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

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2022

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission file number 001-38129

Mersana Therapeutics, Inc.
(Exact name of registrant as specified in its charter)

Delaware	**04-3562403**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

840 Memorial Drive Cambridge, MA 02139
(Address of principal executive offices)
(Zip Code)

(617) 498-0020
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Common Stock, $0.0001 par value	MRSN	The Nasdaq Global Select Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

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

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

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

There were 96,991,298 shares of Common Stock ($0.0001 par value per share) outstanding as of May 5, 2022.

REFERENCES TO MERSANA

Throughout this Quarterly Report on Form 10-Q, the "Company," "Mersana," "we," "us," and "our," except where the context requires otherwise, refer to Mersana Therapeutics, Inc. and its consolidated subsidiary, and "our board of directors" refers to the board of directors of Mersana Therapeutics, Inc.

FORWARD LOOKING STATEMENTS AND INDUSTRY DATA

This Quarterly Report on Form 10-Q contains forward-looking statements. Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based on our current beliefs, expectations and assumptions regarding the future of our business, future plans and strategies, our clinical results and other future conditions. The words "aim," "anticipate," "believe," "contemplate," "continue," "could," "estimate," "expect," "goal," "intend," "may," "on track," "plan," "possible," "potential," "predict," "project," "seek," "should," "target," "will," "would" or the negative of these terms or other similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words.

These forward-looking statements include, among other things, statements about:

- the initiation, cost, timing, progress and results of our current and future research and development activities, preclinical studies and clinical trials;
- the adequacy of our inventory of upifitamab rilsodotin, or UpRi, and our other clinical product candidates to support our ongoing and planned clinical trials, as well as the outcome of planned manufacturing runs;
- the timing of, and our ability to obtain and maintain, regulatory approvals for our product candidates;
- unmet needs in ovarian and other cancer treatment;
- our ability to quickly and efficiently identify and develop additional product candidates;
- our ability to advance any product candidate into, and successfully complete, clinical trials;
- our intellectual property position, including with respect to our trade secrets;
- the potential benefits of strategic partnership agreements and our ability to enter into selective strategic partnerships;
- our estimates regarding expenses, future revenues, capital requirements, the sufficiency of our current and expected cash resources and our need for additional financing; and
- the potential impact of the ongoing COVID-19 pandemic.

We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements. Actual results or events could differ materially from the plans, intentions and expectations disclosed in the forward-looking statements we make. We have included important factors in the cautionary statements included in this Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2022, particularly in the "Risk Factors" section, that we believe could cause actual results or events to differ materially from the forward-looking statements that we make. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures or investments we may make.

In addition, the COVID-19 pandemic could adversely affect our preclinical and clinical development efforts, business operations and financial results. The extent of the impact and the value of and market for our common stock will depend on future developments that are highly uncertain and cannot be predicted with confidence at this time, such as the ultimate duration of the pandemic, the emergence of new variants of the virus, travel restrictions, quarantines, physical distancing and business closure requirements in the United States. and in other countries, and the effectiveness of actions taken globally to contain and treat the disease.

The forward-looking statements contained herein represent our views as of the date of this Quarterly Report on Form 10-Q and we do not assume any obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. We anticipate that subsequent events and developments will cause our views to change. You should, therefore, not rely on these forward-looking statements as representing our views as of any date subsequent to the date of this Quarterly Report on Form 10-Q.

This Quarterly Report on Form 10-Q may include industry and market data, which we may obtain from our own internal estimates and research, as well as from industry and general publications and research, surveys, and studies conducted by third parties. Industry publications, studies, and surveys generally state that they have been obtained from sources believed to be reliable, although they do not guarantee the accuracy or completeness of such information. While we believe that such studies and publications are reliable, we have not independently verified market and industry data from third-party sources.

RISK FACTORS SUMMARY

Our business is subject to varying degrees of risk and uncertainty. Investors should consider the risks and uncertainties summarized below, as well as the risks and uncertainties discussed in Part II, Item 1A, Risk Factors of this Quarterly Report on Form 10-Q.

Our business is subject to the following principal risks and uncertainties:

- We have incurred net losses since our inception, we have no products approved for commercial sale and we anticipate that we will continue to incur substantial operating losses for the foreseeable future.
- We will require substantial additional financing to achieve our goals, and a failure to obtain this necessary capital when needed could force us to delay, limit, reduce or terminate our product development or commercialization efforts.
- We have a credit facility that requires us to meet certain affirmative and negative covenants and places restrictions on our operating and financial flexibility.
- We face substantial competition, which may result in others discovering, developing or commercializing products before, or more successfully than, we do.
- We only have two product candidates, UpRi and XMT-1592, in clinical trials. A failure of any of our current or future product candidates in clinical development could adversely affect our business and may require us to discontinue development of other product candidates based on the same technology.
- We can provide no assurance that our clinical product candidates will obtain regulatory approval or that the results of clinical trials will be favorable.
- Drug discovery and development is a complex, time-consuming and expensive process that is fraught with risk and a high rate of failure. We can provide no assurance of the successful and timely development of new antibody drug conjugate, or ADC, products.
- If we fail to attract and retain senior management and key scientific personnel, we may be unable to successfully develop our product candidates, conduct our clinical trials and commercialize our product candidates.
- We may encounter difficulties in managing our growth and expanding our operations successfully.

- Our activities, including our interactions with healthcare providers, third party payors, patients and government officials, are, and will continue to be, subject to extensive regulation involving health care, anti-corruption, data privacy and security and consumer protection laws. Failure to comply with applicable laws could result in substantial penalties, contractual damages, reputational harm, diminished revenues and curtailment or restructuring of our operations.

- We rely upon patents and other intellectual property rights to protect our technology. We may be unable to protect our intellectual property rights, and we may be liable for infringing the intellectual property rights of others.

- Our business is subject to risks arising from the outbreaks of disease, such as epidemics or pandemics, including the ongoing COVID-19 pandemic.

TABLE OF CONTENTS

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

Mersana Therapeutics, Inc.
Condensed Consolidated Balance Sheets
(in thousands, except share and per share data)
(unaudited)

	March 31, 2022	December 31, 2021
Assets		
Current assets:		
Cash and cash equivalents	$ 230,057	$ 177,947
Prepaid expenses and other current assets	11,413	10,951
Total current assets	241,470	188,898
Property and equipment, net	2,549	1,968
Operating lease right-of-use assets	12,001	12,889
Other assets, noncurrent	2,247	2,356
Total assets	$ 258,267	$ 206,111
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	$ 9,775	$ 12,321
Accrued expenses	27,475	28,716
Deferred revenue	16,578	3,944
Operating lease liabilities	2,404	2,303
Other current liabilities	231	239
Total current liabilities	56,463	47,523
Operating lease liabilities, noncurrent	10,567	11,247
Long-term debt, net	24,702	24,626
Deferred revenue, noncurrent	25,620	—
Other liabilities, noncurrent	389	974
Total liabilities	117,741	84,370
Commitments (Note 10)		
Stockholders' equity:		
Preferred stock, $0.0001 par value; 25,000,000 shares authorized; 0 shares issued and outstanding at March 31, 2022 and December 31, 2021, respectively	—	—
Common stock, $0.0001 par value; 175,000,000 shares authorized; 87,073,084 and 73,709,056 shares issued and outstanding at March 31, 2022 and December 31, 2021, respectively	9	7
Additional paid-in capital	638,254	572,213
Accumulated deficit	(497,737)	(450,479)
Total stockholders' equity	140,526	121,741
Total liabilities and stockholders' equity	$ 258,267	$ 206,111

The accompanying notes are an integral part of these condensed consolidated financial statements.

Mersana Therapeutics, Inc.
Condensed Consolidated Statements of Operations and Comprehensive Loss
(in thousands, except share and per share data)
(unaudited)

	Three Months Ended March 31,	
	2022	2021
Collaboration revenue	$ 2,036	$ 11
Operating expenses:		
Research and development	35,806	27,415
General and administrative	12,782	7,208
Total operating expenses	48,588	34,623
Other income (expense):		
Interest income	18	12
Interest expense	(724)	(93)
Total other income (expense), net	(706)	(81)
Net loss	(47,258)	(34,693)
Net loss attributable to common stockholders — basic and diluted	$ (47,258)	$ (34,693)
Net loss per share attributable to common stockholders — basic and diluted	$ (0.59)	$ (0.50)
Weighted-average number of shares of common stock used in net loss per share attributable to common stockholders — basic and diluted	79,928,591	68,987,857

The accompanying notes are an integral part of these condensed consolidated financial statements.

Mersana Therapeutics, Inc.
Condensed Consolidated Statements of Stockholders' Equity
(in thousands, except share data)
(unaudited)

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Stockholders' Equity
	Shares	Amount			
Balance at December 31, 2020	68,841,288	$ 7	$ 508,499	$ (280,419)	$ 228,087
Exercise of stock options	148,472	—	764	—	764
Vesting of restricted stock units, net of employee tax obligations	61,678	—	(259)	—	(259)
Stock-based compensation expense	—	—	4,039	—	4,039
Net loss	—	—	—	(34,693)	(34,693)
Balance at March 31, 2021	69,051,438	$ 7	$ 513,043	$ (315,112)	$ 197,938
Balance at December 31, 2021	73,709,056	$ 7	$ 572,213	$ (450,479)	$ 121,741
Issuance of common stock from at-the-market transactions, net of issuance costs of $1,322	13,169,903	2	60,460	—	60,462
Exercise of stock options	26,951	—	96	—	96
Vesting of restricted stock units	167,174	—	—	—	—
Stock-based compensation expense	—	—	5,485	—	5,485
Net loss	—	—	—	(47,258)	(47,258)
Balance at March 31, 2022	87,073,084	$ 9	$ 638,254	$ (497,737)	$ 140,526

The accompanying notes are an integral part of these condensed consolidated financial statements.

Mersana Therapeutics, Inc.
Condensed Consolidated Statements of Cash Flows
(in thousands)
(unaudited)

	Three Months Ended March 31,	
	2022	**2021**
Cash flows from operating activities		
Net loss	$ (47,258)	$ (34,693)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	205	226
Stock-based compensation	5,485	4,039
Other non-cash items	194	38
Changes in operating assets and liabilities:		
Prepaid expenses and other current assets	(462)	(37)
Other assets	—	(1,366)
Accounts payable	(2,524)	3,415
Accrued expenses	(2,159)	1,251
Operating lease right-of-use assets	889	415
Operating lease liabilities	(579)	(299)
Deferred revenue	38,254	(11)
Net cash used in operating activities	(7,955)	(27,022)
Cash flows from investing activities		
Purchase of property and equipment	(329)	(114)
Net cash used in investing activities	(329)	(114)
Cash flows from financing activities		
Net proceeds from the at-the-market facility	60,374	—
Proceeds from exercise of stock options	96	764
Payment of employee tax obligations related to vesting of restricted stock units	—	(259)
Payments under capital lease obligations	(76)	(33)
Net cash provided by financing activities	60,394	472
Increase (decrease) in cash, cash equivalents and restricted cash	52,110	(26,664)
Cash, cash equivalents and restricted cash, beginning of period	178,425	255,415
Cash, cash equivalents and restricted cash, end of period	$ 230,535	$ 228,751
Supplemental disclosures of non-cash activities:		
Purchases of property and equipment in accounts payable and accrued expenses	$ 457	$ 189
Cash paid for interest	$ 531	$ 60
Right-of-use assets obtained in exchange for financing lease liabilities	$ —	$ 213

The accompanying notes are an integral part of these condensed consolidated financial statements.

Mersana Therapeutics, Inc.
Notes to condensed consolidated financial statements
(unaudited)

1. Nature of business and basis of presentation

Mersana Therapeutics, Inc. is a clinical-stage biopharmaceutical company focused on developing antibody drug conjugates ("ADCs") that offer a clinically meaningful benefit for cancer patients with significant unmet need. The Company has leveraged over 20 years of industry learning in the ADC field to develop proprietary and differentiated technology platforms that enable it to develop ADCs that are designed to have improved efficacy, safety and tolerability relative to existing ADC therapies. The Company's innovative platforms include Dolaflexin and Dolasynthen, each of which deliver the DolaLock payload, as well as Immunosynthen, which delivers a novel stimulator of interferon genes ("STING") agonist ImmunoLock payload. Together, these platforms provide an efficient product engine that has enabled a robust discovery pipeline for the Company and its partners. The Company's clinical candidates include upifitamab rilsodotin ("UpRi") and XMT-1592. The Company's early-stage programs include XMT-1660, a Dolasynthen ADC targeting B7-H4, as well as XMT-2056, a STING-agonist ADC developed using the Company's Immunosynthen platform and targeting a novel epitope of human epidermal growth factor receptor 2 ("HER2"). The Company also has two earlier stage preclinical candidates, XMT-2068 and XMT-2175, both of which leverage the Company's Immunosynthen platform and target tumor-associated antigens.

The Company's lead product candidate, UpRi, is a first-in-class Dolaflexin ADC targeting NaPi2b, an antigen broadly expressed in ovarian cancer and other cancers with limited expression in healthy tissues. The Company is currently evaluating UpRi in platinum-resistant ovarian cancer in a single-arm registrational trial, referred to as UPLIFT. The Company is also conducting a Phase 1/2 umbrella combination trial, referred to as UPGRADE. Initially, the Company is exploring the combination of UpRi with carboplatin, a standard platinum chemotherapy broadly used in the treatment of platinum-sensitive ovarian cancer. The Company may explore other combinations in the future.

The Company's second clinical candidate, XMT-1592, is a NaPi2b-targeted ADC leveraging the Dolasynthen platform. The Company is conducting a Phase 1 dose exploration trial in patients with ovarian cancer and non-small cell lung cancer ("NSCLC").

The Company is subject to risks common to companies in the biotechnology industry including, but not limited to, the need for additional capital, risks of failure of preclinical studies and clinical trials, the need to obtain marketing approval and reimbursement for any drug product candidate that it may identify and develop, the need to successfully commercialize and gain market acceptance of its product candidates, dependence on key personnel, protection of proprietary technology, compliance with government regulations, development of technological innovations by competitors, reliance on third party manufacturers and the ability to transition from pilot-scale production to large-scale manufacturing of products.

The Company has incurred cumulative net losses since inception. For the three months ended March 31, 2022, the net loss was $47.3 million, compared to net loss of $34.7 million in the three months ended March 31, 2021. The Company expects to continue to incur operating losses for at least the next several years. As of March 31, 2022, the Company had an accumulated deficit of $497.7 million. The future success of the Company is dependent on, among other factors, its ability to identify and develop its product candidates and ultimately upon its ability to attain profitable operations. The Company has devoted substantially all of its financial resources and efforts to research and development and general and administrative expense to support such research and development. Net losses and negative operating cash flows have had, and will continue to have, an adverse effect on the Company's stockholders' equity and working capital.

The Company believes that its currently available funds will be sufficient to fund the Company's operations through at least the next twelve months from the issuance of this Quarterly Report on Form 10-Q. Management's belief with respect to its ability to fund operations is based on estimates that are subject to risks and uncertainties. If actual results are different from management's estimates, the Company may need to seek additional funding.

Mersana Therapeutics, Inc.
Notes to condensed consolidated financial statements (continued)
(unaudited)

The Company's unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP") and the rules and regulations of the Securities and Exchange Commission ("SEC"). Any reference in these notes to applicable guidance is meant to refer to the authoritative U.S. GAAP as found in the Accounting Standards Codification ("ASC") and Accounting Standards Updates ("ASU") of the Financial Accounting Standards Board ("FASB").

Certain information and footnote disclosures normally included in annual financial statements prepared in accordance with U.S. GAAP have been condensed or omitted from this report, as is permitted by such rules and regulations. Accordingly, these financial statements should be read in conjunction with the audited financial statements as of and for the year ended December 31, 2021 and the notes thereto, included in the Company's Annual Report on Form 10-K for the year ended December 31, 2021, filed with the SEC on February 28, 2022.

The unaudited condensed consolidated financial statements have been prepared on the same basis as the audited financial statements. In the opinion of the Company's management, the accompanying unaudited condensed consolidated financial statements contain all adjustments that are necessary to present fairly the Company's financial position as of March 31, 2022, the results of its operations for the three months ended March 31, 2022 and 2021, the statements of stockholders' equity for the three months ended March 31, 2022 and 2021 and statements of cash flows for the three months ended March 31, 2022 and 2021. Such adjustments are of a normal and recurring nature. The results for the three months ended March 31, 2022 are not necessarily indicative of the results for the year ending December 31, 2022, or for any future period.

2. Summary of significant accounting policies

Principles of Consolidation

The accompanying unaudited condensed consolidated financial statements include those of the Company and its wholly owned subsidiary, Mersana Securities Corp. All intercompany balances and transactions have been eliminated.

Use of Estimates

The preparation of the Company's unaudited condensed consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, equity, revenue, expenses and related disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the reporting period. On an ongoing basis, the Company's management evaluates its estimates which include, but are not limited to, management's judgments with respect to the identification of performance obligations and standalone selling prices of those performance obligations within its revenue arrangements, accrued preclinical, manufacturing and clinical expenses, valuation of stock-based awards and income taxes. Actual results could differ from those estimates.

Segment Information

Operating segments are defined as components of an enterprise about which separate discrete information is available for evaluation by the chief operating decision-maker, or decision making group, in deciding how to allocate resources and assess performance. The Company views its operations and manages its business as a single operating segment, which is the business of discovering and developing ADCs.

Summary of Accounting Policies

The significant accounting policies used in preparation of these condensed consolidated financial statements for the three months ended March 31, 2022 are consistent with those discussed in Note 2, *Summary of Significant Accounting Policies*, in the Company's Annual Report on Form 10-K for the year ended December 31, 2021.

Fair Value Measurements

Fair value is defined as the price that would be received upon sale of an asset or paid to transfer a liability between market participants at measurement dates. ASC 820, *Fair Value Measurement,* establishes a three-level valuation hierarchy for instruments measured at fair value. The hierarchy is based on the transparency of inputs to the valuation of an asset or liability as of the measurement date. The three levels are defined as follows:

Level 1—Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2—Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3—Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Cash and Cash Equivalents

The Company considers all highly-liquid investments with an original maturity, or a remaining maturity at the time of purchase, of three months or less to be cash equivalents. The Company invests excess cash primarily in money market funds, commercial paper and government agency securities, which are highly liquid and have strong credit ratings. These investments are subject to minimal credit and market risks. Cash and cash equivalents are stated at cost, which approximates market value.

	Three Months Ended March 31, 2022		Three Months Ended March 31, 2021	
(in thousands)	Beginning of period	End of period	Beginning of period	End of period
Cash and cash equivalents	$ 177,947	$ 230,057	$ 255,094	$ 228,430
Restricted cash included in other assets, noncurrent	478	478	321	321
Total cash, cash equivalents and restricted cash per statement of cash flows	$ 178,425	$ 230,535	$ 255,415	$ 228,751

Recently Issued Accounting Pronouncements

From time to time, new accounting pronouncements are issued by the FASB or other standard setting bodies that the Company adopts as of the specified effective date. Unless otherwise discussed below, the Company does not believe that the adoption of recently issued standards have or may have a material impact on our condensed consolidated financial statements or disclosures.

3. Collaboration agreements

Janssen Biotech Inc.

In February 2022, the Company entered into a research collaboration and license agreement with Janssen Biotech Inc. ("Janssen" and such agreement, the "Janssen Agreement") focused on the research, development and commercialization of novel ADCs for three oncology targets by leveraging Mersana's ADC expertise and Dolasynthen platform with Janssen's proprietary antibodies. Upon execution of the Janssen Agreement, the Company received a non-refundable upfront payment of $40.0 million from Janssen. Pursuant to the Janssen Agreement, the Company granted Janssen two exclusive, non-transferrable, worldwide licenses - the Research License and the Commercialization License (together, the "Licenses"). The Research License provides Janssen, on a target-by-target basis, rights under the Company's technology and the Company's interest in the technology developed jointly through the collaboration solely to conduct Janssen's activities under the research and Chemistry, Manufacturing and Controls ("CMC") plans with respect to each target. The Commercialization License is a royalty-bearing license granted on a target-by-target basis under the Company's technology and the Company's interest in the technology developed jointly through the collaboration to develop, manufacture, commercialize and otherwise exploit licensed ADCs and any licensed products containing licensed ADCs directed toward a target. Janssen may select up to three targets and may substitute each target once prior to a substitution deadline. Janssen is not required to pay a fee for its first substitution right, but must pay a one-time fee for access to the subsequent substitution rights following its exercise of its second substitution right.

Pursuant to mutually agreed research and CMC plans, the Company will perform bioconjugation, production development, preclinical manufacturing, and certain related research and preclinical development activities, in order to progress the targets through IND submission for further development, manufacture and commercialization by Janssen. Janssen will have sole responsibility for IND-enabling studies, IND submission, clinical development, regulatory activities and commercialization of the licensed ADCs. Both the Company and Janssen will have equal representation on a Joint Research Committee and Joint Manufacturing Committee to oversee the research and CMC activities. The Company estimates that its activities under the research plans for the targets will be performed through 2024.

The Company's CMC activities will be compensated by Janssen at agreed upon rates. Assuming successful development and commercialization of all the three targets by Janssen, the Company could receive up to an additional $505 million in development and regulatory milestones and $530 million in sales milestones as well as tiered mid single-digit to low double-digit royalties on aggregate net sales of the ADC products. To date, the Company has not achieved any of the specified milestones.

Unless earlier terminated, the Janssen Agreement will expire upon the expiration of the last royalty term for a product under the Janssen Agreement. The Janssen Agreement contains customary provisions for termination by either party, including in the event of breach of the Janssen Agreement, subject to cure, by Janssen for convenience and by Mersana upon a challenge of the licensed patents, and customary provisions regarding the effects of termination.

Janssen may request that the Company perform clinical manufacturing services under a separate clinical supply agreement. Janssen may also request that the Company perform a technology transfer of bioconjugation and manufacturing process technology, at Janssen's cost, at an agreed upon rate.

Accounting Analysis

The Company assessed the Janssen Agreement in accordance with ASC 606, *Revenue from Contracts with Customers*, and concluded that that the contract counter party, Janssen, is a customer. The Company identified the following seven material performance obligations under the Janssen Agreement: (i) exclusive Licenses and research activities for each of the three designated targets, (ii) CMC activities for each of the three designated targets and (iii) the first target substitution right.

The Company concluded that the Licenses and research activities are one combined performance obligation for each target as the Licenses are not capable of being distinct from the research activities given their proprietary nature. The CMC activities are considered a distinct performance obligation for each target as the activities could be performed by a third-party provider. The first target substitution right is considered a material right as there is no option exercise fee and, as such, is a distinct performance obligation.

In accordance with ASC 606, the Company determined that the initial transaction price under the Janssen Agreement equals $40.0 million, consisting of the upfront, non-refundable and non-creditable payment. None of the development and the regulatory milestones have been included in the transaction price, as all milestone amounts were fully constrained. As part of its evaluation of the constraint, the Company considered numerous factors, including stage of development and the remaining risks associated with the development required to achieve the milestones, as well as whether the achievement of the milestones is outside the control of the Company or Janssen. Any consideration related to sales-based milestones (including royalties) will be recognized when the related sales occur as such milestones were determined to relate predominantly to the license granted to Janssen and therefore have also been excluded from the transaction price. At the end of each subsequent reporting period, the Company will re-evaluate the probability of achievement of each milestone and any related constraint, and if necessary, adjust its estimate of the overall transaction price. Any such adjustments are recorded on a cumulative catch-up basis, which would affect the reported amount of revenues in the period of adjustment.

The Company determined that the consideration for CMC activities represents variable consideration. The Company has not included potential cost reimbursements within the transaction price as no CMC activities for any of the three targets have been initiated. The Company elected to apply the Right to Invoice practical expedient under ASC 606. As such, the Company will recognize revenue related to the CMC activities when the services are performed.

Consistent with the allocation objective under ASC 606, the Company allocated the $40.0 million fixed upfront payment in the transaction price to the Licenses and research activities and first substitution right based on each performance obligation's relative standalone selling price. Each of the standalone selling prices for the Licenses and research activities and for the first substitution right were estimated utilizing an income approach, along with the likelihood of exercise for the substitution right and included the following key assumptions: the development timeline, revenue forecast, discount rate and probabilities of technical and regulatory success.

The Company is recognizing revenue related to the Licenses and research services performance obligation over the estimated period of the research services using a proportional performance model. The Company measures proportional performance based on the costs incurred relative to the total costs expected to be incurred.

The Company will recognize revenue related to the first target substitution right over time in congruence with the Licenses and research activities, upon the exercise of the option. If the first target substitution option is not exercised, the Company will recognize the entirety of the revenue in the period when the option expires.

During the three months ended March 31, 2022, the Company recorded collaboration revenue of $1.7 million related to its efforts under the Janssen Agreement. As of March 31, 2022, the Company had recorded $38.3 million in deferred revenue related to the Janssen Agreement that will be recognized over the remaining performance period and classified as current or noncurrent on the accompanying consolidated balance sheets based upon the expected timing of satisfaction of respective performance obligations. The aggregate amount of the transaction price allocated to unsatisfied performance obligations was $38.3 million as of March 31, 2022, which is expected to be recognized over the period the associated research activities are performed for each target.

Summary of Contract Assets and Liabilities

The Company did not record any contract assets as of March 31, 2022 related to the Janssen Agreement. The following table presents changes in the balances of the Company's contract liabilities related to the Janssen Agreement during the three months ended March 31, 2022:

(in thousands)	Balance at Beginning of Period	Additions	Deductions	Balance at End of Period
Three months ended March 31, 2022				
Contract liabilities:				
Deferred revenue	$ —	$ 40,000	$ 1,735	$ 38,265

During the three months ended March 31, 2022, the Company recognized the following revenues related to the Janssen Agreement as a result of changes in the contract liability balances in the respective periods:

(in thousands)	Three Months Ended March 31, 2022
Revenue recognized in the period from:	
Amounts included in the contract liability at the beginning of the period	$ —
Performance obligations satisfied in previous periods	$ —

Merck KGaA

In June 2014, the Company entered into a collaboration and commercial license agreement with Merck KGaA (the "Merck KGaA Agreement"). Upon the execution of the Merck KGaA Agreement, Merck KGaA paid the Company a non-refundable technology access fee of $12.0 million for the right to develop ADCs directed to six exclusive targets over a specified period of time. No additional fees are due when a target is designated and the commercial license to the target is granted. Merck KGaA will be responsible for the product development and marketing of any products resulting from this collaboration.

Under the terms of the Merck KGaA Agreement, the Company and Merck KGaA develop research plans to evaluate Merck KGaA's antibodies as ADCs incorporating the Company's technology. The Company receives reimbursement for its efforts under the research plans. The goal of the research plans is to provide Merck KGaA with sufficient information to formally nominate a development candidate and begin IND-enabling studies.

All six targets were designated prior to 2018. The next potential milestone payment that the Company is eligible to receive is a development milestone of $0.5 million on Merck KGaA’s designation of a preclinical development candidate for a target. Revenue will be recognized when achievement of the milestone is considered probable.

In May 2018, the Company entered into a supply agreement with Merck KGaA (the "Merck KGaA Supply Agreement"). Under the terms of the Merck KGaA Supply Agreement, the Company will provide Merck KGaA preclinical non-GMP ADC drug substance and clinical GMP drug substance for use in clinical trials associated with one of the antibodies designated under the Merck KGaA Agreement. The Company receives fees for its efforts under the Merck KGaA Supply Agreement and reimbursement equal to the supply cost. The Company may also enter into future supply agreements to provide clinical supply material should Merck KGaA pursue clinical development of any other candidates nominated under the Merck KGaA Agreement.

Accounting Analysis

The Company concluded that Merck KGaA is a customer and accounted for the Merck KGaA Agreement in accordance with ASC 606. The Company identified the following performance obligations under the Merck KGaA Agreement: (i) exclusive license and research services for six designated targets, (ii) rights to future technological improvements and (iii) participation of project team leaders and providing joint research committee services.

The Company is recognizing revenue related to the exclusive license and research and development services performance obligations over the estimated period of the research and development services using a proportional performance model. The Company measures proportional performance based on the costs incurred relative to the total costs expected to be incurred. To the extent that the Company receives fees for the research services as they are performed, these amounts are recorded as deferred revenue. Revenue related to future technological improvements and joint research committee services will be recognized ratably over the respective performance period (which in the case of the joint research committee services approximate the time and cost incurred each period), which are 10 and 5 years, respectively. The Company is continuing to reassess the estimated remaining term at each subsequent reporting period.

As of March 31, 2022, the Company had completed its research service obligations associated with four of the six designated targets. The Company did not recognize any corresponding research and development expense related to the Merck KGaA Supply Agreement during the three months ended March 31, 2022 and 2021.

As of March 31, 2022 and December 31, 2021, the Company had $3.9 million in deferred revenue related to the Merck KGaA Agreement and Merck KGaA Supply Agreement. Such amounts will be recognized over the remaining performance period.

Summary of Contract Assets and Liabilities

The Company did not record any contract assets as of March 31, 2022 and December 31, 2021. The following table presents changes in the balances of the Company's contract liabilities related to the Merck KGaA Agreement and Merck KGaA Supply Agreement during the three months ended March 31, 2022 and 2021:

(in thousands)	Balance at Beginning of Period	Additions	Deductions	Balance at End of Period
Three months ended March 31, 2022				
Contract liabilities:				
Deferred revenue	$ 3,944	$ —	$ 11	$ 3,933

(in thousands)	Balance at Beginning of Period	Additions	Deductions	Balance at End of Period
Three months ended March 31, 2021				
Contract liabilities:				
Deferred revenue	$ 3,987	$ —	$ 11	$ 3,976

During the three months ended March 31, 2022 and 2021, the Company recognized the following revenues related to the Merck KGaA Agreement and Merck KGaA Supply Agreement as a result of changes in the contract liability balances in the respective periods:

(in thousands)	Three Months Ended March 31, 2022	2021
Revenue recognized in the period from:		
Amounts included in the contract liability at the beginning of the period	$ 11	$ 11
Performance obligations satisfied in previous periods	$ —	$ —

Other Revenue

The Company has provided limited services for a collaboration partner, Asana BioSciences, LLC ("Asana Biosciences"). For the three months ended March 31, 2022, the Company recognized revenue of $0.3 million related to these services and for the three months ended March 31, 2021, the Company did not recognize revenue related to these services. The next potential milestone the Company is eligible to receive is $2.5 million upon dosing the fifth patient in a Phase 1 clinical study by Asana BioSciences. While the first patient was dosed in April 2022, as of March 31, 2022, the Company considers this next milestone to be fully constrained as there is considerable judgment involved in determining whether it is probable that a significant revenue reversal would occur. As part of its evaluation of the constraint, the Company considered numerous factors, including the fact that achievement of the milestone is outside the control of the Company and there is a high level of uncertainty in achieving this milestone, as the collaboration partner continues to evaluate its candidate in the phase 1 trial. The Company reevaluates the probability of achievement of a milestone subject to constraint at each reporting period and as uncertain events are resolved or other changes in circumstances occur.

4. Fair value measurements

The carrying amounts reflected in the consolidated balance sheets for prepaid expenses and other current assets, accounts payable and accrued expenses approximate their fair values due to their short-term nature.

As of March 31, 2022 and December 31, 2021, the carrying value of the Company's outstanding borrowing under the New Credit Facility (as defined in Note 6) approximated fair value (a Level 2 fair value measurement), reflecting interest rates currently available to the Company. The New Credit Facility is discussed in more detail in Note 6, *Debt*.

5. Accrued expenses

Accrued expenses consisted of the following as of March 31, 2022 and December 31, 2021:

(in thousands)	March 31, 2022	December 31, 2021
Accrued manufacturing expenses	$ 9,381	$ 8,476
Accrued clinical expenses	7,569	7,879
Accrued preclinical expenses	4,824	3,848
Accrued payroll and related expenses	3,456	7,319
Accrued professional fees	1,751	909
Accrued other	494	285
	$ 27,475	$ 28,716

Mersana Therapeutics, Inc.
Notes to condensed consolidated financial statements (continued)
(unaudited)

6. Debt

On May 8, 2019, the Company entered into a loan and security agreement (the "Prior Credit Facility") with Silicon Valley Bank ("SVB"), which was subsequently amended on June 29, 2019, August 28, 2020, and August 27, 2021. Refer to Note 7, *Debt,* in the Company's Annual Report on Form 10-K for the year ended December 31, 2021 for more information regarding the Prior Credit Facility.

On October 29, 2021, the Company entered into a loan and security agreement (the "New Credit Facility") with SVB and Oxford Finance, LLC ("Oxford" and, together with SVB, the "Lenders"). Pursuant to the New Credit Facility, as amended on February 17, 2022, the Company can borrow term loans in an aggregate amount of $100.0 million, which includes (i) $60.0 million in up to three principal advances through December 31, 2022, (ii) an additional $20.0 million in one principal advance, if the Company reaches certain development milestone events through June 30, 2023, (iii) and an additional tranche of $20.0 million, subject to conditional approval from the Lenders. The New Credit Facility is secured by substantially all of the Company's personal property owned or later acquired, excluding intellectual property (but including the rights to payments and proceeds from intellectual property), and a negative pledge on intellectual property. The Company drew $25.0 million upon execution of the New Credit Facility, of which $5.5 million of the proceeds was used to repay the existing balance under the Prior Credit Facility and satisfy its obligations to SVB. Upon entering into the New Credit Facility, the Company terminated all commitments by SVB to extend further credit under the Prior Credit Facility and all guarantees and security interests granted by the Company to SVB under the Prior Credit Facility.

Refer to Note 7, *Debt*, in the Company's Annual Report on Form 10-K for the year ended December 31, 2021 for more information regarding the New Credit Facility. As of March 31, 2022, the Company was in compliance with all covenants under the New Credit Facility. There are no events of default as of March 31, 2022.

Unamortized debt financing costs are recorded as a reduction of the carrying amount on the term loan and amortized as interest expense using the effective-interest method. Unamortized deferred financing costs of $0.4 million were recorded in other assets as of March 31, 2022 related to the Company's right to borrow additional amounts from the Lenders in the future and amortized to interest expense over the relevant draw period on a straight-line basis.

The following is a summary of obligations under the term loan as of March 31, 2022:

(in thousands)	March 31, 2022
Total debt	$ 25,000
Less: Current portion of long-term debt	—
Total debt, net of current portion	25,000
Debt financing costs, net of accretion	(388)
Accretion related to final payment	90
Long-term debt, net	$ 24,702

During the three months ended March 31, 2022 and 2021, the Company recognized $0.7 million and $0.1 million, respectively, of interest expense related to the New Credit Facility and Prior Credit Facility, respectively.

7. Stockholders' equity

Preferred stock

As of March 31, 2022, the Company had 25,000,000 shares of authorized preferred stock. No shares of preferred stock have been issued.

At-the-market ("ATM") equity offering program

In May 2020, the Company established a new ATM equity offering program (the "2020 ATM"), pursuant to which it was able to offer and sell up to $100.0 million of its common stock from time to time at prevailing market prices. During the three months ended March 31, 2022, the Company sold 11,740,210 shares of common stock and received net proceeds of $54.8 million under the 2020 ATM. As of March 31, 2022, the 2020 ATM had been fully utilized.

In February 2022, the Company established a new ATM equity offering program (the "2022 ATM"), pursuant to which it is able to offer and sell up to $100.0 million of its common stock from time to time at prevailing market prices. During the three months ended March 31, 2022, the Company sold approximately 1,429,693 shares of common stock and received net proceeds of $5.8 million under the 2022 ATM. Subsequent to March 31, 2022 and through May 5, 2022, the Company sold 9,904,964 shares of common stock resulting in net proceeds of $40.0 million under the 2022 ATM. As of May 5, 2022, approximately $53.3 million remains unsold and available for sale under the 2022 ATM.

Warrants

In connection with a 2013 Series A-1 Preferred Stock issuance, the Company granted to certain investors warrants to purchase 129,491 shares of common stock. The warrants have a $0.05 per share exercise price and a contractual life of 10 years. The fair value of these warrants was recorded as a component of equity at the time of issuance. As of March 31, 2022, there were warrants to purchase 39,474 shares of common stock outstanding. During the three months ended March 31, 2022, there were no exercises of warrants in exchange for shares of common stock.

Common stock

The holders of the common stock are entitled to one vote for each share held. Common stockholders are not entitled to receive dividends, unless declared by the Board of Directors (the "Board").

As of March 31, 2022 and December 31, 2021, there were 11,524,655 and 9,199,512, respectively, shares of common stock reserved for the exercise of outstanding stock options, restricted stock units ("RSUs") and warrants.

	March 31, 2022	December 31, 2021
Stock options	10,028,741	8,342,429
Restricted stock units	1,456,440	817,609
Warrants	39,474	39,474
	11,524,655	9,199,512

8. Stock-based compensation

Stock incentive plans

As of June 30, 2017, there were 3,141,625 stock options outstanding under the Company's 2007 Stock Incentive Plan (the "2007 Plan"). The 2007 Plan expired in June 2017. Any cancellations or forfeitures of options granted under the 2007 Plan will increase the options available under the 2017 Stock Incentive Plan (the "2017 Plan"), as described below.

In June 2017, the Company's stockholders approved the 2017 Plan. Under the 2017 Plan initially, up to 2,255,000 shares of common stock may be granted to the Company's employees, officers, directors, consultants and advisors in the form of options, RSUs or other stock-based awards. The number of shares of common stock issuable under the 2017 Plan will be cumulatively increased annually on January 1 by the lesser of (a) 4% of the outstanding shares on the immediately preceding December 31 or (b) such other amount specified by the Board. The terms of the awards are determined by the Board, subject to the provisions of the 2017 Plan. Any cancellations or forfeitures of options granted under the 2007 Plan, which expired in June 2017, would increase the number of shares that could be granted under the 2017 Plan. On January 1, 2022, the number of shares of common stock issuable under the 2017 Plan was increased by 2,948,362 shares. As of March 31, 2022, there were 1,737,277 shares available for future issuance under the 2017 Plan. During the three months ended March 31, 2022, the Company granted 2,788,158 RSUs and options to purchase shares of common stock to employees under the 2017 Plan.

Under the 2017 Plan, both with respect to incentive stock options and nonqualified stock options, the exercise price per share will not be less than the fair market value of the common stock on the date of grant and the vesting period is generally four years. Options granted under the 2017 Plan expire no later than 10 years from the date of grant. Options under the 2007 Plan were granted at an exercise price established by the Board (or a committee thereof) that was not less than the fair market value of the underlying common stock on the date of grant and subject to such vesting provisions determined by the Board (or a committee thereof). The Board may accelerate vesting or otherwise adjust the terms of granted options in the case of a merger, consolidation, dissolution, or liquidation of the Company.

Inducement awards

From time to time, the Company grants to its employees, upon approval by the Board or an authorized committee thereof, options to purchase shares of common stock as an inducement to employment in accordance with Nasdaq Listing Rule 5635(c)(4). Historically, these options were granted outside of an existing equity incentive plan and were issued pursuant to Section 4(a)(2) under the Securities Act of 1933, as amended, relating to transactions by an issuer not involving any public offering. These options are subject to terms substantially the same as the 2017 Plan.

In February 2022, the Board adopted the Company's 2022 Inducement Stock Incentive Plan (the "Inducement Plan"), which provides for the grant of nonstatutory options, stock appreciation rights, restricted stock, RSUs and other stock-based awards, with respect to an aggregate of 2,000,000 shares of the Company's common stock (subject to adjustment as provided in the Inducement Plan).

As of March 31, 2022 there were 757,500 options to purchase shares of common stock granted as inducement awards outstanding, none of which had been issued under the Inducement Plan.

Stock option activity

A summary of stock option activity is as follows:

	Number of Shares	Weighted-Average Exercise Price
Outstanding at January 1, 2022	8,342,429	$ 11.25
Granted	1,917,634	6.05
Exercised	(26,951)	3.58
Cancelled	(204,371)	12.74
Outstanding at March 31, 2022	10,028,741	$ 10.25
Vested and expected to vest at March 31, 2022	10,028,741	$ 10.25
Exercisable at March 31, 2022	4,307,274	$ 8.14

The weighted-average grant date fair value of options granted during the three months ended March 31, 2022 and 2021, was $4.39 and $14.51 per share, respectively. The total intrinsic value of options exercised during the three months ended March 31, 2022 and 2021, was $0.1 million and $2.4 million, respectively. The aggregate intrinsic value represents the difference between the exercise price and the selling price received by option holders upon the exercise of stock options during the period.

Cash received from the exercise of stock options was $0.1 million and $0.8 million for the three months ended March 31, 2022 and 2021, respectively.

Restricted stock units

The Company periodically issues RSUs with a service condition to certain officers and other employees that typically vest between one year and four years from the grant date.

As of March 31, 2022, the Company has only granted RSUs under the 2017 Plan. A summary of the RSU activity is as follows:

	Number of Shares
Unvested at January 1, 2022	817,609
Granted	870,524
Vested	(167,174)
Forfeited	(64,519)
Unvested at March 31, 2022	1,456,440

Stock-based compensation expense

The Company uses the provisions of ASC 718, *Stock Compensation*, to account for all stock-based awards to employees and non-employees.

The measurement date for employee awards is generally the date of grant. Stock-based compensation expense is recognized over the requisite service period, which is generally the vesting period, using the straight-line method.

Mersana Therapeutics, Inc.
Notes to condensed consolidated financial statements (continued)
(unaudited)

The following table presents stock-based compensation expense by award type included within the Company's condensed consolidated statement of operations and comprehensive loss:

	Three Months Ended March 31,	
(in thousands)	**2022**	**2021**
Stock options	$ 4,118	$ 3,114
Restricted stock units	1,209	806
Employee stock purchase plan	158	119
Stock-based compensation expense included in total operating expenses	$ 5,485	$ 4,039

The following table presents stock-based compensation expense as reflected in the Company's condensed consolidated statements of operations and comprehensive loss:

	Three Months Ended March 31,	
(in thousands)	**2022**	**2021**
Research and development	$ 2,933	$ 2,301
General and administrative	2,552	1,738
Stock-based compensation expense included in total operating expenses	$ 5,485	$ 4,039

As of March 31, 2022, there was $41.8 million and $13.5 million of unrecognized stock-based compensation expense related to unvested stock options and unvested RSUs, respectively, that is expected to be recognized over a weighted-average period of 2.5 years and 3.0 years, respectively.

The fair value of each option award is estimated on the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions:

	Three Months Ended March 31,	
	2022	**2021**
Risk-free interest rate	1.6 %	0.6 %
Expected dividend yield	— %	— %
Expected term (years)	6.04	6.06
Expected stock price volatility	87 %	83 %

Expected volatility for the Company's common stock is determined based on the historical volatility of comparable publicly traded companies. The risk-free interest rate is based on the yield of U.S. Treasury securities consistent with the expected term of the option. No dividend yield was assumed as the Company has not historically and does not expect to pay dividends on its common stock. The expected term of the options granted is based on the use of the simplified method, in which the expected term is presumed to be the mid-point between the vesting date and the end of the contractual term.

The fair value of RSUs is determined based on the closing price of the Company's common stock on the date of grant.

Employee stock purchase plan

During the year ended December 31, 2017, the Board adopted, and the Company's stockholders approved the 2017 employee stock purchase plan (the "2017 ESPP"). The Company did not issue any shares under the 2017 ESPP for the three months ended March 31, 2022 and 2021. As of March 31, 2022, there were 566,565 shares available for issuance under the 2017 ESPP.

9. Net loss per share

Basic net loss per share of common stock 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 further consideration for 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 determined using the treasury stock method.

For purposes of the diluted net loss per share calculation, stock options, unvested RSUs and warrants to purchase common stock are considered to be potentially dilutive securities, but are excluded from the calculation of diluted net loss per share because their effect would be anti-dilutive and therefore, basic and diluted net loss per share were the same for all periods presented.

The following table sets forth the outstanding potentially dilutive securities that have been excluded from the calculation of diluted net loss per share because to include them would be anti-dilutive (in common stock equivalent shares):

	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021
Stock options	10,028,741	7,478,289
Unvested restricted stock units	1,456,440	1,082,460
Warrants	39,474	39,474
	11,524,655	8,600,223

10. Commitments

License agreements

During the three months ended March 31, 2022, the Company recorded research and development expense related to non-refundable license payments of $1.5 million. The Company did not record research and development expense related to development milestones during the three months ended March 31, 2022. The Company did not record any research and development expense related to non-refundable upfront license payments or milestone payments during the three months ended March 31, 2021.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our unaudited condensed consolidated financial statements and the related notes appearing elsewhere in this Quarterly Report on Form 10-Q and the audited financial statements and the accompanying notes included in our Annual Report on Form 10-K for the year ended December 31, 2021 filed with the Securities and Exchange Commission, or SEC, on February 28, 2022.

Our actual results and the timing of certain events may differ materially from the results discussed, projected, anticipated, or indicated in any forward-looking statements. We caution you that forward-looking statements are not guarantees of future performance and that our actual results of operations, financial condition and liquidity, and the development of the industry in which we operate may differ materially from the forward-looking statements contained in this Quarterly Report. In addition, even if our results of operations, financial condition and liquidity, and the development of the industry in which we operate are consistent with the forward-looking statements contained in this Quarterly Report, they may not be predictive of results or developments in future periods.

