derivative tranche liability</b>		
Fair value as of January 1	\$ —	\$ 4,053
Initial fair value of derivative instrument	4,309	—
Change in fair value included in other income (expense), net	(256)	10,875
Settlement of obligation	—	(6,770)
Fair value as of December 31	<u>\$ 4,053</u>	<u>\$ 8,158</u>

**JASPER THERAPEUTICS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 3. FAIR VALUE MEASUREMENTS (cont.)**

The redeemable convertible preferred stock tranche liability is measured using the option pricing method by estimating the value using the Black-Scholes model. The significant inputs used in the Black-Scholes model includes the fair value of the redeemable convertible preferred stock, the risk-free interest rate, the expected volatility and the expected term when each tranche will be settled.

The following table presents quantitative information about the inputs and valuation methodologies used for the Company's fair value measurements classified in Level 3 of the fair value hierarchy at December 31, 2019:

	Fair value (in thousands)	Valuation methodology	Significant unobservable input	Weighted average
Derivative tranche liability	\$ 4,053	Black – Scholes	Expected term (in years)	1.00
			Expected volatility	80.00%
			Risk-free interest rate	1.59%
			Expected dividend yield	0.00%

The following table presents quantitative information about the inputs and valuation methodologies used for the Company's fair value measurements classified in Level 3 of the fair value hierarchy at December 31, 2020:

	Fair value (in thousands)	Valuation methodology	Significant unobservable input	Weighted average
Derivative tranche liability	\$ 8,158	Black – Scholes	Expected term (in years)	0.16
			Expected volatility	47.02%
			Risk-free interest rate	0.08%
			Expected dividend yield	0.00%

**NOTE 4. BALANCE SHEET COMPONENTS**

***Accrued Expenses and Other Current Liabilities***

The following table summarizes the details of accrued expenses and other current liabilities as of the dates set forth below (in thousands):

	December 31, 2019	December 31, 2020
CMO accrued expenses	\$ 63	\$ 925
Accrued employee and related compensation expenses	76	783
License option liability, current	—	400
Research and development accrued expenses	1,231	338
Accrued tax liabilities	—	90
Other	—	59
	<u>\$ 1,370</u>	<u>\$ 2,595</u>

***Other non-current liabilities***

The following table summarizes the details of other non-current liabilities as of the dates set forth below (in thousands):

	December 31, 2019	December 31, 2020
CIRM grant liability	\$ —	\$ 600
License option liability, non-current	—	200
Unvested founders' common stock liability	63	53
	<u>\$ 63</u>	<u>\$ 853</u>

**JASPER THERAPEUTICS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 5. CIRM GRANT**

In November 2020, California Institute for Regenerative Medicine (“CIRM”) awarded the Company \$2.3 million in support of the research project related to a monoclonal antibody that depletes blood stem cells and enables chemotherapy-free transplants. The award is payable to the Company upon achievement of milestones over the next three years that are primarily based on patients’ enrollment to the Company’s clinical trials. Funds received under this grant may only be used for allowable project costs specifically identified with the CIRM-funded project. Such costs can include but are not limited to salary for personnel, itemized supplies, consultants, and itemized clinical study costs. Under the terms of the grant, both CIRM and the Company will co-fund the research project and the amount of the Company’s co-funding requirement is predetermined as a part of the award. Under the terms of the CIRM grant, the Company is obligated to pay royalties and licensing fees based on a 0.1% of net sales of CIRM-funded product candidates or CIRM-funded technology per \$1.0 million of CIRM grant. As an alternative to revenue sharing, the Company has the option to convert the award to a loan. In the event the Company exercises its right to convert the award to a loan, it would be obligated to repay the loan within ten business days of making such election. Repayment amounts vary dependent on when the award is converted to a loan, ranging from 60% of the award granted to amounts received plus interest at the rate of the three-month LIBOR rate plus 25% per annum. Since the Company may be required to repay some or all of the amounts awarded by CIRM, the Company accounted for this award as a liability. Given the uncertainty in amounts due upon repayment, the Company has recorded amounts received without any discount or interest recorded, upon determination of amounts that would become due, the Company will adjust accordingly. As of December 31, 2020, the Company had recorded \$0.6 million in other receivables for a milestone that was met and \$0.6 million in other long-term liabilities related to this grant. The Company received \$0.1 million and \$0.5 million from CIRM in January and March 2021, respectively.

**NOTE 6. SIGNIFICANT AGREEMENTS**

***Amgen License Agreement***

On November 21, 2019, the Company entered into a license agreement with Amgen Inc. (“Amgen”) pursuant to which the Company obtained an exclusive, sublicensable license for certain patents, data, and non-data know-how related to Amgen’s proprietary monoclonal antibody known as AMG191, as renamed to JSP191 (“JSP191”). Concurrently with the execution of the license agreement, Amgen assigned to the Company its rights and obligations under the Investigator Sponsored Research Agreement (“ISRA”) previously entered into in June 2013 between Amgen and The Board of Trustees of the Leland Stanford Junior University (“Stanford”) related to the study of JSP191.

Under the ISRA, the Company was provided an option to negotiate a definitive license with Stanford for rights to certain Stanford intellectual property (“IP”) related to the study of JSP191 in exchange for an option exercise fee of \$1.0 million, payable over a two-year period (the “Option”). There are no other fees due under the ISRA. The Company exercised the Option in June 2020, and the definitive license with Stanford was executed in March 2021 (see Note 16). Upon exercise of the option, the \$1.0 million option exercise fee was recognized as research and development cost. As of December 31, 2020, the Company had paid \$0.4 million of the option exercise fee and had accrued \$0.4 million and \$0.2 million as current and noncurrent liabilities, respectively. In June 2020, the Company and Stanford agreed to transfer the Investigational New Drug Application (“IND”) and control of the study related to this ISRA to the Company.

As consideration for the rights granted to the Company under the license agreement with Amgen, the Company issued Amgen 100 shares of the Company’s Series A-2 redeemable convertible preferred stock as of November 21, 2019, the fair value of which totaled \$0.9 million. The acquisition of the exclusive license, including patent rights and know-how was accounted for as an asset acquisition. As the acquired technology did not have an alternative use for accounting purposes, the total consideration of \$0.9 million was recorded as research and development expense in the statements of operations and comprehensive loss for the year ended December 31, 2019. The fair value of the Series A-2 shares was estimated using the valuation performed by the Company in connection with Series A-1 financing and equity fair value was allocated to each outstanding class of equity securities using the option pricing model.

**JASPER THERAPEUTICS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 6. SIGNIFICANT AGREEMENTS (cont.)**

The Amgen license agreement terminates on a product by product and country by country basis on the latest to occur of (i) expiration of the last valid claim of a licensed patent that covers the sale or manufacture of the applicable licensed product in such country, (ii) expiration of any period of regulatory exclusivity granted with respect to such licensed product in such country or (iii) ten years after the first commercial sale of such licensed product in a country.

**NOTE 7. CONVERTIBLE PROMISSORY NOTES**

On March 27, 2019, the Company entered into a Note Purchase Agreement with two investors to issue convertible promissory notes (the "Notes") for aggregate proceeds of \$1.5 million bearing interest at 6% per annum. Actual closings occurred on March 27, 2019, June 6, 2019, July 24, 2019 and September 11, 2019. The Notes included a conversion option to acquire Series A-1 redeemable convertible preferred stock at 20% discount of the per share price paid in such financing by other investors upon the closing of next round of financing on or prior March 29, 2020 and a change of control payment equal to (a) the outstanding principal amount of the Note plus any unpaid accrued interest on the original principal, plus (b) a repayment premium equal to 150% of the outstanding principal amount of the Note, and the payment of principal and accrued interest upon the event of default, as defined in the Note. The conversion option and change of control options were identified as embedded derivatives that required bifurcation. The derivatives were measured at fair value with changes recorded in the statements of operations and comprehensive loss. The derivatives were settled when the Notes were converted and recognized together with extinguishment loss in the Company's statements of operations and comprehensive loss.

On November 21, 2019, the Notes and accrued interest were converted into an aggregate of 2,549,899 shares of Series A-1 redeemable convertible preferred stock at the 20% discounted per share price. The Board approved and the Company issued to investors 1,544,882 shares of the Series A common stock as an incentive upon the Notes conversion. The Company recognized loss on the conversion and extinguishment of the Notes of \$0.5 million in interest and other (expense) income, net for the year ended December 31, 2019.

**NOTE 8. DERIVATIVE TRANCHE LIABILITY**

On November 21, 2019, the Company entered into a Series A purchase agreement to issue and sell shares of Series A-1 redeemable convertible preferred stock at the initial closing (refer to Note 10 below). The Company determined that the obligation to issue additional shares of Series A-1 redeemable convertible preferred stock at the milestone closing at any time on or prior December 30, 2020 was a freestanding financial instrument that is required to be accounted as a liability initially recorded and subsequently re-measured at fair value until such instrument is exercised or expires. The milestone closing liability was initially recorded at estimated fair value of \$4.3 million.

On September 3, 2020, the Board amended the Series A-1 purchase agreement to split the milestone closing to two tranches, revised acceptable timing of the existing milestone closing and added terms of the second milestone closing to occur on or prior to April 15, 2021. The Company performed a fair value assessment and re-measured derivative tranche liability at fair value on the amendment date. The loss from re-measurement of the derivative tranche liability was recorded as other expense in the statements of operations and comprehensive loss for the year ended December 31, 2020.

The first milestone closing liability was re-measured at fair value of \$6.8 million upon its settlement in November 2020, when the Company issued 14,961,379 shares of Series A-1 redeemable convertible preferred stock. As of December 31, 2020, the second milestone closing of an estimated fair value of \$8.2 million was outstanding. The Company recorded \$0.3 million gain and \$10.9 million loss from the re-measurement of the derivative tranche liability in its statements of operations and comprehensive loss during the years ended December 31, 2019 and 2020, respectively. The second milestone closing occurred in February 2021 (refer to Note 16).

**JASPER THERAPEUTICS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 9. COMMITMENTS AND CONTINGENCIES**

***Operating Leases***

In August 2020, the Company entered into a 68-month operating lease for laboratory and office space in Redwood City, California, with a lease commencement date in September 2020. In conjunction with signing the lease, the Company secured a letter of credit in favor of the lessor in the amount of \$0.3 million. The funds related to this letter of credit are presented as restricted cash on the Company's balance sheets. The lease agreement includes an escalation clause for increased base rent and a renewal provision allowing the Company to extend this lease for an additional 60 months at the prevailing rental rate, which the Company is not reasonably certain to exercise. In addition to base rent, the Company will pay its share of operating expenses and taxes.

To complete certain leasehold improvements, the lessor has agreed to provide the Company a tenant improvement allowance of \$1.2 million as well as an option to take an additional allowance of \$0.4 million, which is required to be repaid over the lease term at an interest rate of 9% per annum, which the Company exercised. A tenant improvement allowance of \$0.3 million was received by the Company during the year ended December 31, 2020. In accordance with the lease agreement, the lessor will manage and supervise the construction of the improvements. In exchange for these services, the Company will pay the lessor a fee equal to 5% of total construction costs. The leasehold improvements constructed are presented under property and equipment on the Company's balance sheets and will be depreciated on a straight-line basis over the remaining lease term.

In addition to the construction management and supervision fee noted above, the Company will pay variable costs related to its share of operating expenses and taxes. These variable costs will be recorded as lease expense as incurred and presented as operating expenses in the statements of operations and comprehensive loss.

The components of lease costs, which were included in the Company's statements of operations and comprehensive loss, are as follows (in thousands):

	Year ended	
	December 31, 2019	December 31, 2020
<b>Lease cost</b>		
Operating lease cost*	\$ —	\$ 45
Short-term lease cost	53	301
<b>Total lease cost</b>	<b>\$ 53</b>	<b>\$ 346</b>

\* Includes \$13 thousand of variable lease cost related to the construction management and supervision fee. No variable costs related to operating expenses or taxes have been incurred as of December 31, 2020.

Supplemental information related to the Company's operating leases is as follows:

	Year ended December 31, 2020
Cash paid for amounts included in the measurement of lease liabilities	\$ —
Weighted average remaining lease term (years)	5.4
Weighted average discount rate	8%

**JASPER THERAPEUTICS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 9. COMMITMENTS AND CONTINGENCIES (cont.)**

The following table summarizes a maturity analysis of the Company's operating lease liabilities showing the aggregate lease payments as of December 31, 2020 (in thousands):

	<u>Amount</u>
Year ending December 31,	
2021	\$ 417
2022	717
2023	738
2024	760
2025	783
Thereafter	332
Total undiscounted lease payments	<u>3,747</u>
Less: imputed interest	(745)
Less: tenant improvement incentive	(1,378)
Total discounted lease payments	<u>1,624</u>
Less: Current portion of lease liability	—
Noncurrent portion of lease liability	<u>\$ 1,624</u>

***Stanford Sponsored Research Agreement***

In September 2020, the Company entered into a sponsored research agreement with Stanford for a research program related to the treatment of Fanconi Anemia patients in Bone Marrow Failure requiring allogeneic transplant with non-sibling donors at Stanford Lucile Packard Children's Hospital (the "Research Project") using JSP 191. Stanford will perform the Research Project and is fully responsible for costs and operations related to the Research Project. In addition, Stanford owns the entire right, title, and interest, in and to all technology developed using Stanford facilities and by Stanford personnel through the performance of the Research Project under this agreement (the "Fanconi Anemia Research Project IP"). Under this agreement, Stanford granted the Company an exclusive option to license exclusively Stanford's rights in the Fanconi Anemia Research Project IP (the "Fanconi Anemia Option") in the field of commercialization of JSP191. There is no license granted or other IP transferred under this agreement until the Fanconi Anemia Option is exercised. As of December 31, 2020, the Company has not yet exercised the Fanconi Anemia Option.

As consideration for the services performed by Stanford under this sponsored research agreement, the Company will pay Stanford a total of \$0.9 million over approximately 3 years upon the achievement of development and clinical milestones, including FDA filings and patients' enrollment. As of December 31, 2020, the Company had accrued \$0.3 million related to the achievement of milestones under this agreement.

***Legal proceedings***

The Company, from time to time, may be party to litigation arising in the ordinary course of business. The Company was not subject to any material legal proceedings during the years ended December 31, 2019 and 2020, and, no material legal proceedings are currently pending or threatened.

***Guarantees and Indemnifications***

In the normal course of business, the Company enters into agreements that contain a variety of representations and provide for general indemnification. The Company's exposure under these agreements is unknown because it involves claims that may be made against the Company in the future. To date, the Company has not paid any claims or been required to defend any action related to its indemnification obligations. As of December 31, 2020 and 2019, the Company does not have any material indemnification claims that were probable or reasonably possible and consequently has not recorded related liabilities.

**JASPER THERAPEUTICS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 10. REDEEMABLE CONVERTIBLE PREFERRED STOCK**

Redeemable convertible preferred stock as of December 31, 2019 and 2020 consisted of the following (in thousands, except share and per share data):

	December 31, 2019			
	Shares Authorized	Shares Issued and Outstanding	Aggregate Liquidation Preference	Net Carrying Value
Series A-1 redeemable convertible preferred stock	69,136,657	39,859,117	\$ 29,930	\$ 24,974
Series A-2 redeemable convertible preferred stock	100	100	—	862
Total redeemable convertible preferred stock	69,136,757	39,859,217	\$ 29,930	\$ 25,836

	December 31, 2020			
	Shares Authorized	Shares Issued and Outstanding	Aggregate Liquidation Preference	Net Carrying Value
Series A-1 redeemable convertible preferred stock	69,136,657	54,820,496	\$ 41,165	\$ 42,978
Series A-2 redeemable convertible preferred stock	100	100	—	862
Total redeemable convertible preferred stock	69,136,757	54,820,596	\$ 41,165	\$ 43,840

The significant rights and obligations of the Company's redeemable convertible preferred stock are as follows:

**Dividends**

The holders of Series A-1 redeemable convertible preferred stock are entitled to receive, on a pari passu basis, when, as and if declared by the Board, out of any assets at the time that are legally available, cash dividends at the rate of 8% per annum of the applicable original issue price of \$0.7509, as adjusted for stock splits, dividends, reclassifications or the like.

The holders of Series A-2 redeemable convertible preferred stock are entitled to receive dividends, on a pari passu basis, when, as and if declared by the Board, out of any assets at the time legally available therefor, in an amount of 8% of any distribution to Company stockholders. The dividend rate can be reduced to 4% if the Company terminates the Amgen License Agreement, or Amgen is pursuing a clinical development of an anti c-kit antibody in any clinical indication for which the Company has filed or holds an IND for an anti c-kit antibody.

The preferred dividends are not cumulative. No dividends have been declared or paid as of December 31, 2019 and December 31, 2020.

**Voting**

The holders of each share of Series A-1 redeemable convertible preferred stock are entitled to voting rights equal to the number of shares of Class A common stock into which the shares of Series A-1 redeemable convertible preferred stock are then convertible. The holders of Series A-1 redeemable convertible preferred stock vote together with the holders of common stock as a single class and on an as-converted to common stock basis. The holders of Series A-2 Preferred Stock are not entitled to any voting rights.

**Election of Directors**

The holders of Series A-1 redeemable convertible preferred stock, voting together as a separate class, are entitled to elect three directors of the Company. The holders of Class A common stock, other than the common stock issued or issuable upon the conversion of preferred stock, voting together as a separate class, are entitled to elect two directors of the Company. The holders of Class A common stock and Series A-1 redeemable convertible preferred stock are collectively entitled to elect the balance of the total number of directors of the Company.

**JASPER THERAPEUTICS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 10. REDEEMABLE CONVERTIBLE PREFERRED STOCK (cont.)**

***Conversion Rights***

Each share of Series A-1 redeemable convertible preferred stock is convertible to Class A common stock, at the option of the holder, at the then applicable conversion price. Any holder that beneficially owns, directly or indirectly, more than 9.9% of any class of equity securities has the right to receive any shares of capital stock that would be issued upon conversion of the shares in excess of 9.9% in the form of Class B common stock. The initial conversion price per share for Series A-1 redeemable convertible preferred stock is \$0.7509. Shares of Series A-2 redeemable convertible preferred stock are not convertible at the option of the holder.

Each share of Series A-1 redeemable convertible preferred stock will be automatically converted into common stock, at the then effective conversion price (i) immediately prior to closing of the initial public offering at a common stock per share price of at least five times the original issue price of the Series A-1 redeemable convertible preferred stock resulting in at least \$70.0 million of gross proceeds, or (ii) at the date and time, or upon occurrence of an event, specified by vote or written consent of the holders of at least 55% of the outstanding shares of Series A-1 redeemable convertible preferred stock.

Upon the Company's initial public offering, each share of Series A-2 redeemable convertible preferred will be automatically converted into a number of shares of Class A common stock equal to 8% of the fully diluted equity immediately prior to such initial public offering. The percentage of Class A common stock subject to Series A-2 redeemable convertible preferred stock conversion can be reduced to 4% if the Company terminates the Amgen License Agreement, or Amgen is pursuing a clinical development of an anti c-kit antibody in any clinical indication for which the Company has filed or holds an IND for an anti c-kit antibody.

***Liquidation Preference***

In the event of liquidation, dissolution or winding up of the Company, including a deemed liquidation, the holders of the redeemable convertible Series A-1 Preferred Stock are entitled to receive, in preference to any distribution to the holders of the Series A-2 redeemable convertible preferred stock or common stock, an amount per share equal to 0.75 times of the applicable original issue price of \$0.7509, as adjusted for stock splits, dividends, reclassifications or the like.

After the payment to the holders of Series A-1 redeemable convertible preferred stock of the full preferential amounts above, the holders of Series A-2 redeemable convertible preferred stock will be entitled to receive, out of the remaining assets of the Company available for distribution to its stockholders, in preference to any distribution to the holders of common stock, an amount equal to 8% of the assets available for distribution. The liquidation preference available to the holders of Series A-2 redeemable convertible preferred stock can be reduced to 4% if the Company terminates the Amgen License Agreement, or Amgen is pursuing a clinical development of an anti c-kit antibody in any clinical indication for which the Company has filed or holds an IND for an anti c-kit antibody.

After the payment to the holders of Series A-2 redeemable convertible preferred stock of the full preferential amounts above, the holders of Series A-1 redeemable convertible preferred stock will be entitled to receive, out of the remaining assets of the Company available for distribution to its stockholders, in preference to any distribution to the holders of common stock, an amount per share equal to 0.25 times of the applicable original issue price of \$0.7509, as adjusted for stock splits, dividends, reclassifications or the like.

If the assets of the Company legally available for distribution to the holders of a given Series of redeemable convertible preferred stock are insufficient to permit the payment to such holders of the full amounts of a given Series, then the assets of the Company will be distributed on a pro rata basis among the holders of such Series of redeemable convertible preferred stock in proportion to the full amounts they would otherwise be entitled to receive pursuant to their liquidation preference.

Following the above payments, the remaining assets of the Company, if any, will be distributed ratably among the holders of common stock and Series A-1 redeemable convertible preferred stock, pro rata based on the number of shares held by each such holder as if they had been converted to common stock. Provided, however,

**JASPER THERAPEUTICS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 10. REDEEMABLE CONVERTIBLE PREFERRED STOCK (cont.)**

that if the aggregate amount which the holders of Series A-1 redeemable convertible preferred stock are entitled to receive under the above provisions exceed 1.5 times the applicable original issue price of \$0.7509, as adjusted for stock splits, dividends, reclassifications or the like, upon such liquidation, dissolution or winding up the holders of Series A-1 redeemable convertible preferred stock will be entitled to receive the greater of (i) 1.5 times the applicable original issue price and (ii) the amount would have received if all shares of Series A-1 redeemable convertible preferred stock had been converted into common stock immediately prior to such liquidation, dissolution or winding up of the Corporation.

**Redemption**

The redeemable convertible preferred stock is recorded in mezzanine equity because, while it is not mandatorily redeemable, it will become redeemable at the option of the preferred stockholders upon the occurrence of certain deemed liquidation events that are considered not solely within the Company's control.

**NOTE 11. COMMON STOCK**

The Company's Certificate of Incorporation, as amended on November 20, 2019, authorizes the Company to issue 108,704,757 shares of Class A common stock, \$0.001 par value per share, and 69,136,657 shares of Class B common stock, \$0.001 par value per share.

The rights, powers and preferences of the holders of the Class A Common Stock and Class B Common Stock are subject to and qualified by the rights, powers and preferences of the holders of the redeemable convertible preferred stock. The holders of the Class A Common Stock are entitled to one vote for each share of Class A Common Stock held at all meetings of stockholders, and the holders of Class B Common Stock are not entitled to vote on any matter. Shares of Class B Common Stock are convertible into Class A Common Stock upon written notice of the holder, subject to a maximum of 9.9% total beneficial ownership in Class A Common Stock upon such conversion.

The holders of common stock are entitled to receive dividends whenever funds and assets are legally available and when declared by the Board, subject to the prior rights of holders of redeemable convertible preferred stock outstanding. Dividend rights for Series A and B common stock are the same. There have been no dividends declared to date.

As of December 31, 2019 and 2020, the Company had reserved common stock for future issuance as follows:

	<b>December 31,</b>	
	<b>2019</b>	<b>2020</b>
Redeemable convertible preferred stock	39,859,217	54,820,596
Outstanding and issued common stock options	—	10,565,957
Shares available for grant under 2019 Equity Incentive Plan	12,359,055	1,525,945
Total shares of common stock reserved	52,218,272	66,912,498

**Founders' Common Stock**

In March 2018, the Company issued 8,000,000 common stock shares with the fair value of \$0.01 per share to its founders for services and intellectual property. The Company assigned fair value of \$0.01 to the founders' common stock because the shares were issued at the Company's inception. As consideration for the shares the Company received \$6,000 in cash and intellectual property with estimated fair value of \$0.1 million, which was recognized as research and development expenses, as the technology did not have an alternative use. Issued shares vested 25% at the issuance date and over 36 months thereafter. The Company had a right to repurchase unvested shares at the price paid by the founders.

**JASPER THERAPEUTICS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 11. COMMON STOCK (cont.)**

In November 2019, the share purchase agreements were modified such that 4,000,000 shares were vested as of November 29, 2019 and the remaining shares vest monthly over 48 months. The Company has a right to repurchase unvested shares upon termination of services by the founders to the Company at the price lower of: par value or the fair value at the date of repurchase. Modification expense was immaterial.

The Company accounts for issued shares as stock-based compensation to founders as consultants and recognizes stock-based compensation expense over the vesting period. As of each of December 31, 2019 and 2020, the Company recorded less than \$0.1 million as restricted stock liability related to 3,916,667 and 2,916,667 unvested shares of common stock, respectively. Stock-based compensation expense was \$6,000 and \$4,000 for the years ended December 31, 2019 and 2020, respectively. Unrecognized stock-based compensation expense of \$12,000 as of December 31, 2020 is expected to be recognized over 2.9 years.

**NOTE 12. STOCK-BASED COMPENSATION**

***2019 Equity Incentive Plan***

On November 18, 2019, the Company adopted the 2019 Equity Incentive Plan (the “2019 Plan”). Pursuant to the Plan, stock options, restricted stock award (“RSAs”), stock appreciation rights, restricted stock unit awards and other stock awards may be granted to employees, consultants and directors of the Company. Options granted may be either incentive stock options (“ISOs”) or non-statutory stock options (“NSOs”). As of December 31, 2019 and December 31, 2020, 12,359,055 shares were approved and reserved under the 2019 Plan.

ISOs may be granted only to the Company’s employees. NSOs may be granted to employees, directors and consultants. Under the 2019 Plan, ISOs may be granted at an exercise price of not less than 100% of the fair market value of the common stock on the date of grant. For individuals holding more than 10% of the voting rights of all classes of stock, the exercise price of an option will not be less than 110% of fair value. Options become exercisable and expire as determined by the Board, provided that the term of options may not exceed 10 years from the date of grant (5 years for the individuals holding more than 10% of the voting rights of all classes of stock). Stock option agreements may provide for accelerated exercisability in the event of an optionee’s death, disability, retirement or other events. Vesting conditions determined by the 2019 Plan administrator may apply to stock options and may include continued service, performance and/or other conditions. Generally, stock options vest over a four-year period. The Company did not grant any RSAs, stock appreciation rights, restricted stock unit awards in years ended December 31, 2019 and December 31, 2020. The Company did not grant any stock options during the year ended December 31, 2019.