The following information and any forward-looking statements should be considered in light of factors discussed elsewhere in this Quarterly Report on Form 10-Q, including those risks identified under Part II, Item 1A. Risk Factors.

We caution readers not to place undue reliance on any forward-looking statements made by us, which speak only as of the date they are made. We disclaim any obligation, except as specifically required by law and the rules of the Securities and Exchange Commission, or SEC, to publicly update or revise any such statements to reflect any change in our expectations or in events, conditions or circumstances on which any such statements may be based, or that may affect the likelihood that actual results will differ from those set forth in the forward-looking statements.

Overview

We are a clinical-stage biopharmaceutical company focused on developing antibody drug conjugates, or ADCs, that offer a clinically meaningful benefit for cancer patients with significant unmet need. We have leveraged over 20 years of industry learning in the ADC field to develop proprietary and differentiated technology platforms that enable us to develop ADCs designed to have improved efficacy, safety and tolerability relative to existing ADC therapies.

We believe that our innovative platforms including Dolaflexin and Dolasynthen, which deliver our proprietary auristatin DolaLock payload, as well as Immunosynthen, which delivers our propriety stimulator of interferon genes, or STING, agonist Immunolock payload, comprise a highly efficient product engine that has enabled a robust discovery pipeline for us and our partners. Our ADCs in preclinical studies and clinical trials include first-in-class molecules that target multiple tumor types with high unmet medical need. Our belief is that our novel ADCs may have more favorable safety and efficacy compared to more traditional ADCs developed using first-generation technology.

Our goal is to become a leading oncology company by leveraging the potential of our innovative and differentiated ADC technologies and the experience and competencies of our management team to identify, acquire and develop promising ADC product candidates and to commercialize cancer therapeutics that are improvements over existing treatments.

UpRi (upifitamab rilsodotin), our first-in-class ADC targeting the sodium-dependent phosphate transport protein NaPi2b, utilizes the Dolaflexin platform to deliver approximately 10 DolaLock payload molecules per antibody. We believe the NaPi2b antigen is broadly expressed in ovarian cancer and other cancers with limited expression in normal tissue. We are currently evaluating UpRi in platinum-resistant ovarian cancer in a single-arm registrational trial, which we refer to as UPLIFT, for which we expect to complete enrollment in the third quarter of 2022. We are also conducting a Phase 1/2 umbrella combination trial, which we refer to as UPGRADE. Initially, we are exploring the combination of UpRi with carboplatin, a standard platinum chemotherapy broadly used in the treatment of platinum-sensitive ovarian cancer. We may explore other combinations in the future. We expect to report interim data from UPGRADE in the fourth quarter of 2022. In the second quarter of 2022, we expect to initiate patient screening in a randomized placebo-controlled Phase 3 trial, which we refer to as UP-NEXT, to evaluate UpRi as single agent maintenance treatment in patients with platinum-sensitive ovarian cancer that have high NaPi2b expression. Together, data from these trials have the potential to establish the safety and efficacy of UpRi across a wide range of ovarian cancer patients, from those who are platinum-resistant and heavily pre-treated to those in earlier lines of the disease.

XMT-1592 was created using our Dolasynthen platform and also targets NaPi2b. XMT-1592 comprises the same proprietary NaPi2b antibody and auristatin DolaLock payload with controlled bystander effect as UpRi, while leveraging our Dolasynthen platform. We are currently conducting a Phase 1 dose exploration trial of XMT-1592 in patients with ovarian cancer and non-small cell lung cancer, or NSCLC; however, in May 2022, we made the decision to discontinue the development of XMT-1592.

Our early-stage programs include XMT-1660, a B7-H4-targeted Dolasynthen ADC, as well as XMT-2056, a STING-agonist ADC developed using our novel Immunosynthen platform and targeting a novel epitope of human epidermal growth factor receptor 2, or HER2. We expect to initiate a Phase 1 clinical trial of each of these product candidates in mid-2022, investigating XMT-1660 in B7-H4-expressing tumors such as breast, endometrial and ovarian cancers and investigating XMT-2056 in HER2-expressing tumors such as breast cancer, gastric cancer, and NSCLC. We also have two earlier stage preclinical candidates, which we refer to as XMT-2068 and XMT-2175, both of which leverage our Immunosynthen platform and target tumor-associated antigens.

In addition, we have established strategic research and development partnerships with Janssen Biotech, Inc., or Janssen, and Merck KGaA for the development and commercialization of additional ADC product candidates leveraging our proprietary Dolasynthen and Dolaflexin platforms against a limited number of targets selected by our partners. We believe the potential of our ADC technologies, supported by our scientific and technical expertise and enabled by our intellectual property strategy, all support our independent and collaborative efforts to discover and develop life-changing ADCs for patients fighting cancer.

Since inception, our operations have focused on building our platforms, identifying potential product candidates, producing drug substance and drug product material for use in preclinical studies, conducting preclinical and toxicology studies, manufacturing clinical trial material and conducting clinical trials, establishing and protecting our intellectual property, staffing our company and raising capital. We do not have any products approved for sale and have not generated any revenue from product sales. We have funded our operations primarily through our strategic partnerships, private placements of our convertible preferred stock and public offerings of our common stock, including through an at-the-market, or ATM, equity offering program.

Since inception, we have incurred significant cumulative operating losses. For the three months ended March 31, 2022, the net loss was $47.3 million, compared to $34.7 million in the three months ended March 31, 2021. As of March 31, 2022, we had an accumulated deficit of $497.7 million. We expect to continue to incur significant expenses and operating losses over the next several years. We anticipate that our expenses will increase significantly in connection with our ongoing activities, as we:

- continue clinical development activities for our clinical product candidate UpRi, including UPLIFT, UPGRADE, and UP-NEXT;
- prepare for a potential biologics licensing application, or BLA, submission for UpRi;

- continue diagnostic development efforts with respect to the NaPi2b biomarker;
- prepare to commence clinical trials for our preclinical development candidates XMT-1660 and XMT-2056;
- continue activities to discover, validate and develop additional product candidates, including XMT-2068 and XMT-2175;
- maintain, expand and protect our intellectual property portfolio; and
- hire additional research, development and general and administrative personnel.

Impact of COVID-19 on Our Business

We are continuing to monitor the impact of the COVID-19 pandemic on our operations and ongoing clinical and preclinical development, as well as discovery efforts. Mitigation activities to minimize COVID-19-related operational disruptions are ongoing and include:

- We are currently enrolling patients at clinical sites in different geographic areas around the world in our ongoing clinical trials, though staffing constraints have become an increasing challenge for the clinical sites with which we work. If staffing challenges persist, we may experience associated delays in trial enrollment. We are in the process of initiating additional clinical sites both inside and outside the United States to increase enrollment that we believe could also mitigate this potential risk. Consistent with FDA guidance, we allow for remote patient monitoring and remote testing, when reasonably possible.

- To the best of our knowledge, our contract research and manufacturing partners continue to operate their facilities at or near normal levels, though staffing constraints and sourcing of raw and other materials have become an increasing challenge for our vendors. If staffing and/or material sourcing challenges continue, we may experience associated delays in our laboratory, clinical or manufacturing services. We believe we currently have appropriate service support and sufficient inventory of UpRi to support our ongoing clinical trials, and we currently expect to have sufficient inventory of XMT-1660 and XMT-2056 to commence our planned Phase 1 clinical trials in mid-2022. We have planned research, clinical and manufacturing activities to address all currently anticipated future needs. We continue to monitor the research, clinical and manufacturing operations of our vendors.

The ultimate impact of the COVID-19 pandemic on our business operations is highly uncertain and subject to change and will depend on future developments, which cannot be accurately predicted. While the pandemic did not materially affect our financial results and business operations in the first quarter ended March 31, 2022, we are unable to predict the impact that COVID-19 will have on our financial position and operating results in future periods due to numerous uncertainties. Management continues to actively monitor the situation and the possible effects on our financial condition, operations, suppliers, vendors, our workforce and the overall industry. For additional information about risks and uncertainties related to the COVID-19 pandemic that may impact our business, our financial condition or our results of operations, see “Part II, Item 1A. Risk Factors” below.

Financial Operations Overview

Revenue

To date, we have not generated any revenue from the sale of products. All of our revenue has been generated from strategic partnerships.

In February 2022, we entered into an agreement with Janssen for the development and commercialization of ADC product candidates utilizing our Dolasynthen platform for up to three target antigens. Janssen is responsible for generating antibodies against the target antigens, and we are responsible for performing bioconjugation activities to create ADCs as well as certain certain chemistry, manufacturing and controls development and early-stage manufacturing activities. Janssen has the exclusive right to and is responsible for the further development and commercialization of these ADC product candidates.

In June 2014, we entered into an agreement with Merck KGaA for the development and commercialization of ADC product candidates utilizing Fleximer for up to six target antigens. Merck KGaA is responsible for generating antibodies against the target antigens and we are responsible for generating Fleximer and our proprietary payloads and conjugating this to the antibody to create the ADC product candidates. Merck KGaA has the exclusive right to and is responsible for the further development and commercialization of these ADC product candidates. In May 2018, we entered into a supply agreement with Merck KGaA for the supply of materials that could be used for IND-enabling studies and clinical trials.

During the three months ended March 31, 2022, we recognized $1.7 million of revenue related to the Janssen Agreement. For each of the three months ended March 31, 2022 and 2021, we recognized an immaterial amount of revenue related to the Merck KGaA Agreements. During the three months ended March 31, 2022, we recognized $0.3 million of revenue related to Asana BioSciences, LLC, or Asana Biosciences, services.

For the foreseeable future, we expect substantially all of our revenue to be generated from our collaboration agreements with Janssen, Merck KGaA and Asana BioSciences. Given the uncertain nature and timing of clinical development, we cannot predict when or whether we will receive further milestone payments or any royalty payments under these collaborations.

Expenses

Research and development expenses

Research and development expenses include our drug discovery efforts, manufacturing, and the development of our product candidates, which consist of:

- employee-related expenses, including salaries, benefits and stock-based compensation expense;
- costs of funding research and development performed by third parties that conduct research, preclinical activities, manufacturing and clinical studies on our behalf;
- laboratory supplies;
- facility costs, including rent, depreciation and maintenance expenses; and
- upfront and milestone payments under our third-party licensing agreements.

Research and development costs are expensed as incurred. Costs of certain activities, such as manufacturing and preclinical and clinical studies, are generally recognized based on an evaluation of the progress to completion of specific tasks. Costs for certain development activities, such as clinical studies, are recognized based on an evaluation of the progress to completion of specific tasks using data such as patient enrollment, clinical site activations and information provided to us by the third parties with whom we contract.

Research and development activities are central to our business model. Product candidates in later stages of clinical development generally have higher development costs than those in earlier stages of clinical development, primarily due to the increased size and duration of later-stage clinical trials and manufacturing costs. We expect that our future research and development costs will continue to increase over current levels, depending on the progress of our clinical development programs. There are numerous factors associated with the successful development and commercialization of any of our product candidates, including future trial design and various regulatory requirements, many of which cannot be determined with accuracy at our current stage of development. Additionally, future commercial and regulatory factors beyond our control may impact our clinical development programs and plans.

We have not historically allocated all of our internal research and development expenses on a program-by-program basis as our employees and other resources are deployed across multiple projects under development. Internal research and development expenses are presented as one total. Our internal research and development costs are primarily personnel-related costs, stock-based compensation costs, and facility costs, including depreciation and lab consumables.

We incur significant external costs for manufacturing our product candidates and platforms and for CROs that conduct clinical trials on our behalf. We capture these external expenses for each product candidate in clinical development. Costs for our product platforms with an associated product candidate in clinical development are allocated to our most clinically advanced product candidate based on that platform. All external research and development expenses not attributable to our product candidates in clinical development are captured within preclinical and discovery costs. These costs relate to our preclinical development candidates XMT-1660, XMT-2056, XMT-2068 and XMT-2175, and additional earlier discovery stage programs and certain unallocated costs. The following table summarizes our external research and development expenses, presented by program following commencement of clinical development, for each of the three month periods ended March 31, 2022 and 2021.

	Three Months Ended March 31,	
(in thousands)	**2022**	**2021**
UpRi external costs	$ 10,143	$ 9,378
XMT-1592 external costs	2,426	2,468
Preclinical and discovery costs	7,495	4,513
Internal research and development costs	15,742	11,056
Total research and development costs	$ 35,806	$ 27,415

The successful development of our product candidates is highly uncertain. As such, we cannot reasonably estimate or know the nature, timing and estimated costs of the efforts that will be necessary to complete the remainder of the development of our product candidates. We are also unable to predict when, if ever, we will generate revenue from commercialization and sale of any of our product candidates that obtain regulatory approval. This is due to the numerous risks and uncertainties associated with developing drugs, including the uncertainty of:

- successful completion of preclinical studies and IND-enabling studies;
- successful enrollment in and completion of clinical trials;
- receipt of marketing approvals from applicable regulatory authorities;
- establishing commercial manufacturing capabilities or making arrangements with third-party manufacturers;
- obtaining and maintaining patent and trade secret protection and regulatory exclusivity for our product candidates;

- commercializing the product candidates, if and when approved, whether alone or in collaboration with others; and
- continued acceptable safety profile of the drugs following approval.

A change in the outcome of any of these variables with respect to the development, manufacture or commercialization of any of our product candidates would significantly change the costs, timing and viability associated with the development of that product candidate.

General and administrative expenses

General and administrative expenses consist primarily of salaries and other employee-related costs, including stock-based compensation, for personnel in executive, finance, accounting, business development, legal operations, information technology and human resources functions. Other significant costs include facility costs not otherwise included in research and development expenses, legal fees relating to patent and corporate matters and fees for accounting and consulting services.

We anticipate that our general and administrative expenses will increase in the future to support continued research and development activities, including increased costs related to the hiring of additional personnel, fees to outside consultants and patent costs, among other expenses.

Other income (expense)

Other income (expense) consists primarily of interest expense related to borrowings under our credit facility and associated amortization of the deferred financing costs and the accretion of debt discount. Interest income includes interest earned on cash equivalents.

Results of Operations

Comparison of the three months ended March 31, 2022 and 2021

The following table summarizes our results of operations for the three months ended March 31, 2022 and 2021, together with the changes in those items:

	Three Months Ended March 31,		
(in thousands)	**2022**	**2021**	**Dollar Change**
Collaboration revenue	$ 2,036	$ 11	$ 2,025
Operating expenses:			
Research and development	35,806	27,415	8,391
General and administrative	12,782	7,208	5,574
Total operating expenses	48,588	34,623	13,965
Other income (expense):			
Interest income	18	12	6
Interest expense	(724)	(93)	(631)
Total other income (expense), net	(706)	(81)	(625)
Net loss	$ (47,258)	$ (34,693)	$ (12,565)

Collaboration Revenue

Collaboration revenue increased by $2.0 million during the three months ended March 31, 2022 compared to the three months ended March 31, 2021 primarily due to the Janssen Agreement.

Research and Development Expense

Research and development expense increased by $8.4 million from $27.4 million for the three months ended March 31, 2021 to $35.8 million for the three months ended March 31, 2022.

The increase in research and development expense was primarily attributable to the following:

- an increase of $3.3 million related to employee compensation (excluding stock-based compensation), primarily due to an increase in headcount supporting the growth of our research and development activities;
- an increase of $2.0 million related to manufacturing for the preclinical and discovery stage programs, including XMT-1660 and XMT-2056;
- an increase of $1.8 million related to manufacturing and clinical development activities for UpRi;
- an increase of $0.6 million primarily related to manufacturing for the Dolasynthen platform.

Stock-based compensation expense included in research and development expenses increased by $0.7 million, primarily as a result of increased headcount.

We expect our research and development expenses to increase as we continue our clinical development of UpRi, advance additional product candidates into the clinic, advance our preclinical pipeline and invest in improvements in our ADC technologies.

General and Administrative Expense

General and administrative expense increased by $5.6 million from $7.2 million during the three months ended March 31, 2021 to $12.8 million during the three months ended March 31, 2022. The increase in general and administrative expense was primarily attributable to an increase of $2.8 million related to consulting and professional fees and an increase of $1.6 million related to employee compensation (excluding stock-based compensation), related to an increase in headcount. Stock-based compensation increased $0.8 million also primarily as a result of increased headcount.

We expect that our general and administrative expense will increase in future periods as we expand our operations. These increases will likely include legal, auditing fees, additional insurance premiums and general compliance and consulting expenses.

Total Other Income (Expense), net

Total other expense, net was $0.7 million and $0.1 for the three months ended March 31, 2022 and 2021, respectively. The increase was primarily due to interest expense related to borrowings under the New Credit Facility.

Liquidity and Capital Resources

Sources of Liquidity

We have financed our operations to date primarily through our strategic partnerships, private placements of our convertible preferred stock and public offerings of our common stock, including our initial public offering, our follow-on public offerings in 2019 and 2020 and our ATM equity offering programs.

In May 2020, we established an ATM equity offering program, the 2020 ATM, pursuant to which we were able to offer and sell up to $100.0 million of our common stock from time to time at prevailing market prices. During the year ended December 31, 2021, we sold approximately 4.0 million shares of common stock under the 2020 ATM, resulting in net proceeds of $43.1 million. During the three months ended March 31, 2022, we sold 11.7 million shares of common stock under the 2020 ATM, resulting in net proceeds of $54.8 million. As of March 31, 2022, there are no amounts remaining unsold and available for sale under the 2020 ATM.

In February 2022, we entered into a new common stock sales agreement with Cowen and Company, LLC, or Cowen, under which we are able to offer and sell up to $100.0 million of our common stock from time to time at prevailing market prices through Cowen, or the 2022 ATM. During the three months ended March 31, 2022, we sold approximately 1.4 million shares of common stock under the 2022 ATM, resulting in net proceeds of $5.8 million. Subsequent to March 31, 2022 and through May 5, 2022, the Company sold 9,904,964 shares of common stock resulting in net proceeds of $40.0 million under the 2022 ATM. Approximately $53.3 million remains unsold and available for sale under the 2022 ATM.

On May 8, 2019, we entered into a loan and security agreement, or the Prior Credit Facility, with SVB, which was subsequently amended on June 29, 2019, August 28, 2020 and August 27, 2021. On October 29, 2021, we entered into a loan and security agreement, or the New Credit Facility, with Oxford Finance LLC as the collateral agent and a lender, and SVB as a lender, or together the Lenders. The New Credit Facility, as amended on February 17, 2022, provided in aggregate up to $100 million in credit, which included $60 million available in up to three principal advances through December 31, 2022, $20 million in one tranche that is subject to meeting certain development milestones, and an additional tranche of $20 million that is subject to conditional approval from the Lenders. Upon the closing date, we drew $25 million from the facility, of which $5.5 million was used to repay in full the existing balance and satisfy our existing obligations to SVB under the Prior Credit Facility. The New Credit Facility is secured by substantially all of our personal property owned or later acquired, excluding intellectual property (but including the right to payments and proceeds of intellectual property), and a negative pledge on intellectual property, which ensures that the Lenders' rights to repayment would be senior to the rights of the holders of our common stock in the event of liquidation. Upon entering into the New Credit Facility, we terminated all commitments by SVB to extend further credit under the Prior Credit Facility and all guarantees and security interests granted by us to SVB under the Prior Credit Facility.

As of March 31, 2022, we had cash and cash equivalents of $230.1 million. In addition to our existing cash and cash equivalents, we are eligible to earn milestone and other payments under our collaboration agreements with Janssen, Merck KGaA and Asana Biosciences. Our ability to earn the milestone payments and the timing of earning these amounts are dependent upon the timing and outcome of our development, regulatory and commercial activities and, as such, are uncertain at this time.

Cash Flows

The following table provides information regarding our cash flows for the three months ended March 31, 2022 and 2021:

(in thousands)	Three Months Ended March 31, 2022	2021
Net cash used in operating activities	$ (7,955)	$ (27,022)
Net cash used in investing activities	(329)	(114)
Net cash provided by financing activities	60,394	472
Increase (decrease) in cash, cash equivalents and restricted cash	$ 52,110	$ (26,664)

Net Cash Used in Operating Activities

Net cash used in operating activities was $8.0 million for the three months ended March 31, 2022 and primarily consisted of a net loss of $47.3 million adjusted for changes in our net working capital and $38.3 million in deferred revenue related to the Janssen Agreement, and other non-cash items including stock-based compensation of $5.5 million and depreciation of $0.2 million. Net cash used in operating activities was $27.0 million for the three months ended March 31, 2021 and primarily consisted of a net loss of $34.7 million adjusted for non-cash items including stock-based compensation of $4.0 million and depreciation of $0.2 million, as well as changes in our net working capital.

Net Cash Used in Investing Activities

Net cash used in investing activities was $0.3 million and $0.1 million during the three months ended March 31, 2022 and 2021, respectively, and consisted of purchases of equipment.

Net Cash Provided by Financing Activities

Net cash provided by financing activities was $60.4 million during the three months ended March 31, 2022 as compared to net cash provided by financing activities of $0.5 million during the three months ended March 31, 2021. During the three months ended March 31, 2022, net cash provided by financing activities consisted primarily of proceeds from the use of our 2020 ATM and 2022 ATM of $60.4 million. During the three months ended March 31, 2021, net cash provided by financing activities consisted primarily of proceeds from exercise of stock options of $0.8 million, offset by $0.3 million from the payment of employee tax obligations related to vesting of restricted stock units.

Funding Requirements

We expect our cash expenditures to increase in connection with our ongoing activities, particularly as we continue the research and development of, initiate clinical studies of, and seek marketing approval for our product candidates. In addition, if we obtain marketing approval for any of our product candidates, we expect to incur significant commercialization expenses related to drug sales, marketing, manufacturing and distribution to the extent that such sales, marketing and distribution are not the responsibility of potential collaborators.

As of March 31, 2022, we had cash and cash equivalents of $230.1 million and, subsequently, we received $40.0 million of net proceeds received from sales of our common stock under our 2022 ATM. In addition, we currently have the option to borrow $35 million under the New Credit Facility. Taken together, we believe that our current cash and cash equivalents plus the available borrowings under the New Credit Facility will be sufficient to fund our current operating plan commitments into the second half of 2023. Our forecast of the period of time through which our financial resources will be adequate to support our operations is a forward-looking statement and involves risks and uncertainties, and actual results could vary as a result of a number of factors. We have based this estimate on assumptions that may prove to be wrong, and we could utilize our available capital resources sooner than we currently expect. Our future capital requirements will depend on many factors, including:

- the scope, progress, results and costs of drug discovery, preclinical development, laboratory testing and clinical trials for our product candidates;
- the scope, prioritization and number of our research and development programs;
- the costs, timing and outcome of regulatory review of our product candidates;
- 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 obtain;
- the extent to which we are obligated to reimburse, or entitled to reimbursement of, clinical trial costs under future collaboration agreements, if any;
- the costs of preparing, filing and prosecuting patent applications, maintaining and enforcing our intellectual property rights and defending intellectual property-related claims;
- the extent to which we acquire or in-license other product candidates and technologies;
- the costs of securing manufacturing arrangements for clinical and commercial production; and
- the costs of establishing or contracting for sales and marketing capabilities if we obtain regulatory approvals to market our product candidates.

Identifying potential product candidates and conducting preclinical testing and clinical trials is a time-consuming, expensive and uncertain process that takes many years to complete, and we may never generate the necessary data or results required to obtain marketing approval and achieve drug sales. In addition, our product candidates, if approved, may not achieve commercial success. Our commercial revenues, if any, will be derived from sales of drugs that we do not expect to be commercially available for many years, if at all. Accordingly, we will need to continue to rely on additional financing to achieve our business objectives. Adequate additional financing may not be available to us on acceptable terms, or at all.

Until such time, if ever, as we can generate substantial product revenues, we expect to finance our cash needs through a combination of equity offerings, debt financings, strategic partnerships and licensing arrangements. To the extent that we raise additional capital through the sale of equity or convertible debt securities, the ownership interests of our common stockholders will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect the rights of our common stockholders. We currently have access to the New Credit Facility, as described above, along with funds to potentially be earned in connection with our agreements with Janssen, Merck KGaA and Asana BioSciences, if research and development activities are successful under those agreements. Future additional debt financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends.

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

Contractual Obligations

There were no material changes to our contractual obligations as reported in our Annual Report on Form 10-K for the year ended December 31, 2021, which was filed with the SEC on February 28, 2022.

Critical Accounting Estimates

Our management's discussion and analysis of our financial condition and results of operations are based on our financial statements, which have been prepared in accordance with U.S. generally accepted accounting principles. The preparation of these financial statements requires us to make judgments and estimates that affect the reported amounts of assets, liabilities, revenues, and expenses and the disclosure of contingent assets and liabilities in our financial statements. We base our estimates on historical experience, known trends and events, and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions. On an ongoing basis, we evaluate our judgments and estimates in light of changes in circumstances, facts and experience. The effects of material revisions in estimates, if any, will be reflected in the financial statements prospectively from the date of change in estimates. There were no material changes to our critical accounting estimates as reported in our Annual Report on Form 10-K for the year ended December 31, 2021, which was filed with the SEC on February 28, 2022.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Interest Rate Risks

We are exposed to market risk related to changes in interest rates. Our primary exposure to market risk is interest rate sensitivity, which is affected by changes in the general level of U.S. interest rates, particularly because our investments, including cash equivalents and marketable securities are invested in U.S. Treasury obligations, commercial paper and corporate bonds. However, we believe that due to the short-term duration of our investment portfolio and low-risk profile of our investments, an immediate 100 basis points change in the prime rate would not have a material effect on the fair market value of our investments portfolio.

The interest rate on our New Credit Facility is sensitive to changes in interest rates. Interest accrues on borrowings under the credit facility at a floating rate equal to the greater of (i) 8.50% and (ii) the prime rate plus 5.25%. We do not currently engage in any hedging activities against changes in interest rates. As of March 31, 2022, there was $25.0 million outstanding under the New Credit Facility and a potential change in the associated interest rates would be immaterial to the results of our operations.

Foreign Currency Exchange Rate Risks

We are currently not exposed to market risk related to changes in foreign currency exchange rates, but we may contract with vendors that are located in Asia and Europe and may be subject to fluctuations in foreign currency rates at that time.

Item 4. Controls and Procedures

Management's Evaluation of our Disclosure Controls and Procedures

We maintain "disclosure controls and procedures," as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the Exchange Act), that are designed to ensure that information required to be disclosed in the reports that we file or submit under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and (ii) accumulated and communicated to our management, including our principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure. Our management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and our management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Our management, with the participation of our principal executive officer and principal financial officer, has evaluated the effectiveness of our disclosure controls and procedures as of March 31, 2022, the end of the period covered by this Quarterly Report on Form 10-Q. Based upon such evaluation, our principal executive officer and principal financial officer have concluded that our disclosure controls and procedures were effective at the reasonable assurance level as of such date.

Changes in Internal Control over Financial Reporting

No change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) occurred during the quarter ended March 31, 2022 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

From time to time, we may become subject to various legal proceedings and claims that arise in the ordinary course of our business activities. We are not currently party to any material legal proceedings. Although the results of litigation and claims cannot be predicted with certainty, as of the date of this Quarterly Report on Form 10-Q, we do not believe we are party to any claim or litigation, the outcome of which, if determined adversely to us, would individually or in the aggregate be reasonably expected to have a material adverse effect on our business.

Item 1A. Risk Factors

Our operations and financial results are subject to various risks and uncertainties, including those described below. The following information about these risks and uncertainties, together with the other information appearing elsewhere in this Quarterly Report on Form 10-Q, and our 2021 Annual Report on Form 10-K, filed with the Securities and Exchange Commission, or SEC, on February 28, 2022, including our consolidated financial statements and related notes thereto, should be carefully considered before any decision to invest in our common stock. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also adversely affect our business or cause our actual results to differ materially from those contained in forward-looking statements we have made in this report and those we may make from time to time. If any of the following risks occur, our business, financial condition, results of operations and future growth prospects could be materially and adversely affected. We cannot provide assurance that any of the events discussed below will not occur.

Risks Related to Development and Approval of Our ADC Product Candidates

Failure of a discovery program or product candidate may occur at any stage of preclinical or clinical development, and, because our and our partners' discovery programs and our product candidates are in early stages of preclinical or clinical development, there is a high risk of failure. We or our partners may never succeed in obtaining regulatory approval and generating revenue from such discovery programs or product candidates.

Our early clinical results for UpRi (upifitamab rilsodotin), our lead product candidate, and the early results from preclinical studies or clinical trials of any other current or future product candidates are not necessarily predictive of the results from our ongoing or future discovery programs, preclinical studies or clinical trials. Promising results in preclinical studies and early encouraging clinical results of a drug candidate may not be predictive of similar results in later-stage preclinical studies or in humans during clinical trials. Many companies in the pharmaceutical and biotechnology industries have suffered significant setbacks in clinical trials after achieving positive results in earlier stages of clinical development, and we cannot be certain that we will not face similar setbacks. These companies' setbacks have been caused by, among other things, preclinical findings made while clinical trials were underway or safety or efficacy events in preclinical or clinical trials, including previously unreported adverse events. Similarly, 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.

Any clinical trials that we may conduct may not demonstrate the efficacy and safety necessary to obtain regulatory approval to market our product candidates. In addition, clinical trial results for one of our product candidates, or for competitor products utilizing similar technology, may raise concerns about the safety or efficacy of other product candidates in our pipeline. If the results of our ongoing or future clinical trials are inconclusive with respect to the efficacy of our product candidates, if we do not meet the clinical endpoints with statistical significance or if there are safety concerns or adverse events associated with our product candidates, we may be prevented from or delayed in obtaining marketing approval for our product candidates. For example, patients in our ongoing Phase 1b/2 clinical trial of UpRi have experienced serious adverse events, including, without limitation, death, pneumonitis, renal impairment, abdominal pain, fatigue, vomiting, sepsis and pyrexia. We expect that certain patients in ongoing and future clinical trials will experience additional serious adverse events, including those that may result in death, as our product candidates progress through clinical development.

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 protocols and the rate of dropout among clinical trial participants. Moreover, preclinical and clinical data are often susceptible to varying interpretations and analyses, and many companies that believed their product candidates performed satisfactorily in preclinical studies and clinical trials have nonetheless failed to obtain U.S. Food and Drug Administration, or FDA, approval. Even if we or our collaborators believe that the results of clinical trials of our product candidates warrant marketing approval, the FDA or comparable foreign regulatory authorities may disagree and may not grant marketing approval of our product candidates.

Alternatively, even if we obtain regulatory approval, that approval may be for indications or patient populations that are not as broad as intended or desired or may require labeling that includes significant use or distribution restrictions or safety warnings. We may also be required to perform additional or unanticipated clinical trials to obtain approval or be subject to additional post-marketing testing requirements to maintain regulatory approval. In addition, regulatory authorities may withdraw their approval of a product or impose restrictions on its distribution, such as in the form of a risk evaluation and mitigation strategy, or REMS, program. The failure to obtain timely regulatory approval of product candidates, any product marketing limitations or a product withdrawal would negatively impact our business, results of operations and financial condition.

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

From time to time, we may announce or publish preliminary, interim or top-line data from our clinical trials. Positive preliminary data may not be predictive of such trial's subsequent or overall results. Interim data from clinical trials that we may complete do not necessarily predict final results and 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. For example, we have reported interim data from our ongoing Phase 1b/2 clinical trial of UpRi, but we have not yet reported final data from the trial. Preliminary or top-line data also remain subject to audit and verification procedures that may result in the final data being materially different from the preliminary or top-line data we may publish. As a result, preliminary, interim and top-line data should be viewed with caution until the final data are available. Adverse differences between preliminary or interim data and final data could significantly harm our business prospects.

We currently have only two ADC product candidates, UpRi and XMT-1592, in clinical trials. A failure of any of our product candidates in clinical development would adversely affect our business and may require us to discontinue development of other ADC product candidates based on the same technology.

UpRi and XMT-1592 are currently our only clinical-stage development product candidates. While we have certain other preclinical programs in development and we intend to develop other product candidates, including XMT-1660 and XMT-2056, for each of which we plan to commence a clinical trial in mid-2022, it will take additional investment and time for such programs to reach the clinical stage of development. In addition, we have other product candidates in our current pipeline that are based on the same platforms as UpRi and XMT-1592. If a product candidate fails in development as a result of any underlying problem with our platforms, then we may be required to discontinue development of the product candidates that are based on the same technologies. If we were required to discontinue development of UpRi or any other current or future product candidate, or if UpRi or any other current or future product candidate were to fail to receive regulatory approval or were to fail to achieve sufficient market acceptance, we could be prevented from or significantly delayed in achieving profitability.

Events that may delay or prevent successful commencement, enrollment or completion of clinical trials of our product candidates could result in increased costs to us as well as a delay in obtaining, or failure to obtain, regulatory approval, or cause us to suspend or terminate a clinical trial, which could prevent us from commercializing our product candidates on a timely basis, or at all.

We cannot guarantee that clinical trials, including our ongoing and future anticipated additional clinical trials of UpRi, our lead product candidate, or any of our other current or future product candidates, will be conducted as planned or completed on schedule, if at all. A failure of one or more clinical trials can occur at any stage of testing, and other events may cause us to temporarily or permanently cease a clinical trial. Events that may prevent successful or timely commencement, enrollment or completion of clinical development include, among others:

- delays in reaching a consensus with regulatory agencies on trial design;
- delays in reaching, or failing to reach, agreement on acceptable terms with prospective clinical research organizations, or CROs, and clinical trial sites;
- difficulties in obtaining required Institutional Review Board, or IRB, or Ethics Committee, or EC, approval at each clinical trial site;
- challenges in recruiting and enrolling suitable patients to participate in clinical trials that meet the criteria of the protocol for the clinical trial;
- imposition of a clinical hold by regulatory agencies, IRBs or ECs for any reason, including safety concerns or after an inspection of clinical operations or trial sites;
- failure by CROs, other third parties or us to adhere to clinical trial requirements;
- failure to perform in accordance with the FDA's good clinical practices, or GCP, or applicable regulatory guidelines in other countries;
- inadequate quantity or quality of a product candidate or other materials necessary to conduct clinical trials, including, for example, delays in the testing, validation, manufacturing or delivery of the product candidates to the clinical sites;
- patients not completing participation in a trial or not returning for post-treatment follow-up, including as a result of the ongoing COVID-19 pandemic;
- expected or unexpected safety issues, including occurrence of serious adverse events, or SAEs, associated with any product candidate in clinical trials that are viewed as outweighing the product candidate's potential benefits or reports that may arise from preclinical or clinical testing of other similar cancer therapies that raise safety or efficacy concerns about our product candidates;
- changes in regulatory requirements or guidance that require amending or submitting new clinical protocols or submitting additional data;
- lack of adequate funding to continue one or more clinical trials; or
- geopolitical or other events, including the ongoing COVID-19 pandemic and the current conflict between Russia and Ukraine, that unexpectedly disrupt, delay or generally interfere in regional or worldwide operations of our clinical trial sites or CROs or other operations applicable to the conduct of relevant development activities,.

Delays, including delays caused by the above factors, can be costly and could negatively affect our ability to commence, enroll or complete our current and anticipated clinical trials. If we or our partners are not able to successfully complete clinical trials, we or they will not be able to obtain regulatory approval and will not be able to commercialize our product candidates or our partners' product candidates based on our technology.

An inability to enroll sufficient numbers of patients in our clinical trials could result in increased costs and longer development periods for our product candidates.

Clinical trials require sufficient patient enrollment, which is a function of many factors, including:

- the size and nature of the patient population;
- the severity of the disease under investigation;
- the nature and complexity of the trial protocol, including eligibility criteria for the trial;
- the design of the trial;
- the number of clinical trial sites and the proximity of patients to those sites;
- the standard of care in the diseases under investigation;
- the ability and commitment of clinical investigators to identify eligible patients;
- clinicians' and patients' perceptions of the potential advantages and risks of the drug being studied in relation to other available therapies, including any new drugs that may be approved for the indications we are investigating;
- the risk that patients enrolled in clinical trials will drop out of the trials before completion or, because they are late-stage cancer patients, that they will not survive the full terms of the clinical trials;
- the ability of our clinical trial sites to continue key activities, such as clinical trial site data monitoring and patient visits, due to factors related to the ongoing COVID-19 pandemic or other worldwide events; and
- the risk that patients may be affected by COVID-19 or measures taken in response to the COVID-19 pandemic and may be unable to travel to our clinical trial sites.

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

Challenges in recruiting and enrolling suitable patients to participate in clinical trials that meet the criteria of the protocol could increase costs and result in delays to our current development plans for UpRi, our lead product candidate, or any other current or future product candidate.

Our product candidates or ADCs developed or commercialized by our competitors may cause undesirable side effects or have other properties that halt their clinical development, delay or prevent regulatory approval of our product candidates or limit their commercial potential. Undesirable side effects caused by our product candidates or ADCs being developed or commercialized by our partners or competitors could cause us or regulatory authorities to interrupt, delay or halt clinical trials and could result in a more restrictive label, the denial of regulatory approval by the FDA or other regulatory authorities and potential product liability claims. Further, clinical trials by their nature utilize a sample of the potential patient population. With a limited number of subjects and limited duration of exposure, rare and severe side effects of our product candidates or those of our competitors may only be uncovered with a significantly larger number of patients exposed to the drug. SAEs, including death, deemed to be caused by our product candidates or those of our competitors, either before or after receipt of marketing approval, could have a material adverse effect on the development of our product candidates and our business as a whole.

Patients in our ongoing clinical trials have experienced SAEs, including without limitation death, pneumonitis, renal impairment, abdominal pain, fatigue, vomiting, sepsis and pyrexia. We expect that certain patients in ongoing and future trials will experience additional SAEs, including those that may result in death, as our product candidates progress through clinical development. These or additional undesirable side effects caused by our product candidates or those of our competitors, either before or after receipt of marketing approval, could result in a number of potentially significant negative consequences, including:

- our clinical trials may be put on hold;
- treatment-related side effects could affect patient recruitment for our clinical trials;
- we may be unable to obtain regulatory approval for our product candidates;
- regulatory authorities may withdraw or limit their approvals of our product candidates;
- regulatory authorities may require the addition of labeling statements, such as a contraindication, black box warnings or additional warnings;
- the FDA may require development of a REMS with Elements to Assure Safe Use as a condition of approval or post-approval;
- we may decide to remove such product candidates from the marketplace;
- we may be subject to regulatory investigations and government enforcement actions;
- we could be sued and held liable for harm caused to patients; and
- our reputation may suffer.

Any of these events could prevent us from achieving or maintaining market acceptance of our product candidates and could substantially increase commercialization costs.

We may choose not to develop a potential product candidate, or we may suspend or terminate one or more discovery or preclinical programs or product candidates. At any time and for any reason, we may determine that one or more of our discovery programs, preclinical programs or product candidates does not have sufficient potential to warrant the allocation of resources toward such program or product candidate. Furthermore, because we have limited financial and personnel resources, we have placed significant focus on the development of our lead product candidate, UpRi and a limited number of other product candidates, historically including XMT-1592. Accordingly, we may choose not to develop a product candidate or elect to suspend or terminate one or more of our discovery or preclinical programs. If we suspend or terminate a program or product candidate in which we have invested significant resources, we will have expended resources on a program or product candidate that will not provide a full return on our investment. We may also cease developing a product candidate for a particular indication. For example, in November 2021, we determined to cease developing UpRi as a single agent in patients with non-small cell lung cancer, or NSCLC, and determined to focus development on patients with ovarian cancer. Additionally, in May 2022, we decided to discontinue development of XMT-1592. As a result, we may have missed an opportunity to have allocated the resources originally used to develop UpRi as a single agent in patients with NSCLC and to develop XMT-1592 to potentially more productive uses, including existing or future programs or product candidates. If we do not accurately evaluate the commercial potential or target market for a particular future product candidate, we may relinquish valuable rights to future product candidates through collaboration, licensing or other royalty arrangements.

We or our partners may fail to discover and develop additional potential product candidates.

Our and our partners' research programs to identify new product candidates will require substantial technical, financial and human resources, and we or our partners may be unsuccessful in our or their efforts to identify new product candidates. If we or our partners are unable to identify suitable additional product candidates for preclinical and clinical development, our or their ability to develop product candidates and our ability to obtain revenues from commercializing our products or to receive royalties from our partners' sales of their products in future periods could be compromised, which could result in significant harm to our financial position and adversely impact our stock price.

Risks Related to our Financial Position and Need for Additional Capital

We have incurred net losses since our inception, we have no products approved for commercial sale and we anticipate that we will continue to incur substantial operating losses for the foreseeable future. We may never achieve or sustain profitability.

We have incurred net losses since our inception. Our net loss was $47.3 million for the three months ended March 31, 2022. As of March 31, 2022, we had an accumulated deficit of $497.7 million. Our losses have resulted principally from costs incurred in our discovery and development activities. Our net losses may fluctuate significantly from quarter to quarter and year to year. To date, we have not commercialized any products or generated any revenues from the sale of products, and we do not expect to generate any product revenues in the foreseeable future. Absent the realization of sufficient revenues from product sales, we may never achieve profitability in the future.

We have devoted most of our financial resources to research and development, including our clinical and preclinical development activities. To date, we have financed our operations primarily with the proceeds from our strategic partnerships, private placements of our preferred stock and public offerings of our common stock, including our initial public offering, our follow-on public offerings in 2019 and 2020 and our at-the-market, or ATM, equity offering programs. The amount of our future net losses will depend, in part, on the rate of our future expenditures. We have not completed pivotal clinical trials for any product candidate and only have two product candidates in clinical trials. It will be several years, if ever, before we have a product candidate ready for commercialization. Even if we obtain regulatory approval to market a product candidate, our future revenues would depend upon the size of the market or markets in which our product candidates received such approval and our ability to achieve sufficient market acceptance, reimbursement from third-party payors and adequate market share for our product candidates in those markets.

We expect to continue to incur significant expenses and operating losses over the next several years. We anticipate that our expenses will increase significantly in connection with our ongoing activities, as we:

- continue clinical development activities for our lead product candidate, UpRi ;
- develop a diagnostic assay for the NaPi2b biomarker;
- prepare to initiate planned clinical trials for our preclinical development candidates XMT-1660 and XMT-2056;
- continue activities to discover, validate and develop additional product candidates;
- obtain marketing approvals for our current and future product candidates for which we complete clinical trials;
- develop a sustainable and scalable manufacturing process for our product candidates, including establishing and maintaining commercially viable supply and manufacturing relationships with third parties;
- address any competing technological and market developments;

- maintain, expand and protect our intellectual property portfolio; and
- hire additional research, development and general and administrative personnel.

If we are required by the FDA or any equivalent foreign regulatory authority to perform clinical trials or preclinical trials in addition to those we currently expect to conduct, or if there are any delays in completing the clinical trials of UpRi or any other current or future product candidates, our expenses could increase.

To become and remain profitable, we must succeed in developing our product candidates, obtaining regulatory approval for them, and manufacturing, marketing and selling those products for which we may obtain regulatory approval. We may not succeed in these activities, and we may never generate revenue from product sales or strategic partnerships in an amount sufficient to achieve profitability. Even if we achieve profitability in the future, we may not be able to sustain profitability in subsequent periods. Our failure to become or remain profitable would depress our market value and could impair our ability to raise capital, expand our business, discover or develop other product candidates or continue our operations.

We have a credit facility that requires us to comply with certain affirmative and negative covenants and places restrictions on our operating and financial flexibility.

In October 2021, we entered into a Loan and Security Agreement, or the New Credit Facility, with Oxford Finance LLC as the collateral agent and a lender, and SVB as a lender, together, the Lenders. Pursuant to the New Credit Facility, as amended in February 2022, we may borrow up to an aggregate of $100 million, which includes $60 million available in up to three principal advances through December 31, 2022, $20 million in a tranche that is subject to meeting certain development milestones, and an additional tranche of $20 million, which is subject to conditional approval from the Lenders. The New Credit Facility is secured by substantially all of our personal property owned or later acquired, excluding intellectual property (but including the right to payments and proceeds from intellectual property), and a negative pledge on intellectual property.

The New Credit Facility also includes customary representations and warranties, affirmative and negative covenants and conditions to drawdowns, as well as customary events of default. Certain of the customary negative covenants limit our ability, among other things, to incur future debt, grant liens, make investments, make acquisitions, distribute dividends, make certain restricted payments and sell assets, subject in each case to certain exceptions. Our failure to comply with these covenants would result in an event of default under the Loan Agreement and could result in the acceleration of the obligations we owe pursuant to the New Credit Facility.

We will require substantial additional financing to achieve our goals, and a failure to obtain this necessary capital when needed could force us to delay, limit, reduce or terminate our product development or commercialization efforts.