***Stock Option Activity***

The following table summarizes the activity under the 2019 Plan for the year ended December 31, 2020:

	Shares Available for Grant	Option Outstanding Number of Shares	Weighted Average Exercise Price	Weighted - Average Remaining Contractual Life (Years)	Aggregate Intrinsic Value
<b>Balance, January 1, 2020</b>	<b>12,359,055</b>	—	\$ —	—	—
Options granted	(10,889,015)	10,889,015	\$ 0.20		
Options exercised	—	(267,153)	\$ 0.20		
Options cancelled/forfeited	55,905	(55,905)	\$ 0.20		
<b>Balance, December 31, 2020</b>	<b>1,525,945</b>	<b>10,565,957</b>	<b>\$ 0.20</b>	<b>9.52</b>	<b>\$ 5,599,957</b>
Vested and expected to vest, December 31, 2020		10,565,957	\$ 0.20	9.52	\$ 5,599,957
Exercisable		2,513,685	\$ 0.20	9.44	\$ 1,332,253

**JASPER THERAPEUTICS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 12. STOCK-BASED COMPENSATION** (cont.)

Aggregate intrinsic value represents the difference between the estimated fair value of the underlying common stock and the exercise price of outstanding, in-the-money options. The total intrinsic value of the options exercised during the year ended December 31, 2020 was \$0.1 million.

The total fair value of options that vested during the year ended December 31, 2020 was \$0.8 million. The weighted-average grant date fair value of options granted during the year ended December 31, 2020 was \$0.32 per share.

Future stock-based compensation for unvested options as of December 31, 2020 was \$2.3 million, which is expected to be recognized over a weighted-average period of 2.81 years.

**Stock-Based Compensation Expense**

The following table presents the effect of employee and non-employee option-related and founders shares-related stock-based compensation expense (in thousands):

	<b>Year Ended December 31,</b>	
	<b>2019</b>	<b>2020</b>
General and administrative	\$ 6	\$ 722
Research and development	—	488
	<b>\$ 6</b>	<b>\$ 1,210</b>

**Valuation of Stock Options**

The grant date fair value of employee stock options was estimated using a Black-Scholes option-pricing model with the following weighted-average assumptions:

	<b>Year Ended December 31, 2020</b>
Fair value of common stock	\$0.36 – \$0.69
Expected term (in years)	5.00 – 6.06
Expected volatility	74.27% – 75.61%
Risk-free interest rate	0.27% – 0.45%
Expected dividend yield	—

The determination of the fair value of stock options on the date of grant using a Black-Scholes option-pricing model is affected by the estimated fair value of the Company's common stock, as well as assumptions regarding a number of variables that are complex, subjective and generally require significant judgment to determine. The valuation assumptions were determined as follows:

*Expected Term*

The expected term represents the period that the options granted are expected to be outstanding and is determined using the simplified method (based on the mid-point between the vesting date and the end of the contractual term) as the Company has concluded that its stock option exercise history does not provide a reasonable basis upon which to estimate expected term.

**JASPER THERAPEUTICS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 12. STOCK-BASED COMPENSATION (cont.)**

*Expected Volatility*

The Company derived the expected volatility from the average historical volatilities over a period approximately equal to the expected term of comparable publicly traded companies within its peer group that were deemed to be representative of future stock price trends as the Company does not have any trading history for its common stock. The Company will continue to apply this process until a sufficient amount of historical information regarding the volatility of its own stock price becomes available.

*Risk-Free Interest Rate*

The risk-free interest rate is based on the U.S. Treasury rate, with maturities similar to the expected term of the stock options.

*Expected Dividend Yield*

The Company does not anticipate paying any dividends in the foreseeable future and, therefore, uses an expected dividend yield of zero.

*Fair Value of Common Stock*

The grant date fair value of the Company's common stock has been determined by the Board with the assistance of management and an independent third-party valuation specialist. The grant date fair value of the Company's common stock was determined using valuation methodologies that utilize certain assumptions including probability weighting of events, volatility, time to liquidation, a risk-free interest rate and an assumption for a discount for lack of marketability (Level 3 inputs). In determining the fair value of the Company's common stock, the methodologies used to estimate the enterprise value of the Company were performed using methodologies, approaches, and assumptions consistent with the American Institute of Certified Public Accountants Accounting and Valuation Guide, *Valuation of Privately-Held-Company Equity Securities Issued as Compensation*.

The Company's management estimates the fair value of common stock using a number of objective and subjective factors including: valuations of the common stock performed with the assistance of independent third-party valuation specialists; the Company's stage of development and business strategy, including the status of research and development efforts and the material risks relating to the business and industry; the results of operations and financial position, including levels of available capital resources; the valuation of publicly traded companies in the life sciences and biotechnology sectors, as well as recently completed mergers and acquisitions of peer companies; the lack of marketability of the Company's common stock; the prices of redeemable convertible preferred shares sold to investors in arm's length transactions and the rights, preferences and privileges of the redeemable convertible preferred stock relative to those of the common stock; and the likelihood of achieving a liquidity event for the holders of the common and redeemable convertible preferred stock, such as an initial public offering or a sale, given prevailing market conditions.

For valuations performed prior to December 31, 2020, the Company utilized an Option Pricing Method ("OPM") based analysis, primarily the OPM Backsolve methodology, to determine the estimated fair value of the common stock. Within the OPM framework, the Backsolve method for inferring the total equity value implied by a recent financing transaction involves the construction of an allocation model that takes into account the Company's capital structure and the rights and preferences of each class of shares, then assumes reasonable inputs for the other OPM variables (expected time to liquidity, volatility, risk-free rate, etc.). The total equity value is then iterated in the model until the model output value for the equity class sold in a recent financing round equals the price paid in that round. The OPM is generally utilized when specific future liquidity events are difficult to forecast, i.e., the entity has many choices and options available, and the entity's value depends on how well it follows an uncharted path through the various possible opportunities and challenges. In determining the estimated fair value of common stock, the Company's management also considered the fact that the common stock cannot be freely traded in the public

**JASPER THERAPEUTICS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 12. STOCK-BASED COMPENSATION (cont.)**

markets. Accordingly, the management applied discounts to reflect the lack of marketability of the common stock on the weighted-average expected time to liquidity. The estimated fair value of the common stock at each valuation date reflected a non-marketability discount partially based on the anticipated likelihood and timing of a future liquidity event.

For the valuation performed on December 31, 2020, the Company's management utilized a hybrid method that combines the Probability-Weighted Expected Return Method ("PWERM"), an accepted valuation method described in the Practice Aid, and the OPM. The Company determined this was the most appropriate method for determining the fair value of its common stock based on the stage of development and other relevant factors. The PWERM is a scenario-based analysis that estimates the value per share of common stock based on the probability-weighted present value of expected future equity values for the common stock, under various possible future liquidity event scenarios, considering the rights and preferences of each class of shares, discounted for a lack of marketability. Under the hybrid method, an option pricing model was utilized to determine the fair value of the common stock in certain of the PWERM scenarios (capturing situations where the development path and future liquidity events were difficult to forecast) and potential exit events were explicitly modeled in the other PWERM scenarios. A discount for lack of marketability was applied to the value derived under each scenario to account for a lack of access to an active public market to estimate the common stock fair value.

**NOTE 13. NET LOSS PER SHARE ATTRIBUTABLE TO COMMON STOCKHOLDERS**

The following table sets forth the computation of basic and diluted net loss per share attributable to common stockholders (in thousands, except share and per share data):

	Year Ended December 31,	
	2019	2020
Numerator:		
Net loss attributable to common stockholders	\$ (4,987)	\$ (31,669)
Denominator:		
Weighted average common shares outstanding	8,173,535	9,551,671
Less: Weighted-average unvested restricted shares	(3,662,557)	(3,425,774)
Weighted average shares used to compute basic and diluted net loss per share	4,510,978	6,125,897
Net loss per share attributable to common stockholders – basic and diluted:	\$ (1.11)	\$ (5.17)

The potential shares of common stock that were excluded from the computation of diluted net loss per share attributable to common stockholders for the periods presented because including them would have had an antidilutive effect were as follows:

	Year Ended December 31,	
	2019	2020
Redeemable convertible preferred stock	39,859,217	54,820,596
Outstanding and issued common stock options	—	10,565,957
Unvested restricted common stock	3,916,667	2,916,667
<b>Total</b>	<b>43,775,884</b>	<b>68,303,220</b>

Unvested restricted common stock is comprised of the unvested founders' common stock. Shares of unvested founders' common stock are legally outstanding but are not included in the net loss per share calculation as they are considered contingently issuable shares.

**JASPER THERAPEUTICS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 14. INCOME TAXES**

During the years ended December 31, 2019 and 2020, the Company did not incur tax expense or benefit as the Company operated with taxable losses and provided a full valuation allowance.

The provision for income taxes differs from the amount computed by applying the federal statutory income tax rate to income before taxes as follows (in thousands):

	Year Ended December 31, 2019	Year Ended December 31, 2020
Federal tax benefit at statutory rate	\$ (1,047)	\$ (6,651)
State taxes	(371)	(1,757)
Change in fair value of derivative	(54)	2,284
Non-deductible expenses	123	231
Research and development credits	(17)	(298)
Change in valuation allowance	1,395	6,191
Other	(29)	—
Provision for incomes taxes	<u>\$ —</u>	<u>\$ —</u>

Significant components of the Company's net deferred tax assets (liabilities) as of December 31, 2020 and 2019 were as follows (in thousands):

	December 31, 2019	December 31, 2020
<b>Deferred tax assets:</b>		
Accrued expenses and other	\$ —	\$ 592
Fixed assets	—	—
Intangibles	274	369
Net operating losses	1,104	6,046
Research and development credits	17	315
Stock based compensation	—	179
Lease liability	—	485
Total deferred tax assets	<u>1,395</u>	<u>7,986</u>
Valuation allowance	<u>(1,395)</u>	<u>(7,587)</u>
<b>Total net deferred tax assets</b>	<u>—</u>	<u>399</u>
<b>Deferred tax liabilities:</b>		
Right-of-use asset	—	(399)
Total deferred tax liabilities	<u>—</u>	<u>(399)</u>
<b>Net deferred tax assets</b>	<u>\$ —</u>	<u>\$ —</u>

A valuation allowance is provided when it is more likely than not that some portion of the deferred tax assets will not be realized. The Company believes that, based on a number of factors such as the history of operating losses, it is more likely than not that the deferred tax assets will not be fully realized, such that a full valuation allowance has been recorded. The valuation allowance increased by \$1.4 million and \$6.2 million for the years ended December 31, 2019 and 2020, respectively. The valuation allowance of \$7.6 million was recorded as of December 31, 2020.

**JASPER THERAPEUTICS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 14. INCOME TAXES** (cont.)

The following table sets forth the Company's federal and state net operating loss carryforwards as of December 31, 2020 (amounts in thousands):

	Amount	Expiration Years
Net operating losses, Federal	\$ 20,377	Do not expire
Net operating losses, California	\$ 19,993	2038 – 2040

As of December 31, 2020, the Company had research and development credit carryforwards of approximately \$0.24 million and \$0.33 million available to reduce future taxable income, if any, for both federal and California state income tax purposes, respectively. The federal research and development credit carryforwards begin expiring in 2039 and California credits carryforward indefinitely.

Utilization of the net operating loss carryforwards and research credit carryforwards may be subject to an annual limitation due to the ownership percentage change limitations provided by the Internal Revenue Code, as amended ("IRC"), and similar state provisions. Annual limitations may result in the expiration of the net operating losses and tax credit carryforwards before they are utilized. As of December 31, 2020, the Company has completed an IRC Section 382 analysis from inception through the year ended December 31, 2020. The Company experienced an ownership change on November 21, 2019 related to Series A redeemable convertible preferred stock financing. Any net operating loss generated in excess of the \$2.87 million will be permanently limited for California tax purposes. The Company reduced its California net operating loss deferred tax assets balance by the permanently limited amount of \$0.6 million. Net federal operating losses are not limited as they can be carried forward indefinitely.

**Uncertain Tax Positions**

A reconciliation of the beginning and ending balances of the unrecognized tax benefits during the periods ended December 31, 2020 and 2019 is as follows (in thousands):

	Year Ended December 31,	
	2019	2020
Balance at beginning of year	\$ —	\$ 17
Additions based on tax positions related to current year	17	235
Balance at end of year	\$ 17	\$ 252

The Company recognizes interest accrued related to unrecognized tax benefits and penalties as income tax expense. Related to the unrecognized tax benefits noted above, the Company did not accrue any penalties or interest during tax year 2020. The Company does not expect its unrecognized tax benefit to change materially over the next twelve months.

The Company is subject to examination by the United States federal and state tax authorities for the tax years 2018 and later. State income tax returns are generally subject to examination for a period of four years after filing of the respective return. To the extent the Company has tax attribute carryforwards, the tax years in which the attribute was generated may still be adjusted upon examination by the Internal Revenue Service and state tax authorities to the extent utilized in a future period.