Our cash and cash equivalents were $230.1 million as of March 31, 2022. We have utilized substantial amounts of cash since our inception and expect that we will continue to expend substantial resources for the foreseeable future developing UpRi and any other current or future product candidates. These expenditures may include costs associated with research and development, conducting preclinical studies and clinical trials, potentially obtaining regulatory approvals and manufacturing products, as well as marketing and selling products approved for sale, if any, and potentially acquiring new technologies. In addition, other unanticipated costs may arise. Because the outcome of our planned and anticipated clinical trials is highly uncertain, we cannot reasonably estimate the actual amounts necessary to successfully complete the development and commercialization of our product candidates. Our costs will increase if we experience any delays in our clinical trials for UpRi or any other current or future product candidates, including delays in enrollment of patients. We also incur costs associated with operating as a public company, hiring additional personnel and expanding our facilities.

Our future capital requirements depend on many factors, including:

- the scope, progress, results and costs of researching and developing UpRi and any other current or future product candidates and conducting preclinical studies and clinical trials;
- the timing of, and the costs involved in, obtaining regulatory approvals for UpRi, XMT-1592 and any other current or future product candidates if preclinical studies and clinical trials are successful;
- the cost of manufacturing UpRi and any other current or future product candidates for clinical trials in preparation for regulatory approval and in preparation for commercialization;
- the cost of commercialization activities for UpRi and any other current or future product candidates, if any product candidates are approved for sale, including manufacturing, marketing, sales and distribution costs;
- our ability to establish and maintain strategic partnerships, licensing or other arrangements and the financial terms of such agreements;
- the costs involved in preparing, filing, prosecuting, maintaining, defending and enforcing patent claims, including litigation costs and the outcome of any such litigation;
- the timing, receipt and amount of sales of, or royalties on, our future products, if any, or products developed by our partners;
- the emergence of competing cancer therapies and other adverse market developments; and
- the requirement for or the cost of developing companion diagnostics and/or complementary diagnostics.

We currently have the option to borrow $35 million under the New Credit Facility. We believe that our current cash and cash equivalents plus the available borrowings under the New Credit Facility will be sufficient to fund our current operating plan commitments into the second half of 2023. However, we have based these estimates on assumptions that may prove to be wrong, and our operating plan may change as a result of many factors currently unknown to us and we may need additional funds sooner than planned. Additional funds may not be available when we need them on terms that are acceptable to us, or at all. Our ability to borrow funds under the New Credit Facility is subject to us complying with the applicable covenants at the time we request a drawdown. If adequate funds are not available to us on a timely basis, we may be required to delay, limit, reduce or terminate preclinical studies, clinical trials or other development activities for one or more of our product candidates or delay, limit, reduce or terminate our establishment of sales and marketing capabilities or other activities that may be necessary to commercialize our product candidates. Even if we believe we have sufficient funds for our current or future operating plans, we may seek additional capital due to favorable market conditions or strategic considerations.

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

Until such time, if ever, as we can generate substantial product revenues, we expect to finance our capital need through a variety of means, including through private and public equity offerings, debt financings, collaborations, strategic alliances and licensing arrangements. To the extent that we raise additional capital through the sale of equity or convertible debt securities, the ownership interests of our common stockholders will be diluted, and the terms of such equity or convertible debt securities may include liquidation or other preferences that are senior to or otherwise adversely affect the rights of our common stockholders. Additional debt financing, if available, may involve agreements that include covenants limiting or restricting our ability to take certain actions, such as incurring future debt, making capital expenditures, declaring dividends or encumbering our assets to secure future indebtedness, each of which could adversely impact our ability to conduct our business and execute our operating plan. If we raise additional funds through strategic partnerships with third parties, we may have to relinquish valuable rights to our technologies, including our platforms, or product candidates, or grant licenses on terms that are not favorable to us. If we are unable to raise additional funds through equity or debt financing when needed, we may be required to delay, limit, reduce or terminate our product development or commercialization efforts for UpRi

or any other current or future product candidates or grant rights to third parties to develop and market product candidates that we would otherwise prefer to develop and market ourselves.

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

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

Risks Related to Our Reliance on Third Parties

Because we rely on third-party manufacturing and supply partners, our supply of research and development, preclinical and clinical development materials may become limited or interrupted or may not be of satisfactory quantity or quality.

We rely on third-party contract manufacturers to manufacture our preclinical and clinical trial product supplies, and we lack the internal resources and the capability to manufacture any product candidates on a clinical or commercial scale. The facilities used by our contract manufacturers to manufacture the active pharmaceutical ingredient and final drug product must be acceptable to the FDA and other comparable foreign regulatory agencies pursuant to inspections that would be conducted after we submit our marketing application or relevant foreign regulatory submission to the applicable regulatory agency. There can be no assurance that our preclinical and clinical development product supplies will be sufficient, uninterrupted or of satisfactory quality or continue to be available at acceptable prices. If our contract manufacturers cannot successfully manufacture material that conforms to our specifications and the strict regulatory requirements of the FDA or applicable foreign regulatory agencies, they will not be able to secure or maintain regulatory approval for their manufacturing facilities. Any replacement of our manufacturers could require significant effort and expertise because there may be a limited number of qualified replacements.

The manufacturing process for a product candidate is subject to FDA and foreign regulatory authority review. Suppliers and manufacturers must meet applicable manufacturing requirements and undergo rigorous facility and process validation tests required by regulatory authorities in order to comply with regulatory standards, such as current good manufacturing practices, or cGMP. We have no direct control over our contract manufacturers' ability to maintain adequate quality control, quality assurance and qualified personnel. In the event that any of our manufacturers fails to comply with regulatory requirements or to perform its obligations to us in relation to quality, timing or otherwise, or if our supply of components or other materials becomes limited or interrupted for other reasons, we may be forced to manufacture the materials ourselves, for which we currently do not have the capabilities or resources, or enter into an agreement with another third party, which we may not be able to do on reasonable terms, if at all. In some cases, the technical skills or technology required to manufacture our product candidates may be unique or proprietary to the original manufacturer and we may have difficulty transferring such skills or technology to another third party and a feasible alternative may not exist. These factors would increase our reliance on such manufacturer or require us to obtain a license from such manufacturer in order to have another third-party manufacture our product candidates. If we are required to change manufacturers for any reason, we will be required to verify that the new manufacturer maintains facilities and procedures that comply with quality standards and with all applicable regulations and guidelines. The delays associated with the verification of a new manufacturer could negatively affect our ability to develop product candidates in a timely manner or within budget.

Our reliance on contract manufacturers also exposes us to the possibility that they, or third parties with access to their facilities, will have access to and may appropriate our trade secrets or other proprietary information.

We expect to continue to rely on third-party manufacturers if we receive regulatory approval for any product candidate. To the extent that we have existing, or enter into future, manufacturing arrangements with third parties, we will depend on these third parties to perform their obligations in a timely manner consistent with contractual and regulatory requirements, including those related to quality control and assurance. If we are unable to obtain or maintain third-party manufacturing for product candidates, or to do so on commercially reasonable terms, we may not be able to develop and commercialize our product candidates successfully. Our or a third party's failure to execute on our manufacturing requirements and comply with cGMP could adversely affect our business in a number of ways, including:

- a delay or inability to initiate or continue clinical trials of product candidates under development;
- delay in submitting regulatory applications, or delay or failure to receive regulatory approvals, for product candidates;
- loss of the cooperation of an existing or future strategic partner;
- subjecting third-party manufacturing facilities or our manufacturing facilities to additional inspections by regulatory authorities;
- a requirement to cease distribution or to recall batches of our product candidates;
- in the event of approval to market and commercialize a product candidate, an inability to meet commercial demands for our products; and
- fines, adverse publicity, and civil and criminal enforcement and sanctions.

We, or our third-party manufacturers, may be unable to successfully scale-up manufacturing of our ADC product candidates in sufficient quality and quantity, which would delay or prevent us from developing our ADC product candidates and commercializing approved products, if any.

In order to conduct clinical trials of our product candidates and commercialize any approved product candidates, we, or our manufacturing partners, will need to manufacture them in large quantities. We, or our manufacturing partners, may be unable to successfully increase the manufacturing capacity for any of our product candidates in a timely or cost-effective manner, or at all. In addition, quality issues may arise during scale-up activities. If we, or any manufacturing partners, are unable to successfully scale up the manufacture of our product candidates in sufficient quality and quantity, the development, testing and clinical trials of that product candidate may be delayed or infeasible, and regulatory approval or commercial launch of any resulting product may be delayed or not obtained, which could significantly harm our business. We have evaluated which third-party manufacturers to engage for scale-up to commercial supply of our product candidates, including UpRi, and we have begun to transfer and scale-up certain manufacturing activities. If we are unable to obtain or maintain third-party manufacturing for commercial supply of our product candidates, or to do so on commercially reasonable terms, we may not be able to develop and commercialize our product candidates successfully.

We rely on third parties to conduct preclinical studies and clinical trials for UpRi and our other product candidates, and if such third parties do not properly, timely and successfully perform their obligations to us, we may not be able to obtain regulatory approvals for UpRi or any other current or future ADC product candidates.

We designed the ongoing clinical trials for UpRi and XMT-1592, and we intend to design any future clinical trials for any future unpartnered product candidates that we may develop if preclinical studies are successful. However, we rely on CROs, clinical sites, investigators and other third parties to assist in managing, monitoring and otherwise carrying out many of these trials. As a result, we have less direct control over the conduct, timing and completion of

these clinical trials and the management of data developed through clinical trials than would be the case if we were relying entirely upon our own staff. These CROs, investigators and other third parties are not our employees and we have limited control over the amount of time and resources that they dedicate to our programs. We compete with many other companies for the resources of these third parties. These third parties may have contractual relationships with other entities, some of which may be our competitors, which may draw time and resources from our programs. The third parties with whom we contract might not be diligent, careful or timely in conducting our preclinical studies or clinical trials, or complying with current good laboratory practices or current good clinical practices, as applicable, resulting in the preclinical studies or clinical trials being delayed or unsuccessful.

The third parties on whom we rely generally may terminate their engagements at any time, and having to enter into alternative arrangements would delay development and commercialization of our product candidates. Communicating with outside parties can also be challenging, potentially leading to mistakes as well as difficulties in coordinating activities. Outside parties may:

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

The FDA and comparable foreign regulatory authorities require compliance with regulations and standards, including GCP, for designing, conducting, monitoring, recording, analyzing and reporting the results of clinical trials to assure that the data and results are credible and accurate and that the rights, integrity and confidentiality of trial participants are protected. Although we rely, and intend to continue to rely, on third parties to conduct our clinical trials, they are not our employees, and we are responsible for ensuring that each of these clinical trials is conducted in accordance with its general investigational plan, protocol and other requirements. Our reliance on these third parties for research and development activities will reduce our control over these activities but will not relieve us of our responsibilities. For any violations of laws or regulations during the conduct of our clinical trials, we could be subject to untitled and warning letters or enforcement action that may include civil penalties up to and including criminal prosecution.

If these third parties do not successfully carry out their duties under their agreements, if the quality or accuracy of the data they obtain is compromised due to their failure to adhere to clinical trial protocols or to regulatory requirements, or if they otherwise fail to comply with clinical trial protocols or meet expected deadlines, the clinical trials of our product candidates may not meet regulatory requirements. The FDA enforces GCP regulations through periodic inspections of clinical trial sponsors, principal investigators and trial sites. If we or our CROs fail to comply with applicable GCPs or other regulatory requirements, the clinical data generated in our clinical trials may be deemed unreliable, third parties may need to be replaced, we may be subject to negative publicity, fines and civil or criminal sanctions, and preclinical development activities or clinical trials may be extended, delayed, suspended or terminated. If any of these events occur, we may not be able to obtain regulatory approval of our product candidates on a timely basis or at all.

We depend on strategic partnerships with other companies to assist in the research, development and commercialization of our ADC platforms and ADC product candidates. If our existing partners do not perform as expected, this may negatively affect our ability to commercialize our ADC product candidates or generate revenues through technology licensing or may otherwise negatively affect our business.

We have established strategic partnerships and intend to continue to establish strategic partnerships with third parties to research, develop and commercialize our platforms and existing and future product candidates. In February 2022, we entered into a collaboration agreement with Janssen Biotech, Inc. for the research, development and

commercialization of ADC product candidates leveraging our Dolasynthen platform. We had also entered into a collaboration agreement with Merck KGaA for the development and commercialization of ADC product candidates leveraging our Dolaflexin platform. Under these collaborations, we will depend on our partners to design and conduct their clinical trials. As a result, we will not be able to control or oversee the conduct of these programs by our partners and those programs may not be successful, which may negatively impact our business operations. In addition, if any of these partners withdraw support for these programs or proposed products or otherwise impair their development or experience negative results, our business and our product candidates could be negatively affected.

Our partners may terminate their agreements with us for cause under certain circumstances or at will in certain cases and discontinue use of our technologies. In addition, we cannot control the amount and timing of resources our partners may devote to products utilizing or incorporating our technology. Moreover, our relationships with our partners may divert significant time and effort of our scientific staff and management team and require effective allocation of our resources to multiple internal and collaborative projects. Our partners may fail to perform their obligations under the collaboration agreements or may not perform their obligations in a timely manner. If conflicts arise between our partners and us, the other party may act in a manner adverse to us and could limit our ability to implement our strategies. If any of our partners terminate or breach our agreements with them, or otherwise fail to complete their obligations in a timely manner, it may have a detrimental effect on our financial position by reducing or eliminating the potential for us to receive technology access and license fees, milestones and royalties, reimbursement of development costs, as well as possibly requiring us to devote additional efforts and incur costs associated with pursuing internal development of product candidates. Furthermore, if our partners do not prioritize and commit sufficient resources to programs associated with our product candidates or collaboration product candidates, we or our partners may be unable to commercialize these product candidates, which would limit our ability to generate revenue and become profitable.

Our partners may separately pursue competing products, therapeutic approaches or technologies to develop treatments for the diseases targeted by us or our partners. Competing products, either developed by our partners or to which our partners have rights, may result in the withdrawal of partner support for our product candidates. Even if our partners continue their contributions to the strategic partnerships, they may nevertheless determine not to actively pursue the development or commercialization of any resulting products. Additionally, if our partners pursue different clinical or regulatory strategies with their product candidates based on our platforms or technologies, adverse events with their product candidates could negatively affect our product candidates utilizing similar technologies. Any of these developments could harm our product development efforts.

To date, we have depended on a small number of partners for a substantial portion of our revenue. The loss of any one of these partners could result in non-achievement of our expected revenue payments.

We have entered into strategic partnerships with a limited number of companies. To date, a substantial portion of our revenue has resulted from payments made under agreements with our strategic partners, and we expect that a portion of our revenue will continue to come from strategic partnerships. The loss of any of our partners, or the failure of our partners to perform their obligations under their agreements with us, including paying license or technology fees, milestone payments, royalties or reimbursements, could have a material adverse effect on our financial performance. Payments under our existing and future strategic partnerships are also subject to significant fluctuations in both timing and amount, which could cause our revenue to fall below the expectations of securities analysts and investors and cause a decrease in our stock price.

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

We continue to strategically evaluate our partnerships and, as appropriate, we expect to enter into additional strategic partnerships in the future, including potentially with major biotechnology or biopharmaceutical companies. We face significant competition in seeking appropriate partners for our product candidates, and the negotiation process is time-consuming and complex. In order for us to successfully partner our product candidates, potential partners must view these product candidates as economically valuable in markets they determine to be attractive in

light of the terms that we are seeking and other available products for licensing by other companies. Even if we are successful in our efforts to establish strategic partnerships, the terms that we agree upon may not be favorable to us, and we may not be able to maintain such strategic partnerships if, for example, development or approval of a product candidate is delayed or sales of an approved product are disappointing. Any delay in entering into strategic partnership agreements related to our product candidates could delay the development and commercialization of such candidates and reduce their competitiveness even if they reach the market. If we are not able to generate revenue under our strategic partnerships when and in accordance with our expectations or the expectations of industry analysts, this failure could harm our business and have an immediate adverse effect on the trading price of our common stock.

If we fail to establish and maintain additional strategic partnerships related to our unpartnered product candidates, we will bear all of the risk and costs related to the development of any such product candidate, and we may need to seek additional financing, hire additional employees and otherwise develop expertise, such as regulatory expertise, for which we have not budgeted. If we are not successful in seeking additional financing, hiring additional employees or developing additional expertise, if necessary, our cash burn rate would increase or we would need to take steps to reduce our rate of product candidate development. This could negatively affect the development of any unpartnered product candidate.

Risks Related to Commercialization of Our ADC Product Candidates

Our future commercial success depends upon attaining significant market acceptance of our ADC product candidates, if approved, among physicians, patients and health care payors.

Even if we obtain regulatory approval for UpRi or any other current or future product candidates that we may develop or acquire in the future, the product candidate may not gain market acceptance among physicians, health care payors, patients and the broader healthcare community. Market acceptance of any approved products depends on a number of factors, including:

- the efficacy and safety of the product, as demonstrated in clinical trials;
- the indications for which the product is approved and the label approved by regulatory authorities for use with the product, including any warnings that may be required on the label;
- acceptance by physicians and patients of the product as a safe and effective treatment;
- the cost, safety and efficacy of treatment in relation to alternative treatments;
- the availability of adequate reimbursement and pricing by third-party payors and government authorities;
- relative convenience and ease of administration;
- the prevalence and severity of adverse side effects; and
- the effectiveness of our sales and marketing efforts.

Perceptions of any product are influenced by perceptions of competitors' products that are in the same class of drugs or have a similar mechanism of action. As a result, adverse public perception of our competitors' products may negatively impact the market acceptance of our product candidates. Market acceptance is critical to our ability to generate significant revenue and become profitable. Any therapeutic candidate, if approved and commercialized, may be accepted in only limited capacities or not at all. If any approved products are not accepted by the market to the extent that we expect, we may not be able to generate significant revenue and our business would suffer.

The incidence and prevalence for target patient populations of our drug candidates have not been established with precision. If the market opportunities for our drug candidates, including particularly UpRi, are smaller than

we estimate or if any approval that we obtain is based on a narrower definition of the patient population, our revenue and ability to achieve profitability will be adversely affected, possibly materially.

The precise incidence and prevalence of ovarian cancer with NaPi2b expression are unknown. Our projections of both the number of people who have this disease, as well as the subset of people with ovarian cancer who have the potential to benefit from treatment with UpRi, are based on estimates. The total addressable market opportunity for UpRi for the treatment of ovarian cancer with NaPi2b expression will ultimately depend upon, among other things, the diagnosis criteria included in the final label for UpRi, if UpRi is approved for sale for this indication, acceptance by the medical community and patient access, drug pricing and reimbursement. The number of patients who can be treated with UpRi or any of our other current or future product candidates may turn out to be lower than expected, patients may not be otherwise amenable to treatment with our drugs, or new patients may become increasingly difficult to identify or gain access to, all of which would adversely affect our results of operations and our business.

If we are unable to establish sales, marketing and distribution capabilities, we may not be successful in commercializing our product candidates if and when they are approved.

We do not have a sales or marketing infrastructure and have no experience in the sale, marketing or distribution of products. To achieve commercial success for any product for which we have obtained marketing approval, we will need to establish a sales and marketing organization or pursue a collaborative arrangement for such sales and marketing.

In the future, we expect to build a focused sales and marketing infrastructure to market UpRi, XMT-1592, and any other current or future product candidates in the United States and certain foreign jurisdictions, if and when they are approved. There are risks involved with establishing our own sales, marketing and distribution capabilities.

For example, recruiting and training a sales force is expensive and time consuming and could delay any product launch. If the commercial launch of a product candidate for which we recruit a sales force and establish marketing capabilities is delayed or does not occur for any reason, we would have prematurely or unnecessarily incurred these commercialization expenses. This may be costly, and our investment would be lost if we cannot retain or reposition our sales and marketing personnel.

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

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

If we are unable to establish our own sales, marketing and distribution capabilities and enter into arrangements with third parties to perform these services, our product revenues and our profitability, if any, are likely to be lower than if we were to market, sell and distribute any products that we develop ourselves.

In addition, we may not be successful in entering into arrangements with third parties to sell, market and distribute certain of our product candidates outside of the United States or may be unable to do so on terms that are favorable to us. We likely will have limited 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 sales, marketing and distribution capabilities successfully, either on our own or in collaboration with third parties, we will not be successful in commercializing our product candidates.

Reimbursement may be limited or unavailable in certain market segments for our ADC product candidates, which could make it difficult for us to sell our products profitably.

In both domestic and foreign markets, sales of any of our product candidates, if approved, will depend, in part, on the extent to which the costs of our products will be covered by third-party payors, such as government health programs, commercial insurance and managed health care organizations. These third-party payors decide which drugs will be covered and establish reimbursement levels for those drugs. The containment of health care costs has become a priority of foreign and domestic governments as well as private third-party payors. The prices of drugs have been a focus in this effort. Governments and private third-party payors have attempted to control costs by limiting coverage and the amount of reimbursement for particular medications, which could affect our ability to sell our product candidates profitably. Cost-control initiatives could cause us to decrease the price we might establish for products, which could result in lower than anticipated product revenues.

Reimbursement by a third-party payor may depend upon a number of factors, including the third-party payor's determination that use of a product is:

- a covered benefit under its health plan;
- safe, effective and medically necessary;
- appropriate for the specific patient;
- cost-effective; and
- neither experimental nor investigational.

Adverse pricing limitations may hinder our ability to recoup our investment in UpRi, XMT-1592 or any other current or future product candidates, even if such product candidates obtain marketing approval.

Obtaining coverage and reimbursement approval for a product from a government or other third-party payor is a time consuming and costly process that could require us to provide supporting scientific, clinical and cost-effectiveness data for the use of our products to the payor. Further, there is significant uncertainty related to third-party payor coverage and reimbursement of newly approved drugs. We may not be able to provide data sufficient to gain acceptance with respect to coverage and reimbursement. We cannot be sure that coverage or adequate reimbursement will be available for any of our product candidates. Also, we cannot be sure that reimbursement amounts will not reduce the demand for, or the price of, our products. If reimbursement is not available or is available only to limited levels, we may not be able to commercialize certain of our products. In addition, in the United States, third-party payors are increasingly attempting to contain health care costs by limiting both coverage and the level of reimbursement of new drugs. As a result, significant uncertainty exists as to whether and how much third-party payors will reimburse patients for their use of newly approved drugs, which in turn will put pressure on the pricing of drugs. Manufacturers further may be required to offer price concessions to achieve sales or favorable coverage.

Price controls may be imposed in foreign markets, which may adversely affect our future profitability.

In some countries, including member states of the European Union, the pricing of prescription drugs is subject to governmental control. Additional countries may adopt similar approaches to the pricing of prescription drugs. In such countries, pricing negotiations with governmental authorities can take considerable time after receipt of marketing approval for a product. In addition, there can be considerable pressure by governments and other stakeholders on prices and reimbursement levels, including as part of cost containment measures. 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 distribution, or arbitrage between low-priced and high-priced member states, can further reduce prices. In some countries, we may be required to conduct a clinical trial or other trials that compare the cost-effectiveness of

our product candidates to other available therapies in order to obtain or maintain reimbursement or pricing approval. We cannot be sure that such prices and reimbursement will be acceptable to us or our strategic partners. Publication of discounts by third-party payors or authorities may lead to further pressure on the prices or reimbursement levels within the country of publication and other countries. If pricing is set at unsatisfactory levels or if reimbursement of our products is unavailable or limited in scope or amount, our revenues from sales by us or our strategic partners and the potential profitability of our product candidates in those countries would be negatively affected.

We face substantial competition, and if our competitors develop and market products that are more effective, safer or less expensive than any of our current or future product candidates, our commercial opportunities will be negatively impacted.

The biotechnology and biopharmaceutical industries are characterized by rapidly advancing technologies, intense competition and a strong emphasis on proprietary products. Many third parties compete with us in developing various approaches to cancer therapy. They include pharmaceutical companies, biotechnology companies, academic institutions and other research organizations. Any treatments developed by our competitors could be superior to our product candidates. It is possible that these competitors will succeed in developing technologies that are more effective than our platforms or product candidates or that would render our platforms obsolete, noncompetitive or not economical. We anticipate that we will face increased competition in the future as additional companies enter our market and scientific developments surrounding other cancer therapies continue to accelerate.

We are also aware of multiple companies with ADC technologies that may be competitive to our platforms, including Daiichi Sankyo Company, Limited, ImmunoGen, Inc., Gilead Sciences, Inc. (Immunomedics), Pfizer AG and SeaGen Inc. These companies or their partners, including Astellas Pharma Inc., AstraZeneca plc, AbbVie Inc., Genentech (a member of the Roche Group) and Takeda Pharmaceuticals, Inc., or Takeda, may develop product candidates which compete in the same indications as our current and future product candidates. Multiple companies are also developing immune stimulating ADCs which could compete with our Immunosynthen products, including Bolt Biotherapeutics, Inc. and Takeda. We expect to compete on improved efficacy, safety and tolerability compared to other product candidates and if our products are not demonstrably superior in these respects compared to other approved therapeutics, we may not be able to compete effectively. Products we may develop in the future are also likely to face competition from other products and therapies, some of which we may not currently be aware.

Many of our competitors have significantly greater financial resources and expertise in research and development, manufacturing, preclinical studies, conducting clinical trials, obtaining regulatory approval and marketing than we do. In addition, many of these competitors are active in seeking patent protection and licensing arrangements in anticipation of collecting royalties for use of technology that they have developed. Large pharmaceutical companies, in particular, have extensive experience in clinical testing, obtaining marketing approvals, establishing clinical trial sites, recruiting patients and in manufacturing pharmaceutical products and may succeed in discovering, developing and commercializing products in our field before we do. Smaller or early-stage companies may also prove to be significant competitors, particularly through strategic partnerships with large and established companies. These third parties compete with us in recruiting and retaining qualified scientific and management personnel, as well as in acquiring technologies complementary to our programs.

In addition, if our product candidates are approved and commercialized, we may face competition from biosimilars. The route to market for biosimilars was established with the passage of the Health Care Reform Act in March 2010. The Biologics Price Competition and Innovation Act of 2009, or BPCIA, establishes a pathway for FDA approval of follow-on biologics and provides 12 years of data exclusivity for reference products. The BPCIA is complex and continues to be interpreted and implemented by the FDA. In addition, government proposals have sought to reduce the 12-year reference product exclusivity period. Further, since the BPCIA was enacted as part of the overall Health Care Reform Act, current litigation challenges to that Act, discussed more in full below, could impact the validity of the BPCIA. As a result, there still remains significant uncertainty as to the ultimate impact, implementation and regulatory interpretation of the BPCIA.

In Europe, the European Medicines Agency has issued guidelines for approving products through an abbreviated pathway, and biosimilars have been approved in Europe. If a biosimilar version of one of our potential products

were approved in the United States or Europe, it could have a negative effect on sales and gross profits of the potential product and our financial condition.

With respect to our current and potential future product candidates, we believe that our ability to compete effectively and develop products that can be manufactured cost-effectively and marketed successfully will depend on our ability to:

- advance our technology platforms;
- obtain and maintain intellectual property protection for our technologies and products;
- obtain required government and other public and private approvals on a timely basis;
- attract and retain key personnel;
- commercialize effectively;
- obtain reimbursement for our products in approved indications;
- comply with applicable laws, regulations and regulatory requirements and restrictions with respect to the commercialization of our products, including with respect to any changed or increased regulatory restrictions; and
- enter into additional strategic partnerships to advance the development and commercialization of our product candidates.

Risks Related to Our Intellectual Property

If we are unable to obtain or protect intellectual property rights related to our technology and ADC product candidates, or if our intellectual property rights are inadequate, we may not be able to compete effectively.

Our success depends in large part on our ability to obtain and maintain protection with respect to our intellectual property and proprietary technology. We rely upon a combination of patents, trade secret protection and confidentiality agreements to protect the intellectual property related to our platforms and our product candidates, including UpRi and XMT-1592. The patent position of biopharmaceutical companies is generally uncertain because it involves complex legal and factual considerations and has, in recent years, been the subject of much litigation. As a result, the issuance, scope, validity, enforceability and commercial value of our patent rights is highly uncertain. The standards applied by the United States Patent and Trademark Office, or USPTO, and foreign patent offices in granting patents are not always applied uniformly or predictably. For example, there is no uniform worldwide policy regarding patentable subject matter or the scope of claims allowable in patents. In addition, 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. The patent prosecution process is expensive, complex and time-consuming, and we may not be able to file, prosecute, maintain, enforce or license all necessary or desirable patents and patent applications at a reasonable cost or in a timely manner. It is also possible that we fail to identify patentable aspects of our research and development output before it is too late to obtain patent protection. There is no assurance that all potentially relevant prior art relating to our patents and patent applications has been found. We may be unaware of prior art that could be used to invalidate an issued patent or prevent our pending patent applications from issuing as patents.

The patent applications that we own or in-license may fail to result in issued patents, and even if they do issue as patents, such patents may not cover our platforms and product candidates in the United States or in other countries. The issuance of a patent is not conclusive as to its inventorship, scope, validity or enforceability, and our patents may be challenged in the courts or patent offices in the United States and abroad. Such challenges may result in loss of exclusivity or in patent claims being narrowed, invalidated or held unenforceable, which could limit our ability to

stop others from using or commercializing similar or identical technology and products, or limit the duration of the patent protection of our technology and product candidates. For example, even if patent applications we license or own do successfully issue as patents and even if such patents cover our platforms and product candidates, third parties may challenge their validity, enforceability or scope, which may result in such patents being narrowed or invalidated. Furthermore, even if they are unchallenged, our patents and patent applications may not provide adequate protection or exclusivity for our ADC platform or product candidates, prevent others from designing around our claims or otherwise provide us with a competitive advantage. Any of these outcomes could impair our ability to prevent competition from third parties, which may have an adverse impact on our business.

If patent applications we own or have in-licensed with respect to our platforms or our product candidates fail to issue as patents, if their breadth or strength of protection is threatened, or if they fail to provide meaningful exclusivity, it could dissuade companies from collaborating with us. We cannot offer any assurances about which, if any, patents will issue, the breadth of any such patents or whether any issued patents will be found invalid and unenforceable or will be threatened by third parties. Any successful challenge to these patents or any other patents owned by or licensed to us could deprive us of rights necessary for the successful development and commercialization of any product candidate. Since patent applications in the United States and most other countries are confidential for a period of time after filing, and some remain so until issued, we cannot be certain that we were the first to file any patent application related to a product candidate. Furthermore, if third parties have filed such patent applications, an interference proceeding in the United States can be initiated by the USPTO or a third-party to determine who was the first to invent any of the subject matter covered by the patent claims of our applications. In addition, patents have a limited lifespan. In the United States, the natural expiration of a patent is generally 20 years after it is filed. Various extensions may be available; however, the life of a patent and the protection it affords is limited. Given the amount of time required for the development, testing and regulatory review of new product candidates, our owned or in-licensed patents protecting such candidates might expire before or shortly after such candidates are commercialized. If we encounter delays in obtaining regulatory approvals, the period of time during which we could market a drug under patent protection could be further reduced. Even if patents covering our product candidates are obtained, once the patent life has expired for a product, we may be open to competition from similar or generic products. The launch of a generic version of one of our products in particular would be likely to result in an immediate and substantial reduction in the demand for our product, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

On September 16, 2011, the Leahy-Smith America Invents Act, or the Leahy-Smith Act, was signed into law. The Leahy-Smith Act includes a number of significant changes to U.S. patent law. These include provisions that affect the way patent applications are prosecuted, redefine prior art, may affect patent litigation and switch the U.S. patent system from a “first-to-invent” system to a “first-to-file” system. Under a first-to-file system, assuming the other requirements for patentability are met, the first inventor to file a patent application generally will be entitled to the patent on an invention regardless of whether another inventor had made the invention earlier. These provisions also allow third-party submission of prior art to the USPTO during patent prosecution and set forth additional procedures to attack the validity of a patent by the USPTO administered post grant proceedings. The USPTO developed additional regulations and procedures to govern administration of the Leahy-Smith Act, and many of the substantive changes to patent law associated with the Leahy-Smith Act, and, in particular, the first-to-file provisions, only became effective on March 16, 2013. Accordingly, it is not clear what, if any, impact the Leahy-Smith Act will have on the operation of our business. The Leahy-Smith Act and its implementation could increase the uncertainties and costs surrounding the prosecution of our patent applications and the enforcement or defense of our issued patents, all of which could have a material adverse effect on our business, financial condition, results of operations and prospects.

Any loss of patent protection could have a material adverse impact on our business. We may be unable to prevent competitors from entering the market with a product that is similar to or the same as our product candidates.

Issued patents covering UpRi, XMT-1592, and any other current or future ADC product candidates could be found invalid or unenforceable if challenged in court or before the USPTO or comparable foreign authority.

If we or one of our licensing partners initiate legal proceedings against a third party to enforce a patent covering UpRi, XMT-1592 or any other current or future product candidates, the defendant could counterclaim that the patent covering our product candidate is invalid or unenforceable. In patent litigation in the United States, defendant counterclaims alleging invalidity or unenforceability are commonplace, and there are numerous grounds upon which a third party can assert invalidity or unenforceability of a patent. Grounds for a validity challenge could be, among other things, an alleged failure to meet any of several statutory requirements, including lack of novelty, obviousness, lack of written description or non-enablement. Grounds for an unenforceability assertion could be, among other things, an allegation that someone connected with prosecution of the patent withheld relevant information from the USPTO, or made a misleading statement, during prosecution. Third parties may also raise similar claims before administrative bodies in the United States or abroad, even outside the context of litigation. Such mechanisms include re-examination, inter partes review, post-grant review, interference proceedings, derivation proceedings and equivalent proceedings in foreign jurisdictions (e.g., opposition proceedings). Such proceedings could result in revocation, cancellation or amendment to our patents in such a way that they no longer cover and protect our product candidates. The outcome following legal assertions of invalidity and unenforceability is unpredictable. With respect to the validity of our patents, for example, we cannot be certain that there is no invalidating prior art of which we, our licensors, our patent counsel and the patent examiner were unaware during prosecution. If a third party were to prevail on a legal assertion of invalidity or unenforceability, we would lose at least part, and perhaps all, of the patent protection on one or more of our product candidates. Any such loss of patent protection could have a material adverse impact on our business, financial condition, results of operations and prospects.

If we fail to comply with our obligations under any license, strategic partnership or other agreements, we may be required to pay damages and could lose intellectual property rights that are necessary for developing and protecting our ADC product candidates.

We rely, in part, on license, collaboration and other agreements. We may need to obtain additional licenses from others to advance our research or allow commercialization of our product candidates and it is possible that we may be unable to obtain additional licenses at a reasonable cost or on reasonable terms, if at all. The licensing or acquisition of third party intellectual property rights is a competitive area, and several more established companies may pursue strategies to license or acquire third party intellectual property rights that we may consider attractive. These established companies may have a competitive advantage over us due to their size, 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 use. 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.

In addition, our existing licenses and collaboration agreements, including our license with Recepta Biopharma S.A., or Recepta, for intellectual property covering the NaPi2b antibody in UpRi and XMT-1592, and our license with Synaffix B.V., or Synaffix, for intellectual property covering components included in the Dolasynthen platform, impose, and any future licenses, collaborations or other agreements we enter into are likely to impose, various development, commercialization, funding, milestone, royalty, diligence, sublicensing, insurance, patent prosecution and enforcement or other obligations on us. If we breach any of these obligations, or use the intellectual property licensed to us in an unauthorized manner, we may be required to pay damages and the licensor may have the right to terminate the license, including, in the case of our agreement with Recepta, the license for the rights covering the NaPi2b antibody in UpRi and XMT-1592 and, in the case of our agreement with Synaffix, the license for the rights covering components in the Dolasynthen platform. Any of the foregoing could result in us being unable to develop, manufacture and sell products that are covered by the licensed technology or enable a competitor to gain access to the licensed technology. Disputes may arise regarding intellectual property subject to a licensing, collaboration or other agreements, including:

- the scope of rights granted under the license agreement and other interpretation related issues;
- the extent to which our technology and processes infringe on intellectual property of the licensor that is not subject to the licensing agreement;
- the sublicensing of patent and other rights under our collaborative development relationships;

- our diligence obligations under the license agreement and what activities satisfy those diligence obligations;
- the inventorship and ownership of inventions and know how resulting from the joint creation or use of intellectual property by our licensors and us and our partners; and
- the priority of invention of patented technology.

In addition, the agreements under which we currently license intellectual property or technology to or from third parties are complex, and certain provisions in such agreements may be susceptible to multiple interpretations. The resolution of any contract interpretation disagreement that may arise could narrow what we believe to be the scope of our rights to the relevant intellectual property or technology, or increase what we believe to be our financial or other obligations under the relevant agreement, either of which could have a material adverse effect on our business, financial condition, results of operations and prospects. Moreover, if disputes over intellectual property that we have licensed prevent or impair our ability to maintain our current licensing arrangements on commercially acceptable terms, we may be unable to successfully develop and commercialize the affected product candidates.

In some circumstances, we may not have the right to control the preparation, filing and prosecution of patent applications, or to maintain the patents, covering the technology that we license from third parties. For example, pursuant to our license agreement with Recepta, Ludwig Institute for Cancer Research Ltd., a co-owner of the intellectual property, retains control of such activities. Therefore, we cannot be certain that these patents and applications will be prosecuted, maintained and enforced in a manner consistent with the best interests of our business. If our licensors fail to obtain or maintain such intellectual property, or lose rights to such intellectual property, the rights we have licensed and our exclusivity may be reduced or eliminated and our right to develop and commercialize any of our products that are subject to such licensed rights could be adversely affected.

Moreover, our rights to our in-licensed patents and patent applications are dependent, in part, on inter-institutional or other operating agreements between the joint owners of such in-licensed patents and patent applications. If one or more of such joint owners breaches such inter-institutional or operating agreements, our rights to such in-licensed patents and patent applications may be adversely affected. In addition, while we cannot currently determine the amount of the royalty obligations we would be required to pay on sales of future products, if any, the amounts may be significant. The amount of our future royalty obligations will depend on the technology and intellectual property we use in products that we successfully develop and commercialize, if any. Therefore, even if we successfully develop and commercialize products, we may be unable to achieve or maintain profitability. Any of the foregoing could have a material adverse effect on our competitive position, business, financial conditions, results of operations and prospects.

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 and our business, financial condition, results of operations and prospects could suffer.

We may become involved in lawsuits to protect or enforce our intellectual property or to defend against intellectual property claims, which could be expensive, time consuming and unsuccessful.

Competitors and other third parties may infringe our patents or misappropriate or otherwise violate our owned and in-licensed intellectual property rights. To counter infringement or unauthorized use, litigation or other intellectual property proceedings may be necessary to enforce or defend our owned and in-licensed intellectual property rights, to protect our trade secrets or to determine the validity and scope of our own intellectual property rights or the proprietary rights of others. Such litigation or proceedings can be expensive and time consuming, and any such claims could provoke defendants to assert counterclaims against us, including claims alleging that we infringe their patents or other intellectual property rights. We may not have sufficient financial or other resources to adequately conduct such litigation or proceedings. Many of our current and potential competitors have the ability to dedicate substantially greater resources to litigate intellectual property rights than we can and have more mature and developed intellectual property portfolios. Accordingly, despite our efforts, we may not be able to prevent third parties from infringing upon or misappropriating our intellectual property. Even if resolved in our favor, litigation or

other intellectual property proceedings could result in substantial costs and diversion of management attention and resources, which could harm our business and financial results.

In addition, in a litigation or other proceeding, a court or administrative judge may decide that a patent owned by or licensed to us is invalid or unenforceable, or a court may refuse to stop the other party from using the technology at issue on the grounds that our patents do not cover the technology in question. An adverse result in any litigation or other proceeding could put one or more of our patents at risk of being invalidated, held unenforceable or interpreted narrowly. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation and other proceedings, there is a risk that some of our confidential information could be compromised by disclosure during this type of litigation. During the course of any patent or other intellectual property litigation or other proceeding, there could be public announcements of the results of hearings, rulings on motions and other interim proceedings or developments and if securities analysts or investors regard these announcements as negative, the perceived value of our product candidates, programs or intellectual property could be diminished. Accordingly, the market price of our common stock may decline. Any of the foregoing could have a material adverse effect on our business, financial conditions, results of operations and prospects.

Third-party claims of intellectual property infringement or misappropriation may prevent or delay our development and commercialization efforts.

Our commercial success depends in part on our ability and the ability of our strategic partners to develop, manufacture, market and sell product candidates and use our proprietary technologies without infringing, misappropriating or otherwise violating the patents and proprietary rights of third parties. There is a substantial amount of litigation, both within and outside the United States, involving patent and other intellectual property rights in the biopharmaceutical industries, including patent infringement lawsuits, interferences, oppositions, reexamination, inter partes review, derivation and post grant review proceedings before the USPTO and corresponding foreign patent offices. Numerous U.S. and foreign issued patents and pending patent applications owned by third parties exist in the fields in which we are developing and may develop our product candidates. As the biopharmaceutical industries expand and more patents are issued, the risk increases that our product candidates may be subject to claims of infringement of the patent rights of third parties.

Third parties may assert that we, our customers, licensees or parties indemnified by us are employing their proprietary technology without authorization or have infringed upon, misappropriated or otherwise violated their intellectual property or other rights, regardless of their merit. For example, we may be subject to claims that we are infringing the patent, trademark or copyright rights of third parties, or that our employees have misappropriated or divulged their former employers' trade secrets or confidential information. There may be third-party patents or patent applications with claims to materials, formulations, methods of manufacture or methods for treatment related to the use or manufacture of our product candidates, that we failed to identify. For example, applications filed before November 29, 2000 and certain applications filed after that date that will not be filed outside the United States remain confidential until issued as patents. Except for certain exceptions, including the preceding exceptions, patent applications in the United States and elsewhere are generally published only after a waiting period of approximately 18 months after the earliest filing, and sometimes not at all. Therefore, patent applications covering our platforms or our product candidates could have been filed by others without our knowledge. Additionally, pending patent applications which have been published can, subject to certain limitations, be later amended in a manner that could cover our platforms, our product candidates or the use or manufacture of our product candidates.

Even if we believe a third party's claims against us are without merit, a court of competent jurisdiction could hold that such third party's patent is valid, enforceable and covers aspects of our product candidates, including the materials, formulations, methods of manufacture, methods of analysis, or methods for treatment, in which case, such third party would be able to block our ability to develop and commercialize the applicable technology or product candidate until such patent expired or unless we obtain a license and we may be required to pay such third-party monetary damages, which could be substantial. Such licenses may not be available on acceptable terms, if at all. Even if we were able to obtain a license, the rights may be nonexclusive, which could result in our competitors gaining access to the same intellectual property and it could require us to make substantial licensing and royalty payments. Ultimately, we could be prevented from commercializing a product, or be forced to cease some aspect of

our business operations, if, as a result of actual or threatened patent infringement claims, we are unable to enter into licenses on acceptable terms.

Parties making claims against us may also obtain injunctive or other equitable relief, which could effectively block our ability to further develop and commercialize our technologies or one or more of our product candidates. Defending against claims of patent infringement, misappropriation of trade secrets or other violations of intellectual property could be costly and time consuming, regardless of the outcome. Thus, even if we were to ultimately prevail, or to settle at an early stage, such litigation could burden us with substantial unanticipated costs. In addition, litigation or threatened litigation could result in significant demands on the time and attention of our management team, distracting them from the pursuit of other company business. In the event of a successful claim of infringement against us, in addition to potential injunctive relief, we may have to pay substantial damages, including treble damages and attorneys' fees for willful infringement, pay royalties, redesign our infringing products or obtain one or more licenses from third parties, which may be impossible or require substantial time and monetary expenditure.

We may face a claim of misappropriation if a third party believes that we inappropriately obtained and used trade secrets of such third party. If we are found to have misappropriated a third party's trade secrets, we may be prevented from further using such trade secrets, limiting our ability to develop our product candidates, we may be required to obtain a license to such trade secrets which may not be available on commercially reasonable terms or at all and may be non-exclusive, and we may be required to pay damages, which could be substantial. Any of the foregoing could 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 and proprietary rights throughout the world.

Filing, prosecuting and defending patents on product candidates in all countries throughout the world where we expect there to be significant markets for our products could be prohibitively expensive, and the laws of foreign countries may not protect our rights to the same extent as the laws of the United States. In addition, our intellectual property license agreements may not always include worldwide rights. For example, certain U.S. and foreign issued patents and patent applications are licensed to us by Recepta on a worldwide basis, except that Recepta retains exclusive rights in such patents and patent applications in Brazil. Consequently, we may not be able to prevent third parties from practicing our inventions in all countries outside the United States. Competitors may use our technologies in jurisdictions where we have not obtained patent protection to develop their own products and, further, may export otherwise infringing products to territories where we have patent protection or licenses but enforcement is not as strong as that in the United States. These products may compete with our products, and our patents or other intellectual property rights may not be effective or sufficient to prevent them from competing.

Additionally, the laws of some foreign countries do not protect intellectual property rights to the same extent as the laws of the United States, and many companies have encountered significant problems in protecting and defending such rights in foreign jurisdictions. The legal systems of certain countries, particularly certain developing countries, do not favor the enforcement of patents and other intellectual property protection, particularly those relating to biotechnology, which could make it difficult for us to stop the infringement of our licensed and owned patents or marketing of competing products in violation of our intellectual property and proprietary rights generally. Proceedings to enforce our intellectual property and proprietary 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, could put our patent applications at risk of not issuing as patents, 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. Accordingly, our efforts to enforce our intellectual property and proprietary rights around the world may be inadequate to obtain a significant commercial advantage from the intellectual property that we develop or license.

Many countries have compulsory licensing laws under which a patent owner may be compelled to grant licenses to third parties. In addition, many countries limit the enforceability of patents against government agencies or government contractors. In these countries, the patent owner may have limited remedies, which could materially

diminish the value of such patent. If we or any of our licensors is forced to grant a license to third parties with respect to any patents relevant to our business, our competitive position may be impaired, and our business, financial condition, results of operations and prospects may be adversely affected.

Confidentiality agreements with employees and third parties may not prevent unauthorized disclosure of trade secrets and other proprietary information.

In addition to the protection afforded by patents, we rely on trade secret protection and confidentiality agreements to protect proprietary know-how that is not patentable or that we elect not to patent, processes for which patents are difficult to enforce and any other elements of our platform technology and discovery and development processes that involve proprietary know-how, information or technology that is not covered by patents. However, trade secrets can be difficult to protect. We seek to protect our proprietary technology and processes, in part, by entering into confidentiality agreements with our employees, consultants and outside scientific advisors, contractors and partners. We cannot guarantee that we have entered into such agreement with each party that may have or have had access to our trade secrets or proprietary technology and processes. Additionally, our confidentiality agreements and other contractual protections may not be adequate to protect our intellectual property from unauthorized disclosure, third-party infringement or misappropriation. We may not have adequate remedies in the case of a breach of any such agreements, and our trade secrets and other proprietary information could be disclosed to our competitors or others may independently develop substantially equivalent or superior proprietary information and techniques or otherwise gain access to our trade secrets or disclose such technologies.

Enforcing a claim that a third party illegally obtained and is using any of our trade secrets is expensive and time consuming, and the outcome is unpredictable. In addition, some courts outside and within the United States sometimes are less willing to protect trade secrets. Misappropriation or unauthorized disclosure of our trade secrets could impair our competitive position and may have a material adverse effect on our business.

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

Many of our and our licensors' employees, including our senior management, consultants or advisors are currently, or previously were, employed at universities or other biotechnology or pharmaceutical companies, including our competitors or potential competitors. Some of these employees, including members of our senior management, executed proprietary rights, non-disclosure and non-competition agreements, or similar agreements, in connection with such previous employment. Although we try to ensure that our employees, consultants and advisors do not use the proprietary information or know-how of others in their work for us, we may be subject to claims that we or these individuals have used or disclosed intellectual property, including trade secrets or other proprietary information, of any such individual's current or former employer. Litigation may be necessary to defend against such claims. If we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights or personnel or sustain damages. Such intellectual property rights could be awarded to a third party, and we could be required to obtain a license from such third party to commercialize our technology or products. Such a license may not be available on commercially reasonable terms or at all. Even if we are successful in defending against such claims, litigation could result in substantial costs and be a distraction to management. Any of the foregoing may have a material adverse effect on our business, financial condition, results of operations and prospects.

In addition, while it is our policy to require our employees and contractors who may be involved in the conception or development of intellectual property to execute agreements assigning such intellectual property to us, we may be unsuccessful in executing such an agreement with each party who, in fact, conceives or develops intellectual property that we regard as our own. The assignment of intellectual property rights 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.

If we do not obtain patent term extension and data exclusivity for any product candidates we may develop, our business may be materially harmed.

Depending upon the timing, duration and specifics of any FDA marketing approval of any product candidates we may develop, one or more of our owned or in-licensed U.S. patents may be eligible for limited patent term extension under the Drug Price Competition and Patent Term Restoration Act of 1984, or Hatch-Waxman Amendments. The Hatch-Waxman Amendments permit a patent term extension of up to five years as compensation for the patent term lost during the FDA regulatory review process. A patent term extension cannot extend the remaining term of a patent beyond a total of 14 years from the date of product approval, only one patent may be extended and only those claims covering the approved drug, a method for using it or a method for manufacturing it may be extended. However, we may not be granted an extension because of, for example, failing to exercise due diligence during the testing phase or regulatory review process, failing to apply within applicable deadlines, failing to apply prior to expiration of relevant patents, or otherwise failing to satisfy applicable requirements. Moreover, the applicable time period or the scope of patent protection afforded could be less than we request. If we are unable to obtain patent term extension or the term of any such extension is less than we request, our competitors may obtain approval of competing products following our patent expiration, and our business, financial condition, results of operations and prospects could be materially harmed.

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

Periodic maintenance fees, renewal fees, annuity fees and various other government fees on patents and patent applications will be due to be paid to the USPTO and various government patent agencies outside of the United States over the lifetime of our owned or licensed patents and applications. In certain circumstances, we rely on our licensing partners to pay these fees due to U.S. and non-U.S. patent agencies. The USPTO and various non-U.S. government agencies require compliance with several procedural, documentary, fee payment and other similar provisions during the patent application process. We are also dependent on our licensors to take the necessary action to comply with these requirements with respect to our licensed intellectual property. In some cases, an inadvertent lapse can be cured by payment of a late fee or by other means in accordance with the applicable rules. There are situations, however, in which non-compliance can result in abandonment or lapse of the patent or patent application, resulting in a partial or complete loss of patent rights in the relevant jurisdiction. In such an event, potential competitors might be able to enter the market with similar or identical products or technology, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

Intellectual property rights do not necessarily address all potential threats.

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

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

- it is possible that our pending licensed patent applications or those that we may own in the future will not lead to issued patents;
- issued patents that we hold rights to may be held invalid or unenforceable, including as a result of legal challenges by our competitors;
- our competitors might conduct research and development activities in countries where we do not have patent rights and then use the information learned from such activities to develop competitive products for sale in our major commercial markets;
- we may not develop additional proprietary technologies that are patentable;
- the patents of others may harm our business; and
- we may choose not to file a patent in order to maintain certain trade secrets or know how, and a third party may subsequently file a patent covering such intellectual property.

Should any of these events occur, they could have a material adverse effect on our business, financial condition, results of operations and prospects.

Risks Related to Regulatory Approval and Other Legal Compliance Matters

Even if we complete the necessary preclinical studies and clinical trials, the regulatory approval process is expensive, time consuming and uncertain and may prevent us from obtaining approvals for the commercialization of some or all of our product candidates. As a result, we cannot predict when or if, and in which territories, we will obtain marketing approval to commercialize a product candidate.

The research, testing, manufacturing, labeling, approval, selling, marketing, promotion and distribution of products are subject to extensive regulation by the FDA and comparable foreign regulatory authorities. We are not permitted to market our product candidates in the United States or in other countries until we receive approval of a biologics licensing application, or BLA, from the FDA or marketing approval from applicable regulatory authorities outside the United States. Our product candidates are in various stages of development and are subject to the risks of failure inherent in development. We have not submitted an application for or received marketing approval for any of our product candidates in the United States or in any other jurisdiction. We have no experience as a company in filing and supporting the applications necessary to gain marketing approvals and expect to rely on third-party CROs to assist us in this process.

The process of obtaining marketing approvals, both in the United States and abroad, is lengthy, expensive and uncertain. It may take many years, if approval is obtained at all, and can vary substantially based upon a variety of factors, including the type, complexity and novelty of the product candidates involved. Securing marketing approval requires the submission of extensive preclinical and clinical data and supporting information, including manufacturing information, to regulatory authorities for each therapeutic indication to establish the product candidate's safety and efficacy. The FDA or other regulatory authorities may determine that our product candidates are not safe and effective, only moderately effective or have undesirable or unintended side effects, toxicities or other characteristics that preclude our obtaining marketing approval or prevent or limit commercial use.

In addition, changes in marketing approval policies during the development period, changes in or the enactment or promulgation of additional statutes, regulations or guidance or changes in regulatory review for each submitted product application, may cause delays in the approval or rejection of an application. Regulatory authorities have substantial discretion in the approval process and varying interpretations of the data obtained from preclinical and clinical testing could delay, limit or prevent marketing approval of a product candidate. Any marketing approval we ultimately obtain may be limited or subject to restrictions or post-approval commitments that render the approved product not commercially viable.

Failure to obtain marketing approval in foreign jurisdictions would prevent our product candidates from being marketed abroad. Any approval we may be granted for our product candidates in the United States would not assure approval of our product candidates in foreign jurisdictions and any of our product candidates that may be approved for marketing in a foreign jurisdiction will be subject to risks associated with foreign operations.

We intend to market our current product candidates, UpRi, XMT-1660 and XMT-2056, if approved, in international markets either directly or through partnerships. In order to market and sell our products in the European Union and other foreign jurisdictions, we 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 marketing approval process outside the United States generally includes all of the risks associated with obtaining FDA approval. We 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 file for marketing approvals but not receive necessary approvals to commercialize our products in any market.

In many countries outside the United States, a product candidate must also be approved for reimbursement before it can be sold in that country. In some cases, the price that we intend to charge for our products, if approved, is also subject to approval. Obtaining non-U.S. regulatory approvals and compliance with non-U.S. regulatory requirements could result in significant delays, difficulties and costs for us and could delay or prevent the introduction of our product candidates in certain countries. In addition, if we fail to obtain the non-U.S. approvals required to market our product candidates outside the United States or if we fail to comply with applicable non-U.S. regulatory requirements, our target markets will be reduced and our ability to realize the full market potential of our product candidates will be harmed and our business, financial condition, results of operations and prospects may be adversely affected.

Additionally, we could face heightened risks with respect to seeking marketing approval in the United Kingdom as a result of the withdrawal of the United Kingdom from the European Union, commonly referred to as Brexit. The United Kingdom is no longer part of the European Single Market and European Union Customs Union. As of January 1, 2021, the Medicines and Healthcare products Regulatory Agency, or the MHRA, became responsible for supervising medicines and medical devices in Great Britain, comprising England, Scotland and Wales under domestic law, whereas Northern Ireland will continue to be subject to European Union rules under the Northern Ireland Protocol. Any delay in obtaining, or an inability to obtain, any marketing approvals, as a result of Brexit or otherwise, may force us to restrict or delay efforts to seek regulatory approval in the United Kingdom for our product candidates, which could significantly and materially harm our business.

We expect that we will be subject to additional risks in commercializing any of our product candidates that receive marketing approval outside the United States, including tariffs, trade barriers and regulatory requirements; economic weakness, including inflation, or political instability in particular foreign economies and markets; compliance with tax, employment, immigration and labor laws for employees living or traveling abroad; foreign currency fluctuations, which could result in increased operating expenses and reduced revenue, and other obligations incident to doing business in another country; and workforce uncertainty in countries where labor unrest is more common than in the United States.

Any product candidate for which we obtain marketing approval is subject to ongoing regulation and 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, when and if any of our product candidates are approved. Any product candidate for which we obtain marketing approval will be subject to continual requirements of and review by the FDA and other regulatory authorities. These requirements include submissions of safety and other post-marketing information and reports, registration and listing requirements, cGMP requirements relating to quality control and manufacturing, quality assurance and corresponding maintenance of records and documents, and requirements regarding the distribution of samples to physicians and recordkeeping. In addition, the approval may be subject to limitations on the indicated uses for which the product may be marketed or to the conditions of approval, or contain

requirements for costly post-marketing testing and surveillance to monitor the safety or efficacy of the medicine, including the requirement to implement a risk evaluation and mitigation strategy. Accordingly, if we receive marketing approval for one or more of our product candidates, we will continue to expend time, money and effort in all areas of regulatory compliance, including manufacturing, production, product surveillance and quality control. If we fail to comply with these requirements, we could have the marketing approvals for our products withdrawn by regulatory authorities and our ability to market any products could be limited, which could adversely affect our ability to achieve or sustain profitability.

We must also comply with requirements concerning advertising and promotion for any of our product candidates for which we obtain marketing approval. Promotional communications with respect to prescription products are subject to a variety of legal and regulatory restrictions and must be consistent with the information in the product's approved labeling. Thus, we will not be able to promote any products we develop for indications or uses for which they are not approved. The FDA and other agencies, including the Department of Justice, or the DOJ, closely regulate and monitor the post-approval marketing and promotion of products to ensure that they are marketed and distributed only for the approved indications and in accordance with the provisions of the approved labeling. In September 2021, the FDA published final regulations which describe the types of evidence that the agency will consider in determining the intended use of a drug or biologic. Violations of the Federal Food, Drug, and Cosmetic Act and other statutes, including the False Claims Act, relating to the promotion and advertising of prescription products may lead to investigations and enforcement actions alleging violations of federal and state health care fraud and abuse laws, as well as state consumer protection laws.

Failure to comply with regulatory requirements, may yield various results, including:

- restrictions on such products, manufacturers or manufacturing processes;
- restrictions on the labeling or marketing of a product;
- restrictions on distribution or use of a product;
- requirements to conduct post-marketing studies or clinical trials;
- warning letters or untitled letters;
- withdrawal of the products from the market;
- refusal to approve pending applications or supplements to approved applications that we submit;
- recall of products;
- damage to relationships with collaborators;
- unfavorable press coverage and damage to our reputation;
- fines, restitution or disgorgement of profits or revenues;
- suspension or withdrawal of marketing approvals;
- refusal to permit the import or export of our products;
- product seizure;
- injunctions or the imposition of civil or criminal penalties; and
- litigation involving patients using our products.

Similar restrictions apply to the approval of our products in the European Union. The holder of a marketing authorization is required to comply with a range of requirements applicable to the manufacturing, marketing, promotion and sale of medicinal products. These include compliance with the European Union's stringent pharmacovigilance or safety reporting rules, which can impose post-authorization studies and additional monitoring obligations; the manufacturing of authorized medicinal products, for which a separate manufacturer's license is mandatory; and the marketing and promotion of authorized drugs, which are strictly regulated in the European Union and are also subject to EU Member State laws.

Accordingly, in connection with our currently approved products and assuming we, or our collaborators, receive marketing approval for one or more of our product candidates, we, and our collaborators, and our and their contract manufacturers will continue to expend time, money and effort in all areas of regulatory compliance, including manufacturing, production, product surveillance and quality control. If we, and our collaborators, are not able to comply with post-approval regulatory requirements, our or our collaborators' ability to market any future products could be limited, which could adversely affect our ability to achieve or sustain profitability. Further, the cost of compliance with post-approval regulations may have a negative effect on our operating results and financial condition.

We may seek certain designations for our product candidates, including but not limited to Breakthrough Therapy, Fast Track and Priority Review designations in the United States, and PRIME Designation in the European Union, but we might not receive such designations, and even if we do, such designations may not lead to a faster development or regulatory review or approval process.

We may seek certain designations for one or more of our product candidates that could expedite review and approval by the FDA. A Breakthrough Therapy product is defined as a product that is intended, alone or in combination with one or more other products, to treat a serious condition, and preliminary clinical evidence indicates that the product may demonstrate substantial improvement over existing therapies on one or more clinically significant endpoints, such as substantial treatment effects observed early in clinical development. For products 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.

The FDA may also designate a product for Fast Track review if it is intended, whether alone or in combination with one or more other products, for the treatment of a serious or life threatening disease or condition, and it demonstrates the potential to address unmet medical needs for such a disease or condition. For Fast Track products, sponsors may have greater interactions with the FDA and the FDA may initiate review of sections of a Fast Track product's application before the application is complete. This rolling review may be available if the FDA determines, after preliminary evaluation of clinical data submitted by the sponsor, that a Fast Track product may be effective. In August 2020, the FDA granted Fast Track Designation for UpRi for the treatment of patients with platinum-resistant high-grade serous ovarian cancer who have received up to three prior lines of systemic therapy or patients who have received four prior lines of systemic therapy regardless of platinum status.

We may also seek a priority review designation for one or more of our product candidates. If the FDA determines that a product candidate offers major advances in treatment or provides a treatment where no adequate therapy exists, 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.

These designations are within the discretion of the FDA. Accordingly, even if we believe that one of our product candidates meets the criteria for these designations, the FDA may disagree and instead determine not to make such designation. Further, even if we receive a designation, the receipt of such designation for a product candidate may not result in a faster development or regulatory review or approval process compared to products 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 qualifies for these designations, the FDA may later decide that the product candidates no longer meet the conditions for qualification or decide that the time period for FDA review or approval will not be shortened.

In the European Union, we may seek PRIME designation for our product candidates in the future. PRIME is a voluntary program aimed at enhancing the EMA's role to reinforce scientific and regulatory support in order to optimize development and enable accelerated assessment of new medicines that are of major public health interest with the potential to address unmet medical needs. The program focuses on medicines that target conditions for which there exists no satisfactory method of treatment in the European Union or even if such a method exists, it may offer a major therapeutic advantage over existing treatments. PRIME is limited to medicines under development and not authorized in the European Union and the applicant intends to apply for an initial marketing authorization application through the centralized procedure. To be accepted for PRIME, a product candidate must meet the eligibility criteria in respect of its major public health interest and therapeutic innovation based on information that is capable of substantiating the claims.

The benefits of a PRIME designation include the appointment of a CHMP rapporteur to provide continued support and help to build knowledge ahead of a marketing authorization application, early dialogue and scientific advice at key development milestones, and the potential to qualify products for accelerated review, meaning reduction in the review time for an opinion on approvability to be issued earlier in the application process. PRIME enables an applicant to request parallel EMA scientific advice and health technology assessment advice to facilitate timely market access. Even if we receive PRIME designation for any of our product candidates, the designation may not result in a materially faster development process, review or approval compared to conventional EMA procedures. Further, obtaining PRIME designation does not assure or increase the likelihood of EMA's grant of a marketing authorization.

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

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

Disruptions at the FDA and other agencies may also slow the time necessary for new product candidates 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, such as the FDA and the SEC, have had to furlough critical FDA, SEC and other government employees and stop critical activities. If a prolonged government shutdown occurs, it could significantly impact the ability of the FDA to timely review and process our regulatory submissions, which could have a material adverse effect on our business. Further, future government shutdowns could impact our ability to access the public markets and obtain necessary capital in order to properly capitalize and continue our operations.

Separately, in response to the COVID-19 pandemic, a number of companies announced receipt of complete response letters due to the FDA's inability to complete required inspections for their applications. As of May 26, 2021, the FDA noted it was continuing to ensure timely reviews of applications for medical products during the ongoing COVID-19 pandemic in line with its user fee performance goals and conducting mission critical domestic and foreign inspections to ensure compliance of manufacturing facilities with FDA quality standards. However, the FDA may not be able to continue its current pace and review timelines could be extended, including where a pre-approval inspection or an inspection of clinical sites is required and due to the ongoing COVID-19 pandemic and travel restrictions, the FDA is unable to complete such required inspections during the review period. Regulatory authorities outside the United States may adopt similar restrictions or other policy measures in response to the

COVID-19 pandemic and may experience delays in their regulatory activities. If a prolonged government shutdown or other disruption 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. Future shutdowns or other disruptions could also affect other government agencies such as the SEC, which may also impact our business by delaying review of our public filings, to the extent such review is necessary, and our ability to access the public markets.

We are currently conducting clinical trials for UpRi, and may conduct future clinical trials for our other product candidates, at sites outside of the United States. The FDA may not accept data from trials conducted in such locations, or the complexity of regulatory burdens may otherwise adversely impact us.

We are currently conducting and we plan to continue to conduct clinical trials outside of the United States. Although the FDA may accept data from clinical trials conducted outside the United States, acceptance of these data is subject to conditions imposed by the FDA. For example, the clinical trial must be well designed and conducted and be performed by qualified investigators in accordance with GCPs. If the foreign data is the sole basis for a marketing application, then the data must be applicable to the U.S. population and U.S. medical practice in ways that the FDA deems clinically meaningful and the FDA must be able to validate the data through an on-site inspection, if necessary. In addition, while these clinical trials are subject to the applicable local laws, FDA acceptance of the data will depend on its determination that the trials also complied with all applicable U.S. laws and regulations. If the FDA does not accept the data from any clinical trial that we conduct outside the United States, it would likely result in the need for additional clinical trials, which would be costly and time-consuming and could delay or permanently halt our development of the applicable product candidates.

Our ability to successfully initiate, enroll and complete a clinical trial in any country outside of the United States is subject to numerous additional risks unique to conducting business in jurisdictions outside the United States, including:

- difficulty in establishing or managing relationships with qualified CROs, physicians and clinical trial sites;
- different local standards for the conduct of clinical trials;
- difficulty in complying with various and complex import laws and regulations when shipping drug to certain countries;
- the potential burden of complying with a variety of laws, medical standards and regulatory requirements, including the regulation of pharmaceutical and biotechnology products and treatments;
- lack of consistency in standard of care from country to country;
- diminished protection of intellectual property in some countries;
- foreign exchange fluctuations;
- cultural differences in medical practice and clinical research; and
- changes in country or regional regulatory requirements.

Furthermore, the ongoing COVID-19 pandemic and the current conflict between Russia and Ukraine may also have an impact on our ability to successfully conduct trials outside of the United States. For example, we are conducting UPLIFT in countries where clinical trial site staff have been diverted to care for COVID-19 patients and where regulatory authorities are short staffed due to the COVID-19 pandemic. Additionally, we do business with a CRO that has had employees and operations in Ukraine that have been adversely impacted by Russian hostilities, , though such employees and operations are not directly involved with our clinical trials. If we have difficulty conducting our

clinical trials in jurisdictions outside the United States as planned, we may need to delay, limit or terminate ongoing or planned clinical trials, any of which could have a material adverse effect on our business.

Accelerated approval by the FDA, even if granted for UpRi or any other current or future 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 approval of UpRi and any of our other current and future product candidates using the FDA's accelerated approval pathway. A product may be eligible for accelerated approval if it treats a serious or life-threatening condition, generally provides a meaningful advantage over available therapies, and demonstrates an effect on a surrogate endpoint that is reasonably likely to predict clinical benefit. The FDA or other applicable regulatory agency makes the determination regarding whether a surrogate endpoint is reasonably likely to predict long-term clinical benefit.

Prior to seeking such accelerated approval, we will seek feedback from the FDA and otherwise evaluate our ability to seek and receive such accelerated approval. As a condition of approval, the FDA requires that a sponsor of a product receiving accelerated approval perform an adequate and well-controlled post-marketing confirmatory clinical trial or trials. These confirmatory trials must be completed with due diligence and we may be required to evaluate different or additional endpoints in these post-marketing confirmatory trials. These confirmatory trials may require enrollment of more patients than we currently anticipate and will result in additional costs, which may be greater than the estimated costs we currently anticipate. In addition, the FDA currently requires as a condition for accelerated approval preapproval of promotional materials, which could adversely impact the timing of the commercial launch of the product.

There can be no assurance that the FDA will agree with any proposed surrogate endpoints or that we will decide to pursue or submit an BLA for accelerated approval or any other form of expedited development, review or approval. Similarly, there can be no assurance that, after feedback from FDA, we will continue to pursue or apply for accelerated approval or any other form of expedited development, review or approval, even if we initially decide to do so. Furthermore, if we decide to submit an application for accelerated approval or under another expedited regulatory designation, there can be no assurance that such submission or application will be accepted or that any expedited review or approval will be granted on a timely basis, or at all.

The FDA may withdraw approval of a product candidate approved under the accelerated approval pathway if, for example, the trial required to verify the predicted clinical benefit of our product candidate fails to verify such benefit or does not demonstrate sufficient clinical benefit to justify the risks associated with the drug. The FDA may also withdraw approval if other evidence demonstrates that our product candidate is not shown to be safe or effective under the conditions of use, we fail to conduct any required post approval trial of our product candidate with due diligence or we disseminate false or misleading promotional materials relating to our product candidate. A failure to obtain accelerated approval or any other form of expedited development, review or approval for our product candidates, or withdrawal of a product candidate, would result in a longer time period for commercialization of such product candidate, could increase the cost of development of such product candidate and could harm our competitive position in the marketplace.

Even if we do receive accelerated approval, we may not experience a faster development or regulatory review or approval process, and receiving accelerated approval does not provide assurance of ultimate full FDA approval.

If we or our third-party collaborators are unable to successfully develop and commercialize any required companion diagnostics for our product candidates or engage a third party to do so, or we or they experience significant delays in doing so, we may not realize the full potential of our product candidates.

If a companion diagnostic is required for the label for UpRi or any of our other current or future product candidates, therefore conditioning our ability to market such product candidates on the commercial availability of an approved companion diagnostic, we may seek approval for our validated assay as a companion diagnostic or we may contract with third parties to create and obtain approval for a companion diagnostic. To be successful in developing and

commercializing such a companion diagnostic, we need to address a number of scientific, technical and logistical challenges. We have little experience in the development and commercialization of companion diagnostics and may not be successful in developing and commercializing appropriate companion diagnostics to pair with UpRi or any of our other current or future product candidates. Companion diagnostics are subject to regulation by the FDA and equivalent foreign regulatory authorities as medical devices and require separate regulatory approval prior to commercialization. Given our limited experience in developing diagnostics, we may rely in part or in whole on third parties for their design, manufacture and commercialization. We, our collaborators or such third parties may encounter difficulties in developing and obtaining approval for the companion diagnostics, including issues relating to selectivity/specificity, analytical validation, reproducibility or clinical validation. Any delay or failure by us, our collaborators or such third parties to develop or obtain regulatory approval of the companion diagnostics could delay or prevent approval of our product candidates. If we, or any third parties that we may contract with to assist us, are unable to successfully develop and commercialize companion diagnostics for our product candidates, or experience delays in doing so:

- the development of UpRi, and our other current or future product candidates may be adversely affected if we are unable to appropriately select patients for enrollment in our clinical trials;

- our product candidates may not receive marketing approval if safe and effective use of a product candidate depends on the availability of a companion diagnostic and/or complementary diagnostics and such diagnostic is not commercially available or otherwise approved or cleared by the appropriate regulatory authority; and

- we may not realize the full commercial potential of any product candidates that receive marketing approval if, among other reasons, we are unable to appropriately select patients who are likely to benefit from therapy with our products, if approved.

If any of these events were to occur, our business would be harmed, possibly materially.

In addition, third-party collaborators may encounter production difficulties that could constrain the supply of the companion diagnostics, and both they and we may have difficulties gaining acceptance of the use of the companion diagnostics in the clinical community. If such companion diagnostics fail to gain market acceptance, it would have an adverse effect on our ability to derive revenues from sales of our product candidates, if approved. In addition, any diagnostic company with whom we contract may decide to discontinue selling or manufacturing the companion diagnostic that we anticipate using in connection with development and commercialization of our product candidates or our relationship with such diagnostic company may otherwise terminate. We may not be able to enter into arrangements with another diagnostic company to obtain supplies of an alternative diagnostic test for use in connection with the development and commercialization of our product candidates or do so on commercially reasonable terms, which could adversely affect and/or delay the development or commercialization of our product candidates.

Our activities, including our interactions with healthcare providers, third party payors, patients and government officials, are, and will continue to be, subject to extensive regulation involving health care, anti-corruption, data privacy and security and consumer protection laws. Failure to comply with applicable laws could result in substantial penalties, contractual damages, reputational harm, diminished revenues and curtailment or restructuring of our operations.

Our activities may now or in the future be directly or indirectly subject to various federal and state laws related to health care, anti-corruption, data privacy and security consumer protection. If we obtain FDA approval for any of our product candidates and begin commercializing those products in the United States, our potential exposure under such laws will increase significantly, and our costs associated with compliance with such laws are also likely to increase. These laws include, but are not limited to:

- federal false claims, false statements and civil monetary penalties laws prohibiting, among other things, any person from knowingly presenting, or causing to be presented, a false claim for payment of government funds or knowingly making, or causing to be made, a false statement to get a false claim paid;
- the federal anti-kickback law, which prohibits, among other things, persons from offering, soliciting, receiving or providing any remuneration, directly or indirectly, to induce, either the referral of an individual for, or the purchasing or ordering of a good or service, for which payment may be made under federal health care programs such as the Medicare and Medicaid;
- the federal anti-kickback prohibition known as Eliminating Kickbacks in Recovery Act, enacted in 2018, which prohibits certain payments related to referrals of patients to certain providers (recovery homes, clinical treatment facilities and laboratories) and applies to services reimbursed by private health plans as well as government health care programs;
- the federal law known as Health Insurance Portability and Accountability Act of 1996, or HIPAA, which, in addition to privacy protections to healthcare providers and other entities, prohibits executing a scheme to defraud any healthcare benefit program (which may include private health plans) or making false statements relating to healthcare matters;
- the 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 so-called “federal sunshine” law, which requires pharmaceutical and medical device companies to monitor and report certain financial interactions with teaching hospitals, physicians and certain non-physician practitioners to the federal government for re-disclosure to the public;
- the privacy, security and breach provisions of HIPAA, which impose obligations on certain “covered entities” (healthcare providers, health plans and healthcare clearinghouses) and certain of their “business associate” contractors with respect to safeguarding the privacy, security and transmission of individually identifiable health information;
- federal and state laws and regulations, including state security breach notification laws, state health information privacy laws, and federal and state consumer protection laws, govern the collection, use, disclosure and protection of health-related and other personal information.
- federal consumer protection and unfair competition laws, which broadly regulate marketplace activities and activities that potentially harm consumers;
- the Foreign Corrupt Practices Act, or FCPA, a United States law which regulates certain financial relationships with foreign government officials (which could include, for example, certain medical professionals); and
- state law analogues of each of the above federal laws, such as anti-kickback and false claims laws which may apply to items or services reimbursed by any third-party payor, including private health plans, state privacy laws, state consumer protection laws, and state laws regulating interactions between pharmaceutical manufacturers and healthcare providers, requiring disclosure of such financial interactions or mandating adoption of certain compliance standards, many of which differ from each other in significant ways and often are not preempted by federal laws, thus complicating compliance efforts.

In addition, the regulatory approval and commercialization of any of our product candidates outside the United States will also likely subject us to foreign equivalents of the health care laws mentioned above, among other foreign laws.

Efforts to ensure that our business arrangements will comply with applicable health care laws may involve substantial costs. It is possible that governmental and enforcement authorities will conclude that our business practices may not comply with current or future statutes, regulations or case law interpreting applicable fraud and abuse or other health care laws and regulations. If our operations are found to be in violation of any of the laws described above or any other governmental regulations that apply to us, we may be subject to penalties, including, without limitation, civil, criminal and administrative penalties, damages, monetary fines, disgorgement, possible exclusion from participation in Medicare, Medicaid and other federal health care programs, contractual damages, reputational harm, diminished profits and future earnings and curtailment or restructuring of our operations.

Current and future legislation may increase the difficulty and cost for us to obtain reimbursement for our product candidates.

In the United States and some foreign jurisdictions, there have been and continue to be a number of legislative and regulatory changes and proposed changes regarding the healthcare system that could, among other things, prevent or delay marketing approval of our product candidates, restrict or regulate post-approval activities and affect our ability to profitably sell any products for which we obtain marketing approval. We expect that current laws, as well as other healthcare reform measures that may be adopted in the future, may result in more rigorous coverage criteria and in additional downward pressure on the price that we may receive for any approved products. If reimbursement of our products is unavailable or limited in scope, our business could be materially harmed.

In March 2010, President Obama signed into law the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Affordability Reconciliation Act, collectively the ACA. In addition, other legislative changes have been proposed and adopted since the ACA was enacted. In August 2011, the Budget Control Act of 2011, among other things, created measures for spending reductions by Congress. A Joint Select Committee on Deficit Reduction, tasked with recommending a targeted deficit reduction of at least $1.2 trillion for the years 2013 through 2021, was unable to reach required goals, thereby triggering the legislation's automatic reduction to several government programs. These changes included aggregate reductions to Medicare payments to providers of up to 2% per fiscal year, which went into effect in April 2013 and will remain in effect through 2031 under the Coronavirus Aid, Relief, and Economic Security Act, or the CARES Act. These Medicare sequester reductions have been suspended through the end of March 2022. From April 2022 through June 2022, a 1% sequester cut will be in effect, with the full 2% cut resuming thereafter. The American Taxpayer Relief Act of 2012, among other things, reduced Medicare payments to several providers and increased the statute of limitations period for the government to recover overpayments to providers from three to five years. These laws may result in additional reductions in Medicare and other healthcare funding and otherwise affect the prices we may obtain for any of our products or product candidates for which we may obtain regulatory approval or the frequency with which any such product is prescribed or used.

Since enactment of the ACA, there have been and continue to be, numerous legal challenges and Congressional actions to repeal and replace provisions of the law. For example, with enactment of the Tax Cuts for Jobs Act, or TCJA, in 2017, Congress repealed the "individual mandate." The repeal of this provision, which requires most Americans to carry a minimal level of health insurance, became effective in 2019. Further, on December 14, 2018, a U.S. District Court judge in the Northern District of Texas ruled that the individual mandate portion of the ACA is an essential and inseverable feature of the ACA and therefore because the mandate was repealed as part of the TCJA, the remaining provisions of the ACA are invalid as well. The U.S. Supreme Court heard this case on November 10, 2020 and on June 17, 2021, dismissed this action after finding that the plaintiffs do not have standing to challenge the constitutionality of the ACA. Litigation and legislation over the ACA are likely to continue, with unpredictable and uncertain results.

The Trump Administration also took executive actions to undermine or delay implementation of the ACA, including directing federal agencies with authorities and responsibilities under the ACA to waive, defer, grant exemptions from or delay the implementation of any provision of the ACA that would impose a fiscal or regulatory burden on

states, individuals, healthcare providers, health insurers or manufacturers of pharmaceuticals or medical devices. On January 28, 2021, however, President Biden revoked those orders and issued a new Executive Order which directs federal agencies to reconsider rules and other policies that limit Americans' access to health care and consider actions that will protect and strengthen that access. Under this order, federal agencies are directed to re-examine: policies that undermine protections for people with pre-existing conditions, including complications related to COVID-19; demonstrations and waivers under Medicaid and the ACA that may reduce coverage or undermine the programs, including work requirements; policies that undermine the Health Insurance Marketplace or other markets for health insurance; policies that make it more difficult to enroll in Medicaid and the ACA; and policies that reduce affordability of coverage or financial assistance, including for dependents.

We expect that these healthcare reforms, as well as other healthcare reform measures that may be adopted in the future, may result in additional reductions in Medicare and other healthcare funding, more rigorous coverage criteria, new payment methodologies and additional downward pressure on the price that we receive for any approved product and/or the level of reimbursement physicians receive for administering any approved product we might bring to market. Reductions in reimbursement levels may negatively impact the prices we receive or the frequency with which our products are prescribed or administered. Any reduction in reimbursement from Medicare or other government programs may result in a similar reduction in payments from private payors. Accordingly, such reforms, if enacted, could have an adverse effect on anticipated revenue from product candidates that we may successfully develop and for which we may obtain marketing approval and may affect our overall financial condition and ability to develop or commercialize product candidates.

The prices of prescription pharmaceuticals in the United States and foreign jurisdictions are 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. There have been several recent U.S. congressional inquiries, as well as proposed and enacted state and federal legislation designed to, among other things, bring more transparency to pharmaceutical pricing, review the relationship between pricing and manufacturer patient programs, and reduce the costs of pharmaceuticals under Medicare and Medicaid. In 2020, President Trump issued several executive orders intended to lower the costs of prescription products and certain provisions in these orders have been incorporated into regulations. These regulations include an interim final rule implementing a most favored nation model for prices that would tie Medicare Part B payments for certain physician-administered pharmaceuticals to the lowest price paid in other economically advanced countries, effective January 1, 2021. That rule, however, has been subject to a nationwide preliminary injunction and, on December 29, 2021, the Center for Medicare & Medicaid Services, or CMS, issued a final rule to rescind it. With issuance of this rule, CMS stated that it will explore all options to incorporate value into payments for Medicare Part B pharmaceuticals and improve beneficiaries' access to evidence-based care.

In addition, in October 2020, HHS and the FDA published a final rule allowing states and other entities to develop a Section 804 Importation Program, or SIP, to import certain prescription drugs from Canada into the United States. The final rule is currently the subject of ongoing litigation, but at least six states (Vermont, Colorado, Florida, Maine, New Mexico, and New Hampshire) have passed laws allowing for the importation of drugs from Canada with the intent of developing SIPs for review and approval by the FDA. Further, on November 20, 2020, HHS finalized a regulation removing safe harbor protection for price reductions from pharmaceutical manufacturers to plan sponsors under Part D, either directly or through pharmacy benefit managers, unless the price reduction is required by law. The implementation of the rule has been delayed by the Biden administration from January 1, 2022 to January 1, 2023 in response to ongoing litigation. The rule also creates a new safe harbor for price reductions reflected at the point-of-sale, as well as a new safe harbor for certain fixed fee arrangements between pharmacy benefit managers and manufacturers, the implementation of which have also been delayed by the Biden administration until January 1, 2023.

On July 9, 2021, President Biden signed Executive Order 14063, which focuses on, among other things, the price of pharmaceuticals. The order directs the Department of Health and Human Services, or HHS, to create a plan within 45 days to combat "excessive pricing of prescription pharmaceuticals and enhance domestic pharmaceutical supply

chains, to reduce the prices paid by the federal government for such pharmaceuticals, and to address the recurrent problem of price gouging." On September 9, 2021, HHS released its plan to reduce pharmaceutical prices. The key features of that plan are to: (a) make pharmaceutical prices more affordable and equitable for all consumers and throughout the health care system by supporting pharmaceutical price negotiations with manufacturers; (b) improve and promote competition throughout the prescription pharmaceutical industry by supporting market changes that strengthen supply chains, promote biosimilars and generic drugs, and increase transparency; and (c) foster scientific innovation to promote better healthcare and improve health by supporting public and private research and making sure that market incentives promote discovery of valuable and accessible new treatments.

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 healthcare 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 healthcare 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 many countries, including those of the European Union, the pricing of prescription pharmaceuticals is subject to governmental control and access. 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 or our collaborators may be required to conduct a clinical trial that compares the cost-effectiveness of our product 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 materially harmed.

We are subject to stringent privacy laws, information security laws, regulations, policies and contractual obligations related to data privacy and security, and c 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 or results of operations.

We are subject to data privacy and protection laws and regulations that apply to the collection, transmission, storage and use of personally-identifying information, which among other things, impose certain requirements relating to the privacy, security and transmission of personal information, including comprehensive regulatory systems in the United States, European Union and United Kingdom. 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.

There are numerous U.S. federal and state laws and regulations related to the privacy and security of personal information. In particular, regulations promulgated pursuant to HIPAA establish privacy and security standards that limit the use and disclosure of individually identifiable health information, or protected health information, and require the implementation of administrative, physical and technological safeguards to protect the privacy of protected health information and ensure the confidentiality, integrity and availability of electronic protected health information. Determining whether protected health information has been handled in compliance with applicable

privacy standards and our contractual obligations can be complex and may be subject to changing interpretation. These obligations may be applicable to some or all of our business activities now or in the future.

If we are unable to properly protect the privacy and security of protected health information, 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 civil and criminal penalties. HHS enforcement activity can 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. We cannot be sure how these regulations will be interpreted, enforced or applied to our operations. In addition to the risks associated with enforcement activities and potential contractual liabilities, our ongoing efforts to comply with evolving laws and regulations at the federal and state level may be costly and require ongoing modifications to our policies, procedures and systems.

Similar to the laws in the United States, there are significant privacy and data security laws that apply in Europe and other countries. The collection, use, disclosure, transfer, or other processing of personal data, including personal health data, regarding individuals who are located in the European Economic Area, or the EEA, and the processing of personal data that takes place in the EEA, is regulated by the General Data Protection Regulation, or GDPR, which went into effect in May 2018 and which imposes obligations on companies that operate in our industry with respect to the processing of personal data and the cross-border transfer of such data. The GDPR imposes onerous accountability obligations requiring data controllers and processors to maintain a record of their data processing and policies. If our or our partners' or service providers' privacy or data security measures fail to comply with the GDPR requirements, we may be subject to litigation, regulatory investigations, enforcement notices requiring us to change the way we use personal data and/or fines of up to 20 million Euros or up to 4% of the total worldwide annual turnover of the preceding financial year, whichever is higher, as well as compensation claims by affected individuals, negative publicity, reputational harm and a potential loss of business and goodwill.

The GDPR places restrictions on the cross-border transfer of personal data from the European Union to countries that have not been found by the European Commission to offer adequate data protection legislation, such as the United States. There are ongoing concerns about the ability of companies to transfer personal data from the European Union to other countries. In July 2020, the Court of Justice of the European Union, or the CJEU, invalidated the EU-U.S. Privacy Shield, one of the mechanisms used to legitimize the transfer of personal data from the EEA to the United States. The CJEU decision also drew into question the long-term viability of an alternative means of data transfer, the standard contractual clauses, for transfers of personal data from the EEA to the United States. While we were not self-certified under the Privacy Shield, this CJEU decision may lead to increased scrutiny on data transfers from the EEA to the United States generally and increase our costs of compliance with data privacy legislation as well as our costs of negotiating appropriate privacy and security agreements with our vendors and business partners.

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

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

Compliance with the FCPA is expensive and difficult, particularly in countries in which corruption is a recognized problem. In addition, the FCPA presents particular challenges in the pharmaceutical industry because in many countries, hospitals are operated by the government and doctors and other hospital employees are considered foreign officials. Certain payments to hospitals in connection with clinical trials and other work have been deemed to be improper payments to government officials and have led to FCPA enforcement actions.

Various laws, regulations and executive orders also restrict the use and dissemination outside of the United States or the sharing with certain non-U.S. nationals, of information classified for national security purposes, as well as certain products and technical data relating to those products. Further, the provision of benefits or advantages to physicians to induce or encourage the prescription, recommendation, endorsement, purchase, supply, order or use of medicinal products is prohibited in the European Union. The provision of benefits or advantages to physicians is also governed by the national anti-bribery laws of E.U. Member States, such as the U.K. Bribery Act 2010. Infringement of these laws could result in substantial fines and imprisonment. Payments made to physicians in certain E.U. Member States must be publicly disclosed. Moreover, agreements with physicians often must be the subject of prior notification and approval by the physician's employer, his or her competent professional organization and/or the regulatory authorities of the individual E.U. Member States. These requirements are provided in the national laws, industry codes or professional codes of conduct applicable in the E.U. Member States. Failure to comply with these requirements could result in reputational risk, public reprimands, administrative penalties, fines or imprisonment.

If we expand our presence outside of the United States , it will require us to dedicate additional resources to comply with these laws and these laws may preclude us from developing, manufacturing or selling certain products and product candidates outside of the United States, which could limit our growth potential and increase our development costs. The failure to comply with laws governing international business practices may result in substantial civil and criminal penalties and suspension or debarment from government contracting. The SEC also may suspend or bar issuers from trading securities on U.S. exchanges for violations of the FCPA's accounting provisions.

We and our third-party contract manufacturers must comply with environmental, health and safety laws and regulations, and failure to comply with these laws and regulations could expose us to significant costs or liabilities.

We and our third-party manufacturers are subject to numerous environmental, health and safety laws and regulations, including those governing laboratory procedures and the use, generation, manufacture, distribution, storage, handling, treatment, remediation and disposal of hazardous materials and wastes. Hazardous chemicals, including flammable and biological materials, are involved in certain aspects of our business, and we cannot eliminate the risk of injury or contamination from the use, generation, manufacture, distribution, storage, handling, treatment or disposal of hazardous materials and wastes. In the event of contamination or injury, or failure to comply with environmental, health and safety laws and regulations, we could be held liable for any resulting damages and any such liability could exceed our assets and resources. We could also incur significant costs associated with civil or criminal fines and penalties for failure to comply with such laws and regulations.

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

Environmental, health and safety laws and regulations are becoming increasingly more stringent. We may incur substantial costs in order to comply with current or future environmental, health and safety laws and regulations. These current or future laws and regulations may impair our research, development or production efforts. Our failure to comply with these laws and regulations also may result in substantial fines, penalties or other sanctions.

Further, with respect to the operations of our third-party contract manufacturers, it is possible that if they fail to operate in compliance with applicable environmental, health and safety laws and regulations or properly dispose of wastes associated with our products, we could be held liable for any resulting damages, suffer reputational harm or experience a disruption in the manufacture and supply of our product candidates or products.

Our employees may engage in misconduct or other improper activities, including noncompliance with regulatory standards and requirements and insider trading.

We are exposed to the risk of employee fraud or other misconduct. Misconduct by employees could include intentional failures to comply with FDA regulations, to provide accurate information to the FDA, to comply with manufacturing standards we have established, to comply with federal and state healthcare fraud and abuse laws and regulations, to report financial information or data accurately or to 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, kickbacks, self-dealing and other abusive practices. These laws and regulations may restrict or prohibit a wide range of pricing, discounting, marketing and promotion, sales commission, customer incentive programs and other business arrangements. Employee misconduct could also involve the improper use of information obtained in the course of clinical trials, which could result in regulatory sanctions and serious harm to our reputation. It is not always possible to identify and deter 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 governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. Additionally, we are subject to the risk that a person could allege such fraud or other misconduct, even if none occurred. If any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, those actions could have a significant impact on our business, including the imposition of civil, criminal and administrative penalties, damages, monetary fines, disgorgement, possible exclusion from participation in Medicare, Medicaid and other federal health care programs, contractual damages, reputational harm, diminished profits and future earnings and curtailment or restructuring of our operations, any of which could adversely affect our ability to operate our business and our results of operations.