On March 27, 2020, the CARES Act was enacted and signed into law and U.S. GAAP requires recognition of the tax effects of new legislation during the reporting period that includes the enactment date. The CARES Act includes changes to the tax provisions that benefits business entities and makes certain technical corrections to the Tax Act. The tax relief measures for businesses include a five-year net operating loss carryback, suspension of annual deduction limitation of 80% of taxable income from net operating losses generated in a tax year beginning after December 31, 2017 through December 31, 2020, changes the deductibility of interest, acceleration of alternative minimum tax credit refunds, payroll tax relief, and a technical correction to allow accelerated deductions for qualified improvement property.

**JASPER THERAPEUTICS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 14. INCOME TAXES (cont.)**

The CARES Act also provides other non-tax benefits to assist those impacted by the pandemic. The Company evaluated the impact of the CARES Act and determined that its adoption did not have a material impact to the income tax provision for the year ended December 31, 2020.

On December 21, 2020, the President of the United States signed into law the “Consolidated Appropriations Act, 2021” which includes further COVID-19 economic relief and extension of certain expiring tax provisions. The relief package includes a tax provision clarifying that businesses with forgiven Paycheck Protection Program loans can deduct regular business expenses that are paid for with the loan proceeds. Additional pandemic relief tax measures include an expansion of the employee retention credit, enhanced charitable contribution deductions and a temporary full deduction for business expenses for food and beverages provided by a restaurant. These benefits do not have a material impact on the current tax provision.

**NOTE 15. RELATED PARTIES**

The Company reimbursed \$0.2 million in due diligence and legal expenses to its investors related to Series A and convertible notes financings, which were recorded as issuance costs for issued redeemable convertible preferred stock and convertible notes for the year ended December 31, 2019.

The Company entered into consulting agreements with two founders, who also received founders’ common stock shares for services and assigned patents. The founders transferred to the Company \$74,000 in intellectual property rights and \$6,000 in cash as a consideration for common stock. The Company recorded \$0.2 million and \$0.3 million for advisory and consulting services performed for the years ended December 31, 2019 and 2020, respectively. The Company also reimbursed legal, travel, rent and other business-related expenses to the founders of \$60,000 for the year ended December 2019, and no such expenses were incurred during the year ended December 31, 2020. These expenses were recorded as general and administrative expenses in the statements of operations and comprehensive loss. Also, the Company’s licensed technology from Stanford (see Note 16) was created in the Stanford laboratory of one of the founders.

The Company entered into a consulting agreement with its chief executive officer, under which it reimbursed the chief executive officer for consulting services and other business-related expenses \$0.2 million during the year ended December 31, 2019.

In December 2020, the Company entered into a material transfer agreement with Zai Lab Limited where both companies will collaborate on a research project and share total expenses of up to \$0.3 million equally. No expenses were incurred or reimbursed under this agreement as of December 31, 2020. The Company’s chief executive officer is a board member of Zai Lab Limited.

**NOTE 16. SUBSEQUENT EVENTS**

The Company has reviewed and evaluated subsequent events through June 7, 2021, the date that the financial statements were available to be issued.

***Issuance of Series A-1 redeemable convertible preferred shares***

On February 26, 2021, the Board approved the settlement of tranche liability and issued 14,316,146 shares of Series A-1 redeemable convertible preferred stock at a \$0.7509 price per share for an aggregate cash consideration of \$10.7 million.

***Stanford Exclusive License Agreement***

In March 2021, the Company entered into a license agreement with Stanford (the “Stanford License Agreement”), following the exercise of its option in June 2020. The Company received a worldwide, exclusive license with a right to sublicense for JSP 191 in the field of depleting endogenous blood stem cells in patients for whom hematopoietic cell transplantation is indicated. Stanford transferred certain know-how and patents related

**JASPER THERAPEUTICS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 16. SUBSEQUENT EVENTS** (cont.)

to JSP191 (together, the “Licensed Technology”). Under the terms of this agreement, the Company will use commercially reasonable efforts to develop, manufacture, and sell licensed product and to develop markets for a licensed product. In addition, the Company will use commercially reasonable efforts to meet the late-stage clinical development milestones, as specified in the agreement, over the next 6 years and must notify Stanford in writing as each milestone is met.

The Company will pay annual license maintenance fees, beginning on the first anniversary of the effective date of the agreement and ending upon the first commercial sale of a product, method, or service in the licensed field of use, as follows: \$25,000 for each first and second year, \$35,000 for each third and fourth year, and \$50,000 at each anniversary thereafter ending upon the first commercial sale. The Company is also obligated to pay late clinical milestones and first commercial sales milestone payments of up to \$9.0 million in total. The Company will also pay low single-digit royalties on net sales of licensed products, if approved.

The Stanford License Agreement expires on a country-by-country basis on the last-to-expire valid claim of a licensed patent in such country. The Company may terminate the Stanford License Agreement by giving Stanford a written notice at least 12 months in advance of the effective date of termination. The Company may also terminate this agreement solely with respect to any particular technology application or patent by giving Stanford written notice at least 60 days in advance of the effective date of termination. Stanford may terminate the Stanford License Agreement after 90 days from a written notice by Stanford, specifying a problem, including a delinquency on any report required pursuant to Stanford License Agreement or any payment, missing a milestone or for a material breach, unless the Company remediates the problem in that 90-day period.

***Business Combination Agreement***

On May 5, 2021, the Company entered into a Business Combination Agreement (“BCA”) with Amplitude Healthcare Acquisition Corporation (“AMHC”) and Ample Merger Sub, Inc. (“Merger Sub”), a wholly owned subsidiary of AMHC. Subject to the satisfaction of closing conditions, the Company and Merger Sub will merge pursuant to the BCA, with the Company as the surviving corporation. Each outstanding share of capital stock of the Company and outstanding Company stock options will be converted into the right to receive a portion of the transaction share consideration or a replacement option, respectively, per the terms of the BCA.

**JASPER THERAPEUTICS, INC.**  
**CONDENSED BALANCE SHEETS**  
*(in thousands, except share and per share data)*  
*(unaudited)*

	December 31, 2020	June 30, 2021
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 19,838	\$ 16,757
Other receivables	600	—
Prepaid expenses and other current assets	247	1,216
Total current assets	20,685	17,973
Property and equipment, net	693	2,832
Operating lease right-of-use assets, net	1,336	1,215
Restricted cash	345	345
Other non-current assets	298	3,726
Total assets	\$ 23,357	\$ 26,091
<b>Liabilities, Redeemable Convertible Preferred Stock and Stockholders' Deficit</b>		
Current liabilities:		
Accounts payable	\$ 1,417	\$ 4,612
Current portion of operating lease liabilities	—	424
Accrued expenses and other current liabilities	2,595	4,117
Total current liabilities	4,012	9,153
Derivative tranche liability	8,158	—
Non-current portion of operating lease liabilities	1,624	2,642
Other non-current liabilities	853	648
Total liabilities	14,647	12,443
Commitments and contingencies (Note 8)		
Redeemable convertible preferred stock: \$0.001 par value – 69,136,757 shares authorized at December 31, 2020 and June 30, 2021; 54,820,596 and 69,136,742 shares issued and outstanding at December 31, 2020 and June 30, 2021, respectively; liquidation value \$41,165 and \$51,915 at December 31, 2020 and June 30, 2021, respectively	43,840	66,249
<b>Stockholders' deficit</b>		
Common stock: \$0.001 par value – 177,841,414 shares authorized at December 31, 2020 and June 30, 2021; 9,812,035 and 10,160,967 shares issued and outstanding at December 31, 2020 and June 30, 2021, respectively	10	10
Additional paid-in capital	1,673	2,370
Accumulated deficit	(36,813)	(54,981)
Total stockholders' deficit	(35,130)	(52,601)
Total liabilities, redeemable convertible preferred stock and stockholders' deficit	\$ 23,357	\$ 26,091

The accompanying notes are an integral part of these financial statements.

**JASPER THERAPEUTICS, INC.**  
**CONDENSED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**  
*(in thousands, except share and per share data)*  
*(unaudited)*

	<b>Six Months Ended June 30, 2020</b>	<b>Six Months Ended June 30, 2021</b>
Operating expenses		
Research and development	\$ 6,716	\$ 9,576
General and administrative	2,001	5,096
Total operating expenses	8,717	14,672
Loss from operations	(8,717)	(14,672)
Interest and other income, net	18	5
Change in fair value of derivative liability	(2,158)	(3,501)
Total other expense, net	(2,140)	(3,496)
Net loss and comprehensive loss	\$ (10,857)	\$ (18,168)
Net loss per share attributable to common stockholders, basic and diluted	\$ (1.85)	\$ (2.51)
Weighted-average shares used in computing net loss per share attributable to common stockholders, basic and diluted	5,867,684	7,235,862

The accompanying notes are an integral part of these financial statements.

**JASPER THERAPEUTICS, INC.**  
**CONDENSED STATEMENTS OF REDEEMABLE CONVERTIBLE PREFERRED STOCK AND**  
**STOCKHOLDERS' DEFICIT**  
*(in thousands, except share data)*  
*(unaudited)*

	Redeemable Convertible Preferred Stock		Common Stock		Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount			
<b>Balance as of January 1, 2020</b>	39,859,217	\$ 25,836	9,544,882	\$ 10	\$ 400	\$ (5,144)	\$ (4,734)
Issuance of Series A-1 redeemable convertible preferred stock for cash	645,225	484	—	—	—	—	—
Vesting of founders' restricted stock	—	—	—	—	5	—	5
Stock-based compensation expense	—	—	—	—	457	—	457
Net loss	—	—	—	—	—	(10,857)	(10,857)
<b>Balance as of June 30, 2020</b>	<u>40,504,442</u>	<u>\$ 26,320</u>	<u>9,544,882</u>	<u>\$ 10</u>	<u>\$ 862</u>	<u>\$ (16,001)</u>	<u>\$ (15,129)</u>
	Redeemable Convertible Preferred Stock		Common Stock		Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount			
<b>Balance as of January 1, 2021</b>	54,820,596	\$ 43,840	9,812,035	\$ 10	\$ 1,673	\$ (36,813)	\$ (35,130)
Issuance of common stock upon exercise of stock options	—	—	348,932	—	70	—	70
Issuance of Series A-1 redeemable convertible preferred stock for cash	14,316,146	10,750	—	—	—	—	—
Settlement of the redeemable convertible preferred stock tranche liability	—	11,659	—	—	—	—	—
Vesting of founders' restricted stock	—	—	—	—	5	—	5
Stock-based compensation expense	—	—	—	—	622	—	622
Net loss	—	—	—	—	—	(18,168)	(18,168)
<b>Balance as of June 30, 2021</b>	<u>69,136,742</u>	<u>\$ 66,249</u>	<u>10,160,967</u>	<u>\$ 10</u>	<u>\$ 2,370</u>	<u>\$ (54,981)</u>	<u>\$ (52,601)</u>

The accompanying notes are an integral part of these financial statements.

**JASPER THERAPEUTICS, INC.**  
**CONDENSED STATEMENTS OF CASH FLOWS**  
*(in thousands)*  
*(unaudited)*

	Six Months Ended June 30, 2020	Six Months Ended June 30, 2021
<b>Cash flows from operating activities</b>		
Net loss	\$ (10,857)	\$ (18,168)
Adjustments to reconcile net loss to net cash used in operating activities		
Depreciation and amortization expense	—	51
Non-cash lease expense	—	184
Stock-based compensation expense	457	622
Change in fair value of derivative liability	2,158	3,501
Changes in operating assets and liabilities:		
Other receivables	—	600
Prepaid expenses and other current assets	(210)	(671)
Other non-current assets	21	(669)
Accounts payable	3,565	1,630
Accrued expenses and other current liabilities	(481)	1,134
Other non-current liabilities	400	(200)
Net cash used in operating activities	<u>(4,947)</u>	<u>(11,986)</u>
<b>Cash flows from investing activities</b>		
Purchases of property and equipment	—	(1,247)
Net cash used in investing activities	<u>—</u>	<u>(1,247)</u>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of redeemable convertible preferred stock, net of issuance costs	484	10,750
Proceeds from exercise of common stock options	—	70
Payment of offering costs	—	(668)
Net cash provided by financing activities	<u>484</u>	<u>10,152</u>
Net decrease in cash, cash equivalents and restricted cash	<u>(4,463)</u>	<u>(3,081)</u>
<b>Cash, cash equivalents and restricted cash</b>		
Cash, cash equivalents and restricted cash at beginning of the year	27,163	20,183
Cash, cash equivalents and restricted cash at end of the year	<u>\$ 22,700</u>	<u>\$ 17,102</u>
<b>Supplemental and non-cash items reconciliations:</b>		
Non-cash leasehold improvements	\$ —	\$ 1,378
Vesting of founders restricted stock	\$ 5	\$ 5
Deferred offering costs	\$ —	\$ 3,057
Recognition (settlement) of derivative tranche liability	\$ —	\$ (11,659)

The accompanying notes are an integral part of these financial statements.