Risks Related to our Business and Industry

If we fail to attract and retain senior management and key scientific personnel, we may be unable to successfully develop our ADC product candidates, conduct our clinical trials and commercialize our ADC product candidates.

Our ability to compete in the highly competitive biotechnology and biopharmaceutical industries depends upon our ability to attract, motivate and retain highly qualified managerial, scientific and medical personnel. We are highly dependent on members of our senior management, including Anna Protopapas, our President and Chief Executive Officer. The loss of the services of any of our senior management could impede the achievement of our research, development and commercialization objectives. Also, each of these persons may terminate their employment with us at any time. We do not maintain “key person” insurance for any of our executives or other employees.

Recruiting and retaining qualified scientific, clinical, sales and marketing personnel will also be critical to our success. We conduct our operations at our facility in Cambridge, Massachusetts, in a region that is headquarters to many other biopharmaceutical companies and many academic and research institutions. Competition for skilled personnel is intense and the turnover rate can be high, which may limit our ability to hire and retain highly qualified personnel on acceptable terms or at all. We may not be able to attract and retain these personnel on acceptable terms given the competition among numerous pharmaceutical and biotechnology companies for similar personnel. In addition, we rely on consultants and advisors, including scientific and clinical advisors, to assist us in formulating our research and development and commercialization strategy. Our consultants and advisors, may be employed or have commitments under consulting or advisory contracts with other entities that may limit their availability to us.

We may encounter difficulties in managing our growth and expanding our operations successfully.

As we seek to advance our product candidates through clinical trials and commercialization, we will need to expand our development, regulatory, manufacturing, marketing and sales capabilities or contract with third parties to provide these capabilities for us. As our operations expand, we expect that we will need to manage additional relationships with various strategic partners, suppliers and other third parties. Future growth will impose significant added responsibilities on members of management. Our future financial performance and our ability to commercialize our product candidates and to compete effectively will depend, in part, on our ability to manage any future growth effectively. To that end, we must be able to manage our development efforts and clinical trials effectively and hire, train and integrate additional management, administrative and, if necessary, sales and marketing personnel. Due to our limited financial resources and the limited experience of our management team in managing a company with such anticipated growth, we may not be able to accomplish these tasks, and our failure to accomplish any of them could prevent us from successfully growing our company or disrupt our operations.

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

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

- injury to our reputation;
- decreased demand for our product candidates or products that we may develop;
- withdrawal of clinical trial participants;
- costs to defend the related litigations;
- a diversion of management's time and our resources;
- substantial monetary awards to clinical trial participants or patients;
- product recalls, withdrawals or labeling, marketing or promotional restrictions;
- loss of revenue;
- the inability to commercialize our product candidates; and
- a decline in our stock price.

Failure to obtain and retain sufficient product liability insurance at an acceptable cost to protect against potential product liability claims could prevent or inhibit the commercialization of products we develop. We currently carry product liability insurance covering our clinical trials in the amount of $10 million in the aggregate. Although we maintain such insurance, any claim that may be brought against us could result in a court judgment or settlement in an amount that is not covered, in whole or in part, by our insurance or that is in excess of the limits of our insurance coverage. Our insurance policies also have various exclusions, and we may be subject to a product liability claim for which we have no coverage. In such instance, we might have to pay any amounts awarded by a court or negotiated in a settlement that exceed our coverage limitations or that are not covered by our insurance, and we may not have, or be able to obtain, sufficient capital to pay such amounts. If we are unable to obtain or maintain sufficient

insurance coverage at an acceptable cost or to otherwise protect against potential product liability claims, it could prevent or inhibit the development and commercial production and sale of our product candidates, which could adversely affect our business, financial condition, results of operations and prospects.

We may acquire assets or form strategic alliances in the future, and we may not realize the benefits of such acquisitions.

We may acquire additional technologies and assets, form strategic alliances or create joint ventures with third parties that we believe will complement or augment our existing business. If we acquire assets with promising markets or technologies, we may not be able to realize the benefit of acquiring such assets if we are unable to successfully integrate them with our existing technologies. We may encounter numerous difficulties in developing, manufacturing and marketing any new products resulting from a strategic alliance or acquisition that delay or prevent us from realizing their expected benefits or enhancing our business. We cannot be assured that, following any such acquisition, we will achieve the expected synergies to justify the transaction.

Our internal computer systems, or those of our strategic partners, third-party collaborators or other contractors or consultants, may fail or suffer security breaches, which could adversely affect our business, including through material disruptions of our programs or business operations.

Our internal information technology systems and those of our current or future strategic partners, third party collaborators and other contractors and consultants are vulnerable to service interruptions or security breaches, including from cyber-attacks, computer viruses, ransomware, malware, unauthorized access, natural disasters, terrorism, war and telecommunication and electrical failures. If a failure, accident or security breach were to occur and cause interruptions in our operations or the operations of those third parties with which we contract, it could result in a material disruption of our programs and our business operations. We could lose access to our trade secrets or other proprietary information or experience other disruptions, which could require a substantial expenditure of resources to remedy. For example, the loss of clinical trial data for our product candidates could result in delays in our regulatory approval efforts and significantly increase our costs to recover or reproduce the data.

We could also be subject to risks caused by misappropriation, misuse, leakage, falsification or intentional or accidental release or loss of information maintained in our information systems and networks, including personal information of our employees or others. Outside parties may attempt to penetrate our systems or those of the third parties with which we contract or to coerce or fraudulently induce our employees or employees of such third parties to disclose sensitive information to gain access to our data. The number and complexity of these threats continue to increase over time. Although we develop and maintain systems and controls designed to prevent these events from occurring, and we have a process to identify and mitigate threats, such risks cannot be eliminated. Furthermore, there can be no assurance that we, or those third parties with which we contract, will promptly detect any such disruption or security breach, if at all. Additionally, the development and maintenance of these systems, controls and processes is costly and requires ongoing monitoring and updating as technologies change and efforts to overcome security measures become more sophisticated. To the extent that any disruption or security breach results in a loss of or damage to our data or applications or other data or applications relating to our technology or product candidates, or inappropriate disclosure of confidential or proprietary information, we could incur liabilities, our competitive position and the market perception of the effectiveness of our security measures could be harmed, our credibility could be damaged and the further development of our product candidates could be delayed.

Risks Related to our Common Stock

If our stock price is volatile, our stockholders could incur substantial losses.

Our stock price has been and may continue to be volatile. During the period from May 5, 2019 to May 5, 2022, the closing price of our common stock ranged from a high of $27.59 per share to a low of $1.45 per share. The market price of shares of our common stock could be subject to wide fluctuations in response to many risk factors listed in this “Risk Factors” section, and others beyond our control, including:

- results and timing of preclinical studies and clinical trials of our current or future product candidates, including UpRi, XMT-1660 and XMT-2056;
- results of clinical trials of our competitors' products;
- failure to adequately protect our trade secrets;
- the terms on which we raise additional capital or our ability to raise it;
- commencement or termination of any strategic partnership or licensing arrangement;
- regulatory developments, including actions with respect to our products or our competitors' products;
- actual or anticipated fluctuations in our financial condition and operating results;
- publication of research reports by securities analysts about us or our competitors or our industry;
- our failure or the failure of our competitors to meet analysts' projections or guidance that we or our competitors may give to the market;
- additions and departures of key personnel;
- strategic decisions by us or our competitors, such as acquisitions, divestitures, spin-offs, joint ventures, strategic investments or changes in business strategy;
- the passage of legislation or other regulatory developments affecting us or our industry;
- changes in the structure of healthcare payment systems;
- fluctuations in the valuation of companies perceived by investors to be comparable to us;
- sales of our common stock by us (including pursuant to the pre-funded warrants described below), our insiders or our other stockholders;
- speculation in the press or investment community;
- announcement or expectation of additional financing efforts;
- changes in market conditions for biopharmaceutical stocks; and
- changes in general market and economic conditions.

In addition, the stock market has historically experienced significant volatility, particularly with respect to pharmaceutical, biotechnology and other life sciences company stocks. The volatility of pharmaceutical, biotechnology and other life sciences company stocks often does not relate to the operating performance of the companies represented by the stock. As a result of this volatility, stockholders may not be able to sell their common stock at or above the price for which they paid for their shares. As we operate in a single industry, we are especially vulnerable to these factors to the extent that they affect our industry or our products, or to a lesser extent our markets. Furthermore, as a result of this volatility, we may not be able to maintain compliance with listing requirements of the Nasdaq Stock Market. In the past, securities class action litigation has often been initiated against companies following periods of volatility in their stock price. This type of litigation could result in substantial costs and divert our management's attention and resources, and could also require us to make substantial payments to satisfy judgments or to settle litigation.

We do not expect to pay any cash dividends for the foreseeable future.

We do not anticipate that we will pay any cash dividends to holders of our common stock in the foreseeable future. Instead, we plan to retain any earnings to maintain and expand our operations. In addition, our credit facility contains terms and any future debt financing arrangement may contain additional terms prohibiting or limiting the amount of dividends that may be declared or paid on our common stock. Accordingly, investors must rely on sales of their common stock after price appreciation, which may never occur, as the only way to realize any return on their investment.

Provisions in our amended and restated certificate of incorporation, our amended and restated by-laws and Delaware law may have anti-takeover effects that could discourage an acquisition of us by others, even if an acquisition would be beneficial to our stockholders, and may prevent attempts by our stockholders to replace or remove our current management.

Our amended and restated certificate of incorporation, amended and restated by-laws and Delaware law contain provisions that may have the effect of discouraging, delaying or preventing a change in control of us or changes in our management that stockholders may consider favorable, including transactions in which our stockholders might otherwise receive a premium for their shares. Our amended and restated certificate of incorporation and by-laws include provisions that:

- authorize “blank check” preferred stock, which could be issued by our board of directors without stockholder approval and may contain voting, liquidation, dividend and other rights superior to our common stock;
- create a classified board of directors whose members serve staggered three-year terms;
- specify that special meetings of our stockholders can be called only by our board of directors;
- prohibit stockholder action by written consent;
- establish an advance notice procedure for stockholder approvals to be brought before an annual meeting of our stockholders, including proposed nominations of persons for election to our board of directors;
- provide that vacancies on our board of directors may be filled only by a majority of directors then in office, even though less than a quorum;
- provide that our directors may be removed only for cause;
- specify that no stockholder is permitted to cumulate votes at any election of directors;
- expressly authorize our board of directors to have discretion to modify, alter or repeal our amended and restated by-laws; and
- require supermajority votes of the holders of our common stock to amend specified provisions of our amended and restated certificate of incorporation and amended and restated by-laws.

In addition, because we are incorporated in the State of Delaware, we are governed by the provisions of Section 203 of the General Corporation Law of the State of Delaware, or the DGCL, which prohibits a person who owns in excess of 15% of our outstanding voting stock from merging or combining with us for a period of three years after the date of the transaction in which the person acquired in excess of 15% of our outstanding voting stock, unless the merger or combination is approved in a prescribed manner.

Any provision of our amended and restated certificate of incorporation, amended and restated by-laws or Delaware law that has the effect of delaying or deterring a change in control could limit the opportunity for our stockholders to

receive a premium for their shares of our common stock, and could also affect the price that some investors are willing to pay for our common stock.

Our ability to use net operating losses and certain tax credit carryforwards may be subject to certain limitations.

For the years ended December 31, 2021, 2020 and 2019, we recorded no income tax benefit for the net operating losses incurred in each year, due to the uncertainty of realizing a benefit from those items. We have incurred net operating losses (NOLs) since our inception. As of December 31, 2021 , we have federal NOLs of approximately $403.6 million and state NOLs of approximately $337.1 million. Of the $403.6 million of federal NOLs, $34.1 million expire at various dates through 2037. The remaining $369.4 million of federal NOLs do not expire. The state NOLs will expire at various dates through 2041. As of December 31, 2021, we had Federal and State research and development tax credit carryforwards of approximately $10.1 million and $3.1 million, respectively, which expire at various dates through 2041. Under the 2017 Tax Act, federal NOLs incurred in 2018 and in future years may be carried forward indefinitely, but the deductibility of such federal NOLs is limited. It is uncertain if and to what extent various states will conform to the 2017 Tax Act. In addition, under Section 382 of the Internal Revenue 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 NOLs and other pre-change tax attributes to offset its post-change income or taxes may be limited. Our past issuances of stock and other changes in our stock ownership may have resulted in ownership changes within the meaning of Section 382 of the Code; accordingly, our pre-change NOLs may be subject to limitation under Section 382. If we determine that we have not undergone an ownership change, the Internal Revenue Service could challenge our analysis, and our ability to use our NOLs to offset taxable income could be limited by Section 382 of the Code. Future changes in our stock ownership, some of which are outside of our control, could result in ownership changes under Section 382 of the Code further limiting our ability to utilize our NOLs. Our NOLs may also be impaired under state law. Accordingly, we may not be able to utilize a material portion of our NOLs. We have determined that ownership changes have occurred since our inception and that certain NOLs and research and development tax credit carryforwards will be subject to limitation. We may also have incurred subsequent ownership changes. Furthermore, our ability to utilize our NOLs is conditioned upon our attaining profitability and generating U.S. federal taxable income. We have incurred net losses since our inception and anticipate that we will continue to incur significant losses for the foreseeable future; thus, we do not know whether or when we will generate the U.S. federal taxable income necessary to utilize our NOLs. We have recorded a full valuation allowance related to our NOLs and other deferred tax assets due to the uncertainty of the ultimate realization of the future benefits of those assets.

Our amended and restated certificate of incorporation designates the state or federal courts within the State of Delaware as the exclusive forum for certain types of actions and proceedings that may be initiated by our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or employees.

Our amended and restated certificate of incorporation provides that, subject to limited exceptions, the Court of Chancery of the State of Delaware will be the exclusive forum for (1) any derivative action or proceeding brought on our behalf, (2) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers or other employees to us or our stockholders, (3) any action asserting a claim against us arising pursuant to any provision of the DGCL, our amended and restated certificate of incorporation or our amended and restated by-laws, (4) any action to interpret, apply, enforce or determine the validity of our amended and restated certificate of incorporation or amended and restated by-laws or (5) any other action asserting a claim against us that is governed by the internal affairs doctrine, in each case subject to the Court of Chancery having personal jurisdiction over the indispensable parties named as defendants therein. Any person or entity that purchases or otherwise acquires any interest in shares of our capital stock shall be deemed to have notice of and to have consented to the provisions of our amended and restated certificate of incorporation described above. This choice of forum provision may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers or other employees, which may discourage such lawsuits against us and our directors, officers and employees. Alternatively, if a court were to find these provisions of our amended and restated certificate of incorporation inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or

proceedings, we may incur additional costs associated with resolving such matters in other jurisdictions, which could adversely affect our business and financial condition.

This exclusive forum provision would not apply to suits brought to enforce a duty or liability created by the Securities Exchange Act of 1934, as amended, which provides for exclusive jurisdiction of the federal courts. It could apply, however, to a suit that falls within one or more of the categories enumerated in the exclusive forum provision and asserts claims under the Securities Act of 1933, as amended, or the Securities Act, inasmuch as 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, provided, that with respect to claims under the Securities Act, our stockholders will not be deemed to have waived our compliance with the federal securities laws and the rules and regulations thereunder.

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

The trading market for our common stock depends, in part, on the research and reports that industry or financial analysts publish about us or our business. If one or more of the analysts covering our business downgrade their evaluations of our stock, the price of our stock could decline. If one or more of these analysts cease to cover our stock or fail to regularly publish reports on us, we could lose visibility in the market for our stock, which in turn could cause our stock price to decline.

A portion of our total outstanding shares may be sold into the market in the near future, which could cause the market price of our common stock to decline significantly, even if our business is doing well.

Sales of a significant number of shares of our common stock in the public market could occur at any time. These sales, or the perception in the market that the holders of a large number of shares of common stock intend to sell shares, could reduce the market price of our common stock.

We have registered substantially all shares of common stock that we may issue under our equity compensation plans. These shares can be freely sold in the public market upon issuance and once vested, subject to volume limitations applicable to affiliates. If any of these additional shares are sold, or if it is perceived that they will be sold, in the public market, the market price of our common stock could decline.

General Risk Factors

Our business is subject to risks arising from the outbreaks of disease, such as epidemics or pandemics, including the ongoing COVID-19 pandemic.

The widespread infection of COVID-19 in the United States and abroad has caused significant volatility and uncertainty in U.S. and international markets, which could result in a prolonged economic downturn that may disrupt our business, including by adversely affecting our ability to conduct financings on terms acceptable to us, if at all.

In addition, we may experience disruptions that could severely impact our business, preclinical studies and clinical trials, including:

- Our clinical trials may be adversely affected, delayed or interrupted, including, for example, site initiation, patient recruitment and enrollment, availability of clinical trial materials, and data analysis. Some patients and clinical investigators may not be able to comply with clinical trial protocols and patients may choose to withdraw from our trials or we may have to pause enrollment or we may choose to or be required to pause enrollment and or patient dosing in our ongoing clinical trials in order to preserve health resources and protect clinical trial participants, which could delay our clinical trials or impact the strength or validity of our clinical trial data. It is unknown how long these pauses or disruptions could continue.

- We currently rely on third parties to, among other things, manufacture raw materials, manufacture our product candidates for our clinical trials, shipping of investigational drugs and clinical trial samples, perform quality testing and supply other goods and services to run our business. If any such third party in our supply chain for materials are adversely impacted by restrictions resulting from the coronavirus pandemic, including staffing shortages, raw material supplies, production slowdowns or disruptions in delivery systems, our supply chain may be disrupted, limiting our ability to manufacture our product candidates for our clinical trials and conduct our research and development operations.

- Our increased reliance on personnel working from home may negatively impact productivity, or disrupt, delay, or otherwise adversely impact our business. In addition, this could increase our cyber security risk, create data accessibility concerns, and make us more susceptible to communication disruptions, any of which could adversely impact our business operations or delay necessary interactions with local and federal regulators, ethics committees, manufacturing sites, research or clinical trials sites and other important agencies and contractors.

- Our employees and contractors conducting research and development activities may not be able to access our laboratory for an extended period of time as a result of the closure of our offices and the possibility that governmental authorities further modify current restrictions. As a result, this could delay timely completion of preclinical activities, including completing IND-enabling studies or our ability to select future development candidates, and initiation of additional clinical trials for other of our development programs.

- Health regulatory agencies globally may experience disruptions in their operations as a result of the COVID-19 pandemic. The FDA and comparable foreign regulatory agencies may have slower response times or be under-resourced to continue to monitor our clinical trials and, as a result, review, inspection, and other timelines may be materially delayed. It is unknown how long these disruptions could continue, were they to occur. Any prolongation or de-prioritization of our clinical trials or delay in regulatory review resulting from such disruptions could materially affect the development of our product candidates. For example, regulatory authorities may require that we not distribute a product candidate lot until the relevant agency authorizes its release. Such release authorization may be delayed as a result of the COVID-19 pandemic and could result in delays to our clinical trials.

- The ongoing COVID-19 pandemic may cause the trading prices for shares of our common stock and other biopharmaceutical companies' shares to be highly volatile. As a result, we may face difficulties raising capital through sales of shares of our common stock, or such sales may be on unfavorable terms. In addition, a recession, depression or other sustained adverse market event resulting from the spread of the coronavirus could materially and adversely affect our business and the value of our common stock.

The COVID-19 pandemic continues to evolve rapidly. The ultimate impact of the coronavirus pandemic on our business operations is highly uncertain and subject to change and will depend on future developments, which cannot be accurately predicted, including the duration of the pandemic, the emergence and severity of new variants of the virus, additional or modified government actions, new information that will emerge concerning the severity and impact of COVID-19, the timing, availability, efficacy, adoption and distribution of vaccines or other preventative treatments and other actions taken to contain coronavirus or address its impact in the short and long term, among others. We do not yet know the full extent of potential delays or impacts on our business, our clinical trials, our research programs, healthcare systems or the global economy.

We, or the third parties upon whom we depend, may be adversely affected by serious disasters.

Any unplanned event, such as a flood, fire, explosion, earthquake, extreme weather condition, medical epidemic, power shortage, telecommunication failure or other natural or human-made accident or incident that results in us being unable to fully use our facilities, or the facilities of third parties with which we contract, may have a material and adverse effect on our ability to operate our business and may have significant negative consequences on our financial and operating conditions. Loss of access to these facilities or operations may result in increased costs,

delays in the development of our current or future product candidates or the interruption of our business operations for a substantial period of time.

There can be no assurance that the amounts of insurance that we maintain will be sufficient to satisfy any damages and losses in the event a serious disaster or similar event occurs. If our facilities, or the manufacturing facilities of our third-party contract manufacturers, are unable to operate because of an accident or incident or for any other reason, even for a short period of time, any or all of our research and development programs and commercialization efforts may be harmed.

Unfavorable global economic or geopolitical conditions could adversely affect our business, financial condition or results of operations.

Our results of operations could be adversely affected by general conditions in the global economy, geopolitical considerations and global financial market conditions, including changes in inflation, interest rates and overall economic conditions and uncertainties. For example, the global financial crisis caused extreme volatility and disruptions in the capital and credit markets. We cannot assure stockholders that deterioration of the global credit and financial markets would not negatively impact our stock price, our current portfolio of cash equivalents or investments, or our ability to meet our financing objectives. If the current equity and credit markets deteriorate, it may make any necessary debt or equity financing more difficult, more costly, and more dilutive. Failure to secure any necessary financing in a timely manner and on favorable terms could have a material adverse effect on our growth strategy, financial performance and stock price and could require us to delay or abandon clinical development plans. A weak or declining economy could also strain our suppliers and vendors involved in our clinical development activities.

Additionally, Russia's invasion of Ukraine in February 2022 and the global response, including the imposition of sanctions by the United States and other countries, could create or exacerbate risks facing our business. We have evaluated our operations, vendor contracts and clinical trial arrangements, and at present we do not expect the conflict to directly have a materially adverse effect on our financial condition or results of operations. However, if the hostilities persist, escalate or expand, other risks we have identified in this report may be exacerbated. For example, if our supply arrangements or clinical sites are disrupted due to expanded sanctions or involvement of countries where we have operations or relationships, our business could be materially disrupted. Further, the use of state-sponsored cyberattacks could expand as part of the conflict, which could adversely affect our ability to maintain or enhance our cyber security and data protection measures. Any of the foregoing could harm our business, and we cannot anticipate all of the ways in which the current economic and geopolitical climate and financial market conditions could adversely impact our business.

Item 6. Exhibits.

Exhibit Number	Description
3.1	Fifth Amended and Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the SEC on July 10, 2017).
3.2	Amended and Restated Bylaws (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K filed with the SEC on July 10, 2017).
10.1	Sales Agreement, dated February 28, 2022, between the Company and Cowen and Company, LLC (incorporated by reference to Exhibit 1.1 to the Company's Current Report on Form 8-K filed with the SEC on February 28, 2022).
10.2*	Research Collaboration and License Agreement, dated February 2, 2022, between the Company and Janssen Biotech, Inc.
10.3*	Amendment No. 1 to the Amended and Restated Commercial License and Option Agreement, dated February 2, 2022, between the Company and Synaffix B.V.
10.4*	First Amendment to Loan and Security Agreement, dated February 17, 2022, between Oxford Finance LLC, the Lenders named therein including Silicon Valley Bank, and the Company.
10.5	Offer Letter, dated March 5, 2021, between the Company and Alejandra Carvajal.
10.6	Offer Letter, dated June 15, 2021, between the Company and Tushar Misra.
10.7	2022 Inducement Stock Incentive Plan (incorporated by reference to Exhibit 10.28 to the Company's Annual Report on Form 10-K filed with the SEC on February 28, 2022).
10.8	Form of Restricted Stock Unit Agreement under the 2022 Inducement Stock Incentive Plan (incorporated by reference to Exhibit 10.29 to the Company's Annual Report on Form 10-K filed with the SEC on February 28, 2022).
10.9	Form of Non-Statutory Stock Option Agreement under the 2022 Inducement Stock Incentive Plan (incorporated by reference to Exhibit 10.30 to the Company's 2022 Annual Report on Form 10-K filed with the SEC on February 28, 2022).
31.1	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1#	Certification of Principal Executive Officer and Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	Inline XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL document (included in Exhibit 101).

*Pursuant to Item 601(b)(10)(iv) of Regulation S-K, certain portions of this exhibit (marked by [**]) have been omitted because the identified information is not material and is the type that the registrant treats as private or confidential.

#The certification attached as Exhibit 32.1 accompanying this Quarterly Report on Form 10-Q is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date of this Quarterly Report on Form 10-Q, irrespective of any general incorporation language contained in such filing.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Mersana Therapeutics, Inc.

Dated: May 9, 2022

By: /s/ Anna Protopapas

Anna Protopapas
President and Chief Executive Officer
(Principal Executive Officer and Authorized Signatory)

Dated: May 9, 2022

By: /s/ Brian DeSchuytner

Brian DeSchuytner
SVP, Chief Financial Officer
(Principal Financial Officer)

Exhibit 10.2

Certain identified information has been excluded from the exhibit because it is both (i) not material and (ii) is the type of information that the registrant treats as private or confidential. Double asterisks denote omissions.

RESEARCH COLLABORATION AND LICENSE AGREEMENT

between

MERSANA THERAPEUTICS, INC.

and

JANSSEN BIOTECH, INC.

Table of Contents

RESEARCH COLLABORATION AND LICENSE AGREEMENT

This Research Collaboration and License Agreement is entered into as of the 2nd day of February, 2022 by and between:

MERSANA THERAPEUTICS, INC., a Delaware corporation, having its principal place of business at 840 Memorial Drive Cambridge, MA 02139 (hereinafter referred to as "**Mersana**")

and

JANSSEN BIOTECH, INC., a Pennsylvania corporation, having its principal place of business at 800 Ridgeview Drive, Horsham, PA 19044 (hereinafter referred to as "**Janssen**").

Mersana and Janssen may sometimes individually be referred to hereafter as a "**Party**" or collectively as the "**Parties**".

WITNESSETH

WHEREAS, Mersana controls certain intellectual property rights relating to certain Auristatin Compounds (as defined below) and certain proprietary platform technology useful for linking such Auristatin Compounds to other molecules, such as antibodies, capable of directing such Auristatin Compounds to specific tissues or cells;

WHEREAS, Janssen controls intellectual property rights relating to antibodies and is currently conducting development programs to discover antigens, or to incorporate Janssen Antibodies (as defined below) into pharmaceutical compounds, that may have activity in certain disease-related pathways and to develop Janssen Antibodies that are directed to those antigens;

WHEREAS, the Parties wish to collaborate with respect to up to three (3) Research Programs (as defined below) directed to three Targets (as defined below) to perform research activities combining certain Mersana Technology (as defined below) with Janssen Antibodies;

WHEREAS, in relation to such collaboration, Mersana wishes to grant, and Janssen wishes to receive, an exclusive license under the Mersana Technology to develop, manufacture and commercialize Licensed ADCs and Licensed Products (each as defined below) resulting from the Research Programs, on the terms set forth in this Agreement; and

NOW, THEREFORE, in consideration of the mutual covenants and obligations set forth herein, the Parties hereto, intending to be legally bound, agree as follows:

ARTICLE 1 DEFINITIONS AND INTERPRETATION

1.1 Definitions. For the purposes of this Agreement the following words and phrases shall have the following meanings:

1.1.1 "**Acquirer Competing Product**" has the meaning set forth in Section 5.5.3.

1.1.2 "**Acquisition Transaction**" has the meaning set forth in Section 5.5.4.

1.1.3 "**ADC Criteria**" has the meaning set forth in Section 2.2.1.

1.1.4 "**[**]**" means [**].

1.1.5 "**[**]**" means [**].

1.1.6 "**[**]**" has the meaning set forth in Section [**].

1.1.7 "**[**]**" means the criteria set forth in Schedule 1.1.7.

1.1.8 "**[**]**" has the meaning set forth in Section 2.1.1.

1.1.9 "[**]" means [**].

1.1.10 "**Affiliate**" of a Party means any other Person that, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with such Party at any time for so long as such Person controls, is controlled by or is under common control with such Party. As used herein, the term "control" means (a) the direct or indirect ownership of fifty percent (50%) or more of the stock or shares having the right to vote for directors of a Person or other comparable ownership interest with respect to any Person other than a corporation, or (b) the ability to otherwise control or direct, directly or indirectly, the management policies of a Person, whether through the ownership of voting securities, or by contract, or otherwise.

1.1.11 "**[**]**" means [**].

1.1.12 "**Agreement**" means this agreement, that certain Letter Agreement between the Parties dated as of the Effective Date, all amendments and supplements to this Agreement and all schedules to this Agreement.

1.1.13 "**Antibody**" means [**].

1.1.14 "**Antibody-Specific IP**" has the meaning set forth in Section 5.6.2(a).

1.1.15 "**Antigen**" means [**].

1.1.16 "**Applicable Law**" means any law or statute, any rule or regulation (including written governmental interpretations thereof, the guidance related thereto, or the application thereof) issued by a Governmental Authority and any judicial, governmental, or administrative order, judgment, decree, or ruling, in each case as applicable to the subject matter and the parties at issue.

1.1.17 "**Audited Party**" has the meaning set forth in Section 9.2.1.

1.1.18 "**Auditing Party**" has the meaning set forth in Section 9.2.1.

1.1.19 "**[**]**" means [**].

1.1.20 "**Available**" means, with respect to a Proposed Antigen, Proposed Target or Proposed Substitute Target, [**].

1.1.21 "**Average Net Selling Price**" means, on a product-by-product basis, for a given product in a given country in a given Calendar Year, expressed in the applicable local currency, the aggregate Net Sales (defined *mutatis mutandis* with Section 1.1.177) of such product in such country and for the Calendar Year-to-date, divided by the number of units of such product for which revenue has been recognized by Janssen, its Affiliates or their respective Sublicensees (excluding Third Party Distributors and Distribution Subcontractors) in such country and Calendar Year-to-date.

1.1.22 "**Bankruptcy Code**" has the meaning set forth in Section 14.6.

1.1.23 "**BLA**" has the meaning set forth in the definition of Regulatory Approval.

1.1.24 "**Breaching Party**" has the meaning set forth in Section 14.3.1.

1.1.25 "**Business Day**" means a day on which banking institutions in New York, New York and Boston, Massachusetts are open for business other than a Saturday or Sunday.

1.1.26 "**Calendar Quarter**" means a financial quarter based on the J&J Universal Calendar for that year and that is used by Janssen and its Affiliates for internal and external reporting purposes; provided, however, that the first Calendar Quarter for the first Calendar Year extends from the Effective Date to the end of the then current Calendar Quarter and the last Calendar Quarter extends from the first day of such Calendar Quarter until the effective date of the termination or expiration of this Agreement.

1.1.27 "**Calendar Year**" means a year based on the J&J Universal Calendar for that year. The last Calendar Year of the Term begins on the first day of the J&J Universal Calendar Year for the year during which termination or expiration of this Agreement will occur, and the last day of such Calendar Year will be the effective date of such termination or expiration.

1.1.28 "**CDR**" means a complementarity-determining region.

1.1.29 "**Change in Control**" means, with respect to a Party:

(a) completion of a merger, reorganization, amalgamation, arrangement, share exchange, consolidation, tender or exchange offer, private purchase, business combination, recapitalization or other transaction involving such Party as a result of which either (i) the stockholders of such Party immediately preceding such transaction hold less than fifty percent (50%) of the outstanding shares, or less than fifty percent (50%) of the outstanding voting power, respectively, of the ultimate company or entity resulting from such transaction immediately after consummation thereof (including a company or entity which as a result of such transaction owns the then outstanding securities of such Party or all or substantially all of such Party's assets, including such Party's assets related to Licensed ADCs and Licensed Products, either directly or through one or more subsidiaries), or (ii) any single Third Party person or group (within the meaning of the U.S. Securities Exchange Act of 1934 and the rules of the SEC thereunder as in effect, referred to as a "**Group**") holds fifty percent (50%) or more of the outstanding shares or voting power of the ultimate company or entity resulting from such transaction immediately after the consummation thereof (including a company or entity which as a result of such transaction owns the then outstanding securities of such Party or

all or substantially all of such Party's assets either directly or through one or more subsidiaries);

(b) the direct or indirect acquisition (including by means of a tender offer or an exchange offer) by any Third Party person or Group of beneficial ownership (within the meaning of the U.S. Securities Exchange Act of 1934 and the rules of the SEC thereunder as in effect), or the right to acquire beneficial ownership, or formation of any Third Party Group which beneficially owns or has the right to acquire beneficial ownership, of fifty percent (50%) or more of either the outstanding voting power or the then outstanding shares of such Party, in each case on a fully diluted basis;

(c) individuals who, as of the date hereof, constitute the Board of Directors of such Party (the "**Incumbent Board**") cease for any reason to constitute at least a majority of the Board of Directors of such Party (provided, however, that any individual becoming a director subsequent to the date hereof whose election, or nomination for election by such Party's shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of any person other than the Board of Directors of such Party);

(d) the adoption of a plan relating to the liquidation or dissolution of such Party, other than in connection with a corporate reorganization (without limitation of clause (a), above);

(e) the sale or disposition to a Third Party of all or substantially all the assets of such Party (determined on a consolidated basis), including such Party's assets related to the Licensed ADCs and Licensed Products; or

(f) the sale or disposition to a Third Party of assets or businesses that constitute fifty percent (50%) or more of the total revenue or assets of such Party (determined on a consolidated basis), including such Party's assets or business related to the Licensed ADCs and Licensed Products.

1.1.30 "**Claim**" has the meaning set forth in Section 15.1.1.

1.1.31 "**Clearance Date**" means the date on which the following conditions are met with respect to a Competition Law Filing under Section 3.6: (a) the waiting period under the HSR Act or other applicable Competition Law shall have expired or earlier been terminated; (b) no injunction (whether temporary, preliminary or permanent) prohibiting effectiveness of exercise of the Target Selection Right or Target Substitution Right, as applicable, shall be in effect; (c) no judicial or administrative proceeding opposing such effectiveness shall be pending; and (d) no requirements or conditions shall have been imposed by the DOJ, FTC or other

applicable Governmental Authority in connection with such Competition Law Filing, other than requirements or conditions that are consented to in writing by the Party on whom such requirements or conditions are imposed.

1.1.32 "**Clinical Supply Agreement**" has the meaning set forth in Section 6.3.7.

1.1.33 "**Clinical Trial**" means a clinical investigation in human subjects that has been approved by a Regulatory Authority and is intended to discover or verify the clinical, pharmacological or other pharmacodynamic effects of a Licensed Product, or to identify any adverse reactions to a Licensed Product, or to study absorption, distribution, metabolism, or excretion of a Licensed Product with the objective of ascertaining its safety, activity or efficacy.

1.1.34 "**Closing Date**" has the meaning set forth in Section 5.5.4.

1.1.35 "**CMC**" means chemistry, manufacturing and controls.

1.1.36 "**CMC Completion Date**" has the meaning set forth in Section 2.3.3(b).

1.1.37 "**CMC Costs**" means the (a) [**] and (b) [**], in each case ((a) and (b)), [**] in conducting the CMC Development activities allocated to it in a CMC Plan, but [**] under this Agreement.

1.1.38 "**CMC Development**" means test method development and stability testing, process development, process validation, process scale-up, formulation development, delivery system development, quality assurance and quality control development, technology transfer and other related activities directed to establishing Manufacturing of a drug or biological product.

1.1.39 "**CMC Plan**" means, with respect to any Research Program, the written plan for CMC Development and Manufacturing activities in connection with such Research Program, as further described in Section 2.3.

1.1.40 "**CMC Plan Template**" has the meaning set forth in Section 2.3.2.

1.1.41 "**CMC Term**" means the period beginning on the Target Selection Date for the first Target selected under this Agreement and ending upon the CMC Completion Date for the last-to-complete CMC Plan for any Research Program under this Agreement.

1.1.42 "**CMC/Preclinical Supply Budget**" has the meaning set forth in Section 2.3.1.

1.1.43 "**CMO**" means a Third Party contract manufacturing organization.

1.1.44 "**Combination Product**" has the meaning set forth in the definition of Net Sales.

1.1.45 "**Commercialization Approval**" means, [**]:

[**].

1.1.46 "**Commercialize**" or "**Commercializing**" means to market, promote, distribute, offer for sale, sell, have sold, import, have imported, export, have exported or otherwise commercialize a compound or product. When used as a noun, "Commercialization" means any and all activities involved in Commercializing.

1.1.47 "**Commercially Reasonable Efforts**" means, with respect to the efforts to be expended by Janssen with respect to the Development, seeking to obtain Commercialization Approval, or Commercialization of a Licensed Product, [**].

1.1.48 "**Competition Law Filings**" has the meaning set forth in Section 3.6.1.

1.1.49 "**Competition Laws**" has the meaning set forth in Section 3.6.1.

1.1.50 "**Competitive Infringement**" has the meaning set forth in Section 11.4.1(b).

1.1.51 "**Component Allocation Dispute**" has the meaning set forth in the definition of Net Sales.

1.1.52 "**Component Allocation Notice**" has the meaning set forth in the definition of Net Sales.

1.1.53 "**Confidential Information**" has the meaning set forth in Section 10.1.

1.1.54 "**Confidentiality Agreement**" has the meaning set forth in Section 10.1.

1.1.55 "**Conflicting Rights**" has the meaning set forth in Section 13.2.1.

1.1.56 "**Control**" means, with respect to any information, Regulatory Documentation or intellectual property right, possession, whether directly or indirectly, by a Party or its Affiliates (including, except as described below, a Future Acquirer) of the ability (whether by sole, joint or other ownership interest, license or otherwise, other than pursuant to the grants set forth in this Agreement) to grant the right to access or use, or to grant a license or a sublicense to, such information, Regulatory Documentation or intellectual property right as provided for herein without violating the terms of any agreement or other arrangement with any Third Party (to the extent such Third Party agreement or other arrangement exists on the Effective Date or, with respect to any information, Regulatory Documentation or intellectual property right first acquired by a Party after the Effective Date, to the extent such Third Party agreement or arrangement exists on the date of acquisition by such Party). Notwithstanding the foregoing, any information, Regulatory Documentation or intellectual property right Controlled by a Future Acquirer of Mersana shall not be treated as "Controlled" by Mersana or its Affiliates for purposes of this Agreement to the extent, but only to the extent, that such information, Regulatory Documentation or intellectual property right (a) is Controlled by such Future Acquirer immediately prior to the time such Future Acquirer qualifies as such, other than pursuant to a license or other grant of rights (whether directly or indirectly) by Mersana or its Affiliates, or (b) is Controlled by such Future Acquirer subsequent to the time that such Future Acquirer qualifies as such but (i) was not Controlled by Mersana or any of its existing Affiliates prior to the time such Future Acquirer qualifies as such and (ii) did not come under the Control of such Future Acquirer due to any license or other grant of rights by Mersana or its Affiliates or any reference or access to any Janssen Technology, Mersana Technology or any other or other

Confidential Information of either Party or information, Regulatory Documentation or intellectual property right Controlled by Mersana or any of its Affiliates (other than information, Regulatory Documentation or intellectual property rights Controlled by a Future Acquirer that would be excluded by clause (a) or (b)(i) of this definition), except, in either case ((a) or (b)), to the extent such information, Regulatory Documentation or intellectual property right is actually used or provided for use by Mersana or such Future Acquirer or any of their respective Affiliates in the conduct of any Research Program. Mersana will provide written notice to Janssen in advance before using any such information, Regulatory Documentation or intellectual property right of a Future Acquirer in the conduct of any Research Program.

1.1.57 "**Convicted Entity**" has the meaning set forth in Section 13.3.4(d).

1.1.58 "**Convicted Individual**" has the meaning set forth in Section 13.3.4(d).

1.1.59 "**Cost of Goods Sold**" means a Party's (a) [**] and (b) [**], in each case ((a) and (b)), [**].

1.1.60 "**Cover**" means, with respect to a Patent Right and an invention, that, in the absence of ownership of or a license under such Patent Right, the practice of such invention (*e.g.*, with respect to a Patent Right in the U.S., the manufacture, use, sale, offer for sale or importation of such invention) would infringe a claim of such Patent Right (in the case of a pending patent application, if the claims of such patent application as then existing were issued).

1.1.61 "**CPR Rules**" has the meaning set forth in Section 20.3.2(a).

1.1.62 "**Currency Hedge Rate**" means the result of the effectively performed currency hedging at Janssen for the upcoming Calendar Year, which will be set up once a Calendar Year and will remain constant throughout such Calendar Year.

1.1.63 "**Data Package**" has the meaning set forth in Section 2.2.3(b).

1.1.64 "**Debarred Entity**" has the meaning set forth in Section 13.3.4(b).

1.1.65 "**Debarred Individual**" has the meaning set forth in Section 13.3.4(a).

1.1.66 "**Designated Antibody**" has the meaning set forth in [**].

1.1.67 "**Designated Antibody Agreement**" has the meaning set forth in [**].

1.1.68 "**Develop**" or "**Developing**" means to discover, research or otherwise develop a drug or biological product, including conducting non-clinical and clinical research and development activities, CMC Development activities, regulatory activities relating to such

activities, regulatory activities in support of obtaining and maintaining Regulatory Approval and pharmacovigilance activities. When used as a noun, "Development" means any and all activities involved in Developing.

1.1.69 "**Development Milestone Event**" has the meaning set forth in Section 8.4.1.

1.1.70 "**Development Milestone Payment**" has the meaning set forth in Section 8.4.1.

1.1.71 "**Device Combination Product**" has the meaning set forth in the definition of Net Sales.

1.1.72 "**Diligent Efforts**" means, with respect to each Party's obligations to [**]. Notwithstanding the foregoing, Diligent Efforts [**]. For clarity, Diligent Efforts is [**].

1.1.73 "**Directed**" means, [**]. Notwithstanding the foregoing: (a) [**]; (b) [**]; and (c) [**].

1.1.74 "**Disclosing Party**" has the meaning set forth in Section 10.1.

1.1.75 "**Dispute**" has the meaning set forth in Section 20.3.

1.1.76 "**Distracting Product**" has the meaning set forth in Section 5.5.4.

1.1.77 "**Distribution Subcontractor**" means any Subcontractor (other than a Third Party Distributor) that (a) performs storage, warehousing or shipping, or coordination of any of the foregoing or (b) performs any other distribution activities, in each case ((a) and (b)), with respect to a Licensed Product on behalf of Janssen (or its Affiliates) under this Agreement.

1.1.78 "**DOJ**" means the United States Department of Justice.

1.1.79 "**Dolasynthen Platform**" means [**].

1.1.80 "**Dolasynthen Scaffold**" means [**] is set forth on Schedule 1.1.80.

1.1.81 "**Drug Master File**" means a submission to the FDA or any other Regulatory Authority that may be used to provide confidential, detailed information about a Licensed ADC, Licensed Product, Auristatin Compound or Mersana Platform Technology, or any other Mersana Technology used to create a Licensed ADC or a Licensed Product, and the Manufacture (including the facilities used therefor) any of the foregoing.

1.1.82 "**Effective Date**" means the date set forth in the first line of this Agreement.

1.1.83 "**EMA**" has the meaning set forth in Section 1.1.220.

1.1.84 "**European Union**" means the economic, scientific and political organization of member states of the European Union as it may be constituted from time to time.

1.1.85 "**Event of Force Majeure**" has the meaning set forth in Article 16.

1.1.86 "**Excess CMC/Preclinical Supply Costs**" has the meaning set forth in Section 8.2.1.

1.1.87 "**Excess Technology Transfer Costs**" has the meaning set forth in Section 8.2.2.

1.1.88 "**Exchange Act**" means the Securities Exchange Act of 1934, as amended.

1.1.89 "**Excluded Entity**" has the meaning set forth in Section 13.3.4(c).

1.1.90 "**Excluded Individual**" has the meaning set forth in Section 13.3.4(c).

1.1.91 "**Exclusivity Period**" has the meaning set forth in Section 5.5.2(c).

1.1.92 "**Exclusivity Start Date**" has the meaning set forth in Section 5.5.2(a).

1.1.93 "**Executive Officers**" means the [**] of Janssen and the [**] of Mersana, or any other executive vice president or senior executive officer designated by a Party who has the authority to resolve the applicable matter referred to the Executive Officers in accordance with this Agreement.

1.1.94 "**Existing Mersana In-License**" means each agreement whereby Mersana or its Affiliates has in-licensed Mersana Technology as of the Effective Date, as listed on Schedule 1.1.94.

1.1.95 "**Expert**" has the meaning set forth in Section 20.3.3(a).

1.1.96 "**Expert Panel**" has the meaning set forth in Section 20.3.3(a).

1.1.97 "**Expert Panel Dispute**" has the meaning set forth in Section 20.3.1.

1.1.98 "**Exploit**" means to make, have made, import, use, sell or offer for sale, including to research, Develop, Commercialize, register, Manufacture, have Manufactured, hold or keep (whether for disposal or otherwise), have used, export, transport, distribute, promote, market or have sold or otherwise dispose of. "**Exploitation**" means the act of Exploiting a compound, product or process.

1.1.99 "**Extensions**" has the meaning set forth in Section 11.3.5.