**JASPER THERAPEUTICS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1. ORGANIZATION AND DESCRIPTION OF BUSINESS**

***Description of Business***

Jasper Therapeutics, Inc. (“Jasper” or the “Company”) was incorporated in March 2018. The Company is a clinical-stage biotechnology company dedicated to enabling cures through hematopoietic stem cell transplants. The Company is focused on the development and commercialization of safer, more effective conditioning agents and stem cell grafts to allow for expanded use of curative therapy with stem cell transplantation and gene therapies. Its drug development pipeline includes multiple product candidates designed to improve stem cell transplants. The lead compound, JSP191, is in clinical development as a conditioning antibody that clears hematopoietic (blood and bone marrow) stem cells from bone marrow in patients undergoing hematopoietic cell transplantation. The Company is also developing engineered hematopoietic stem cell products. The Company is headquartered in Redwood City, California.

***Liquidity and Going Concern***

The Company has incurred significant losses and negative cash flows from operations since its inception. During the six months ended June 30, 2020 and June 30, 2021, the Company incurred net losses of \$10.9 million and \$18.2 million, respectively. During the six months ended June 30, 2020 and June 30, 2021, the Company had negative operating cash flows of \$4.9 million and \$12.0 million, respectively. As of June 30, 2021, the Company had an accumulated deficit of \$55.0 million.

The Company has historically financed its operations primarily through issuance of redeemable convertible preferred stock and convertible notes. The Company expects to continue to incur operating losses and negative cash flows from operations to support the development of its product candidates, for the expansion of its product portfolio and to continue its research and development activities, including preclinical studies and clinical trials. The Company’s activities are subject to significant risks and uncertainties, including completing requisite clinical activities to support regulatory approvals, market acceptance of the Company’s product candidates, if approved, as well as the timing and extent of spending on research and development.

The Company’s cash and cash equivalents of \$16.8 million as of June 30, 2021 are not sufficient for the Company to continue as a going concern for at least one year from the issuance date of these interim condensed financial statements. Additional funds are necessary to maintain current operations and to continue research and development activities. The Company’s management plans to monitor expenses and raise additional capital through a combination of public and private equity, debt financings, strategic alliances, and licensing arrangements. The Company’s ability to access capital when needed is not assured and, if capital is not available to the Company when, and in the amounts, needed, the Company could be required to delay, scale back, or abandon some or all of its development programs and other operations, which could materially harm the Company’s business, financial condition and results of operations. These factors raise substantial doubt about the Company’s ability to continue as a going concern.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. The accompanying financial statements do not reflect any adjustments relating to the recoverability and reclassifications of assets and liabilities that might be necessary if the Company is unable to continue as a going concern.

***Coronavirus Pandemic***

In March 2020, the World Health Organization declared the global novel coronavirus disease 2019 (“COVID-19”) outbreak a pandemic. The Company is following, and will continue to follow, recommendations from the U.S. Centers for Disease Control and Prevention as well as federal, state, and local governments regarding working-from-home practices for non-essential employees as well as return-to-work policies and procedures. The Company expects to continue to take actions as may be required or recommended by government authorities or as the Company determines are in the best interests of its employees and other business partners in light of the pandemic.

**JASPER THERAPEUTICS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1. ORGANIZATION AND DESCRIPTION OF BUSINESS (cont.)**

While the Company's operations to date have not been significantly impacted by the COVID-19 pandemic, it cannot at this time predict the specific extent, duration, or full impact that the COVID-19 pandemic will have on its business, financial condition and operations, including planned clinical trials and clinical development timelines. The Company experienced slower than anticipated patient enrollment in its SCID clinical trial due to reluctance of these immunocompromised patients to travel and undergo hospitalization during the pandemic. The Company may continue to experience interruptions to its clinical trials due to the COVID-19 pandemic, including the spread of variants. The impact of the COVID-19 pandemic on the Company's financial performance will depend on future developments, including the duration and spread of the pandemic, its impact on the Company's clinical trial enrollment, trial sites, contract research organizations ("CROs"), contract manufacturing organizations ("CMOs"), and other third parties with whom it does business, its impact on regulatory authorities and the Company's key scientific and management personnel, progress of vaccination and related governmental advisories and restrictions. These developments and the impact of the COVID-19 pandemic on the financial markets and the overall economy are highly uncertain and cannot be predicted. If the financial markets or the overall economy are impacted for an extended period, the Company's business may be materially adversely affected.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

There have been no changes to the significant accounting policies as disclosed in Note 2 to the Company's audited financial statements for the years ended December 31, 2019 and 2020 included elsewhere in this prospectus, except as discussed below.

***Basis of Presentation***

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP").

***Unaudited Interim Condensed Financial Statements***

The interim condensed balance sheet as of June 30, 2021, and the condensed statements of operations, cash flows, and statements of redeemable convertible preferred stock and stockholders' deficit for the six months ended June 30, 2020 and 2021 are unaudited. The unaudited interim condensed financial statements have been prepared on the same basis as the annual financial statements and reflect, in the opinion of management, all adjustments of a normal and recurring nature that are necessary for the fair statement of the Company's financial position as of June 30, 2021 and its results of operations and cash flows for the six months ended June 30, 2020 and 2021. The financial data and the other financial information disclosed in these notes to the financial statements related to the six-month periods are also unaudited. The results of operations for the six months ended June 30, 2021 are not necessarily indicative of the results to be expected for the year ending December 31, 2021, or for any other future annual or interim period. The condensed balance sheet as of December 31, 2020 included herein was derived from the audited financial statements as of that date. Certain information and footnote disclosures normally included in financial statements prepared in accordance with U.S. GAAP have been condensed or omitted from these interim financial statements. These unaudited condensed financial statements should be read in conjunction with the Company's audited financial statements for the years ended December 31, 2019 and 2020 included elsewhere in this prospectus.

***Use of Estimates***

The preparation of financial statements in conformity with 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 income and expenses during the reporting periods. Significant estimates and assumptions made in the accompanying financial statements include but are not limited to the valuation of common and redeemable convertible preferred stock, fair value of derivative liability and the measurement of stock-based compensation. 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 materially differ from those estimates.

**JASPER THERAPEUTICS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)*****Cash, Cash Equivalents, and Restricted Cash***

The following table provides a reconciliation of cash and restricted cash reported within the condensed balance sheets that sum to the total amount shown in the statements of cash flows (in thousands):

	December 31, 2020	June 30, 2021
Cash and cash equivalents	\$ 19,838	\$ 16,757
Restricted cash	345	345
Total cash, cash equivalents and restricted cash	\$ 20,183	\$ 17,102

Cash and cash equivalents consist of checking bank accounts and investments in money market funds with an original maturity of three months or less at the time of purchase. The recorded carrying amount of cash and cash equivalents approximates their fair value. Restricted cash relates to the letter of credit secured in conjunction with the operating lease (Note 8).

***Offering Costs***

Specific incremental costs (i.e., consisting of legal, accounting and other fees and costs) directly attributable to a proposed or actual offering of securities are deferred and charged against the gross proceeds of the offering. In the event a planned offering of securities does not occur or is significantly delayed, all of the costs are expensed. No offering costs were capitalized as of December 31, 2020. Offering costs capitalized as of June 30, 2021 were \$3.7 million and are included within other non-current assets on the Company's condensed balance sheet.

***Net Loss per Share Attributable to Common Stockholders***

Basic net loss per common share is calculated by dividing the net loss attributable to common stockholders by the weighted-average number of shares of common stock outstanding during the period, without consideration of potentially dilutive securities. Diluted net loss per share is computed by dividing the net loss attributable to common stockholders by the weighted-average number of shares of common stock and potentially dilutive securities outstanding for the period. For purposes of the diluted net loss per share calculation, the redeemable convertible preferred stock, common stock subject to repurchase, and stock options are considered to be potentially dilutive securities.

Basic and diluted net loss attributable to common stockholders per share is presented in conformity with the two-class method required for participating securities as the redeemable convertible preferred stock is considered a participating security. The Company's participating securities do not have a contractual obligation to share in the Company's losses. As such, the net loss is attributed entirely to common stockholders. Because the Company has reported a net loss for the reporting periods presented, the diluted net loss per common share is the same as basic net loss per common share for those periods.

***Segment Reporting***

Operating segments are defined as components of an entity for which separate financial information is available and that is regularly reviewed by the Chief Operating Decision Maker ("CODM") in deciding how to allocate resources to an individual segment and in assessing performance. The Company's CODM is its Chief Executive Officer. The Company has determined it operates as a single operating and reportable segment, as the CODM does not assess the performance of individual product lines on measures of profit or loss, or asset-based metrics for purposes of making operating decisions, allocating resources, and evaluating financial performance. All long-lived assets are maintained in the United States.

***New Accounting Pronouncements Not Yet Adopted***

In December 2019, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2019-12, *Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes*, which removes

**JASPER THERAPEUTICS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

certain exceptions to the general principles in Topic 740 and improves consistent application of and simplifies U.S. GAAP for other areas of Topic 740 by clarifying and amending existing guidance. For private companies, this ASU is effective for fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. Early adoption is permitted. The Company is currently evaluating the impact of this guidance on its financial statements.

In March 2020, the FASB issued ASU No. 2020-04, *Reference Rate Reform (Topic 848)* (“ASU 2020-04”). The amendments in ASU 2020-04 provide optional expedients and exceptions for applying U.S. GAAP to contracts, hedging relationships, and other transactions affected by reference rate reform if certain criteria are met. The amendments in this ASU are effective for all entities as of March 12, 2020 through December 31, 2022. An entity may elect to apply the amendments for contract modifications by Topic or Industry Subtopic as of any date from the beginning an interim period that includes or is subsequent to March 12, 2020, or prospectively from the date that the financial statements are available to be issued. Once elected for a Topic or an Industry Subtopic, the amendments must be applied prospectively for all eligible contract modifications for that Topic or Industry Subtopic. The Company is currently evaluating the impact of the adoption of this ASU on the Company’s financial statements and related disclosures.

In August 2020, the FASB issued ASU 2020-06, *Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging-Contracts in Entity’s Own Equity (Subtopic 815-40)*. This ASU simplifies the accounting for certain financial instruments with characteristics of liabilities and equity, including convertible instruments and contracts on an entity’s own equity. Specifically, the ASU removes: i) major separation models required under U.S. GAAP and ii) certain settlement conditions that are required for equity contracts to qualify for the derivative scope exception, which will permit more equity contract to qualify for the exception. For public companies, this ASU is effective for interim and annual reporting periods beginning after December 15, 2021. For all other entities, the amendments are effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2022. Early adoption is permitted. The Company is currently evaluating the impact of the adoption of this ASU on the Company’s financial statements and related disclosures.

**NOTE 3. FAIR VALUE MEASUREMENTS**

The Company measures certain financial assets and liabilities at fair value on a recurring basis. Fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or a liability. A three-tier fair value hierarchy is established as a basis for considering such assumptions and for inputs used in the valuation methodologies in measuring fair value:

- Level 1 — Inputs are unadjusted, quoted prices in active markets for identical assets or liabilities at the measurement date;
- Level 2 — Inputs are observable, unadjusted quoted prices in active markets for similar assets or liabilities, unadjusted quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the related assets or liabilities; and
- Level 3 — Unobservable inputs that are significant to the measurement of the fair value of the assets or liabilities that are supported by little or no market data.

In determining fair value, the Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible as well as considers counterparty credit risk in its assessment of fair value.

Assets and liabilities measured at fair value are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Company’s assessment of the significance of a particular input to the fair value measurement in its entirety requires management to make judgments and consider factors specific to the asset or liability.

**JASPER THERAPEUTICS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 3. FAIR VALUE MEASUREMENTS** (cont.)

The fair value of Level 1 securities is determined using quoted prices in active markets for identical assets. Level 1 securities consist of highly liquid money market funds. In addition, restricted cash collateralized by money market funds is a financial asset measured at fair value and is a Level 1 financial instrument under the fair value hierarchy.

Financial assets and liabilities are considered Level 2 when their fair values are determined using inputs that are observable in the market or can be derived principally from or corroborated by observable market data, such as pricing for similar securities, recently executed transactions, cash flow models with yield curves, and benchmark securities. In addition, Level 2 financial instruments are valued using comparisons to like-kind financial instruments and models that use readily observable market data as their basis. The Company had no financial instruments classified at Level 2 as of December 31, 2020 and June 30, 2021.

Financial assets and liabilities are considered Level 3 when their fair values are determined using pricing models, discounted cash flow methodologies, or similar techniques and at least one significant model assumption or input is unobservable. Level 3 liabilities that are measured at fair value on a recurring basis included the derivative tranche liability, which was extinguished in February 2021.

During the period presented, the Company has not changed the manner in which it values liabilities that are measured at estimated fair value using Level 3 inputs. There were no transfers within the hierarchy during the six months ended June 30, 2020 and 2021.