1.1.100"**FD&C Act**" means the Federal Food, Drug & Cosmetic Act, as amended, together with any rules, regulations and requirements promulgated thereunder (including all additions, supplements, extensions and modifications thereto).

1.1.101"**FDA**" means the United States Food and Drug Administration, and any successor agency thereto.

1.1.102"**Field**" means all diagnostic, prophylactic and therapeutic human uses.

1.1.103"**First Commercial Sale**" means, with respect to any Licensed Product and with respect to any country of the Territory, the first commercial sale of a Licensed Product by Janssen, its Affiliates or Sublicensees to a Third Party for monetary value following, if required by Applicable Law, Regulatory Approval and Pricing Approval of such Licensed Product and, when Regulatory Approval and Pricing Approval are not required by Applicable Law for the Licensed Product, the first commercial sale in that country, in each case for use or consumption of such Licensed Product in such country by the general public.

1.1.104"**Former Target**" has the meaning set forth in Section 3.3.6.

1.1.105"**FTC**" means the United States Federal Trade Commission.

1.1.106"**FTE**" means one qualified person working full time for a twelve (12) month period in a Development, Manufacturing, regulatory or other relevant capacity employed or contracted by a Party and assigned to perform specified work, with such commitment of time and effort to constitute one employee performing such work on a full-time based on [**] hours of work per Calendar Year, and in the case that is less than full-time, will be pro-rated based on the actual number of hours expended by such FTE. FTE does not include [**], but shall include, for clarity, [**].

1.1.107"**FTE Costs**" means, with respect to a given period, the amount calculated by multiplying the FTE Rate by the number of FTEs expended by a Party during such period.

1.1.108"**FTE Rate**" means, as of the Effective Date, [**] Dollars ($[**]); provided, that such rate shall be [**], based on the percentage increase in the Consumer Price Index (U.S. Bureau of Labor Statistics for all urban consumers, U.S. city average, all items) between the last day of the most recent completed Calendar Year and December 31, 2021. The FTE Rate shall be deemed inclusive of all expenses incurred per FTE providing the applicable services, including salaries, wages, bonuses, benefits, profit sharing, equity grants, and FICA costs and other similar ex-U.S. costs, meals and entertainment, training, recruiting, relocation, operating supplies, and equipment and other disposable goods to the extent required for the performance of the applicable services.

1.1.109"**Future Acquirer**" means (a) a Third Party to any Change in Control transaction involving Mersana and such Third Party and (b) any of such Third Party's Affiliates existing immediately prior to such Change in Control. For the avoidance of doubt, "Future Acquirer" does not include any Person that was an Affiliate of Mersana prior to any such Change in Control transaction.

1.1.110"**Future Mersana In-License**" means any Unblocking Platform In-License entered into by Mersana pursuant to Section 5.6.3(c) or any Other Platform In-License entered into by Mersana pursuant to Section 5.6.4(c), in each case, with respect to intellectual property rights that are included in the Mersana Technology.

1.1.111"**GAAP**" means the United States generally accepted accounting principles.

1.1.112"**Gatekeeper**" shall mean the Third Party named on Schedule 1.1.112 or such other Third Party as may be agreed by the Parties in writing from time to time.

1.1.113"**GLP Toxicology Studies**" means, with respect to a Licensed Product, animal studies conducted in accordance with GLP and intended to support an IND/CTA for such Licensed Product.

1.1.114"**Glycoconnect [**]**" means the [**]:

[**].

1.1.115"**Glycoconnect [**]**" means [**].

1.1.116"**Good Clinical Practices**" means good clinical practices, which are the then-current standards for Clinical Trials for pharmaceuticals, as set forth in the FD&C Act or other Applicable Law, and such standards of good clinical practice as are required by the Regulatory Authorities of Europe and other organizations and governmental authorities in countries for which the applicable Licensed ADC or Licensed Product is intended to be Developed, to the extent such standards are not less stringent than United States standards.

1.1.117"**Good Laboratory Practices**" or "**GLP**" means the then-current good laboratory practice standards promulgated or endorsed by the FDA as defined in 21 C.F.R. Part 58, or comparable regulatory standards in jurisdictions outside of the United States, to the extent such standards are not less stringent than United States standards.

1.1.118"**Good Manufacturing Practices**" or "**GMP**" means the then-current Good Manufacturing Practices as specified in the United States Code of Federal Regulations, ICH Guideline Q7A, or equivalent laws, rules or regulations of an applicable Regulatory Authority at the time of manufacture, to the extent such standards are not less stringent than United States standards.

1.1.119"**Governmental Authority**" means any applicable multi-national, federal, state, local, municipal or other government authority of any nature (including any governmental division, prefecture, subdivision, department, agency, bureau, branch, office, commission, council, court or other tribunal).

1.1.120"**Group**" has the meaning set forth in Section 1.1.29(a).

1.1.121"**HSR Act**" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations promulgated thereunder.

1.1.122"**Improvement**" means, [**].

1.1.123"**Incumbent Board**" has the meaning set forth in Section 1.1.29(c).

1.1.124"**IND/CTA**" means (a) in the United States, an Investigational New Drug Application, as defined in the FD&C Act, filed with the FDA that is required to be filed with the FDA before conducting a Clinical Trial (including all supplements and amendments that may be filed with respect to the foregoing); or (b) any foreign counterpart of the foregoing such as a clinical trial application or a clinical trial notification, or any other equivalent or related regulatory submission, license or authorization.

1.1.125"**Indemnitee**" has the meaning set forth in Section 15.2.1.

1.1.126"**Indemnitor**" has the meaning set forth in Section 15.2.1.

1.1.127"**Indication**" means [**].

1.1.128"**Initial Target**" has the meaning set forth in Section 1.1.252.

1.1.129"**Initiation of GLP Toxicology Studies**" means the first dosing of a nonhuman primate (or any other species that the JRC determines is substitutable for a nonhuman primate in IND-enabling toxicology studies) with a Licensed ADC in a GLP Toxicology Study.

1.1.130"**Initiation of Non-GLP Toxicology Studies**" means the first dosing of a nonhuman primate (or any other species that the JRC determines is substitutable for a nonhuman primate in exploratory toxicology studies) with a Licensed ADC in a Non-GLP Toxicology Study.

1.1.131"**In-License Notice**" has the meaning set forth in Section 5.6.3(c).

1.1.132"**Insolvency Event**" has the meaning set forth in Section 14.5.

1.1.133"**Invention**" has the meaning set forth in Section 11.1.1.

1.1.134"**J&J Universal Calendar**" means the calendar used for Janssen's internal business purposes (a copy of which for 2022 is attached hereto as Schedule 1.1.134).

1.1.135"**Janssen**" has the meaning set forth in the introduction to this Agreement.

1.1.136"**Janssen Antibody**" means: (a) [**] under this Agreement [**]; or (b) [**].

1.1.137"**Janssen Know-How**" means any and all Know-How, excluding any Joint Know-How, that (a) is Controlled by Janssen or any Affiliate of Janssen as of the Effective Date or at any time [**], and (b) is necessary for Mersana to conduct its activities under any Research Plan or CMC Plan.

1.1.138"**Janssen Patent Right**" means any Patent Right, excluding Joint Patent Rights, that (a) is Controlled by Janssen or any of its Affiliates as of the Effective Date or at any time [**] and (b) is necessary for Mersana to conduct its activities under any Research Plan or CMC Plan.

1.1.139"**Janssen Regulatory Documentation**" means any Regulatory Documentation with respect to a Licensed ADC or Licensed Product, owned or Controlled by Janssen or any of its Affiliates after the Effective Date, that is necessary or reasonably useful to Exploit a product incorporating or utilizing a Auristatin Compound, the Mersana Platform Technology or other Mersana Technology.

1.1.140"**Janssen Technology**" means the Janssen Patent Rights and the Janssen Know-How.

1.1.141"**JMC Matters**" has the meaning set forth in Section 4.3.4(b).

1.1.142"**Joint Invention**" has the meaning set forth in Section 11.2.2.

1.1.143"**Joint Know-How**" means Know-How that is invented, conceived, developed or discovered jointly by or on behalf of both Parties (or their Affiliates or Sublicensees) in the course of such Party's or Affiliates' or Sublicensees' performance under this Agreement (including the Joint Inventions), but that does not otherwise constitute Mersana Platform Inventions or Product Inventions.

1.1.144"**Joint Manufacturing Committee**" or "**JMC**" has the meaning set forth in Section 4.3.1.

1.1.145"**Joint Patent Committee**" or "**JPC**" has the meaning set forth in Section 4.4.1.

1.1.146"**Joint Patent Right**" means any Patent Right that claims Joint Know-How.

1.1.147"**Joint Research Committee**" or "**JRC**" has the meaning set forth in Section 4.2.1.

1.1.148"**Joint Technology**" means the Joint Know-How and the Joint Patent Rights.

1.1.149"**JRC Matters**" has the meaning set forth in Section 4.2.4(b).

1.1.150"**Know-How**" means all non-public proprietary technical information, processes, formulae, data, inventions, methods, knowledge, discoveries, inventions, know-how, trade secrets and other information, compositions and other tangible embodiments of any of the foregoing, in each case, whether or not patentable.

1.1.151"**Liability**" has the meaning set forth in Section 15.1.1.

1.1.152"**Licensed ADC**" means (a) a Janssen Antibody Directed to a Target conjugated to an Auristatin Compound by means of the Dolasynthen Platform or the [**] (or any component of the Dolasynthen Platform or the [**]), which antibody-drug conjugate is first made, identified and characterized by either Party during the Research Term (such antibody-drug conjugate, a "**Primary ADC**") or (b) [**].

1.1.153"**Licensed Product**" means any pharmaceutical product in any form containing one or more Licensed ADCs as an active ingredient, in any dosage form, formulation or method of delivery, including Combination Products.

1.1.154"**Licensee**" has the meaning set forth in Section 5.6.3(c).

1.1.155"**MAA**" has the meaning set forth in the definition of Regulatory Approval.

1.1.156"**Major European Country**" means each of [**].

1.1.157"**Manufacture**" or "**Manufacturing**" means to make, produce, manufacture, process, fill, finish, package, label, perform quality assurance and/or analytical testing, release, ship or store a compound or product or any intermediate or component thereof. When used as a noun, "Manufacture" or "Manufacturing" means any and all activities involved in Manufacturing a compound or product or any intermediate or component thereof.

1.1.158"**[**]**" has the meaning set forth in Section [**].

1.1.159"**Materials**" has the meaning set forth in Section 2.8.1.

1.1.160"**Maximum Reserved Antigen Amount**" has the meaning set forth in Section 3.1.1(b).

1.1.161"**Mersana**" has the meaning set forth in the introduction to this Agreement.

1.1.162"**Mersana In-License**" means each Existing Mersana In-License and each Future Mersana In-License, if any.

1.1.163"**Mersana Know-How**" means any and all Know-How (including data contained in the Mersana Regulatory Documentation) that is: (a) Controlled by Mersana or any Affiliate of Mersana as of the Effective Date or, [**]; and (b) is necessary or reasonably useful (i) for Janssen to conduct its activities under any Research Plan or CMC Plan or (ii) to Develop, Manufacture, Commercialize or otherwise Exploit Licensed ADCs or Licensed Products. Mersana Know-How (i) includes the Mersana Platform Know-How and, except with respect to any Non-Synaffix Selected Target, the Licensed Know-How (as defined in the Synaffix Agreement), in each case, to the extent satisfying clauses (a) and (b) above, but does not include the Joint Know-How and (ii) does not include any Know-How that is necessary or reasonably useful to Develop, Manufacture, Commercialize or otherwise Exploit any other active ingredient included in a Licensed Product that would not be necessary or reasonably useful to Develop, Manufacture, Commercialize or otherwise Exploit Licensed ADCs or Licensed Products that do not contain such other active ingredient.

1.1.164"**Mersana Patent Right**" means any Patent Right that: (a) claims Mersana Know-How; or (b) is otherwise Controlled by Mersana or any of its Affiliates as of the Effective Date or, [**] that is necessary or reasonably useful (i) for Janssen to conduct its activities under any Research Plan or CMC Plan or (ii) to Develop, Manufacture, Commercialize or otherwise Exploit Licensed ADCs or Licensed Products. Mersana Patent Rights includes all Patent Rights listed in Schedule 1.1.164, provided that any Patent Right that satisfies the definition of a Mersana Patent Right shall constitute a Mersana Patent Right notwithstanding any failure to include such Patent Right on Schedule 1.1.164. Mersana Patent Rights (i) includes the Mersana Platform Patent Rights and, except with respect to any Non-Synaffix Selected Target, the Licensed Patents (as defined in the Synaffix Agreement), in each case, to the extent satisfying clauses (a) or (b) above, but does not include the Joint Patent Rights and (ii) does not include any Patent Right that is necessary or reasonably useful to Develop, Manufacture, Commercialize or otherwise Exploit any other active ingredient included in a Licensed Product that would not be necessary or reasonably useful to Develop, Manufacture, Commercialize or otherwise Exploit Licensed ADCs or Licensed Products that do not contain such other active ingredient.

1.1.165"**Mersana Platform**" means: (a) the [**]; (b) the Dolasynthen Platform; (c) to the extent such technology exists as of the Effective Date, during the Research Term or after the Research Term to the extent included in the Mersana Technology, Mersana's proprietary technology relating to (i) Auristatin Compounds and (ii) bioconjugation linkers and [**] for the Dolasynthen Platform and [**], and (d) to the extent such technology exists as of the

Effective Date [**], Mersana's proprietary technology relating to methods to manufacture the [**] included in the [**] and Dolasynthen Platform and to bioconjugate an antibody to an Auristatin Compound using the [**] or the Dolasynthen Platform, [**].

1.1.166"**Mersana Platform Inventions**" has the meaning set forth in Section 11.2.3(a).

1.1.167"**Mersana Platform Know-How**" means all Know-How that is (a) Controlled by Mersana on the Effective Date [**] and (b) relates to the Mersana Platform. For clarity, Mersana Platform Know-How includes the Mersana Platform Inventions.

1.1.168"**Mersana Platform Patent Right**" means any Patent Right Controlled by Mersana on the Effective Date [**] that claims Mersana Platform Know-How, including any such Patent Right that claims a Mersana Platform Invention.

1.1.169"**Mersana Platform Technology**" means the Mersana Platform Know-How and the Mersana Platform Patent Rights.

1.1.170"**Mersana Prosecution Patent Rights**" has the meaning set forth in Section 13.2.4.

1.1.171"**Mersana Regulatory Documentation**" means Regulatory Documentation owned or Controlled by Mersana or any of its Affiliates on or after the Effective Date relating to an Auristatin Compound, the Mersana Platform Technology or other Mersana Technology that is necessary or reasonably useful to Exploit a Licensed ADC or a Licensed Product.

1.1.172"**Mersana Technology**" means the Mersana Patent Rights and the Mersana Know-How.

1.1.173"**Mersana Warranty Know-How**" means any Know-How that (a) is Controlled by Mersana or its Affiliates as of the Effective Date and (b) (i) relates to the Mersana Platform or (ii) Mersana reasonably believes would constitute Mersana Know-How if each Reserved Antigen existing as of the Effective Date were a Target and the Research Plan and CMC Plan for such Target were consistent in scope with the Research Plan Template and CMC Plan Template.

1.1.174"**Mersana Warranty Patent Right**" means any Patent Right that (a) is Controlled by Mersana or its Affiliates as of the Effective Date and (b) (i) Covers the Mersana Platform or (ii) Mersana reasonably believes would constitute a Mersana Patent Right if each Reserved Antigen existing as of the Effective Date were a Target and the Research Plan and CMC Plan for such Target were consistent in scope with the Research Plan Template and CMC Plan Template.

1.1.175"**Mersana Warranty Technology**" means the Mersana Warranty Patent Rights and the Mersana Warranty Know-How.

1.1.176"**NDA**" has the meaning set forth in the definition of Regulatory Approval.

1.1.177"**Net Sales**" means the gross amounts invoiced for a Licensed Product by Janssen, its Affiliates and its and their respective Sublicensees (each, a "**Selling Party**") for sales of such Licensed Product to a Third Party purchaser (excluding sales by any Third Party Distributor or Distribution Subcontractor, but including, for clarity, sales by a Selling Party to

such Third Party Distributor or Distribution Subcontractor), less the following deductions to the extent customary and commercially reasonable, determined in accordance with GAAP and internal policies and actually taken, paid, accrued, allocated, or allowed based on good faith estimates consistently applied across the books and records of the Selling Parties, as applicable:

(a) customer, trade, quantity and cash discounts actually allowed with respect to such sales which effectively reduce the selling price and are appropriately deducted from sales under appropriate accounting principles, consistently applied;

(b) rejected goods, damaged or defective goods, recalls, returns and field destroys;

(c) rebates, chargebacks, administrative fees, and discounts (or equivalent thereof) to managed health care organizations, group purchasing organizations, insurers, pharmacy benefit managers (or equivalent thereof), specialty pharmacy providers, Governmental Authorities, or their agencies or purchasers, reimbursers, or trade customers, as well as amounts owed to patients through co-pay assistance cards or similar forms of rebate to the extent the latter are directly related to the prescribing of the applicable Licensed Product;

(d) retroactive price reductions, credits or allowances that are actually allowed or granted upon claims, rejections or returns of Licensed Product, including for billing errors and reserves for returns;

(e) compulsory or negotiated payments and cash rebates or other expenditures to Governmental Authorities (or designated beneficiaries thereof) in the context of any national or local health insurance programs or similar programs; including, but not limited to, pay-for-performance agreements, risk sharing agreements as well as government-levied fees as a result of the Affordable Care Act;

(f) sales (such as VAT or its equivalent) and excise taxes, other consumption taxes, and customs duties (excluding any taxes paid on the income from such sales) to the extent the selling Person is not otherwise entitled to a credit or a refund for such taxes or duties;

(g) any invoiced amounts which are not collected by the Selling Party, including bad debts, and a reasonable reserve for non-collectable receivables related to the Licensed Product; and any deductions in the context of payments that are due or collected significantly after invoice issuance, provided that if such amounts are later collected, they shall be included in Net Sales in the Calendar Quarter of collection;

(h) charges for packing, freight, shipping and insurance (to the extent separately stated on the invoice).

All aforementioned deductions shall only be allowable to the extent they are commercially reasonable for the Selling Party, as applicable, and shall be determined, on a country-by-country basis, as incurred in the ordinary course of business in type and amount verifiable based on the Selling Party's reporting system. All such discounts, allowances, credits, rebates, and other deductions shall be fairly and equitably allocated to the applicable Licensed Product and other products of the Selling Party such that such Licensed Product does not bear a disproportionate portion of such deductions.

Any Licensed Products for which no monetary consideration is received that are used for promotional or advertising purposes or used for free samples shall not be included in Net Sales.

Donations for charity reasons (to avoid doubt, for which no monetary consideration is received) shall also not be included in Net Sales. Sales of Licensed Products by and between Selling Parties (other than sales to Sublicensees that are Third Party Distributors or Distribution Subcontractors) are not sales to Third Parties and shall be excluded from Net Sales calculations for all purposes. Sales of Licensed Product for the use in conducting Clinical Trials or other scientific testing of Licensed Product in a country shall be excluded from Net Sales calculations for all purposes. Compassionate and Named Patient Sales shall be excluded from Net Sales calculations for all purposes.

If any Licensed Product is sold as part of a Combination Product (as defined below), the Parties shall negotiate in good faith, at the latest [**] before the launch of such Combination Product, an allocation of Net Sales of such Combination Product to the Licensed Product component and Other Component(s) (as defined below) thereof, based on the fair market value of such components for the purposes of determining a Licensed Product-specific allocated Net Sales. Payments related to such Combination Product under this Agreement, including royalty payments, will be calculated, due and payable based only on such allocated Licensed Product-specific Net Sales.

Without limiting the foregoing and following negotiation, the Parties anticipate that allocated Net Sales will be calculated according to one of the following paradigms, with paradigm (i) being more preferable and paradigm (ii) being less preferable:

(i) Net Sales for such Licensed Product shall be determined by multiplying the applicable Net Sales of the Combination Product (as determined without the application of this paragraph) by the fraction, A/(A+B), where A is the Average Net Selling Price of the Licensed Product component of the Combination Product when sold separately as a stand-alone product in finished form in the country in which the Combination Product is sold (or, if not available, subject to reasonable estimation), and B is the Average Net Selling Price of the Other Component(s) contained in the Combination Product when sold separately as stand-alone products in finished form in the country in which the Combination Product is sold (or, if not available, subject to reasonable estimation), in each case during the applicable royalty reporting period in accordance with Article 9.

(ii) Net Sales for such Licensed Product shall be determined by multiplying Net Sales of such Combination Product (as determined without the application of this paragraph) by the fraction A/C, where A is the Average Net Selling Price of the Licensed Product component in the Combination Product, if sold separately or subject to reasonable estimation, and C is the Average Net Selling Price of the entire Combination Product.

If the Parties do not agree on an allocation of Net Sales of such Combination Product before launch, then the calculation approach described in clause (i) above will be used. Where the foregoing refers to "subject to reasonable estimation" such estimation shall be made by Janssen and promptly provided to Mersana along with reasonable supporting documentation for such estimation. If Mersana disagrees with such estimation, it may provide notice of such disagreement (a "**Component Allocation Dispute**") to Janssen within [**] after Janssen provides such estimation to Mersana (such notice, a "**Component Allocation Notice**"). If Mersana provides a Component Allocation Notice, the Parties shall convene to reasonably determine the proper allocation between the applicable components. If the Parties do not agree on such allocation within [**] of the Component Allocation Notice, [**]. For clarity, the Selling Parties may launch such Combination Product and use Janssen's reasonable estimation of the Average Net Selling Price of each component while such matter is being discussed and until it is resolved in accordance with this Section, subject to a true-up following resolution.

[**].

1.1.178"**Non-breaching Party**" has the meaning set forth in Section 14.3.1.

1.1.179"**Non-GLP Toxicology Studies**" means non-clinical *in vitro* and *in vivo* animal studies, which will include, but is not limited to, the delivery of a final report and data set, that encompasses relevant information needed to identify potential safety liabilities and intended to enable identification of potential safety liabilities and GLP dose selection.

1.1.180"**Non-Platform Mersana Patent Rights**" has the meaning set forth in Section 11.4.1(a).

1.1.181"**Non-Synaffix Selected Target**" means any Target for which the Parties have agreed under Section 3.4.3 to use Substitute Conjugation Technology in the Research Program for such Target.

1.1.182"**Non-Synaffix Target**" means any Proposed Target or Proposed Substitute Target for which Janssen desires to use Substitute Conjugation Technology in the Research Program for such Proposed Target or Proposed Substitute Target, in accordance with Section 3.4.3.

1.1.183"**Notice Period**" has the meaning set forth in Section 14.3.1.

1.1.184"**Other Component**" has the meaning set forth in the definition of Net Sales.

1.1.185"**Other Platform In-License**" has the meaning set forth in Section 5.6.3(b).

1.1.186"**Other Platform IP**" has the meaning set forth in Section 5.6.3(a).

1.1.187"**Out-of-Pocket Expenses**" means the amounts paid by or on account of a Party to [**]. For clarity, Out-of-Pocket Expenses does not include: [**] under this Agreement.

1.1.188"**Party**" and "**Parties**" are defined in the introduction to this Agreement.

1.1.189"**Patent Right**" means any and all national, regional and international (a) issued patents and pending patent applications (including provisional patent applications), (b) patent applications filed either from the foregoing or from an application claiming priority to the foregoing, including all provisional applications, converted provisionals, substitutions, continuations, continuations-in-part, divisions, renewals and continued prosecution applications, and all patents granted thereon, (c) patents-of-addition, revalidations, reissues, reexaminations and extensions or restorations (including any supplementary protection certificates and the like) by existing or future extension or restoration mechanisms, including patent term adjustments, patent term extensions, supplementary protection certificates or the equivalent thereof, (d) inventor's certificates, utility models, petty patents, innovation patents and design patents, (e) other forms of government-issued rights substantially similar to any of the foregoing, including so-called pipeline protection or any importation, revalidation, confirmation or introduction patent or registration patent or patent of additions to any of such foregoing and (f) United States and foreign counterparts of any of the foregoing.

1.1.190"**PBRM**" means [**].

1.1.191"**Person**" means any corporation, limited or general partnership, limited liability company, joint venture, trust, unincorporated association, governmental body, authority, bureau or agency, any other entity or body, or an individual.

1.1.192"**Pharmacovigilance Agreement**" has the meaning set forth in Section 7.4.

1.1.193"**Phase 1 Clinical Trial**" means (a) both a Phase 1a Clinical Trial and a Phase 1b Clinical Trial, or (b) a single trial that may contain elements of both a Phase 1a Clinical Trial and a Phase 1b Clinical Trial.

(a) "**Phase 1a Clinical Trial**" means a Clinical Trial of a compound, the principal purpose of which is a preliminary determination of safety, pharmacokinetics, and pharmacodynamic parameters in healthy individuals or patients, as described in 21 C.F.R. 312.21(a) or any corresponding foreign law or regulation.

(b) "**Phase 1b Clinical Trial**" means a Clinical Trial of a compound, the principal purpose of which is a further determination of safety and pharmacokinetics (including exploration of trends of a biomarker-based or clinical endpoint-based efficacy relationship to dose which are not designed to be statistically significant) of the compound whether or not in combination with concomitant treatment after an initial Phase 1a Clinical Trial, prior to commencement of Phase 2 Clinical Trials or Phase 3 Clinical Trials, and which provides (itself or together with other available data) sufficient evidence of safety to be included in filings for a Phase 2 Clinical Trial or a Phase 3 Clinical Trial with Regulatory Authorities.

1.1.194"**Phase 2 Clinical Trial**" means (a) a Clinical Trial of a product in any country that would satisfy the requirements of U.S. 21 C.F.R. Part 312.21(b) or any corresponding foreign law or regulation and is intended to explore a variety of doses, dose response, and duration of effect, and to generate evidence of clinical safety and effectiveness for a particular indication or indications in a target patient population, or (b) a similar clinical study prescribed by the relevant Regulatory Authorities in a country other than the United States, that, in either case ((a) or (b)), has a primary endpoint of evaluating such product's effectiveness for a particular indication or indications.

1.1.195"**Phase 3 Clinical Trial**" means a Clinical Trial of a product in any country that, on the date of first dosing of the first subject, would satisfy the requirements of U.S. 21 C.F.R. Part 312.21(c) or any corresponding foreign law or regulation and is intended to or actually (a) establishes that the product is safe and efficacious for its intended use, (b) defines contraindications, warnings, precautions and adverse reactions that are associated with the product in the dosage range to be prescribed, and (c) supports Regulatory Approval for such product. Notwithstanding the foregoing, a Phase 3 Clinical Trial includes any Pivotal Clinical Trial that satisfies the foregoing definition whether or not designated as a "Phase 3 Clinical Trial."

1.1.196"**Pivotal Clinical Trial**" means a Clinical Trial of a product on a sufficient number of subjects that, prior to commencement of the trial, satisfies both of the following ((a) and (b)):

(a) such trial is designed to establish that such product has an acceptable safety and efficacy profile for its intended use, and to determine warnings, precautions, and adverse reactions that are associated with such product in the dosage range to be prescribed, which trial is intended to support Regulatory Approval of such

product, or a similar clinical study prescribed by the FDA, EMA or other applicable Regulatory Authority; and

(b) such trial is a registration trial sufficient for filing an application for a Regulatory Approval for such product in the U.S. or another country or some or all of an extranational territory, as evidenced by (i) an agreement with or statement from the FDA, the EMA or other applicable Regulatory Authority on a Special Protocol Assessment or equivalent, or (ii) other guidance or minutes issued by the FDA, EMA or other applicable Regulatory Authority, for such registration trial.

For clarity, a Pivotal Clinical Trial need not be designated a "Phase 3 Clinical Trial."

1.1.197"**Platform Blocking IP**" has the meaning set forth in Section 5.6.3(a).

1.1.198"**Post-HSR Synaffix Check**" has the meaning set forth in Section 3.6.3.

1.1.199"**Post-HSR Synaffix Notice**" has the meaning set forth in Section 3.6.3.

1.1.200"**Preferentially Binds**" means, [**]. With respect to this definition, [**].

1.1.201"**Pricing Approval**" means any approvals, licenses, registrations or authorizations of any supranational, national, regional state or local Regulatory Authority or other regulatory agency, department, bureau or governmental entity, necessary to determine or set pricing of a Licensed Product, or its reimbursement level by the relevant health authorities, providers or other funding institutions, at supranational, national, regional, state or local level.

1.1.202"**Primary ADC**" has the meaning set forth in Section 1.1.152.

1.1.203"**Product Inventions**" has the meaning set forth in Section 11.2.4(a).

1.1.204"**Product Know-How**" means any Know-How that (a) is invented, conceived, developed or discovered by or on behalf of either or both Party(ies) (or their Affiliates or Sublicensees) in the course of such Party's or Affiliates' or Sublicensees' performance under this Agreement, and (b) is (i) related to Janssen Antibodies or (ii) [**], including without limitation, [**]. For clarity, the Product Know-How includes the Product Inventions.

1.1.205"**Product Patent Right**" means any Patent Right that (a) claims Product Know-How and (b) [**].

1.1.206"**Product Trademarks**" has the meaning set forth in Section 11.7.

1.1.207"**Product-Specific IP**" has the meaning set forth in Section 5.6.1(a).

1.1.208"**Proposed Antigen**" has the meaning set forth in Section 3.1.2(b)(i).

1.1.209"**Proposed Antigen Notice**" has the meaning set forth in Section 3.1.2(b)(i).

1.1.210"**Proposed Substitute Target**" has the meaning set forth in Section 3.3.1.

1.1.211"**Proposed Substitution Deadline**" has the meaning set forth in Section 3.3.

1.1.212"**Proposed Substitution Notice**" has the meaning set forth in Section 3.3.1.

1.1.213"**Proposed Target**" has the meaning set forth in Section 3.2.1.

1.1.214"**Proposed Target Deadline**" has the meaning set forth in Section 3.2.1.

1.1.215"**Proposed Target Notice**" has the meaning set forth in Section 3.2.1.

1.1.216"**Protocol**" has the meaning set forth in Section 20.3.2(f).

1.1.217"**Publication**" has the meaning set forth in Section 10.5.

1.1.218"**Receiving Party**" has the meaning set forth in Section 10.1.

1.1.219"**Regulatory Approval**" means approval by the applicable Regulatory Authority in a given country or regulatory jurisdiction of an application for authorization to market or sell a Licensed Product for a disease or condition in accordance with the Applicable Laws of such country or regulatory jurisdiction. In the United States, its territories and possessions, Regulatory Approval means approval of a New Drug Application ("**NDA**"), Biologics License Application ("**BLA**") or an equivalent by the FDA. In the European Union, Regulatory Approval means approval (including conditional approval) of a Marketing Authorization Application ("**MAA**") by the EMA.

1.1.220"**Regulatory Authority**" means, with respect to a country in the Territory, any national (*e.g.*, the FDA), supra-national (*e.g.*, the European Commission, the Council of the European Union, or the European Medicines Agency ("**EMA**")), regional, state or local regulatory agency, department, bureau, commission, council or other Governmental Authority involved in the granting of a Regulatory Approval or a Pricing Approval, for biopharmaceutical products in such country.

1.1.221"**Regulatory Documentation**" means all: (a) applications (including all INDs/CTAs), registrations, licenses, authorizations and approvals (including Regulatory Approvals and Pricing Approvals); (b) correspondence and reports submitted to or received from Regulatory Authorities (including minutes and official contact reports relating to any communications with any Regulatory Authority) and all supporting documents with respect thereto, including all adverse event files and complaint files; (c) clinical and other data contained, referenced or otherwise relied upon in any of the foregoing; and (d) for clarity, any Drug Master File held by Janssen or Mersana.

1.1.222"**Regulatory Exclusivity**" means, with respect to a country in the Territory, any exclusive marketing rights or data exclusivity rights conferred by any Regulatory Authority with respect to a Licensed Product to such country in the Territory, other than a Patent Right, including exclusivity for an approved BLA or any corresponding foreign application in the Territory, reference product exclusivity, new chemical entity exclusivity, new clinical data exclusivity, orphan drug exclusivity, pediatric exclusivity, or rights similar thereto in other countries or regulatory jurisdictions.

1.1.223"**Report Completion Notice**" has the meaning set forth in Section 2.4.1.

1.1.224"**Research Completion Date**" has the meaning set forth in Section 2.2.3(c).

1.1.225"**Research Plan**" means, with respect to any Research Program, the written plan for Development activities (other than CMC Development activities) in connection with such Research Program, as further described in Section 2.2.

1.1.226"**Research Plan Template**" has the meaning set forth in Section 2.2.2.

1.1.227"**Research Program**" has the meaning set forth in Section 2.1.1.

1.1.228"**Research Term**" means the period beginning on the Effective Date of this Agreement and ending upon the earlier of (a) the Research Completion Date for the last-to-complete Research Plan for any Research Program under this Agreement, and (b) the [**] anniversary of the Effective Date of this Agreement, unless extended by mutual agreement of the Parties.

1.1.229"**Reserved Antigen**" means, as of a given time during the Research Term, any Antigen or [**] on the Reserved Antigen List.

1.1.230"**Reserved Antigen List**" has the meaning set forth in Section 3.1.1(a).

1.1.231"**Royalty-Bearing Patent Claim**" means, with respect to a Licensed Product: (a) any Valid Patent Claim of a [**] Patent Right that Covers the composition of matter of such Licensed Product (but excluding any such Valid Patent Claim claiming a [**] Platform Invention that was solely invented by [**] or any of its Affiliates or Sublicensees or any Third Party acting on its or their behalf after the Research Term or outside of activities under a Research Plan); (b) any Valid Patent Claim of a [**] Patent Right that Covers the composition of matter of such Licensed Product; (c) any Valid Patent Claim of a Patent Right (other than a [**] Patent Right) owned by [**] or any of its Affiliates or Sublicensees that (i) claims a Product Invention and (ii) Covers the composition of matter of the Licensed ADC as a whole (*i.e.*, not a specific component of such Licensed ADC such as the [**] component or Antibody component) contained in such Licensed Product; or (d) any Valid Patent Claim of a Patent Right (other than a [**] Patent Right) owned by [**] or any of its Affiliates or Sublicensees that (i) claims Product Know-How invented by [**] or any of its Affiliates during the Research Term in the course of conducting activities under a Research Plan and (ii) Covers the composition of matter of the Licensed ADC as a whole (*i.e.*, not a specific component of such Licensed ADC such as the [**] component or Antibody component) contained in such Licensed Product.

1.1.232"**Royalty Floor**" has the meaning set forth in Section 8.3.4(a).

1.1.233"**Royalty Report**" has the meaning set forth in Section 9.1.1.

1.1.234"**Royalty Term**" means, on a Licensed Product-by-Licensed Product and country-by-country basis, the period commencing upon the First Commercial Sale of a Licensed Product in such country and ending upon the latest to occur of: (a) the date of expiration of the last Royalty-Bearing Patent Claim with respect to such Licensed Product in such country; (b) the expiration of Regulatory Exclusivity for such Licensed Product in such country, if any; and (c) the tenth (10th) anniversary of the First Commercial Sale of such Licensed Product in such country.

1.1.235"**Sales Milestone Event**" has the meaning set forth in Section 8.5.1.

1.1.236"**Sales Milestone Payment**" has the meaning set forth in Section 8.5.1.

1.1.237"**Selling Party**" has the meaning set forth in the definition of Net Sales.

1.1.238"**Specified Confidential Information**" has the meaning set forth in Section 10.1.3.

1.1.239"**Specified Janssen Confidential Information**" has the meaning set forth in Section 10.1.

1.1.240"**Subcontractors**" has the meaning set forth in Section 2.7.

1.1.241"**Sublicensee**" means any Person that is granted a sublicense under the Mersana Technology by Janssen or its Affiliate or Sublicensee in accordance with the terms of this Agreement, including Section 5.4, excluding any Third Party granted any right or license in connection with settlement of litigation pursuant to Section 11.4.

1.1.242"**Substitute Conjugation Technology**" has the meaning set forth in Section 3.4.3(b).

1.1.243"**Substitute Target**" has the meaning set forth in Section 1.1.252.

1.1.244"**Supply Costs**" has the meaning set forth in Section 6.3.6.

1.1.245"**Synaffix**" means Synaffix BV.

1.1.246"**Synaffix Agreement**" means that certain Amended and Restated Commercial License and Option Agreement dated November 23, 2021, between Mersana and Synaffix, as amended by that certain letter agreement by and among Mersana, Synaffix and Janssen, dated as of the Effective Date (the "**Synaffix Letter Agreement**") and as in effect as of the Effective Date, or as may be further amended in accordance with Section 5.7.2.

1.1.247"**Synaffix Available Target**" means any Synaffix Target that is not an Unavailable Target (as defined in the Synaffix Agreement) under the Synaffix Agreement.

1.1.248"**Synaffix Letter Agreement**" has the meaning set forth in Section 1.1.246.

1.1.249"**Synaffix Target**" means any Proposed Target or Proposed Substitute Target for which Janssen desires to use the Licensed Technology (as defined in the Synaffix Agreement) in the Research Program for such Proposed Target or Proposed Substitute Target.

1.1.250"**Synaffix Unavailable Target**" means an Unavailable Target (as defined in the Synaffix Agreement) under the Synaffix Agreement.

1.1.251"**[**]**" means a [**].

1.1.252"**Target**" means an Antigen [**] that either: (a) (i) is selected by Janssen pursuant to its Target Selection Rights in accordance with the process set forth in Section 3.2 and (ii) has not subsequently become a Former Target (each, an "**Initial Target**"); or (b) is substituted by Janssen for an Initial Target pursuant to its Target Substitution Rights in accordance with the process set forth in Section 3.3 (each, a "**Substitute Target**"), in each case ((a) and (b)), as defined by its Target Identifier (or, if a Target Identifier is not available for a Target, such other unique identifier as the Parties may agree).

1.1.253"**Target Identifier**" means the UniProt/SwissProt number sequences used to identify a specific Antigen.

1.1.254"**Target Selection Date**" has the meaning set forth in Section 3.2.4(d).

1.1.255"**Target Selection Right**" has the meaning set forth in Section 3.2.

1.1.256"**Target Substitution Date**" has the meaning set forth in Section 3.3.4(b).

1.1.257"**Target Substitution Right**" has the meaning set forth in Section 3.3.

1.1.258"**Target-Specific Material Breach**" has the meaning set forth in Section 14.3.2.

1.1.259"**Target-Specific Notice Period**" has the meaning set forth in Section 14.3.2.

1.1.260"**Technology Transfer Budget**" has the meaning set forth in Section 6.3.8(c).

1.1.261"**Technology Transfer Costs**" means the (a) [**] and (b) [**], in each case ((a) and (b)), incurred by Mersana and its Affiliates in conducting the activities allocated to it in a Technology Transfer Plan.

1.1.262"**Technology Transfer Plan**" has the meaning set forth in Section 6.3.8(c).

1.1.263"**Term**" has the meaning set forth in Section 14.1.

1.1.264"**Territory**" means all countries in the world.

1.1.265"**Third Party**" means any Person other than Janssen, Mersana and their respective Affiliates.

1.1.266"**Third Party Action**" has the meaning set forth in Section 12.1.1.

1.1.267"**Third Party Distributor**" shall mean a Third Party distributor that purchases Licensed Product from any of Janssen or its Affiliates or Sublicensees for distribution in a country in the Territory.

1.1.268"**Trademark**" means any word, name, symbol, color, designation, or device or any combination thereof, whether registered or unregistered, used or intended to be used in commerce and indicating the source for a product or service, including any domain name, trademark, trade dress, service mark, service name, brand mark, trade name, brand name, logo or business symbol.

1.1.269"**Unblocking Platform In-License**" has the meaning set forth in Section 5.6.3(b).

1.1.270"**Valid Patent Claim**" means with respect to a Patent Right in a country any claim of an (a) issued Patent Right that has not (i) expired, irretrievably lapsed or been abandoned, revoked, dedicated to the public or disclaimed or (ii) been found to be unpatentable, invalid or unenforceable by an unreversed and unappealable decision of a Governmental Authority in such country; or (b) application for a Patent Right that (i) has been pending for less than [**] and is being prosecuted in good faith and has not been abandoned or finally disallowed without the possibility of appeal or re-filing and (ii) has not been admitted to be invalid or unenforceable through reissue, reexamination, or disclaimer, and which is not subject to an

interference claim. In the event that a Patent Right issues from an application for a Patent Right described in clause (b) of this definition, the claims of such issued Patent Right will be deemed to be Valid Patent Claims from and after the date of issuance so long as it satisfies the requirements of clause (a) of this definition.

1.1.271"**[**]**" means, [**].

1.2 Certain Rules of Interpretation in this Agreement and the Schedules.

1.2.1 Unless otherwise specified, all references to monetary amounts are to United States of America currency (U.S. Dollars);

1.2.2 The preamble to this Agreement and the descriptive headings of Articles, Sections and Schedules are inserted solely for convenience of reference and are not intended as complete or accurate descriptions of the content of this Agreement or of such Articles, Sections or Schedules or to have any substantive meaning;

1.2.3 Except where the context otherwise requires, wherever used, the singular shall include the plural, the plural the singular, the use of any gender shall be applicable to all genders and the word "or" is used in the inclusive sense (and/or);

1.2.4 The words "include" and "including" have the inclusive meaning frequently identified with the phrases "without limitation" and "but not limited to";

1.2.5 The words "will" and "shall" have the same meaning;

1.2.6 Whenever this Agreement refers to a number of days, unless otherwise specified, such number refers to calendar days. Unless otherwise specified, deadlines within which any payment is to be made or act is to be done within or following specified time period after a date shall be calculated by excluding the day, Business Day, month or year of such date, as applicable, and including the day, Business Day, month or year of the date on which the period ends;

1.2.7 Whenever any payment is to be made or action to be taken under this Agreement is required to be made or taken on a day other than a Business Day, such payment shall be made or action taken on the next Business Day following such day to make such payment or do such act;

1.2.8 Unless otherwise specified, references in this Agreement to any Article, Section or Schedule shall mean references to such Article, Sections or Schedule of this Agreement and all subsections thereof;

1.2.9 The words "hereof," "herein," "hereby" and derivative or similar words refer to this Agreement (including all Schedules hereto);

1.2.10 References to a particular Person include such Person's successors and assigns to the extent not prohibited by this Agreement; and

1.2.11 References to a particular statute or regulation include all rules and regulations thereunder and any successor statute, rules or regulations then in effect, in each case, including the then-current amendments thereto.

ARTICLE 2 RESEARCH PROGRAM

2.1 Objective and Conduct of the Research Programs.

2.1.1 Objective and Conduct of the Research Programs. The Parties will conduct a research program for Licensed ADCs for each Initial Target and Substitute Target selected by Janssen in accordance with Article 3 (the program for each such Target, a "**Research Program**"), each in accordance with a Research Plan for such Research Program, a CMC Plan for such Research Program, the terms of this Agreement and Applicable Law in good scientific manner, as further described in this Article 2. The purpose of each Research Program will be to identify, develop and evaluate Licensed ADCs and Licensed Products with respect to a Target through IND/CTA submission for further Development, Manufacture and Commercialization by Janssen in accordance with this Agreement. Each Party will use Diligent Efforts to conduct the activities assigned to it under (and within the timelines contained in) each Research Plan during the Research Term and each CMC Plan during the CMC Term.

2.1.2 Objective and Conduct of [**]. Mersana will conduct a program to develop the [**] in accordance with Applicable Law and in good scientific manner, as further described in this Article 2. The purpose of the [**] will be to develop the [**] in order to achieve the [**], and Mersana will, during the Research Term, use Diligent Efforts to develop the [**] in order to achieve the [**].

2.2 Research Plans.

2.2.1 In General. There will be a separate Research Plan for each Research Program. Each Research Plan will set forth all of the Development activities (excluding CMC Development activities) to be conducted by the Parties under the Research Program for the applicable Target during the Research Term, including a timeline for the conduct of such activities, and the criteria for the Licensed ADCs to be delivered by Mersana pursuant to such Research Program (the "**ADC Criteria**"). The Research Plan for each Research Program may include activities to identify Licensed ADCs using one or both of the Dolasynthen Platform or [**] Directed to the relevant Target; [**] have been achieved by Mersana in accordance with Section 2.4.

2.2.2 Initial Plan. Following the Target Selection Date for an Initial Target or the Target Substitution Date for a Substitute Target, the Research Plan for the Research Program for such Initial Target (or Substitute Target) will be developed by the Parties and approved by the JRC. Each Research Plan shall be consistent with and substantially similar in scope (including any timelines, as adjusted to reflect the actual commencement date of the applicable Research Program) to the high-level template attached as Schedule 2.2.2 (the "**Research Plan Template**"). The Parties shall develop, and the JRC shall approve, the Research Plan for the Research Program for each Initial Target (or Substitute Target) within [**] following the applicable Target Selection Date (or Target Substitution Date, as applicable), or as soon as reasonably practicable thereafter.

2.2.3 Research Plan Responsibilities.

(a) Unless otherwise agreed by the Parties, the Parties acknowledge and agree that the responsibilities of the Parties in a Research Plan will generally be allocated as follows:

(i) Janssen will have primary responsibility for (1) providing the Janssen Antibodies in sufficient quantities and of sufficient quality for the conduct of the Research Plan activities, (2) biological activities, (3) *in vitro* and *in*

vivo experimentation, (4) management of Third Party relationships related to the Development of the Licensed ADCs and Licensed Products (but excluding the relationship with any Third Party related to the Mersana Platform Technology), (5) pre-IND and IND-enabling studies, and (6) preparation and submission of any INDs/CTAs; and

(ii) Mersana will have primary responsibility for (1) the conjugation of the Janssen Antibodies to Auristatin Compounds using the Dolasynthen Platform or [**], as applicable, and delivery of resulting Licensed ADCs that achieve the applicable ADC Criteria to Janssen, (2) management of the Synaffix relationship and any other Third Party relationships related to the Mersana Platform Technology, and (3) *in vitro* experimentation, if designated in a Research Plan. Each Party will bear all of its (and its Affiliates') costs for conducting the Research Plan activities assigned to it (unless otherwise agreed by the Parties).

(b) For each Research Plan, promptly after Mersana completes the activities to conjugate the relevant Janssen Antibodies to Auristatin Compounds using the Dolasynthen Platform or [**], as applicable, Mersana will deliver to Janssen the resulting Licensed ADCs that achieve the applicable ADC Criteria and a data package with respect to such activities and Licensed ADCs (each, a "**Data Package**"). Each Data Package will consist of any information, data, and results arising from the activities assigned to Mersana related to the achievement of the applicable ADC Criteria for the delivered Licensed ADCs to the extent necessary for Janssen to confirm that such Licensed ADCs have achieved the applicable ADC Criteria. In addition, [**] under this Agreement. Following receipt of a Data Package, the JRC will decide whether any of such Licensed ADCs should be the subject of pre-IND-enabling and IND-enabling studies under the Research Plan and CMC Development and Manufacturing activities under the associated CMC Plan. If necessary, the JRC will update the Research Plan, and the JMC will update the CMC Plan, to include activities specific to the selected Licensed ADCs. If none of the Licensed ADCs delivered by Mersana with respect to a Research Program satisfies the ADC Criteria for such Research Program, Mersana will use Diligent Efforts to repeat its activities under the Research Plan (including, if applicable, with different Janssen Antibodies) as reasonably necessary to enable Mersana to deliver Licensed ADCs that satisfy the applicable ADC Criteria, subject to Section 2.2.6.

(c) Following completion of pre-IND enabling and IND-enabling studies for the Licensed ADCs generated under a Research Program, Janssen will decide whether to submit an IND for any of such Licensed ADCs. Each Research Plan will be deemed to be completed on the date that an IND/CTA has been submitted to the applicable Regulatory Authority for all of such Licensed ADCs for which Janssen decides to submit an IND/CTA (for such Research Plan, the "**Research Completion Date**").

(d) Any Research Program may be terminated by decision of the JRC, including based on a determination of technical infeasibility of such Research Program.

2.2.4 Costs of Research Plan Activities. Each Party will bear all costs incurred by such Party and its Affiliates in conducting the activities allocated to it under the Research Plans, unless otherwise mutually agreed by the Parties.

2.2.5 Changes to Research Plans. During the Research Term, each Research Plan will be reviewed at least every [**] by the Joint Research Committee. Following such review, the Joint Research Committee may amend the Research Plan as appropriate to reflect any

developments and adjustments to the planned activities, as provided in Section 4.2. In addition, either Party may propose changes to a Research Plan from time to time during the Research Term, which shall be subject to review and approval by the Joint Research Committee, as provided in Section 4.2. Other than as explicitly approved by the Joint Research Committee (or, if applicable, the Executive Officers or Janssen) in accordance with Section 4.2, no changes, amendments or other modifications to an approved Research Plan shall be made by either Party. Any amendment to a Research Plan will become effective upon the date of JRC approval (or, if applicable, the date of approval by the Executive Officers or Janssen) in accordance with Section 4.2. Notwithstanding anything to the contrary herein, the ADC Criteria in a Research Plan may only be changed by the mutual agreement of the Parties.

2.2.6 Technical Infeasibility. If Mersana reasonably believes that any task or activity in a Research Plan is technically infeasible to accomplish (including in the case that Mersana reasonably believes that it is not technically feasible to generate Licensed ADCs that satisfy the applicable ADC Criteria), Mersana may request a special meeting of the JRC to discuss Mersana's concerns with respect to such task or activity. Mersana may also propose an amendment to the Research Plan to address such concerns in accordance with Section 2.2.5. The JRC will meet within [**] after such request to discuss Mersana's concerns and, if applicable, to decide whether to approve Mersana's proposed amendment to the Research Plan.

2.3 CMC Plans and CMC/Preclinical Supply Budgets.

2.3.1 In General. There will be a separate CMC Plan for each Research Program. Each CMC Plan will set forth all of the CMC Development and Manufacturing activities to be conducted by the Parties in relation to a Research Program for a Target, including the CMC Development work required for Mersana to Manufacture (or have Manufactured) the Licensed ADCs that Mersana is obligated to supply under Section 6.3.2. Each CMC Plan shall be accompanied by a rolling, [**] budget for (a) the CMC Costs to be incurred by Mersana and its Affiliates in conducting the CMC Development activities described in the CMC Plan that are scheduled to be commenced or conducted during the [**] and (b) the Supply Costs for preclinical supplies of Licensed ADCs that Mersana is obligated to supply under Section 6.3.2 during the [**] (the "**CMC/Preclinical Supply Budget**"). The CMC/Preclinical Supply Budget shall be broken down by [**] and, for each [**], shall be broken down by the components of costs (*i.e.*, [**]). The Mersana and Janssen finance teams shall meet to discuss such budgets at least [**].

2.3.2 Initial CMC Plan and CMC/Preclinical Supply Budget. Promptly following the Target Selection Date for an Initial Target or the Target Substitution Date for a Substitute Target, the initial CMC Plan for the Research Program for such Target will be developed and approved by the JMC within [**] following the Target Selection Date (or Target Substitution Date, as applicable), or as soon as reasonably practicable thereafter. Each CMC Plan (including all amendments thereto) shall be consistent with and substantially similar in scope to the high-level template attached as Schedule 2.3.2 (the "**CMC Plan Template**"). Mersana shall provide an initial CMC/Preclinical Supply Budget proposal to Janssen for each initial CMC Plan promptly following JMC approval of an initial CMC Plan. As soon as reasonably practicable thereafter, the Parties will review and discuss the initial CMC/Preclinical Supply Budget proposal and any changes requested by Janssen. The CMC/Preclinical Supply Budget will not go into effect unless and until (a) Janssen has agreed to the CMC/Preclinical Supply Budget proposed by Mersana or (b) the Parties have mutually agreed on any changes to the CMC/Preclinical Supply Budget proposed by Mersana. Notwithstanding anything to the contrary herein, Mersana shall not be obligated to perform any CMC Plan activities until the initial CMC Plan has been approved by the JMC and the initial CMC/Preclinical Supply Budget has been approved as described in the preceding sentence.

2.3.3 CMC Plan Responsibilities.

(a) Unless otherwise agreed by the Parties, the Parties acknowledge and agree that the responsibilities of the Parties in each CMC Plan will be generally allocated as follows:

(i) Janssen will have primary responsibility for (1) supplying Mersana with Janssen Antibodies in sufficient quantities and of sufficient quality for the conduct of the CMC Development and Manufacturing activities allocated to Mersana under the CMC Plan and (2) performing all CMC Development and Manufacturing of Licensed ADCs and Licensed Products not otherwise allocated to Mersana, to the extent necessary to conduct the Research Plan activities for the applicable Target; and

(ii) Mersana will have primary responsibility for (1) Manufacturing and supplying sufficient quantities of bulk drug substance of Licensed ADCs for the conduct of the Research Plan activities for such Target as provided in Section 6.3.1 and Section 6.3.2 and (2) conducting CMC Development activities necessary to support such Manufacturing activities and, if applicable, to support Mersana's Manufacturing activities under Section 6.3.3.

(b) A CMC Plan will be deemed to be completed on the date on that the last activity set forth in such plan is completed (the "**CMC Completion Date**").

2.3.4 Costs of CMC Plan Activities. Janssen shall reimburse Mersana's CMC Costs for CMC Development activities allocated to Mersana under the CMC Plans, and Janssen shall pay Mersana's Supply Costs for preclinical supplies of Licensed ADCs supplied by Mersana to Janssen under the CMC Plans, in accordance with Section 8.2.

2.3.5 Changes to CMC Plans and CMC/Preclinical Supply Budgets.

(a) Following the approval of an initial CMC Plan and initial CMC/Preclinical Supply Budget in accordance with Section 2.3.2 and ending on the CMC Completion Date for such CMC Plan, the applicable CMC Plan will be reviewed at least every [**] by the Joint Manufacturing Committee. Following such review, the Joint Manufacturing Committee may amend the CMC Plan as appropriate to reflect any developments and adjustments to the planned activities, as provided in Section 4.3. In addition, either Party may propose changes to a CMC Plan, which shall be subject to review and approval by the Joint Manufacturing Committee, as provided in Section 4.3. Other than as explicitly approved by the Joint Manufacturing Committee (or, if applicable, the Executive Officers or Janssen) in accordance with Section 4.3, no changes, amendments or other modifications to an approved CMC Plan shall be made by either Party. Any amendment to a CMC Plan will become effective upon the date of JMC approval (or, if applicable, the date of approval by the Executive Officers or Janssen) in accordance with Section 4.3.

(b) During the period beginning on the date of the mutual agreement of the Parties on an initial CMC/Preclinical Supply Budget and ending on the applicable CMC Completion Date, Mersana shall propose an updated CMC/Preclinical Supply Budget to the JMC no later than [**] of each Calendar Year under which the CMC Plan is applicable. Mersana may also propose amendments to the CMC/Preclinical Supply Budget to the JMC upon any amendment to the CMC Plan in Section 2.3.5(a) which affects the CMC/Preclinical Supply Budget or if Mersana believes the then-current CMC/Preclinical Supply Budget does not accurately reflect the anticipated CMC Costs or

Supply Costs to be incurred under any amended CMC Plan. In each such case, the Parties will then review and discuss such proposal through the JMC and, if appropriate, the JMC will approve a revised CMC/Preclinical Supply Budget as soon as reasonably practicable thereafter. If Mersana proposes an amendment to increase the then-current CMC/Preclinical Supply Budget to account for (i) an amendment to the CMC Plan in Section 2.3.5(a) that affects the CMC/Preclinical Supply Budget or (ii) an increase in the costs charged by a Third Party supplier or vendor for an activity allocated to Mersana under the CMC Plan, and (in either case ((i) or (ii))) the JMC does not approve such amendment, then Mersana will not be obligated to conduct the applicable activity(ies) unless and until the JMC approves an amendment to the CMC/Preclinical Supply Budget.

2.4 [**].

2.4.1 In General. Separate from any Research Plan, Mersana will be responsible for [**]. If the [**], Mersana will promptly notify Janssen, which [**]. Following such [**], Janssen will have [**] to determine whether [**] and will notify Mersana during such [**] period whether (a) the [**], or (b) Janssen reasonably determines that the [**], provided that such [**] will be deemed to be complete if Janssen fails to provide a [**] within such [**] period. Each [**] with respect to (b) above shall indicate the [**], including [**], and Mersana will promptly provide any such [**] to Janssen if available in Mersana's possession [**]. Janssen will have an additional [**] from receipt of a [**] (including any such available [**] provided in response to Janssen's [**] under (b) above) to [**] to confirm whether the [**]. If Janssen [**] during such [**] period that it [**], then the Parties will discuss in good faith and resolve such dispute in accordance with Section 20.3. If it is determined in accordance with Section 20.3 that the [**], then Mersana shall continue to use [**] in order to [**] during the Research Term. Failure by Janssen to [**] of dispute within such [**] period will be deemed agreement that the [**]. Mersana will have no further obligation under this Agreement to [**] following the earlier of (i) the [**], and (ii) the end of the Research Term, unless otherwise mutually agreed by the Parties. If Janssen elects to incorporate the then-current [**] despite the [**], the [**] will be [**] for purposes of this Agreement (including [**]). Mersana shall be solely responsible for the [**], including [**] in connection therewith.

2.4.2 [**]. During the Research Term, in the event that Mersana in good faith believes that [**], then the Parties will meet in good faith to discuss potential amendments to the [**]; *provided* that the [**] may only be amended by the mutual agreement of the Parties.

2.5 Restrictions on Use.

2.5.1 Janssen Antibodies. During and after the Term, neither Mersana nor any of its Affiliates will use, nor have any right to use, any Janssen Antibody that is proprietary to Janssen (as a result of being Covered by a Patent Right controlled by Janssen or the subject of a Janssen trade secret) except to the extent Mersana is granted a license to use the Janssen Antibodies to conduct Mersana's activities under each Research Plan during the Research Term, to conduct Mersana's activities under each CMC Plan during the CMC Term under Section 5.2 and, if applicable, to Manufacture clinical supplies of Licensed ADCs under Section 6.3. For clarity, Janssen retains the right to use any Janssen Antibody in any product that is not a Licensed ADC or Licensed Product during or after the Term.

2.5.2 Mersana Platform. During and after the Term, neither Janssen nor any of its Affiliates or Sublicensees will have any right under this Agreement to use the Mersana Platform and the Mersana Technology except to the extent Janssen is granted a license to use the Mersana Platform and Mersana Technology as set forth in Section 5.1. [**]. For clarity, and subject to Section [**].

2.6 Records and Reports.

2.6.1 Records. The Parties shall maintain, and cause their Affiliates and Sublicensees to maintain, in good scientific manner, complete and accurate books and records pertaining to its activities under each Research Plan and each CMC Plan, in sufficient detail to verify compliance with its obligations under this Agreement and which books and records shall (a) be appropriate for patent and regulatory purposes, (b) be kept and maintained in compliance with Applicable Law and (c) properly reflect all work done and results achieved in the performance of its activities under each Research Plan and each CMC Plan. Such books and records shall be retained by each Party for at least [**] after the expiration or termination of this Agreement in its entirety or for such longer period as may be required by Applicable Law. Each Party shall have the right, during normal business hours and upon reasonable notice, to inspect and copy all records of the other Party maintained with respect to such Research Plan and such CMC Plan pursuant to this Section 2.6.1.

2.6.2 Reports. Each Party shall provide the Joint Research Committee and the Joint Manufacturing Committee with periodic updates and reports relating to its activities under each Research Plan and CMC Plan, respectively, including a summary of any material results and data generated by such Party under the Research Plan or CMC Plan during the period covered by such reports [**] arising from Mersana's activities under such Research Plan and CMC Plan. Mersana will also provide the Joint Research Committee with periodic updates and reports relating to its activities under the [**], including a summary of any results and data generated by Mersana under the [**] during the period covered by such reports (and, if reasonably requested by Janssen, the [**]), provided that Mersana shall not be obligated to disclose any results and data related to such development activities to Janssen, except to the extent reasonably necessary (a) to demonstrate the achievement of the [**], (b) for Janssen to evaluate any lead candidates for the [**] other than the candidate(s) described in the [**] (including [**]), and (c) for Janssen to conduct reasonable due diligence on the [**] commensurate in scope (to the extent the applicable information is available) with Janssen's due diligence on the Dolasynthen Platform prior to the Effective Date (including any biology data, but excluding any chemistry synthesis data). [**].

2.7 Subcontractors. Each Party may subcontract the performance of any activities allocated to it under the Research Plans and the CMC Plans, Mersana may subcontract any of its Manufacturing activities for the Licensed ADCs or activities under the [**], and Janssen may subcontract any of its Development, Manufacture and Commercialization activities for the Licensed ADCs and Licensed Products, to its Affiliates or to Third Party subcontractors ("**Subcontractors**"); [**] (other than the Subcontractors set forth on Schedule 2.7) [**]. The subcontracting Party will remain responsible for the work allocated to such Subcontractors to the same extent as if it had performed such work itself. All subcontracted activities will be conducted pursuant to a written agreement between the subcontracting Party and the Subcontractor, which will be consistent with the terms and conditions of this Agreement and will: (a) include obligations of non-use and non-disclosure with respect to Confidential Information no less restrictive than those set forth in this Agreement; (b) require the applicable Subcontractor to assign to such Party its rights in any Know-How conceived and reduced to practice by such Subcontractor in the course of performing such work (provided that such Know-How is not an improvement to the Subcontractor's background intellectual property rights, in which case it will be acceptable for the applicable Party to obtain a sublicensable license to such Know-How for use with the deliverables arising from its engagement); and (c) grant Mersana the right to audit the Subcontractor's performance at least [**]. The subcontracting Party will oversee the performance of its Subcontractors. Janssen will have the right from time to time, but not more than [**] (except as otherwise agreed by the Parties, including as set forth in the Clinical Supply Agreement), to, at Janssen's election, either (i) accompany Mersana on its audit of the performance of Mersana's Subcontractors conducting activities under this Agreement or

(ii) request that Mersana audit the performance of Mersana's Subcontractors conducting activities under this Agreement, in which case Mersana will conduct such audit and will provide to Janssen all documentation regarding the results of such audit. Each Party shall be responsible and liable for any and all failures by such Subcontractor to comply with the applicable terms of this Agreement.

2.8 Materials.

2.8.1 Use Restrictions. Each Party may transfer to the other Party certain biological or chemical materials or sequences in connection with the performance of activities under the Research Plans or CMC Plans, including any such materials to which Mersana has a license to under the Synaffix Agreement ("**Materials**"). Mersana shall ensure that any Materials licensed from Synaffix that are transferred to Janssen are transferred in compliance with the Synaffix Agreement. The receiving Party shall use the Materials provided by the other Party in compliance with Applicable Laws, and solely to perform activities assigned to the receiving Party under the Research Plan or CMC Plan, and not for any other purpose. The receiving Party shall not transfer any Materials provided by the other Party to any Third Party without the other Party's prior written consent. Other than as necessary for the performance of activities under the Research Plan or CMC Plan, the receiving Party shall not, and shall cause any transferees to not, copy, reproduce, synthesize, disassemble, reverse engineer, or attempt to disassemble or reverse engineer (including via sequencing techniques), any Materials provided by the other Party without the other Party's prior written consent or unless expressly provided for in the Research Plan or CMC Plan. This Section will not apply to any Licensed ADCs or Licensed Products provided by Mersana to Janssen under this Agreement.

2.8.2 Disclaimer. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, ALL MATERIALS PROVIDED ARE PROVIDED "AS IS" AND THE PROVIDING PARTY PROVIDES NO REPRESENTATIONS OR WARRANTIES FOR THE MATERIALS OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY, NON-INFRINGEMENT OR FITNESS FOR A PARTICULAR PURPOSE.

ARTICLE 3 TARGET SELECTION

3.1 Reserved Antigen List.

3.1.1 Initial Reserved Antigen List.

(a) Attached hereto as Schedule 3.1.1 is a list of Antigens or [**] that the Parties have agreed are, as of the Effective Date, Available for selection by Janssen as Targets under this Agreement (such list, as it may be updated from time to time in accordance with this Section 3.1, the "**Reserved Antigen List**"). The total number of Reserved Antigens on the Reserved Antigen List shall at no time exceed the then-current Maximum Reserved Antigen Amount.

(b) For purposes of this Agreement, the "**Maximum Reserved Antigen Amount**" means, at a given time, an amount equal to [**]. For clarity, as of the Effective Date, there are three (3) Target Selection Rights (as provided in Section 3.2).

3.1.2 Changes to Reserved Antigen List.

(a) *Rights to Add and Replace Reserved Antigens*. At any time prior to the expiration of all of Janssen's Target Selection Rights, Janssen may (i) add additional Antigens or [**] to the Reserved Antigen List or (ii) replace existing Reserved

Antigens with new Antigens or [**], subject, in each case ((i) and (ii)), to the then-current Maximum Reserved Antigen Amount; provided that any such replacement as described in clause (ii) may only occur for up to [**] Reserved Antigens in the aggregate during the Research Term.

(b) *Process to Add or Replace Reserved Antigens*. Each such proposed update to the Reserved Antigen List (i.e., addition of a new Reserved Antigen or replacement of a Reserved Antigen) will comply with the following process:

(i) *Notice from Janssen to Gatekeeper*. Janssen will provide written notice (a "**Proposed Antigen Notice**") to the Gatekeeper identifying the proposed new Antigen or [**] (each, a "**Proposed Antigen**"). Each Proposed Antigen Notice will include a written description of the Proposed Antigen (including the name, aliases and Target Identifier, if available).

(ii) *Notice from Janssen to Mersana.* Concurrently with the Proposed Antigen Notice, Janssen will provide written notice to Mersana stating only that Janssen has commenced the process of updating the Reserved Antigen List under this Section 3.1.2 and if such Proposed Antigen is intended to replace a Reserved Antigen. Such notice will not include any information regarding the Proposed Antigens.

(iii) *List from Mersana to Gatekeeper.* Within [**] of Mersana's receipt of such notice from Janssen, Mersana will provide the Gatekeeper with a complete and correct list of Antigens or [**] (including the names, aliases, and Target Identifiers if available) that are not Available.

(iv) *Gatekeeper Determination of Availability.* Within [**] of the Gatekeeper's receipt of the list from Mersana pursuant to Section 3.1.2(b)(iii), the Gatekeeper will (x) compare the Proposed Antigen with the list of Antigens or [**] provided by Mersana to the Gatekeeper pursuant to Section 3.1.2(b)(iii), and (y) notify Janssen whether the Proposed Antigen is Available or is not Available. The fact that a Proposed Antigen is Available or is not Available shall be the Confidential Information of Mersana.

(v) *Notice to Mersana; Determination of Availability from Synaffix*. If the Proposed Antigen is Available, then Janssen shall provide Mersana with written notice of the specific Proposed Antigen, and pursuant and subject to the terms of the Synaffix Agreement, Mersana will determine whether the Proposed Antigen is a Synaffix Unavailable Target. If the Proposed Antigen is intended to replace a Reserved Antigen, then Janssen's notice to Mersana under this Section 3.1.2(b)(v) shall identify such Reserved Antigen to be so replaced.

(vi) *Effective Date of Addition or Replacement*. Subject to Section 3.4, (x) such Proposed Antigen shall be deemed added to the Reserved Antigen List, and will be deemed to be a Reserved Antigen for all purposes of this Agreement, as of the date of such notice under Section 3.1.2(b)(v) and (y) if such Proposed Antigen is intended to replace a Reserved Antigen, then the replaced Reserved Antigen will automatically be deemed to be removed from the Reserved Antigen List, and will no longer be a Reserved Antigen for purposes of this Agreement, as of the date of such notice under Section 3.1.2(b)(v).

(vii) *Right to Repeat Process if Unavailable.* If the Proposed Antigen is identified by the Gatekeeper as not Available, then Janssen may repeat

the process described in this Section 3.1.2 one or more times, subject in each case to the then-current Maximum Reserved Antigen Amount.

3.1.3 Removal of Reserved Antigens from Reserved Antigen List. If (a) any Target Selection Right expires without having been exercised by Janssen pursuant to Section 3.2.5 or (b) a Target Selection Date occurs following the exercise of Janssen's exercise of its Target Selection Right pursuant to Section 3.2, then (in each case (a) or (b)) Janssen shall remove from the Reserved Antigen List such number of Reserved Antigens as is necessary so that the Reserved Antigens do not exceed the Maximum Reserved Antigen Amount. Under (a) or (b) above, unless a Proposed Target was a Reserved Antigen, Janssen will provide written notice to Mersana of the Reserved Antigens to be removed from the Reserved Antigen List in the applicable Proposed Target Notice or within [**] following the expiration of the Target Selection Right or the Target Selection Date, as applicable; [**]. The Reserved Antigens specified in Janssen's notice [**] will automatically be deemed to be removed from the Reserved Antigen List upon receipt of the applicable notification by Mersana [**], and will no longer be deemed Reserved Antigens. Under (b) above, if a Proposed Target was a Reserved Antigen, then the Reserved Antigen that was selected as a Target will be automatically removed from the Reserved Antigen List upon the occurrence of the Target Selection Date, and will no longer be deemed a Reserved Antigen. For clarity, the Reserved Antigens removed from the Reserved Antigen List will no longer be subject to exclusivity under Section 5.5.1.

3.1.4 Updated Reserved Antigen List. Upon request of either Party, the Parties will prepare an updated Reserved Antigen List to reflect any changes made pursuant to this Section 3.1.

3.2 Target Selection. Subject to Section 3.2.5, Janssen shall have the right, in its sole discretion, to select up to three (3) Antigens or [**] (which may be either Reserved Antigens or other Antigens or [**]) as Initial Targets pursuant to the process set forth below in this Section 3.2 (each, a "**Target Selection Right**").

3.2.1 Notice from Janssen to Mersana; Proposed Target Deadlines. Janssen shall provide written notice to Mersana of its desire to select a Reserved Antigen (or other Antigen or [**]) (each, a "**Proposed Target**") as an Initial Target (each a "**Proposed Target Notice**"): (a) no later than [**] after the Effective Date, with respect to selection of the first Initial Target; (b) no later than [**] after the Effective Date, with respect to selection of the second Initial Target; and (c) no later than [**] after the Effective Date, with respect to selection of the third Initial Target (each, a "**Proposed Target Deadline**"). The Proposed Target Notice will also indicate whether Janssen has designated the Proposed Target to be a Non-Synaffix Target or a Synaffix Target. In accordance with Section 3.2.5, the Proposed Target Deadline for an Initial Target may be extended. If a Proposed Target is a Reserved Antigen, the Proposed Target Notice will identify the Proposed Target (including the name, aliases, and Target Identifier, if available). If a Proposed Target is not a Reserved Antigen, the Proposed Target Notice will indicate only that Janssen intends to select a Proposed Target that is not a Reserved Antigen as an Initial Target and is commencing the procedures set forth in Section 3.2.2 to determine whether such Proposed Target is Available.

3.2.2 Additional Procedures if Not a Reserved Antigen. If the Proposed Target is not a Reserved Antigen, the Parties shall follow the procedures set forth in Section 3.1.2(b)(i) through Section 3.1.2(b)(iv) to determine whether such Proposed Target is Available. If such Proposed Target is Available, Janssen shall provide to Mersana an updated Proposed Target Notice that identifies the Proposed Target (including the name, aliases, and Target Identifier if available) within [**] of the date of the Gatekeeper's notice to Janssen under Section 3.1.2(b)(iv).

3.2.3 Determination of Availability from Synaffix or Use of Substitute Conjugation Technology. After completing the procedures in Section 3.2.1 and, if applicable, Section 3.2.2, Mersana will (a) if the Proposed Target was designated a Synaffix Target in the Proposed Target Notice, follow the procedures set forth in Section 3.4 to determine whether the Proposed Target is a Synaffix Available Target or a Synaffix Unavailable Target, or (b) if the Proposed Target was already designated a Non-Synaffix Target in the Proposed Target Notice, follow the procedures set forth in Section 3.4.3(b) to obtain approval from the JRC with respect to use of Substitute Conjugation Technology.

3.2.4 Effective Date of Initial Target Selection if Available.

(a) If such Proposed Target is a Non-Synaffix Target and is a Reserved Antigen, then such Proposed Target will become an Initial Target as of the following date: (i) if Competition Law Filings are not required with respect to such Target Selection Right under Section 3.6.1, the date that the JRC approves the use of Substitute Conjugation Technology under Section 3.4.3(b) with respect to such Proposed Target; or (ii) if Competition Law Filings are required with respect to such Target Selection Right under Section 3.6.1, the later of (A) the Clearance Date with respect to such Proposed Target, and (B) the date that the JRC approves the use of Substitute Conjugation Technology under Section 3.4.3(b) with respect to such Proposed Target.

(b) If such Proposed Target is a Non-Synaffix Target, and is not a Reserved Antigen but is otherwise determined to be Available, then such Proposed Target will become an Initial Target as of the following date: (i) if Competition Law Filings are not required with respect to such Target Selection Right under Section 3.6.1, the date that the JRC approves the use of Substitute Conjugation Technology under Section 3.4.3(b) with respect to such Proposed Target; or (ii) if Competition Law Filings are required with respect to such Target Selection Right under Section 3.6.1, the later of (A) the Clearance Date with respect to such Proposed Target, and (B) the date that the JRC approves the use of Substitute Conjugation Technology under Section 3.4.3(b) with respect to such Proposed Target.

(c) If such Proposed Target is a Synaffix Available Target and is a Reserved Antigen, then, subject to Section 3.4, such Proposed Target will become an Initial Target as of the following date: (i) if Competition Law Filings are not required with respect to such Target Selection Right under Section 3.6.1, the date such Proposed Target is determined to be a Synaffix Available Target pursuant to Section 3.4.2; or (ii) if Competition Law Filings are required with respect to such Target Selection Right under Section 3.6.1, the date following the Clearance Date that (x) Synaffix or its representatives have provided notice to Mersana that the applicable Proposed Target is a Synaffix Available Target in connection with the Post-HSR Synaffix Check or (y) such Proposed Target is designated in accordance with Section 3.4.2 to be a Non-Synaffix Target in connection with such Post-HSR Synaffix Check and the JRC has determined to use Substitute Conjugation Technology with respect to such Proposed Target in accordance with Section 3.4.3(b).

(d) If such Proposed Target is a Synaffix Available Target and is not a Reserved Antigen but is otherwise determined to be Available, then such Proposed Target will become an Initial Target as of the following date: (i) if Competition Law Filings are not required with respect to such Target Selection Right under Section 3.6.1, the date such Proposed Target is determined to be a Synaffix Available Target pursuant to Section 3.4.2; or (ii) if Competition Law Filings are required with respect to such Target Selection Right under Section 3.6.1, the date following the Clearance Date that (x) Synaffix or its representatives have provided notice to Mersana that the applicable

Proposed Target is a Synaffix Available Target in connection with the Post-HSR Synaffix Check or (y) such Proposed Target is designated in accordance with Section 3.4.2 to be a Non-Synaffix Target in connection with such Post-HSR Synaffix Check and the JRC has determined to use Substitute Conjugation Technology with respect to such Proposed Target in accordance with Section 3.4.3(b) (such date described in clause (a) through (d), as applicable, the "**Target Selection Date**" of such Initial Target).

3.2.5 Expiration of Target Selection Rights.

(a) *Expiration*. If Janssen does not submit a Proposed Target Notice on or before the Proposed Target Deadline for an Initial Target, the Target Selection Right with respect to such Initial Target will expire and be of no further force or effect.

(b) *Extension of Deadline*. Subject to the proviso in the second sentence of this Section 3.2.5(b), if Janssen submits a Proposed Target Notice on or before the Proposed Target Deadline for an Initial Target, but if (i) the applicable Proposed Target is not Available, (ii) the applicable Proposed Target is a Synaffix Unavailable Target (and is a Synaffix Target) or (iii) Competition Law Filings are required with respect to such Initial Target and a Party withdraws such Proposed Target Notice in accordance with Section 3.6.1(b), then, in each case, such Proposed Target Deadline shall be extended for an additional [**] to permit Janssen to provide a new Proposed Target Notice to Mersana. A Proposed Target Deadline may be extended in accordance with the first sentence of this Section 3.2.5(b) multiple times until either (x) there is a Target Selection Date for such Initial Target, or (y) Janssen fails to deliver a new Proposed Target Notice to Mersana by the extended Proposed Target Deadline; provided, however, that the Proposed Target Deadline may not be extended past [**] prior to the Option Term Expiration Date (as defined in the Synaffix Agreement) for the applicable Option (as defined in the Synaffix Agreement) under the Synaffix Agreement unless the Proposed Target is a Non-Synaffix Target.

(c) *Separate Deadlines for Initial Targets*. A failure by Janssen to provide a Proposed Target Notice to Mersana by the applicable Proposed Target Deadline for the first Initial Target or second Initial Target shall not limit Janssen's right to select any subsequent Initial Target (e.g., if Janssen does not provide a Proposed Target Notice for a first Initial Target by the applicable Proposed Target Deadline (i.e., [**] after the Effective Date unless extended), Janssen may still submit a Proposed Target Notice for the second Initial Target and third Initial Target by their applicable Proposed Target Deadlines).

3.3 Target Substitution. On an Initial Target-by-Initial Target basis, at any time prior to the earlier of (a) completion of Non-GLP Toxicology Studies for the first Licensed ADC Directed to the applicable Initial Target under a Research Program, and (b) [**] following the Target Selection Date for such Initial Target (the "**Proposed Substitution Deadline**"), Janssen shall have the right, in its sole discretion, to substitute for such Initial Target another Reserved Antigen or other Antigen or [**] pursuant to the process set forth in this Section 3.3 (each, a "**Target Substitution Right**"); provided that the Proposed Substitution Deadline for the first Target Substitution Right exercised by Janssen under this Agreement shall be no later than [**] before the deadline for exercise of the Initial Target Substitution Right (as defined in the Synaffix Agreement) with respect to the applicable Initial Target under Section 2.9(a) of the Synaffix Agreement, unless the Proposed Substitute Target with respect to such Initial Target is a Non-Synaffix Target. For each Initial Target, a substitution may be made under this Section 3.3 only one time.

3.3.1 Notice from Janssen to Mersana. If Janssen desires to make a substitution for an Initial Target, Janssen shall provide written notice to Mersana of its desire to select a Reserved Antigen (or other Antigen or [**]) (each, a "**Proposed Substitute Target**") as a Substitute Target for such Initial Target (each a "**Proposed Substitution Notice**") no later than the Proposed Substitution Deadline for such Initial Target. The Proposed Substitution Notice will also indicate whether Janssen has designated the Proposed Target to be a Non-Synaffix Target or a Synaffix Target. If the Proposed Substitute Target is a Reserved Antigen, the Proposed Substitution Notice will identify the Proposed Substitute Target (including the name, aliases, and Target Identifier if available). If a Proposed Substitute Target is not a Reserved Antigen, the Proposed Substitution Notice will indicate only that Janssen intends to select a Proposed Substitute Target that is not a Reserved Antigen as a Substitute Target and is commencing the procedures set forth in Section 3.3.2 to determine whether such Proposed Substitute Target is Available. In either case, the Proposed Substitution Notice will identify the Initial Target for which Janssen intends to make a substitution.

3.3.2 Additional Procedures if Not a Reserved Antigen. If such Proposed Substitute Target is not a Reserved Antigen, the Parties shall follow the procedures set forth in Section 3.1.2(b)(i) through Section 3.1.2(b)(iv) to determine whether such Proposed Substitute Target is Available. If such Proposed Substitute Target is Available, Janssen shall provide to Mersana, within [**] of the date of the Gatekeeper's notice to Janssen under Section 3.1.2(b)(iv), an updated Proposed Substitution Notice that identifies the Proposed Substitute Target (including the name, aliases, and Target Identifier, if available).

3.3.3 Determination of Availability from Synaffix or Use of Substitute Conjugation Technology. After completing the procedures in Section 3.3.1 and, if applicable, Section 3.3.2, Mersana will (a) if the Proposed Substitute Target was designated Synaffix Target in the Proposed Substitution Notice, follow the procedures set forth in Section 3.4 to determine whether the Proposed Substitute Target is a Synaffix Available Target or a Synaffix Unavailable Target, or (b) if the Proposed Substitute Target was already designated a Non-Synaffix Target in the Proposed Substitution Notice, follow the procedures set forth in Section 3.4.3(b) to obtain approval from the JRC with respect to use of Substitute Conjugation Technology.

3.3.4 Effective Date of Substitution if Available.

(a) If such Proposed Substitute Target is a Non-Synaffix Target and is Available, then such Proposed Target will become a Substitute Target as of the following date: (i) if Competition Law Filings are not required with respect to such Target Substitution Right under Section 3.6.1, the date that the JRC approves the use of Substitute Conjugation Technology under Section 3.4.3(b) with respect to such Proposed Substitute Target; or (ii) if Competition Law Filings are required with respect to such Target Substitution Right under Section 3.6.1, the later of (A) the Clearance Date with respect to such Proposed Substitute Target, and (B) the date that the JRC approves the use of Substitute Conjugation Technology under Section 3.4.3(b) with respect to such Proposed Substitute Target.

(b) If such Proposed Substitute Target is a Synaffix Available Target and is Available, then such Proposed Substitute Target will become a Substitute Target as of the following date: (i) if Competition Law Filings are not required with respect to such Target Substitution Right under Section 3.6.1, the date such Proposed Substitute Target is determined to be a Synaffix Available Target pursuant to Section 3.4.2; or (ii) if Competition Law Filings are required with respect to such Target Substitution Right under Section 3.6.1, the date following the Clearance Date that (x) Synaffix or its representatives have provided notice to Mersana that the applicable Proposed Substitute Target is a Synaffix Available Target in connection with the Post-HSR Synaffix Check or

(y) such Proposed Target is designated in accordance with Section 3.4.2 to be a Non-Synaffix Target in connection with such Post-HSR Synaffix Check and the JRC has determined to use Substitute Conjugation Technology with respect to such Proposed Target in accordance with Section 3.4.3 (such date described in clause (a) or (b), as applicable, the "**Target Substitution Date**" for such Proposed Substitute Target).

3.3.5 Cost of Target Substitution. Janssen may exercise a Target Substitution Right one time [**]. Following the second exercise of a Target Substitution Right, if any, Janssen shall pay to Mersana [**], in consideration for the second and third (if any) exercise of the Target Substitution Rights. Janssen shall make such payment within [**] following receipt of an invoice for such substitution fee from Mersana after the Target Substitution Date with respect to such Substitute Target. For the avoidance of doubt, [**] payable to Mersana following the third exercise (if any) of a Target Substitution Right.

3.3.6 Former Targets. Upon replacement of an Initial Target with a Substitute Target (such replaced Initial Target, a "**Former Target**"), the Former Target shall no longer be deemed a Target for purposes of this Agreement and shall no longer be Available. For clarity, Mersana shall have no further exclusivity obligations under Section 5.5 with respect to a Former Target and Janssen shall have no further rights or license under this Agreement to continue Development, Manufacturing or Commercialization of Licensed ADCs or Licensed Products Directed to a Former Target.

3.3.7 Certain Milestone Payments for Substituted Targets. For the avoidance of doubt, if Development Milestone Event No. 1.a or Development Milestone Event 1.b is achieved with respect to a Substitute Target, [**].

3.3.8 Expiration of Target Substitution Rights.

(a) *Expiration*. If Janssen does not submit a Proposed Substitution Notice on or before the Proposed Substitution Deadline for an Initial Target, the Target Substitution Right with respect to such Initial Target will expire and be of no further force or effect. In addition, if the Target Selection Right for an Initial Target expires pursuant to Section 3.2.5 without having been exercised by Janssen, then the Target Substitution Right for such Initial Target shall automatically expire upon expiration of the Target Selection Right.

(b) *Extension of Deadline*. Subject to the proviso in the second sentence of this Section 3.3.8(b), if Janssen submits a Proposed Substitution Notice on or before the Proposed Substitution Deadline for an Initial Target, but if (i) the applicable Proposed Substitute Target is not Available, (ii) the applicable Proposed Substitute Target is a Synaffix Unavailable Target (and is not a Non-Synaffix Target) or (iii) Competition Law Filings are required with respect to such Target and a Party withdraws such Proposed Substitution Notice in accordance with Section 3.6.1(b), then, in each case, the Proposed Substitution Deadline shall be extended for an additional [**] to permit Janssen to provide a new Proposed Substitution Notice to Mersana. A Proposed Substitution Deadline may be extended in accordance with the first sentence of this Section 3.3.8(b) multiple times until either (x) Janssen provides a Proposed Substitution Notice for a Proposed Substitute Target that is Available and is a Synaffix Available Target, or (y) Janssen fails to deliver a new Proposed Substitution Notice to Mersana by the extended Proposed Substitution Deadline; provided that the Proposed Substitution Deadline for the first Target Substitution Right exercised by Janssen under this Agreement shall be no later than [**] before the deadline for exercise of the Initial Target Substitution Right with respect to the applicable Initial Target under Section 2.9(a) of the

Synaffix Agreement, unless the Proposed Substitute Target with respect to such Initial Target is a Non-Synaffix Target.

3.4 Availability of Targets under Synaffix Agreement.

3.4.1 Quarterly Updates. For each Reserved Antigen, until such time as such Reserved Antigen becomes a Target or is removed from the Reserved Antigen List, Mersana will, on a calendar quarterly basis, inquire with Synaffix pursuant to the procedure set forth in Section 2.2(b) of the Synaffix Agreement whether such Reserved Antigen has become a Synaffix Unavailable Target. Mersana will promptly notify Janssen after becoming aware that any Reserved Antigen has become a Synaffix Unavailable Target. In such event, Janssen shall have the right, in its sole discretion, to either (a) update the Reserved Antigen List to replace such Reserved Antigen with a new Proposed Antigen pursuant to Section 3.1.2 or (b) keep such Reserved Antigen on the Reserved Antigen List, subject to Section 3.4.3.

3.4.2 Availability Confirmation.

(a) *Proposed Antigens*. With respect to any Proposed Antigen, within [**] after any Proposed Antigen Notice provided by Janssen to Mersana under Section 3.1.2(b)(v), Mersana will inquire with Synaffix (pursuant to and subject to the procedure set forth in Section 2.2(b) of the Synaffix Agreement) whether such Proposed Antigen is a Synaffix Unavailable Target. If such Proposed Antigen is a Synaffix Unavailable Target, Janssen shall have the right, in its sole discretion, to either (i) decline to add such Proposed Antigen to the Reserved Antigen List, or (ii) elect to add such Proposed Antigen to the Reserved Antigen List but subject to the limitations on use of Licensed Technology (as defined in the Synaffix Agreement) set forth in Section 3.4.3. If such Proposed Antigen is a Synaffix Available Target, then such Proposed Antigen shall automatically become a Reserved Antigen as set forth in Section 3.1.2(b)(vi).

(b) *Proposed Targets*. With respect to any Proposed Target, within [**] after any Proposed Target Notice provided by Janssen to Mersana under Section 3.2.1 or 3.2.2 or after receipt of a Post-HSR Synaffix Notice under Section 3.6.3, Mersana will inquire with Synaffix (under the procedure set forth in Section 2.2(b) of the Synaffix Agreement) whether such Proposed Target is a Synaffix Unavailable Target. If such Proposed Target is a Synaffix Unavailable Target, Janssen shall have the right to either (i) in its sole discretion, decline to select such Proposed Target as a Target, or (ii) designate the Proposed Target as a Non-Synaffix Target and, if permitted under Section 3.4.3(b) and in accordance with Section 3.4.3(b), select such Proposed Target as a Target, but subject to, for clarity, the restrictions on use of Licensed Technology (as defined in the Synaffix Agreement) set forth in Section 3.4.3(a). If such Proposed Target is a Synaffix Available Target, then such Proposed Target shall automatically become an Initial Target as set forth in Section 3.2.4.

(c) *Proposed Substitute Targets*. With respect to any Proposed Substitute Target, within [**] after any Proposed Substitution Notice provided by Janssen to Mersana under Section 3.3.1 or 3.3.2 or after receipt of a Post-HSR Synaffix Notice under Section 3.6.3, Mersana will inquire with Synaffix (under the procedure set forth in Section 2.2(b) of the Synaffix Agreement) whether such Proposed Substitute Target is a Synaffix Unavailable Target. If such Proposed Substitute Target is a Synaffix Unavailable Target, Janssen shall have the right to either (i) in its sole discretion, decline to select such Proposed Substitute Target as a Substitute Target, or (ii) designate the Proposed Substitute Target as a Non-Synaffix Target and, if permitted under Section 3.4.3(b) and in accordance with Section 3.4.3(b), select such Proposed Target as a Target, but subject to, for clarity, the restrictions on use of Licensed Technology (as defined in

the Synaffix Agreement) set forth in Section 3.4.3(a). If such Proposed Substitute Target is a Synaffix Available Target, then such Proposed Substitute Target shall automatically become a Substitute Target as set forth in Section 3.3.4.

3.4.3 Unavailable Targets; Use of Non-Synaffix Technology.

(a) With respect to any Proposed Antigen, Proposed Target or Proposed Substitute Target that is a Non-Synaffix Target or a Synaffix Unavailable Target, the Parties acknowledge and agree that if such Proposed Antigen, Proposed Target or Proposed Substitute Target becomes a Target, the Licensed Technology (as defined in the Synaffix Agreement) will not be used in the Research Program for such Target and Janssen will not receive any sublicense under the Licensed Technology (as defined in the Synaffix Agreement) under Section 5.1 with respect to such Target.