The following table sets forth the fair value of the Company's financial assets and liabilities measured on a recurring basis by level within the fair value hierarchy (in thousands):

	December 31, 2020			
	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Money market funds	\$ 18,778	\$ —	\$ —	\$ 18,778
<b>Total fair value of assets</b>	<b>\$ 18,778</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 18,778</b>
<b>Financial liabilities</b>				
Derivative tranche liability	\$ —	\$ —	\$ 8,158	\$ 8,158
<b>Total fair value of liabilities</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 8,158</b>	<b>\$ 8,158</b>
	June 30, 2021			
	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Money market funds	\$ 15,756	\$ —	\$ —	\$ 15,756
<b>Total fair value of assets</b>	<b>\$ 15,756</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 15,756</b>

The following table sets forth a summary of the changes in the fair value of the Company's Level 3 financial liabilities (in thousands):

	June 30, 2020	June 30, 2021
<b>Derivative tranche liability</b>		
Fair value as of January 1	\$ 4,053	\$ 8,158
Initial fair value of derivative instrument	—	—
Change in fair value included in other income (expense), net	2,158	3,501
Settlement of obligation	—	(11,659)
Fair value as of June 30	<u>\$ 6,211</u>	<u>\$ —</u>

**JASPER THERAPEUTICS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 3. FAIR VALUE MEASUREMENTS (cont.)**

The redeemable convertible preferred stock tranche liability is measured using the option pricing method by estimating the value using the Black-Scholes model. The significant inputs used in the Black-Scholes model includes the fair value of the redeemable convertible preferred stock, the risk-free interest rate, the expected volatility and the expected term when each tranche will be settled. The fair value of the derivative tranche liability equals its intrinsic value, a difference between the issued redeemable convertible preferred stock shares' fair value and the price paid by investors, at the date of settlement in February 2021.

The following table presents quantitative information about the inputs and valuation methodologies used for the Company's fair value measurements classified in Level 3 of the fair value hierarchy at December 31, 2020:

	Fair value (in thousands)	Valuation methodology	Significant unobservable input	Weighted average
Derivative tranche liability	\$ 8,158	Black – Scholes	Expected term (in years)	0.16
			Expected volatility	47.02%
			Risk-free interest rate	0.08%
			Expected dividend yield	0.00%

**NOTE 4. CONDENSED BALANCE SHEET COMPONENTS**

***Prepaid expenses and other current assets***

The following table summarizes the details of prepaid expenses and other current assets as of the dates set forth below (in thousands):

	December 31, 2020	June 30, 2021
Research and development prepaid expenses	\$ 177	\$ 691
Tax credit receivable	—	298
Other prepaid expenses	43	107
Prepaid insurance	—	93
Rent deposit	27	27
	<u>\$ 247</u>	<u>\$ 1,216</u>

***Accrued Expenses and Other Current Liabilities***

The following table summarizes the details of accrued expenses and other current liabilities as of the dates set forth below (in thousands):

	December 31, 2020	June 30, 2021
CMO accrued expenses	\$ 925	\$ 2,119
Accrued employee and related compensation expenses	783	613
General and administrative accrued expenses	—	608
License option liability, current	400	400
Research and development accrued expenses	338	363
Accrued tax liabilities	90	—
Other	59	14
	<u>\$ 2,595</u>	<u>\$ 4,117</u>

**JASPER THERAPEUTICS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 4. CONDENSED BALANCE SHEET COMPONENTS (cont.)*****Other non-current liabilities***

The following table summarizes the details of other non-current liabilities as of the dates set forth below (in thousands):

	December 31, 2020	June 30, 2021
CIRM grant liability	\$ 600	\$ 600
License option liability, non-current	200	—
Early exercised stock-options liability	53	48
	\$ 853	\$ 648

**NOTE 5. CIRM GRANT**

In November 2020, California Institute for Regenerative Medicine (“CIRM”) awarded the Company \$2.3 million in support of the research project related to a monoclonal antibody that depletes blood stem cells and enables chemotherapy-free transplants. As of December 31, 2020, the Company met a milestone and had recorded \$0.6 million in other receivables for the milestone that was met and \$0.6 million in other long-term liabilities related to this grant. The Company received \$0.6 million from CIRM during the six months ended June 30, 2021. As of June 30, 2021, the Company recorded \$0.6 million in other long-term liabilities related to this grant.

**NOTE 6. SIGNIFICANT AGREEMENTS*****Amgen License Agreement***

On November 21, 2019, the Company entered into a license agreement with Amgen Inc. (“Amgen”) pursuant to which the Company obtained an exclusive, sublicensable license for certain patents, data, and non-data know-how related to Amgen’s proprietary monoclonal antibody known as AMG 191, as renamed to JSP 191 (“JSP 191”). Concurrently with the execution of the license agreement, Amgen assigned to the Company its rights and obligations under the Investigator Sponsored Research Agreement (“ISRA”) previously entered into in June 2013 between Amgen and The Board of Trustees of the Leland Stanford Junior University (“Stanford”) related to the study of JSP 191.

Under the ISRA, the Company was provided an option to negotiate a definitive license with Stanford for rights to certain Stanford intellectual property (“IP”) related to the study of JSP 191 in exchange for an option exercise fee of \$1.0 million, payable over a two-year period (the “Option”). There are no other fees due under the ISRA. The Company exercised the Option in June 2020, and the definitive license with Stanford was executed in March 2021. Upon exercise of the option, the \$1.0 million option exercise fee was recognized as research and development cost. In June 2020, the Company and Stanford agreed to transfer the Investigational New Drug Application (“IND”) and control of the study related to this ISRA to the Company. The Company paid \$0.2 million of the option exercise fee during the six months ended June 30, 2020. As of December 31, 2020, the Company had paid the total of \$0.4 million of the option exercise fee and had accrued \$0.4 million and \$0.2 million as current and noncurrent liabilities, respectively. During the six months ended June 30, 2021, the Company paid \$0.2 million of the option exercise fee and included the unsettled liability of \$0.4 million in accrued expenses and other current liabilities as of June 30, 2021.

As consideration for the rights granted to the Company under the license agreement with Amgen, the Company issued Amgen 100 shares of the Company’s Series A-2 redeemable convertible preferred stock as of November 21, 2019, the fair value of which totaled \$0.9 million. The acquisition of the exclusive license, including patent rights and know-how was accounted for as an asset acquisition. As the acquired technology did not have an alternative use for accounting purposes, the total consideration of \$0.9 million was recorded as research and development expense in the statements of operations and comprehensive loss for the year ended December 31, 2019. The fair value of the Series A-2 shares was estimated using the valuation performed by the Company in connection with Series A-1 financing and equity fair value was allocated to each outstanding class of equity securities using the option pricing model.

**JASPER THERAPEUTICS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 6. SIGNIFICANT AGREEMENTS (cont.)**

The Amgen license agreement terminates on a product by product and country by country basis on the latest to occur of (i) expiration of the last valid claim of a licensed patent that covers the sale or manufacture of the applicable licensed product in such country, (ii) expiration of any period of regulatory exclusivity granted with respect to such licensed product in such country or (iii) ten years after the first commercial sale of such licensed product in a country. The Company and Amgen have the right to terminate the agreement for a material breach as specified in the agreement.

***Stanford Exclusive License Agreement***

In March 2021, the Company entered into a license agreement with Stanford (the “Stanford License Agreement”), following the exercise of its option in June 2020. The Company received a worldwide, exclusive license with a right to sublicense for JSP191 in the field of depleting endogenous blood stem cells in patients for whom hematopoietic cell transplantation is indicated. Stanford transferred certain know-how and patents related to JSP191 (together, the “Licensed Technology”). Under the terms of this agreement, the Company will use commercially reasonable efforts to develop, manufacture, and sell licensed product and to develop markets for a licensed product. In addition, the Company will use commercially reasonable efforts to meet the milestones as specified in the agreement over the next six years and must notify Stanford in writing as each milestone is met.

The Company will pay annual license maintenance fees, beginning on the first anniversary of the effective date of the agreement and ending upon the first commercial sale of a product, method, or service in the licensed field of use, as follows: \$25,000 for each first and second year, \$35,000 for each third and fourth year, and \$50,000 at each anniversary thereafter ending upon the first commercial sale. The Company is also obligated to pay late stage clinical development milestones and first commercial sales milestone payments of up to \$9.0 million in total. The Company will also pay low single-digit royalties on net sales of licensed products, if approved. No payments have been made under the Stanford License Agreement during the six months ended June 30, 2021.

The Stanford License Agreement expires on a country-by-country basis on the last-to-expire valid claim of a licensed patent in such country. The Company may terminate the agreement by giving Stanford a written notice at least 12 months in advance of the effective date of termination. The Company may also terminate the agreement solely with respect to any particular patent application or patent by giving Stanford written notice at least 60 days in advance of the effective date of termination. Stanford may terminate the agreement after 90 days from a written notice by Stanford, specifying a problem, including a delinquency on any report required pursuant to agreement or any payment, missing a milestone or for a material breach, unless the Company remediates the problem in that 90-day period.

**NOTE 7. DERIVATIVE TRANCHE LIABILITY**

On November 21, 2019, the Company entered into a Series A purchase agreement to issue and sell shares of Series A-1 redeemable convertible preferred stock at the initial closing (refer to Note 10 below). The Company determined that the obligation to issue additional shares of Series A-1 redeemable convertible preferred stock at the milestone closing at any time on or prior to December 30, 2020 was a freestanding financial instrument that is required to be accounted as a liability initially recorded and subsequently remeasured at fair value until such instrument is exercised or expires. The milestone closing liability was initially recorded at estimated fair value of \$4.3 million.

On September 3, 2020, the Company’s Board of Directors (the “Board”) amended the Series A-1 purchase agreement to split the milestone closing to two tranches, revised acceptable timing of the existing milestone closing and added terms of the second milestone closing to occur on or prior to April 15, 2021. The derivative liability is re-measured at fair value until expiration or settlement.

The first milestone was re-measured at fair value of \$6.8 million at the settlement date in November 2020 and was reclassified to redeemable convertible preferred stock upon the issuance of 14,961,379 shares of Series A-1 redeemable convertible preferred stock in November 2020. The second milestone closing was re-measured at fair value of \$11.7 million at the settlement date in February 2021 and was reclassified to redeemable convertible

**JASPER THERAPEUTICS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 7. DERIVATIVE TRANCHE LIABILITY (cont.)**

preferred stock upon the issuance of 14,316,146 shares of Series A-1 redeemable convertible preferred stock. The Company recorded a \$2.2 million loss and a \$3.5 million loss from the remeasurement of the derivative tranche liability in its statements of operations and comprehensive loss during the six months ended June 30, 2020 and 2021, respectively. As of June 30, 2021, the derivative tranche liability was fully settled.

**NOTE 8. COMMITMENTS AND CONTINGENCIES*****Operating Leases***

In August 2020, the Company entered into a 68-month operating lease for laboratory and office space in Redwood City, California, with a lease commencement date in September 2020. In conjunction with signing the lease, the Company secured a letter of credit in favor of the lessor in the amount of \$0.3 million. The funds related to this letter of credit are presented as restricted cash on the Company's condensed balance sheets. The lease agreement includes an escalation clause for increased base rent and a renewal provision allowing the Company to extend this lease for an additional 60 months at the prevailing rental rate, which the Company is not reasonably certain to exercise. In addition to base rent, the Company will pay its share of operating expenses and taxes.

To complete certain leasehold improvements, the lessor has agreed to provide the Company a tenant improvement allowance of \$1.2 million as well as an option to take an additional allowance of \$0.4 million, which is required to be repaid over the lease term at an interest rate of 9% per annum, which the Company exercised. A tenant improvement allowance of \$1.4 million was received by the Company during the six months ended June 30, 2021. In accordance with the lease agreement, the lessor will manage and supervise the construction of the improvements. In exchange for these services, the Company will pay the lessor a fee equal to 5% of total construction costs. The leasehold improvements constructed are presented under property and equipment on the Company's condensed balance sheets and will be depreciated on a straight-line basis over the remaining lease term.

In addition to the construction management and supervision fee noted above, the Company will pay variable costs related to its share of operating expenses and taxes. These variable costs will be recorded as lease expense as incurred and presented as operating expenses in the statements of operations and comprehensive loss.

The components of lease costs, which were included in the Company's statements of operations and comprehensive loss, are as follows (in thousands):

	Six Months Ended June 30,	
	2020	2021
<b>Lease cost</b>		
Operating lease cost	\$ —	\$ 276
Short-term lease cost	136	165
<b>Total lease cost</b>	<b>\$ 136</b>	<b>\$ 441</b>

Supplemental information related to the Company's operating leases is as follows:

	Six Months Ended June 30, 2021
Cash paid for amounts included in the measurement of lease liabilities	\$ —
Weighted average remaining lease term (years)	5.1
Weighted average discount rate	8%

**JASPER THERAPEUTICS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 8. COMMITMENTS AND CONTINGENCIES (cont.)**

The following table summarizes a maturity analysis of the Company's operating lease liabilities showing the aggregate lease payments as of June 30, 2021 (in thousands):

	<u>Amount</u>
Year ending December 31,	
2021 (remainder)	\$ 301
2022	713
2023	735
2024	757
2025	779
Thereafter	461
Total undiscounted lease payments	3,746
Less: imputed interest	(680)
Total discounted lease payments	3,066
Less: Current portion of lease liability	(424)
Noncurrent portion of lease liability	<u>\$ 2,642</u>

***Stanford Sponsored Research Agreement***

In September 2020, the Company entered into a sponsored research agreement with Stanford for a research program related to the treatment of Fanconi Anemia patients in Bone Marrow Failure requiring allogeneic transplant with non-sibling donors at Stanford Lucile Packard Children's Hospital (the "Research Project") using JSP 191. Stanford will perform the Research Project and is fully responsible for costs and operations related to the Research Project. In addition, Stanford owns the entire right, title, and interest, in and to all technology developed using Stanford facilities and by Stanford personnel through the performance of the Research Project under this agreement (the "Fanconi Anemia Research Project IP"). Under this agreement, Stanford granted the Company an exclusive option to license exclusively Stanford's rights in the Fanconi Anemia Research Project IP (the "Fanconi Anemia Option") in the field of commercialization of JSP191. There is no license granted or other IP transferred under this agreement until the Fanconi Anemia Option is exercised. As of June 30, 2021, the Company has not yet exercised the Fanconi Anemia Option.

As consideration for the services performed by Stanford under this sponsored research agreement, the Company will pay Stanford a total of \$0.9 million over approximately 3 years upon the achievement of development and clinical milestones, including FDA filings and patients' enrollment. As of December 31, 2020, the Company had accrued \$0.3 million related to the achievement of the first milestone under this agreement, which was paid during the six months ended June 30, 2021. The second and the third milestones are based on the progress of the clinical trials and will be recognized when achieved.

***License agreements***

In March 2021, the Company entered into the Stanford License Agreement (Note 6), pursuant to which the Company is required to pay annual license maintenance fees, beginning on the first anniversary of the effective date of the agreement and ending upon the first commercial sale of a product, method, or service in the licensed field of use, as follows: \$25,000 for each first and second year, \$35,000 for each third and fourth year, and \$50,000 at each anniversary thereafter ending upon the first commercial sale. The Company is also obligated to pay late stage clinical development milestones and first commercial sales milestone payments of up to \$9.0 million in total. The Company will also pay low single-digit royalties on net sales of licensed products. All products are in development as of June 30, 2021, and no such royalties were due.

***Business Combination Agreement***

On May 5, 2021, the Company entered into a Business Combination Agreement ("BCA") with Amplitude Healthcare Acquisition Corporation ("AMHC") and Ample Merger Sub, Inc. ("Merger Sub"), a wholly owned subsidiary of AMHC. Subject to the satisfaction of closing conditions, the Company and Merger Sub will merge

**JASPER THERAPEUTICS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 8. COMMITMENTS AND CONTINGENCIES (cont.)**

pursuant to the BCA, with the Company as the surviving corporation. The Company will become a wholly owned subsidiary of AMHC and AMHC will immediately be renamed to “Jasper Therapeutics, Inc.” (“New Jasper”). Each outstanding share of capital stock of the Company and outstanding Company stock options will be converted into the right to receive a portion of the transaction share consideration or a replacement option, respectively, per the terms of the BCA. In addition, immediately after the completion of the Business Combination, certain investors have agreed to subscribe for the purchase of an aggregate of \$100.0 million of common stock of the surviving company. The Business Combination is expected to close in the third quarter of 2021, following the receipt of the required approval by the stockholders and the fulfillment of other customary closing conditions. The Business Combination will be accounted for as a reverse recapitalization in accordance with U.S. GAAP. Under this method of accounting, AMHC will be treated as the acquired company and the Company will be treated as the acquirer for financial reporting purposes. Accordingly, for accounting purposes, the financial statements of New Jasper will represent a continuation of the financial statements of the Company, with the Business Combination treated as the equivalent of the Company issuing stock for the net assets of AMHC, accompanied by a recapitalization. The net assets of AMHC will be stated at historical cost, with no goodwill or other intangible assets recorded. Operations prior to the Business Combination will be those of the Company.

**Legal proceedings**

The Company, from time to time, may be party to litigation arising in the ordinary course of business. The Company was not subject to any material legal proceedings during the year ended December 31, 2020 and the six months ended June 30, 2021, and, to the best of its knowledge, no material legal proceedings are currently pending or threatened.

**Guarantees and Indemnifications**

In the normal course of business, the Company enters into agreements that contain a variety of representations and provide for general indemnification. The Company’s exposure under these agreements is unknown because it involves claims that may be made against the Company in the future. To date, the Company has not paid any claims or been required to defend any action related to its indemnification obligations. As of December 31, 2020 and June 30, 2021, the Company does not have any material indemnification claims that were probable or reasonably possible and consequently has not recorded related liabilities.

**NOTE 9. REDEEMABLE CONVERTIBLE PREFERRED STOCK**

Redeemable convertible preferred stock as of December 31, 2020 and June 30, 2021, consisted of the following (in thousands, except share data):

	December 31, 2020			
	Shares Authorized	Shares Issued and Outstanding	Aggregate Liquidation Preference	Net Carrying Value
Series A-1 redeemable convertible preferred stock	69,136,657	54,820,496	\$ 41,165	\$ 42,978
Series A-2 redeemable convertible preferred stock	100	100	—	862
Total redeemable convertible preferred stock	<u>69,136,757</u>	<u>54,820,596</u>	<u>\$ 41,165</u>	<u>\$ 43,840</u>
	June 30, 2021			
	Shares Authorized	Share Issued and Outstanding	Aggregate Liquidation Preference	Net Carrying Value
Series A-1 redeemable convertible preferred stock	69,136,657	69,136,642	\$ 51,915	\$ 65,387
Series A-2 redeemable convertible preferred stock	100	100	—	862
Total redeemable convertible preferred stock	<u>69,136,757</u>	<u>69,136,742</u>	<u>\$ 51,915</u>	<u>\$ 66,249</u>

**JASPER THERAPEUTICS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 9. REDEEMABLE CONVERTIBLE PREFERRED STOCK (cont.)**

The significant rights and obligations of the Company's redeemable convertible preferred stock are as follows:

***Dividends***

The holders of Series A-1 redeemable convertible preferred stock are entitled to receive, on a pari passu basis, when, as and if declared by the Board, out of any assets at the time that are legally available, cash dividends at the rate of 8% per annum of the applicable original issue price of \$0.7509, as adjusted for stock splits, dividends, reclassifications or the like.

The holders of Series A-2 redeemable convertible preferred stock are entitled to receive dividends, on a pari passu basis, when, as and if declared by the Board, out of any assets at the time legally available therefor, in an amount of 8% of any distribution to Company stockholders. The dividend rate can be reduced to 4% if the Company terminates the Amgen License Agreement, or Amgen is pursuing a clinical development of an anti c-kit antibody in any clinical indication for which the Company has filed or holds an IND for an anti c-kit antibody.

The preferred dividends are not cumulative. No dividends have been declared or paid as of December 31, 2020 and June 30, 2021.

***Voting***

The holders of each share of Series A-1 redeemable convertible preferred stock are entitled to voting rights equal to the number of shares of Class A common stock into which the shares of Series A-1 redeemable convertible preferred stock are then convertible. The holders of Series A-1 redeemable convertible preferred stock vote together with the holders of common stock as a single class and on an as-converted to common stock basis. The holders of Series A-2 redeemable convertible preferred stock are not entitled to any voting rights.

***Election of Directors***

The holders of Series A-1 redeemable convertible preferred stock, voting together as a separate class, are entitled to elect three directors of the Company. The holders of Class A common stock, other than the common stock issued or issuable upon the conversion of preferred stock, voting together as a separate class, are entitled to elect two directors of the Company. The holders of Class A common stock and Series A-1 redeemable convertible preferred stock are collectively entitled to elect the balance of the total number of directors of the Company.

***Conversion Rights***

Each share of Series A-1 redeemable convertible preferred stock is convertible to Class A common stock, at the option of the holder, at the then applicable conversion price. Any holder that beneficially owns, directly or indirectly, more than 9.9% of any class of equity securities has the right to receive any shares of capital stock that would be issued upon conversion of the shares in excess of 9.9% in the form of Class B common stock. The initial conversion price per share for Series A-1 redeemable convertible preferred stock is \$0.7509. Shares of Series A-2 redeemable convertible preferred stock are not convertible at the option of the holder.

Each share of Series A-1 redeemable convertible preferred stock will be automatically converted into common stock, at the then effective conversion price (i) immediately prior to closing of the initial public offering at a common stock per share price of at least five times the original issue price of the Series A-1 redeemable convertible preferred stock resulting in at least \$70.0 million of gross proceeds, or (ii) at the date and time, or upon occurrence of an event, specified by vote or written consent of the holders of at least 55% of the outstanding shares of Series A-1 redeemable convertible preferred stock.

Upon the Company's initial public offering, each share of Series A-2 redeemable convertible preferred will be automatically converted into a number of shares of Class A common stock equal to 8% of the fully diluted equity immediately prior to such initial public offering. The percentage of Class A common stock subject to Series A-2

**JASPER THERAPEUTICS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 9. REDEEMABLE CONVERTIBLE PREFERRED STOCK (cont.)**

redeemable convertible preferred stock conversion can be reduced to 4% if the Company terminates the Amgen License Agreement, or Amgen is pursuing a clinical development of an anti c-kit antibody in any clinical indication for which the Company has filed or holds an IND for an anti c-kit antibody.

***Liquidation Preference***

In the event of liquidation, dissolution or winding up of the Company, including a deemed liquidation, the holders of the redeemable convertible Series A-1 Preferred Stock are entitled to receive, in preference to any distribution to the holders of the Series A-2 redeemable convertible preferred stock or common stock, an amount per share equal to 0.75 times of the applicable original issue price of \$0.7509, as adjusted for stock splits, dividends, reclassifications or the like.

After the payment to the holders of Series A-1 redeemable convertible preferred stock of the full preferential amounts above, the holders of Series A-2 redeemable convertible preferred stock will be entitled to receive, out of the remaining assets of the Company available for distribution to its stockholders, in preference to any distribution to the holders of common stock, an amount equal to 8% of the assets available for distribution. The liquidation preference available to the holders of Series A-2 redeemable convertible preferred stock can be reduced to 4% if the Company terminates the Amgen License Agreement, or Amgen is pursuing a clinical development of an anti c-kit antibody in any clinical indication for which the Company has filed or holds an IND for an anti c-kit antibody.

After the payment to the holders of Series A-2 redeemable convertible preferred stock of the full preferential amounts above, the holders of Series A-1 redeemable convertible preferred stock will be entitled to receive, out of the remaining assets of the Company available for distribution to its stockholders, in preference to any distribution to the holders of common stock, an amount per share equal to 0.25 times of the applicable original issue price of \$0.7509, as adjusted for stock splits, dividends, reclassifications or the like.

If the assets of the Company legally available for distribution to the holders of a given Series of redeemable convertible preferred stock are insufficient to permit the payment to such holders of the full amounts of a given Series, then the assets of the Company will be distributed on a pro rata basis among the holders of such Series of redeemable convertible preferred stock in proportion to the full amounts they would otherwise be entitled to receive pursuant to their liquidation preference.

Following the above payments, the remaining assets of the Company, if any, will be distributed ratably among the holders of common stock and Series A-1 redeemable convertible preferred stock, pro rata based on the number of shares held by each such holder as if they had been converted to common stock. Provided, however, that if the aggregate amount which the holders of Series A-1 redeemable convertible preferred stock are entitled to receive under the above provisions exceed 1.5 times the applicable original issue price of \$0.7509, as adjusted for stock splits, dividends, reclassifications or the like, upon such liquidation, dissolution or winding up the holders of Series A-1 redeemable convertible preferred stock will be entitled to receive the greater of (i) 1.5 times the applicable original issue price and (ii) the amount would have received if all shares of Series A-1 redeemable convertible preferred stock had been converted into common stock immediately prior to such liquidation, dissolution or winding up of the Corporation.

***Redemption***

The redeemable convertible preferred stock is recorded in mezzanine equity because while it is not mandatorily redeemable, it will become redeemable at the option of the preferred stockholders upon the occurrence of certain deemed liquidation events that are considered not solely within the Company's control.

**NOTE 10. COMMON STOCK**

The Company's Certificate of Incorporation, as amended on November 20, 2019, authorizes the Company to issue 108,704,757 shares of Class A common stock, \$0.001 par value per share, and 69,136,657 shares of Class B common stock, \$0.001 par value per share.

**JASPER THERAPEUTICS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 10. COMMON STOCK (cont.)**

The rights, powers and preferences of the holders of the Class A Common Stock and Class B Common Stock are subject to and qualified by the rights, powers and preferences of the holders of the redeemable convertible preferred stock. The holders of the Class A Common Stock are entitled to one vote for each share of Class A Common Stock held at all meetings of stockholders, and the holders of Class B Common Stock are not entitled to vote on any matter. Shares of Class B Common Stock are convertible into Class A Common Stock upon written notice of the holder, subject to a maximum of 9.9% total beneficial ownership in Class A Common Stock upon such conversion.

The holders of common stock are entitled to receive dividends whenever funds and assets are legally available and when declared by the Board, subject to the prior rights of holders of redeemable convertible preferred stock outstanding. Dividend rights for Series A and B common stock are the same. There have been no dividends declared to date.

As of December 31, 2020 and June 30, 2021, the Company had reserved common stock for future issuance as follows:

	<b>December 31, 2020</b>	<b>June 30, 2021</b>
Redeemable convertible preferred stock	54,820,596	69,136,742
Outstanding and issued common stock options	10,565,957	10,733,204
Shares available for grant under 2019 Equity Incentive Plan	1,525,945	1,009,766
Total shares of common stock reserved	<u>66,912,498</u>	<u>80,879,712</u>

***Founders' Common Stock***

In March 2018, the Company issued 8,000,000 common stock shares with the fair value of \$0.01 per share to its founders for services and intellectual property. As consideration for the shares the Company received \$6,000 in cash and intellectual property with estimated fair value of \$0.1 million, which was recognized as research and development expenses, as the technology did not have an alternative use. Issued shares vested 25% at the issuance date and over 36 months thereafter. The Company had a right to repurchase unvested shares at the price paid by founders.

In November 2019, the share purchase agreements were modified such that 4,000,000 shares were vested as of November 29, 2019 and the remaining shares vest monthly over 48 months. The Company has a right to repurchase unvested shares upon termination of services by the founders to the Company at the price lower of: par value or the fair value at the date of repurchase. Modification expense was insignificant.

The Company accounts for issued shares as stock-based compensation to founders as consultants and recognizes stock-based compensation expense over the vesting period. As of December 31, 2020 and June 30, 2021, the Company recorded less than \$0.1 million as restricted stock liability, related to 2,916,667 and 2,416,667 unvested shares of common stock, respectively. Stock-based compensation expense was \$2,094 for each of the six months ended June 30, 2020 and 2021. Unrecognized stock-based compensation expense of \$10,015 as of June 30, 2021 is expected to be recognized over 2.4 years.

**NOTE 11. STOCK-BASED COMPENSATION*****2019 Equity Incentive Plan***

On November 18, 2019, the Company adopted the 2019 Equity Incentive Plan (the "Plan"). Pursuant to the Plan, stock options, restricted stock award ("RSAs"), stock appreciation rights, restricted stock unit awards and other stock awards may be granted to employees, consultants and directors of the Company. Options granted may be either incentive stock options ("ISOs") or non-statutory stock options ("NSOs"). As of June 30, 2021, 12,359,055 shares were approved and reserved under the Plan.

**JASPER THERAPEUTICS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 11. STOCK-BASED COMPENSATION** (cont.)

ISOs may be granted only to the Company’s employees. NSOs may be granted to employees, directors and consultants. Under the Plan, ISOs may be granted at an exercise price of not less than 100% of the fair market value of the common stock on the date of grant. For individuals holding more than 10% of the voting rights of all classes of stock, the exercise price of an option will not be less than 110% of fair value. Options become exercisable and expire as determined by the Board, provided that the term of options may not exceed 10 years from the date of grant (5 years for the individuals holding more than 10% of the voting rights of all classes of stock). Stock option agreements may provide for accelerated exercisability in the event of an optionee’s death, disability, retirement or other events. Vesting conditions determined by the Plan administrator may apply to stock options and may include continued service, performance and/or other conditions. Generally, stock options vest over a four-year period. The Company did not grant any RSAs, stock appreciation rights or restricted stock unit awards during the six months ended June 30, 2020 and 2021.

**Stock Option Activity**

The following table summarizes the activity under the Plan for the six months ended June 30, 2021:

	Shares Available for Grant	Option Outstanding Number of Shares	Weighted Average Exercise Price	Weighted - Average Remaining Contractual Life (Years)	Aggregate Intrinsic Value
<b>Balance, January 1, 2021</b>	<b>1,525,945</b>	<b>10,565,957</b>	<b>\$ 0.20</b>	<b>9.52</b>	<b>\$ 5,599,957</b>
Options granted	(516,179)	516,179	\$ 0.73		
Options exercised	—	(347,682)	\$ 0.20		
<b>Balance, June 30, 2021</b>	<b>1,009,766</b>	<b>10,734,454</b>	<b>\$ 0.23</b>	<b>9.06</b>	<b>\$ 16,660,657</b>
Vested and expected to vest, June 30, 2021		10,733,204	\$ 0.23	9.06	\$ 16,658,717
Exercisable		4,696,360	\$ 0.20	8.97	\$ 7,407,183

The Company did not make any stock options grants during the three months ended June 30, 2021. Aggregate intrinsic value represents the difference between the estimated fair value of the underlying common stock and the exercise price of outstanding, in-the-money options. The total intrinsic value of the options exercised during the six months ended June 30, 2021 was \$0.5 million.

The total fair value of options that vested during the six months ended June 30, 2021 was \$0.8 million. The weighted-average grant date fair value of options granted during the six months ended June 30, 2021 was \$0.75 per share.

Future stock-based compensation for unvested options as of June 30, 2021 was \$2.1 million, which is expected to be recognized over a weighted-average period of 2.7 years.

**Stock-Based Compensation Expense**

The following table presents the effect of employee and non-employee option-related and founders’ shares-related stock-based compensation expense (in thousands):

	Six Months Ended June 30,	
	2020	2021
General and administrative	\$ 380	\$ 257
Research and development	77	365
	<b>\$ 457</b>	<b>\$ 622</b>

**JASPER THERAPEUTICS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 11. STOCK-BASED COMPENSATION** (cont.)*Valuation of Stock Options*

The grant date fair value of employee stock options was estimated using a Black-Scholes option-pricing model with the following weighted-average assumptions:

	Six Months Ended June 30,	
	2020	2021
Fair value of common stock	\$0.36	\$1.05
Expected term (in years)	5.00 – 6.01	5.29 – 6.08
Expected volatility	74.53% – 75.61%	75.27% – 75.79%
Risk-free interest rate	0.31% – 0.41%	0.65% – 0.80%
Expected dividend yield	—	—

The determination of the fair value of stock options on the date of grant using a Black-Scholes option-pricing model is affected by the estimated fair value of the Company's common stock, as well as assumptions regarding a number of variables that are complex, subjective and generally require significant judgment to determine. The valuation assumptions were determined as follows:

*Fair Value of Common Stock*

The grant date fair value of the Company's common stock has been determined by the Board with the assistance of management and an independent third-party valuation specialist. The grant date fair value of the Company's common stock was determined using valuation methodologies that utilize certain assumptions including probability weighting of events, volatility, time to liquidation, a risk-free interest rate and an assumption for a discount for lack of marketability (Level 3 inputs). In determining the fair value of the Company's common stock, the methodologies used to estimate the enterprise value of the Company were performed using methodologies, approaches, and assumptions consistent with the American Institute of Certified Public Accountants Accounting and Valuation Guide, *Valuation of Privately-Held-Company Equity Securities Issued as Compensation*.

For the valuation performed on December 31, 2020 and March 31, 2021, the Company's management utilized a hybrid method that combines the Probability-Weighted Expected Return Method ("PWERM"), an accepted valuation method described in the American Institute of Certified Public Accountants Accounting and Valuation Guide, *Valuation of Privately-Held-Company Equity Securities Issued as Compensation*, and the OPM. The Company determined this was the most appropriate method for determining the fair value of its common stock based on the stage of development and other relevant factors. The PWERM is a scenario-based analysis that estimates the value per share of common stock based on the probability-weighted present value of expected future equity values for the common stock, under various possible future liquidity event scenarios, considering the rights and preferences of each class of shares, discounted for a lack of marketability. Under the hybrid method, an option pricing model was utilized to determine the fair value of the common stock in certain of the PWERM scenarios (capturing situations where the development path and future liquidity events were difficult to forecast), potential exit events were explicitly modeled in the other PWERM scenarios. A discount for lack of marketability was applied to the value derived under each scenario to account for a lack of access to an active public market to estimate the common stock fair value.

*Expected Term*

The expected term represents the period that the options granted are expected to be outstanding and is determined using the simplified method (based on the mid-point between the vesting date and the end of the contractual term) as the Company has concluded that its stock option exercise history does not provide a reasonable basis upon which to estimate expected term.

**JASPER THERAPEUTICS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 11. STOCK-BASED COMPENSATION (cont.)**

*Expected Volatility*

The Company derived the expected volatility from the average historical volatilities over a period approximately equal to the expected term of comparable publicly traded companies within its peer group that were deemed to be representative of future stock price trends as the Company does not have any trading history for its common stock. The Company will continue to apply this process until a sufficient amount of historical information regarding the volatility of its own stock price becomes available.

*Risk-Free Interest Rate*

The risk-free interest rate is based on the U.S. Treasury rate, with maturities similar to the expected term of the stock options.

*Expected Dividend Yield*

The Company does not anticipate paying any dividends in the foreseeable future and, therefore, uses an expected dividend yield of zero.

**NOTE 12. NET LOSS PER SHARE ATTRIBUTABLE TO COMMON STOCKHOLDERS**

The following table sets forth the computation of basic and diluted net loss per share attributable to common stockholders (in thousands, except share and per share data):

	Six Months Ended June 30,	
	2020	2021
<b>Numerator:</b>		
Net loss attributable to common stockholders	\$ (10,857)	\$ 18,168
<b>Denominator:</b>		
Weighted average common shares outstanding	9,544,882	9,912,658
Less: Weighted-average unvested restricted shares	(3,677,198)	(2,676,796)
Weighted average shares used to compute basic and diluted net loss per share	5,867,684	7,235,862
Net loss per share attributable to common stockholders – basic and diluted:	\$ (1.85)	\$ (2.51)

The potential shares of common stock that were excluded from the computation of diluted net loss per share attributable to common stockholders for the periods presented because including them would have had an antidilutive effect were as follows:

	Six Months Ended June 30,	
	2020	2021
Redeemable convertible preferred stock	40,504,442	69,136,742
Outstanding and issued common stock options	6,625,306	10,733,204
Unvested restricted common stock	3,416,666	2,416,666
<b>Total</b>	<b>50,546,414</b>	<b>82,286,612</b>

**JASPER THERAPEUTICS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 13. RELATED PARTIES**

The Company entered into consulting agreements with two founders, who also received founders' common stock shares for services and assigned patents. Also, the Company's licensed technology from Stanford (see Note 6) was created in the laboratory of Professor Judith Shizuru, one of the founders. The Company recorded \$0.1 million of expense for advisory and consulting services performed for the six months ended June 30, 2020 and 2021.

In December 2020, the Company entered into a material transfer agreement with Zai Lab Limited where both companies will collaborate on a research project and share total expenses of up to \$0.3 million equally. The Company recorded \$36,000 as a reduction to research and development expenses for expenses reimbursed by Zai Lab Limited for the six months ended June 30, 2021. The Company's chief executive officer is a board member of Zai Lab Limited.

**NOTE 14. SUBSEQUENT EVENTS**

The Company has reviewed and evaluated subsequent events through the issuance of the condensed financial statements and has determined that the following subsequent events require disclosure in the condensed financial statements:

On September 24, 2021 (the "Closing Date"), the Company and AMHC consummated the business combination pursuant to the terms of the BCA (the "Business Combination").

Pursuant to the BCA, on the Closing Date, (i) Merger Sub merged with and into the Company (the "Merger"), with the Company as the surviving company in the Merger, and, after giving effect to such Merger, the Company became a wholly-owned subsidiary of AMHC and changed its name to Jasper Tx Corp., and (ii) AMHC changed its name to "Jasper Therapeutics, Inc." (together with its consolidated subsidiaries, "New Jasper").

In accordance with the terms and subject to the conditions of the BCA, at the effective time of the Merger (the "Effective Time"), (i) each share of the Company's common stock and the Company's preferred stock outstanding immediately prior to the Effective Time was automatically cancelled, extinguished and converted into the applicable number of shares of voting common stock, par value \$0.0001 per share, of New Jasper ("New Jasper Voting Common Stock") or, in certain circumstances, non-voting common stock, par value \$0.0001 per share, of New Jasper ("New Jasper Non-Voting Common Stock", and together with New Jasper Voting Common Stock, the "New Jasper Common Stock"), based on the Company's equity value, (ii) each vested and unvested option to purchase shares of the Company's common stock outstanding as of immediately prior to the Effective Time was cancelled in exchange for a comparable option to purchase shares of New Jasper Voting Common Stock, based on the Company's equity value, and (iii) each unvested award of restricted shares of the Company's common stock outstanding immediately prior to the Effective Time was converted into a comparable right to receive restricted shares of New Jasper Common Stock, based on the Company's equity value. For purposes herein and in the BCA, the Company's equity value was deemed to be an agreed upon amount equal to \$275.0 million.

In addition, concurrently with the execution of the BCA on May 5, 2021, AMHC entered into subscription agreements with certain investors (the "PIPE Investors"), pursuant to which the PIPE Investors agreed to subscribe for and purchase, and AMHC agreed to issue and sell to the PIPE Investors, an aggregate of 10,000,000 shares of Class A Common Stock of AMHC at a price of \$10.00 per share, for aggregate gross proceeds of \$100.0 million (the "PIPE Financing"). The PIPE Financing was consummated concurrently with the closing of the Business Combination.

In connection with the Merger, immediately prior to the Closing, each share of AMHC Class B Common Stock outstanding immediately prior to the Merger was converted into one share of AMHC's Class A Common Stock, and following such conversion, all outstanding shares of AMHC's Class A Common Stock were converted into an equivalent number of shares of New Jasper Voting Common Stock.



**Jasper Therapeutics, Inc.**

**33,081,493 Shares of Voting Common Stock**

**Up to 5,000,000 shares of Voting Common Stock Issuable Upon Exercise of Warrants**

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**PROSPECTUS**

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**October 26, 2021**

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