(b) If Janssen desires to select a Proposed Target or Proposed Substitute Target that is a Non-Synaffix Target as a Target, then Janssen will provide notice to the JRC and within [**] of the receipt of notice by Janssen that the Proposed Target or Proposed Substitute Target is a Synaffix Unavailable Target in Section 3.4.2(b) or Section 3.4.2(c), as applicable (or if the Proposed Target was designated a Non-Synaffix Target in the Proposed Target Notice or Proposed Substitution Notice (as applicable), then within [**] of such Proposed Target Notice or Proposed Substitution Notice), the JRC will determine whether to use any substitute conjugation technology that is not Licensed Technology (as defined in the Synaffix Agreement) ("**Substitute Conjugation Technology**"), in the Research Program with respect to such Proposed Target or Proposed Substitute Target. If the JRC determines to use Substitute Conjugation Technology with such Proposed Target or Proposed Substitute Target that is a Non-Synaffix Target, then such Proposed Target or Proposed Substitute Target shall automatically become a Target as set forth in Section 3.3.4. If the JRC does not determine to use Substitute Conjugation Technology with respect to such Proposed Target or Proposed Substitute Target, then Janssen will be deemed to decline the selection of such Proposed Target or Proposed Substitute Target as a Target, and the applicable Proposed Target Deadline or Proposed Substitution Deadline shall be extended as set forth in Section 3.2.5(b) or Section 3.3.8(b) (as applicable), to permit Janssen to exercise its applicable Target Selection Right or Target Substitution Right for an alternative Target.

(c) In addition, with respect to any Target, the JRC may determine that the use of Substitute Conjugation Technology is in the best interest of the Research Program for any Target.

(d) In either such case ((b) and (c)), (i) the Parties will cooperate to identify any Substitute Conjugation Technology and (ii) after identifying an appropriate Substitute Conjugation Technology, if the use of any Substitute Conjugation Technology will require an in-license of rights from a Third Party or require that Mersana conduct additional development of the Mersana Platform in order to use the Substitute Conjugation Technology, then (A) the Parties will discuss in good faith and either (1) mutually agree that an amendment to this Agreement to incorporate the use of any Substitute Conjugation Technology is not necessary, or (2) enter into an amendment to this Agreement to incorporate the use of any Substitute Conjugation Technology; provided that, if the Parties, despite their good faith efforts cannot agree on such an amendment to this Agreement within [**], then the Parties will be deemed to have agreed to not use such Substitute Conjugation Technology (unless the Parties mutually agree to extend such [**] period), (B) following the completion of (A)(1) or (A)(2) above, notwithstanding anything to the contrary in Section 5.6, [**] (iii) the JRC will discuss and approve the amendment of the applicable Research Plan to incorporate the use of the

Substitute Conjugation Technology, and (iv) the JMC will discuss and approve the amendment of the applicable CMC Plan to incorporate the use of the Substitute Conjugation Technology. In the case of Section 3.4.3(c) above, where the JRC determines to use a Substitute Conjugation Technology after the Research Program for a Target has begun, the Parties acknowledge and agree that Mersana may terminate, in its sole discretion, the Synaffix Agreement with respect to such Target for such Research Program, and, in such case, Janssen will cease to receive any sublicense under the Licensed Technology (as defined in the Synaffix Agreement) under Section 5.1 with respect to such Target. For the avoidance of doubt, nothing herein will prevent either Party from seeking to acquire or in-license rights to any Substitute Conjugation Technology for its products that are not subject to this Agreement.

3.4.4 Mersana Representations and Covenant as to Synaffix.

(a) Mersana represents and warrants to Janssen that (x) Mersana has received written confirmation from the Agent (as defined in the Synaffix Agreement) under Section 2.2(b)(2) of the Synaffix Agreement on January 29, 2022 that, as of such date, none of the Reserved Antigens set forth on Schedule 3.1.1 are Synaffix Unavailable Targets and [**]. Mersana additionally represents and warrants to Janssen that, as of the Effective Date, [**].

(b) Mersana covenants to Janssen that (i) it will maintain available for use with respect to the Targets under this Agreement, and will not exercise for itself or for the benefit of any Third Party, at least the number of options to select a target as a "Licensed Target" (as such term is defined in the Synaffix Agreement) under Section 2.2 of the Synaffix Agreement that is equal to the then-current Maximum Reserved Antigen Amount and (ii) [**]. In addition, Mersana covenants to Janssen that [**]. Mersana further covenants to Janssen that [**].

3.4.5 Janssen Covenants [**].

(a) Until [**] under this Agreement, for so long as [**] and (ii) [**] under this Agreement [**], neither Janssen nor its Affiliates will [**] Mersana.

(b) During [**], for so long as (i) [**] and (ii) [**] under this Agreement [**], neither Janssen nor its Affiliates will [**] Mersana.

3.5 [**]. If [**] for purposes of this Agreement. In addition, if [**] for purposes of this Agreement.

3.6 HSR Clearance.

3.6.1 Clearance Date.

(a) Notwithstanding anything to the contrary in this Article 3, if Janssen determines that a filing or submission under the HSR Act or any antitrust, competition or merger control law applicable to such exercise (collectively, "**Competition Laws**" and, such filing or submission, "**Competition Law Filings**") is required or advisable with respect to any exercise of Janssen's Target Selection Rights or Target Substitution Rights under this Article 3, Janssen shall provide, prior to or concurrently with its provision of a Proposed Target Notice or Proposed Substitution Notice with respect thereto, written notice to Mersana that such exercise will be subject to Competition Law Filings. If Janssen so notifies Mersana, the provisions of Section 3.6.2 shall apply. Mersana shall provide to Janssen any information reasonably requested by

Janssen in its assessment of potential notifications under applicable Competition Laws pursuant to this Section 3.6.1. In such event, the Target Selection Date or Target Substitution Date, as applicable, will not occur unless the Clearance Date occurs, as further described in Section 3.2.4 or 3.3.4, as applicable.

(b) Following the earlier of the occurrence of: (i) the FTC or DOJ obtaining a preliminary injunction against the Parties to enjoin the transactions contemplated by the applicable Proposed Target Notice or Proposed Substitution Notice or (ii) the Clearance Date not having occurred within [**] after the applicable Competition Law Filing, Janssen shall have the right, but not the obligation, to withdraw the applicable Proposed Target Notice or Proposed Substitution Notice by delivery of written notice to Mersana, and Janssen will be permitted to provide a new Proposed Target Notice or Proposed Substitution Notice to Mersana, as applicable, and the applicable Proposed Target Deadline or Proposed Substitution Deadline shall be extended one or more times as set forth in Section 3.2.5(b) or Section 3.3.8(b) (as applicable), until such time as Janssen has exercised its applicable Target Selection Right or Target Substitution Right for an alternative Target. If the Clearance Date has not occurred within [**] after the applicable Competition Law Filing (and Janssen has not withdrawn the applicable Proposed Target Notice or Proposed Substitution Notice in accordance with the immediately preceding sentence), either Party shall have the right, but not the obligation, to effect the withdrawal of the applicable Proposed Target Notice or Proposed Substitution Notice by delivery of written notice to the other Party, and Janssen will be permitted to provide a new Proposed Target Notice or Proposed Substitution Notice to Mersana, as applicable, and the applicable Proposed Target Deadline or Proposed Substitution Deadline shall be extended one or more times as set forth in Section 3.2.5(b) or Section 3.3.8(b) (as applicable).

3.6.2 Competition Law Filings. Within at least [**] of its receipt of a written notice from Janssen with respect to the Competition Law Filings pursuant to Section 3.6.1, Mersana will, at the request of Janssen and in consultation and cooperation with Janssen, file or submit, and assist Janssen with, any Competition Law Filing that is necessary or advisable with the FTC and the DOJ under the HSR Act and with the appropriate Governmental Authority under any other applicable Competition Law. Any such Competition Law Filings made by Janssen and Mersana will be in substantial compliance with the requirements of the Competition Laws. Each of Janssen and Mersana will use its reasonable efforts, and cooperate with each other, to obtain as promptly as practicable all approvals, authorizations, terminations of applicable periods and clearances in connection with the Competition Law Filings, including (a) cooperating and consulting with each other and furnishing to each other or each other's counsel information and reasonable assistance as each may request in connection with the preparation of any Competition Law Filing, (b) giving the other reasonable prior notice of, and the opportunity to review and discuss in advance (including considering in good faith the views of the other), any such Competition Law Filings to be made and, to the extent reasonably practicable, of any communication with, or any responses to inquiries or requests for additional information from, the FTC, the DOJ and any other Governmental Authority regarding such Competition Law Filings or the transactions contemplated by the exercise of the Target Selection Right or Target Substitution Right, as applicable, (c) permitting the other or the other's counsel to participate in all material communications and meetings with any Governmental Authority to the extent not prohibited by such Governmental Authority and (d) subject to clauses (b) and (c) of this Section 3.6.2, responding as promptly as practicable to all requests of any Governmental Authority and providing all requested information to such Governmental Authority. Janssen and Mersana will each pay their own expenses and attorneys' fees associated with any Competition Law Filings (including any response to requests for additional information), except Janssen will pay any filing fees required with respect thereto.

3.6.3 Post-HSR Determination of Availability from Synaffix. If the Proposed Target or Proposed Substitute Target that is the subject matter of the Competition Law Filing is not a Non-Synaffix Target, then promptly following the Clearance Date (but in any event, within [**] of the Clearance Date), Janssen shall provide written notice to Mersana thereof, and Mersana will follow the procedures set forth in Section 3.4 to determine whether the Proposed Target or Proposed Substitute Target, as applicable, may be selected as a Target (the "**Post-HSR Synaffix Check,**" and such written notice from Janssen, the "**Post-HSR Synaffix Notice**").

3.6.4 No Conflicting Grants. During the period starting upon the provision of a Proposed Target Notice or Proposed Substitution Notice and ending on the earlier of (i) the Target Selection Date or Target Substitution Date, as applicable, and (ii) (x) notice from Synaffix or its representatives that the applicable Proposed Target or Proposed Substitute Target is a Synaffix Unavailable Target in connection with the Post-HSR Synaffix Check, (y) the JRC having decided under Section 3.4.3(b) not to designate such Proposed Target or Proposed Substitute Target as a Non-Synaffix Target, and (z) if Competition Law Filings are required with respect to such Target, a Party effects the withdrawal of such Proposed Substitution Notice in accordance with Section 3.6.1(b), with respect to any Proposed Target or Proposed Substitute Target for which Competition Law Filings are required under Section 3.6.1, neither Mersana nor any of its Affiliates will grant to any Third Party any rights or licenses that would conflict with the rights and licenses to be granted to Janssen under this Agreement upon the Target Selection Date or Target Substitution Date, as applicable, for such Target.

3.7 Gatekeeper.

3.7.1 Mersana shall be solely responsible for the Gatekeeper's performance of its obligations under this Agreement and Mersana shall be liable for any breach by the Gatekeeper of any such obligation or any error or omission of or by the Gatekeeper in performing such obligations related to (i) the correct assessment and reservation of each Proposed Antigen, Proposed Target or Proposed Substitute Target as set forth in Sections 3.1 through 3.3; (ii) adherence to the timelines set forth in Section 3.1.2(b), and (iii) Gatekeeper's confidentiality obligations as set forth in the three-way confidentiality agreement described in Section 3.7.2.

3.7.2 Mersana shall ensure that (a) a Gatekeeper (such Gatekeeper not to be a director, officer or employee of either Party or its Affiliates) has been appointed to perform the activities under this Agreement applicable to the Gatekeeper, at all times during the period starting from the Effective Date until the exercise or expiration of each Target Selection Right or Target Substitution Right under this Agreement, and (b) at all times during such period, Mersana and such then-current Gatekeeper are parties to a three-way confidentiality agreement with Janssen, which includes terms which prohibit the Gatekeeper from disclosing to Mersana any Proposed Antigen, Proposed Target or Proposed Substitute Target in a Proposed Antigen Notice, Proposed Target Notice or Proposed Substitution Notice from Janssen.

3.7.3 Where this Agreement refers to an action or obligation to be undertaken by the Gatekeeper, Mersana will cause the Gatekeeper, during the Term, to undertake such obligations or other actions, and Mersana will be responsible and liable for any acts or omissions by the Gatekeeper.

ARTICLE 4 GOVERNANCE

4.1 Primary Contacts. Promptly following the Effective Date, each Party will designate an individual to be reasonably available to the other Party to facilitate communication, respond to questions and otherwise coordinate the Parties' activities under this Agreement

regarding, relating to or in connection with the conduct of the Research Programs (including activities conducted under the Research Plans and CMC Plans) and the [**]. Such designated individual may, but is not required to, serve as a representative of its respective Party on the Joint Research Committee or Joint Manufacturing Committee. A Party may replace its designated individual at any time by written notice to the other Party.

4.2 Joint Research Committee.

4.2.1 Formation and Composition. Promptly after the Effective Date, the Parties will establish a joint research committee (the "**Joint Research Committee**" or "**JRC**") composed of [**] appointed representatives of each of Janssen and Mersana. Each JRC representative must be an employee of the appointing Party. A Party may change one or more of its representatives on the Joint Research Committee at any time or elect to have one of its members represented by a delegate at a meeting of the Joint Research Committee, provided that such delegate is an employee of such Party. The Joint Research Committee will be chaired by a Janssen representative selected by Janssen from one of the Janssen's members of the Joint Research Committee. The Parties may allow additional employees to attend meetings of the Joint Research Committee subject to the confidentiality provisions of Article 10.

4.2.2 Functions and Authority. The Joint Research Committee will be responsible for supervising and managing the Research Programs and serving as a forum for discussion of the [**]. Its functions will be:

(a) Overseeing and coordinating the progress, timelines and results of the Research Programs and Research Plans;

(b) Reviewing or preparing, and approving, the initial Research Plan for the Research Program for each Target in accordance with Section 2.2.2 and any proposed changes or amendments to the Research Plan(s) in accordance with Section 2.2.4, including determining whether to use the Dolasynthen Platform or the [**] in any such Research Program;

(c) Determining the frequency of reports to be provided by the Parties regarding its activities under each Research Plan under Section 2.6.2, and reviewing such reports upon submission by the Parties;

(d) Determining whether to use Substitute Conjugation Technology with respect to a Proposed Target or Proposed Substitute Target that is a Non-Synaffix Target;

(e) Determining whether Other Platform IP will be used to conduct a Research Program.

(f) Determining whether any Research Program should be terminated, including for technical infeasibility; and

(g) Such other matters as the Parties may mutually agree in writing or that are expressly delegated to the JRC in this Agreement.

4.2.3 Meetings. During the Research Term, the Joint Research Committee will meet in person or by teleconference or videoconference at least [**]. The Joint Research Committee also may choose to meet more frequently on an as needed basis and will meet upon the request of either Party. The chairperson of the JRC will coordinate and prepare the agenda (which agenda will include items requested by either Party) for, and ensure the orderly conduct

of, the meetings of the JRC. Each Party will bear its own expenses related to its JRC representatives' participation in and attendance at such meetings.

4.2.4 Decisions.

(a) A quorum of the Joint Research Committee is required for any meeting of the Joint Research Committee, which quorum will exist if at least one (1) JRC representative of each Party is present. No action taken at a meeting of the JRC shall be effective unless a quorum exists.

(b) The JRC will only have authority to determine, approve or resolve matters that the JRC is expressly authorized to determine, approve or resolve under this Agreement ("**JRC Matters**"). The JRC will determine, approve or resolve JRC Matters by consensus, with the representatives of each Party collectively having one vote on behalf of such Party. In the event that the Joint Research Committee does not reach consensus on a JRC Matter within [**] after the matter is first presented to the Joint Research Committee, the JRC Matter may be referred by either Party to the Executive Officers, who will use reasonable efforts to meet promptly to discuss and resolve such matter. If such Executive Officers do not reach agreement with respect to a particular JRC Matter within [**] after the matter is first referred to such Executive Officers, Janssen will have final decision-making authority relating to such JRC Matter (including amendments to the Research Plan and any decision about whether to apply the Dolasynthen Platform, the [**] or both platforms with respect to a Target); provided that Janssen will not have the right to exercise its final decision-making authority:

[**].

(c) Neither the JRC nor Janssen (when exercising its final decision-making authority) has the authority to: (i) amend, modify or waive compliance with any term or condition of this Agreement; (ii) make any decision that is expressly stated in this Agreement to require the mutual agreement of the Parties or one Party's approval or consent; (iii) decide any issue in a manner that would conflict with the express terms and conditions of this Agreement; or (iv) resolve any Dispute, including whether or in what amount a payment is owed under this Agreement or whether a Party is in breach of this Agreement.

4.2.5 Minutes and Reports. The Joint Research Committee will maintain accurate minutes of its meetings, including all proposed decisions and recommended actions or decisions taken. Promptly after each meeting, either the chairperson of the Joint Research Committee or another member of the Joint Research Committee designated by the Joint Research Committee will provide the Parties with draft minutes of the meeting, including any issues requiring decisions, any proposed decisions and recommended actions or decisions taken. Within [**] of each meeting, the Joint Research Committee chair will provide final versions of the meeting minutes. Minutes will be deemed approved unless any member of the JRC objects to the accuracy of such minutes by providing written notice to the other members of the JRC prior to the next meeting of the JRC. In the event of any objection to the minutes that is not resolved by mutual agreement of the Parties, such minutes will be amended to reflect such unresolved dispute.

4.2.6 Duration. The Joint Research Committee will be in existence only during, and will be automatically dissolved on the last day of, the Research Term.

4.3 Joint Manufacturing Committee.

4.3.1 Formation and Composition. Promptly after the Effective Date, the Parties will establish a joint manufacturing committee (the "**Joint Manufacturing Committee**" or "**JMC**") composed of one (1) appointed representative of each of Janssen and Mersana. Each JMC representative must be an employee of the appointing Party. A Party may change its representative on the Joint Manufacturing Committee at any time or elect to have its member represented by a delegate at a meeting of the Joint Manufacturing Committee, provided that such delegate is an employee of such Party. The Joint Manufacturing Committee will be chaired by the [**] representative. The Parties may allow additional employees to attend meetings of the Joint Manufacturing Committee subject to the confidentiality provisions of Article 10.

4.3.2 Functions and Authority. The Joint Manufacturing Committee will be responsible for supervising and managing the CMC activities under the CMC Plan. Its functions will be:

(a) Overseeing and coordinating the progress, timelines and results of the CMC Plans (but excluding, for clarity, activities under the Clinical Supply Agreement);

(b) Reviewing or preparing, and approving, the initial CMC Plan for the Research Program for each Target in accordance with Section 2.3.2 (excluding, for clarity, the initial CMC/Preclinical Supply Budget, which is subject to the approval process set forth in Section 2.3.2), and reviewing or preparing, and approving, any proposed changes or amendments to the CMC Plan(s) and CMC/Preclinical Supply Budget(s) in accordance with Section 2.3.5;

(c) coordinating Licensed ADC Manufacturing activities and supply matters under the CMC Plans;

(d) facilitating the exchange of information between the Parties, and coordinating resolution of issues, relevant to the Manufacturing and supply of Licensed ADCs by Mersana during the Term;

(e) reviewing, commenting on and approving changes to the Manufacturing process for Licensed ADCs used by or on behalf of Mersana or any of its Affiliates (including changes relating to the drug substance and to the conjugation step) during the CMC Term;

(f) Preparing and approving the initial Technology Transfer Plan for the Research Program for each Target in accordance with Section 6.3.8(d) (excluding, for clarity, the initial Technology Transfer Budget, which is subject to the approval process set forth in Section 6.3.8(d)), and reviewing or preparing, and approving, any proposed changes or amendments to the Technology Transfer Plan(s) and Technology Transfer Budget(s) in accordance with Section 6.3.8(e) or Section 6.3.8(f);

(g) Overseeing the technology transfer pursuant to Section 6.3.8; and

(h) Such other matters as the Parties may mutually agree in writing or that are expressly delegated to the JMC in this Agreement.

4.3.3 Meetings. During the CMC Term, the Joint Manufacturing Committee will meet in person or by teleconference or videoconference at least [**]. The Joint Manufacturing Committee also may choose to meet more frequently on an as needed basis and

will meet upon the request of either Party. The chairperson of the JMC will coordinate and prepare the agenda (which agenda will include items requested by either Party) for, and ensure the orderly conduct of, the meetings of the JMC. Each Party will bear its own expenses related to its JMC representatives' participation in and attendance at such meetings.

4.3.4 Decisions.

(a) A quorum of the Joint Manufacturing Committee is required for any meeting of the Joint Manufacturing Committee, which quorum will exist only if the JMC representative of each Party is present. No action taken at a meeting of the JMC shall be effective unless a quorum exists.

(b) The JMC will only have authority to determine, approve or resolve matters that the JMC is expressly authorized to determine, approve or resolve under this Agreement ("**JMC Matters**"). The JMC will determine, approve or resolve JMC Matters by consensus, with the representatives of each Party collectively having one vote on behalf of such Party. In the event that the Joint Manufacturing Committee does not reach consensus on a JMC Matter within [**] after the JMC Matter is first presented to the Joint Manufacturing Committee, the JMC Matter may be referred by either Party to the Executive Officers, who will use reasonable efforts to meet promptly to discuss and resolve such matter. If such Executive Officers do not reach agreement with respect to a particular JMC Matter within [**] after the matter is first referred to such Executive Officers, Janssen will have final decision-making authority relating to such JMC Matter (including amendments to the CMC Plan); provided that, Janssen will not have the right to exercise its final decision-making authority:

[**].

(c) Neither the JMC nor Janssen (when exercising its final decision-making authority) has the authority to: (i) amend, modify or waive compliance with any term or condition of this Agreement; (ii) make any decision that is expressly stated in this Agreement to require the mutual agreement of the Parties or one Party's approval or consent; (iii) decide any issue in a manner that would conflict with the express terms and conditions of this Agreement; or (iv) resolve any Dispute, including whether or in what amount a payment is owed under this Agreement or whether a Party is in breach of this Agreement.

4.3.5 Minutes and Reports. The Joint Manufacturing Committee will maintain accurate minutes of its meetings, including all proposed decisions and recommended actions or decisions taken. Promptly after each meeting, either the chairperson of the Joint Manufacturing Committee or another member of the Joint Manufacturing Committee designated by the Joint Manufacturing Committee will provide the Parties with draft minutes of the meeting, including any issues requiring decisions, any proposed decisions and recommended actions or decisions taken. Within [**] of each meeting, the Joint Manufacturing Committee chair will provide final versions of the meeting minutes. Minutes will be deemed approved unless any member of the JMC objects to the accuracy of such minutes by providing written notice to the other members of the JMC prior to the next meeting of the JMC. In the event of any objection to the minutes that is not resolved by mutual agreement of the Parties, such minutes will be amended to reflect such unresolved dispute.

4.3.6 Duration. Unless earlier terminated by mutual written consent of the Parties, the Joint Manufacturing Committee will be in existence until, and will be automatically dissolved on, the last day of the CMC Term.

4.4 Joint Patent Committee.

4.4.1 Formation and Composition. The Parties will establish a joint patent committee (the "**Joint Patent Committee**" or "**JPC**") composed of one (1) appointed representative of each of Janssen and Mersana. Each JPC representative must be an employee or outside patent counsel of the appointing Party. A Party may at any time, by written notice to the other Party's representative on the Joint Patent Committee, change its representative on the Joint Patent Committee or elect to be represented by a delegate at a meeting of the Joint Patent Committee, provided that such delegate is an employee of such Party. The Joint Patent Committee will be chaired by the [**] representative. The Parties may allow additional employees to attend meetings of the Joint Patent Committee subject to the confidentiality provisions of Article 10.

4.4.2 Functions and Authority. The Joint Patent Committee will be responsible for only the following:

(a) Coordinating with the Parties in accordance with Section 11.3.4 to reasonably avoid creating potential issues in prosecution of the patent applications covering each Party's other respective Patent Rights; and

(b) Such other matters as the Parties may mutually agree in writing or that are expressly delegated to the JPC in this Agreement.

4.4.3 Meetings. During the Term, the Joint Patent Committee will meet in person or by teleconference or videoconference when and as reasonably requested by a representative to the Joint Patent Committee. The chairperson of the JPC will coordinate and prepare the agenda (which agenda will include items requested by either Party) for, and ensure the orderly conduct of, the meetings of the JPC. Each Party will bear its own expenses related to its JPC representative's participation in and attendance at such meetings.

4.4.4 Decisions. The Joint Patent Committee shall not have any decision-making authority.

4.4.5 Minutes and Reports. The Joint Patent Committee will draft, distribute and maintain accurate minutes of its meetings, including with respect to all matters discussed at such meeting, in accordance with policies to be agreed by the Joint Patent Committee.

4.4.6 Duration. Unless earlier terminated by mutual written consent of the Parties, the Joint Patent Committee will be in existence until the end of the Term.

ARTICLE 5 LICENSES

5.1 License Grants to Janssen.

5.1.1 Research License. On a Target-by-Target basis, Mersana shall, and does hereby, grant to Janssen, effective as of the Target Selection Date (or Target Substitution Date, as applicable) for a Target and thereafter during the Research Term and CMC Term, an exclusive, non-transferrable (except as set forth in Article 17), worldwide, royalty-free, sublicensable (through multiple tiers, solely as permitted under Section 5.4) license under the Mersana Technology and Mersana's interest in the Joint Technology solely to conduct Janssen's activities under the Research Plan with respect to such Target during the Research Term and to conduct Janssen's activities under the CMC Plan with respect to such Target during the CMC Term.

5.1.2 Commercial License. On a Target-by-Target basis, Mersana shall, and does hereby, grant to Janssen, effective as of the Target Selection Date (or Target Substitution Date, as applicable) for a Target and thereafter during the Term, an exclusive (even as to Mersana, except to the extent required for Mersana to perform its obligations under this Agreement or, if applicable, the Clinical Supply Agreement), non-transferrable (except as set forth in Article 17), worldwide, sublicensable (through multiple tiers, solely as permitted under Section 5.4), royalty-bearing license under the Mersana Technology and Mersana's interest in the Joint Technology to Develop, Manufacture, Commercialize and otherwise Exploit Licensed ADCs Directed to such Target and Licensed Products containing such Licensed ADCs, in the Field in the Territory.

5.1.3 Right of Reference. On a Target-by-Target basis, Mersana shall, and does hereby, grant to Janssen, effective as of the Target Selection Date (or Target Substitution Date, as applicable) for a Target and thereafter during the Term an exclusive, non-transferrable (except as set forth in Article 17), worldwide, royalty-free "Right of Reference" as that term is defined in 21 C.F.R. § 314.3(b) and equivalent rights under any foreign counterparts to such regulation, to reference and access (and to grant to its Affiliates and Sublicensees further rights to reference and access) the Mersana Regulatory Documentation to Develop, Manufacture, Commercialize and otherwise Exploit Licensed ADCs Directed to such Target and Licensed Products containing such Licensed ADCs, in the Field in the Territory. If requested by Janssen, Mersana will provide a signed statement to this effect in accordance with 21 C.F.R. §314.50(g)(3) or any foreign counterpart to such regulation.

5.1.4 Mersana Affiliates. If any of the Mersana Technology, Joint Technology or Mersana Regulatory Documentation licensed to Janssen, or to which Janssen is granted rights, pursuant to this Section 5.1 is Controlled by an Affiliate of Mersana, Mersana will procure that such Affiliate grants the licenses and rights to Janssen in accordance with this Section 5.1.

5.1.5 Covenant Outside the Field. During the Term, neither Mersana nor any of its Affiliates will, itself or with or through Third Party, Develop, Manufacture, Commercialize or otherwise Exploit any Licensed ADC or Licensed Product outside the Field, or grant any rights to a Third Party to do any of the foregoing.

5.2 License Grant to Mersana.

5.2.1 Research License. On a Target-by-Target basis, Janssen shall, and does hereby, grant to Mersana, effective as of the Target Selection Date (or Target Substitution Date, as applicable) for a Target and thereafter during the Research Term and CMC Term, a non-exclusive, non-transferrable (except as set forth in Article 17), worldwide, royalty-free, sublicensable (through multiple tiers, solely as permitted under Section 5.4) license under the Janssen Technology solely to conduct Mersana's activities under the Research Plan with respect to such Target during the Research Term and to conduct Mersana's activities under the CMC Plan with respect to such Target.

5.2.2 [**] License.

(a) ***Definition***. "**[**]**" means any [**] that is:

(i) an [**] during the Research Term; or

(ii) an [**] during the Research Term.

(b) ***[**] License***. Subject to the terms and conditions of this Agreement, Janssen shall, and does hereby, grant to Mersana a perpetual non-exclusive,

non-transferrable (except as set forth in Article 17), worldwide, [**], sublicensable (through multiple tiers) license under the [**]. For clarity, such license does not include a [**].

5.2.3 Janssen Affiliates. If any of the Janssen Technology, [**] or Patent Rights claiming [**] licensed to Mersana, or to which Mersana is granted rights, pursuant to this Section 5.2 is Controlled by an Affiliate of Janssen, Janssen will procure that such Affiliate grants the licenses and rights to Mersana in accordance with this Section 5.2.

5.3 No Other Rights. Each Party acknowledges that the licenses and other rights granted to it under this Article 5 and elsewhere in this Agreement are limited to the scope expressly granted. Accordingly, except for the rights expressly granted under this Agreement, no right, title, or interest of any nature whatsoever with respect to any intellectual property right of either Party is granted to the other Party under this Agreement, whether by implication, estoppel, reliance, or otherwise. All rights of each Party that are not specifically granted to the other Party under this Agreement are reserved to and retained by such Party.

5.4 Rights to Sublicense.

5.4.1 Each Party shall have the right to grant sublicenses under the license(s) granted to such Party in Section 5.1.1 or Section 5.2, as applicable, to its Affiliates and Subcontractors, without the other Party's prior written consent, subject to the terms and conditions set forth in Section 2.7.

5.4.2 Janssen shall have the right to grant sublicenses through multiple tiers of the license granted to Janssen under Section 5.1.2 to any Affiliate or to any Third Party, subject to the applicable terms and conditions of the Mersana In-Licenses as set forth in Section 5.7.1; provided that (a) each Sublicensee shall be bound by terms and conditions (including obligations of non-use and non-disclosure with respect to Confidential Information) consistent with the terms and conditions of this Agreement that are applicable to Sublicensees; and (b) each Sublicensee agrees in writing to assign to Janssen, all Inventions (and any Patent Rights with respect thereto) invented, conceived, or discovered by or on behalf of any such Sublicensee, whether alone or with Janssen or a Third Party, that would be Mersana Platform Inventions were such Inventions invented, conceived or discovered solely by Janssen, in order for Janssen to comply with the intellectual property right assignment provisions of this Agreement. Janssen will be liable for any act or omission of any of its Sublicensees in connection with this Agreement. Notwithstanding any sublicense, Janssen will remain liable and responsible for all of its duties and obligations contained in this Agreement, and any act or omission of a Sublicensee which would be a breach of this Agreement if performed by Janssen shall be deemed a breach by Janssen of this Agreement. For clarity, Janssen shall make all payments due to Mersana pursuant to this Agreement by reason of achievement of any milestones, or royalties on Net Sales as set forth herein by any Sublicensee. Janssen will further require any Sublicensee to comply with all terms of the Mersana In-Licenses expressly identified as applicable to a Sublicensee under Section 5.7.1. Janssen shall, within [**] after granting any sublicense hereunder or after the grant of a sublicense hereunder by any Affiliate or Sublicensee of Janssen, provide to Mersana a copy of the relevant sublicense agreement; provided that any such sublicense agreement provided to Mersana hereunder may be redacted to omit terms not necessary for Mersana to ensure compliance with this Agreement (but, for clarity, may not omit the name of the Sublicensee).

5.5 Exclusivity.

5.5.1 [**] Exclusivity. Until the expiration of all of Janssen's [**] under this Agreement, neither Mersana nor any of its Affiliates will, itself or with or through any Third

Party, [**] any product that contains a [**], or grant any rights to a Third Party to do any of the foregoing. For the avoidance of doubt, once a [**], then Mersana shall no longer be subject to the exclusivity obligations under this Section 5.5.1 with respect to the [**].

5.5.2 [**] Exclusivity.

(a) For purposes of this Agreement, the "**Exclusivity Start Date**" means (i) with respect to [**] and (ii) with respect to [**].

(b) On a [**] basis, during the period beginning on the Exclusivity Start Date for the applicable [**] and ending on the earliest of (i) the [**], (ii) the [**] and (iii) the [**], neither Mersana nor any of its Affiliates will, itself or with or through any Third Party, [**] any product that contains a [**], or grant any rights to a Third Party to do any of the foregoing.

(c) On a [**] basis, during the period beginning on the Exclusivity Start Date for the applicable [**] and ending on the earliest of (i) [**], (ii) [**] and (iii) the [**] (the "**Exclusivity Period**"), neither Mersana nor any of its Affiliates will, itself or with or through any Third Party, [**] any product that contains a [**], or grant any rights to a Third Party to do any of the foregoing.

5.5.3 Change in Control. If there is a Change in Control of Mersana, the obligations of Section 5.5.1 and Section 5.5.2 will not apply to any product [**] (an "**Acquirer Competing Product**"); provided that Mersana and the Future Acquirer comply with the following with respect to the program for the Acquirer Competing Product:

(a) [**] under this Agreement;

(b) [**], in such program;

(c) [**] under such program;

(d) [**] relating to this Agreement; and

(e) [**] relating to such program.

5.5.4 Distracting Products. Notwithstanding the provisions of Sections 5.5.1 and 5.5.2, if (a) Mersana or any of its Affiliates acquires rights to [**] a product as the result of a merger, acquisition or combination with or of a Third Party other than a Change in Control (each, an "**Acquisition Transaction**"), and (b) on the date of the closing of such Acquisition Transaction (the "**Closing Date**"), such product is being [**] and such activities would, but for the provisions of this Section 5.5.4 constitute a breach of Section 5.5.1 or Section 5.5.2 (such product, a "**Distracting Product**"), then Mersana and such Affiliate shall either (i) within [**] after the Closing Date, [**] or (ii) within [**] after the Closing Date, [**] applicable obligations under Sections 5.5.1 and 5.5.2. Mersana will provide written notice to Janssen of its election pursuant to the foregoing clause (i) or (ii) within [**] after the Closing Date. During the period prior to such [**], Mersana or such Affiliate may continue the [**] of such Distracting Product, provided that Mersana complies with the following with respect to the program for the Distracting Product:

(a) [**] under this Agreement;

(b) [**], in such program;

(c) [**] under such program;

(d) [**] relating to this Agreement; and

(e) [**] relating to such program.

5.5.5 Notwithstanding anything in Section 1.1.73 to the contrary, if Mersana or its Affiliate or Third Party licensee [**], such [**].

5.6 New Third Party Technologies.

5.6.1 New Product-Specific Technology.

[**].

5.6.2 New Antibody-Specific Technology.

[**].

5.6.3 New Platform Blocking Technology.

[**].

5.6.4 New Other Platform Technology.

[**].

5.7 Compliance with the Mersana In-Licenses.

5.7.1 The Parties acknowledge and agree that certain of the Mersana Technology is in-licensed by Mersana or its Affiliates pursuant to the Existing Mersana In-Licenses and, subject to Section 5.6, certain additional Mersana Technology may be in-licensed by Mersana or its Affiliates during the Term pursuant to Future Mersana In-Licenses. Janssen agrees to, and will require its Sublicensees to agree to, comply with (a) the terms and conditions of the Existing Mersana In-Licenses as applicable to Janssen as a sublicensee thereunder, with respect to sublicenses under such Existing Mersana In-Licenses granted by Mersana to Janssen under this Agreement and (b) the terms and conditions of each Future Mersana In-License, if any, disclosed in the applicable In-License Notice as applicable to Janssen as a Licensee thereunder, with respect to sublicenses under such Future Mersana In-Licenses granted by Mersana to Janssen under this Agreement.

5.7.2 During the Term, Mersana shall maintain in full force and effect the Mersana In-Licenses and perform its obligations under the Mersana In-Licenses. Without the prior written consent of Janssen, Mersana will not (a) terminate any Mersana In-License or (b) enter into any amendment to any Mersana In-License that, in the case of this clause (b), would materially adversely affect Janssen or otherwise materially adversely effect, limit, restrict, impact or otherwise impair Janssen's rights, or impose additional material obligations on Janssen. Mersana will not commit any acts or make any omissions that would constitute a material breach of or give rise to a termination right of another party under any Mersana In-License; provided, that upon becoming aware of any such material breach occurring and prior to any such termination right being triggered with respect to any Mersana In-License, Mersana will promptly provide notice thereof to Janssen. Unless such Mersana In-License provides (or Mersana enters into a written agreement, including an amendment to such Mersana In-License, providing) that Janssen's rights under such Mersana In-License granted hereunder would survive any

termination of such Mersana In-License without imposing any additional obligations on Janssen, Janssen shall have the right, but not the obligation, to perform any such acts or remedy any such omissions on behalf of Mersana, and to offset any costs and expenses incurred with respect thereto against amounts payable to Mersana under this Agreement; and provided, further, that if Mersana in good faith disputes any such material breach or termination right and is contesting such material breach or termination right pursuant to the terms of the applicable Mersana In-License during the applicable cure period thereunder with respect thereto, Janssen shall not exercise the foregoing right until such time [**].

ARTICLE 6 DEVELOPMENT, MANUFACTURING AND COMMERCIALIZATION

6.1 In General; Diligence.

6.1.1 General. Janssen shall have the sole and exclusive right, at its sole expense, to conduct all aspects of the Development, Manufacture and Commercialization of Licensed ADCs and Licensed Products in the Field in the Territory, except (a) with respect to those activities of Mersana in support thereof as provided in the Research Plans during the Research Term (which will be performed at Mersana's sole expense as provided in Section 2.2.4 and conducted in accordance with Sections 2.1 and 2.2) and those activities of Mersana in support thereof in the CMC Plans (which will be performed at Janssen's expense as provided in Section 2.3.4 and conducted in accordance with Sections 2.1 and 2.3), and (b) as set forth in Section 6.3 and Section 7.1.

6.1.2 Diligence. For each Target, Janssen shall use Commercially Reasonable Efforts to (a) Develop and seek to obtain Commercialization Approval for at least [**] Directed to such Target for [**], and (b) following receipt of Commercialization Approval in [**], Commercialize such Licensed Product in such country.

6.1.3 Compliance. Janssen shall comply with all Applicable Laws (including Good Laboratory Practices, Good Clinical Practices, and Good Manufacturing Practices, to the extent included in Applicable Laws) in the Development, Manufacture and Commercialization of Licensed Products, and shall require its Affiliates and Sublicensees to do the same.

6.2 Progress Reports. Janssen shall keep Mersana informed in a timely manner as to the progress of the Development of Licensed Products by delivering reports in accordance with this Section 6.2. After the earlier of (i) [**] following the first Research Completion Date of a Research Plan, and (ii) [**] following the expiration of the Research Term, on a Licensed ADC-by-Licensed ADC basis, prior to [**], Janssen will deliver a high-level summary of its Development activities for Licensed Products containing such Licensed ADC (including [**]) during such [**] through its designated contact person identified in accordance with Section 4.1. Such reports shall be deemed Janssen's Confidential Information for the purposes of Article 10.

6.3 Manufacturing.

6.3.1 Mersana Manufacturing Obligations. Mersana shall (i) Manufacture and supply, and shall perform release, characterization and stability testing on, pre-clinical and, pursuant to a Clinical Supply Agreement, if any, clinical supplies of bulk drug substance of Licensed ADCs and (ii) shall perform testing on Licensed Product containing Licensed ADCs, in each case ((i) and (ii)), as set forth in the applicable CMC Plan (as applicable) or the Clinical Supply Agreement, as applicable, and in accordance with the terms of this Section 6.3. For clarity, whether under the CMC Plan or a Clinical Supply Agreement, Mersana shall only be obligated to perform (or have performed) Manufacture of the linker, payload and linker-bioconjugation of the Janssen Antibody to an Auristatin Compound to create bulk drug

substance, and to conduct testing of Licensed Product containing Licensed ADCs, and shall not be responsible for any further manufacturing or processing (*e.g.*, drug product or finished product manufacturing). For clarity, references in this Section 6.3 to "Licensed Product containing Licensed ADCs" refer to drug product (not drug substance) that contains Licensed ADCs.

6.3.2 Pre-Clinical Supplies of Licensed ADCs for Research Plan Activities. In accordance with the applicable CMC Plan for a Target, Mersana shall Manufacture and supply each Party's requirements of pre-clinical supplies of bulk drug substance of Licensed ADCs for use in the activities allocated to such Party under the Research Plan for such Target, and shall perform release, characterization and stability testing on intermediates and Licensed ADCs (up to, but not including, drug product manufacturing, unless otherwise agreed by the Parties), and testing of Licensed Product containing Licensed ADCs, in connection with such supplies. Mersana shall Manufacture and supply such pre-clinical supplies in accordance with the timelines set forth in the CMC Plan.

6.3.3 Phase 1 Supplies of Licensed ADCs. Upon Janssen's request, Mersana shall Manufacture and supply Janssen's requirements of clinical supplies of Licensed ADCs Directed to such Target for use in Phase 1 Clinical Trials of Licensed Product containing such Licensed ADCs, and shall perform release, characterization and stability testing on intermediates and Licensed ADCs (up to, but not including, drug product or finished product manufacturing, unless otherwise agreed by the Parties), and testing of Licensed Product containing Licensed ADCs, in connection with such supplies. For clarity, the Manufacture and supply of such clinical supplies by Mersana will not be included in the CMC Plan for the applicable Target (and, instead, the Manufacture and supply of such clinical supplies will be governed by a Clinical Supply Agreement as further described in Section 6.3.7), but any CMC Development activities necessary to support the Manufacture of such clinical supplies may be included in the CMC Plan for the applicable Target.

6.3.4 Additional Clinical Trials of Licensed Products resulting from each Research Program. If Mersana Manufactures Phase 1 Clinical Trial supplies of a Licensed ADC in accordance with Section 6.3.3, then, upon initiation of the first such Phase 1 Clinical Trial, Janssen may notify Mersana of its desire for Mersana to continue supply of the relevant Licensed ADCs for Clinical Trials beyond the Phase 1 Clinical Trials, which continued supply of the Licensed ADCs beyond Phase 1 Clinical Trials shall be at Mersana's sole discretion.

6.3.5 Supply of Janssen Antibodies. All of Mersana's supply and testing obligations under this Section 6.3 will be subject to Janssen's delivery of sufficient quantities of the relevant Janssen Antibody that meet the applicable specifications and are otherwise of sufficient quality for use in the Research Program or Phase 1 Clinical Trial, as applicable.

6.3.6 Costs of Supplies. For preclinical and clinical supplies of Licensed ADCs provided by Mersana to Janssen pursuant to this Section 6.3, Janssen will pay Mersana a supply price equal to [**] ("**Supply Costs**"). The CMC/Preclinical Supply Budget will include the Supply Costs for preclinical supplies of Licensed ADCs provided by Mersana to Janssen for use in the Research Plan.

6.3.7 Clinical Supply Agreements. Unless otherwise agreed by the Parties in the CMC Plan, within [**] after Janssen notifies Mersana that it has decided to file an IND/CTA for a Licensed ADC, the Parties shall enter into a supply agreement setting forth the terms and conditions applicable to the Manufacture and supply of clinical supplies of the Licensed ADCs (and testing of clinical supplies of Licensed Product containing Licensed ADCs) from Mersana to Janssen (the "**Clinical Supply Agreement**") and a related quality agreement. Each Clinical Supply Agreement shall be consistent with the terms of this Section 6.3 (except that, for clarity,

the cost of clinical supplies under the Clinical Supply Agreement will not be tied to a budget), and shall contain reasonable and customary terms for agreements of its type and for this type of product and at such product's stage of development (including terms appropriate for the clinical studies the products will be used for, forecasting and ordering requirements, delivery, termination, procedures for non-conformance with specifications and non-compliance with Applicable Laws, audit (including of books of accounts and records by Janssen for the determination of the Cost of Goods Sold), inspections (including of Mersana's CMOs' facilities) and indemnification). If Janssen Controls any Know-How or Patent Rights that are necessary to Manufacture clinical supplies of the applicable Licensed ADCs, the Clinical Supply Agreement will also include a license from Janssen to Mersana under Know-How and Patent Rights Controlled by Janssen that is necessary to perform such Manufacturing activities on Janssen's behalf. Until the Clinical Supply Agreement is executed, the terms set forth in this Section 6.3 shall apply to such clinical supply of Licensed ADCs.

6.3.8 Technology Transfer.

(a) Subject to the provisions of this Section 6.3.8, for each Target, upon Janssen's request and in accordance with the applicable Technology Transfer Plan, Mersana shall conduct a technology transfer to Janssen, one of its Affiliates or a CMO that is designated by Janssen for the Manufacturing process for Licensed ADCs Directed to such Target[**]. As part of such technology transfer, Mersana shall: (i) [**]; (ii) upon Janssen's reasonable request and with at least [**] notice to Mersana, make available to Janssen or its CMO, at Mersana's facilities (if reasonably practicable), Mersana's personnel to provide a reasonable amount of technical assistance and training to Janssen's, it's Affiliate's or its CMO's personnel in order to enable Janssen, such Affiliate or such CMO to use [**] to Manufacture the applicable Licensed ADCs, and (iii) upon Janssen's reasonable request, assist Janssen in establishing or procuring Third Party arrangements (including by means of full or partial assignment and novation of existing agreements of Mersana or entry into new agreements[**]) for obtaining clinical or commercial supplies of Licensed ADCs or Licensed Products (or any intermediate or component thereof). Janssen may delay the timing of such technology transfer services to help enable Manufacturing by Janssen, its Affiliate or its CMO, as applicable, until the completion of the relevant Research Program or, if Janssen elects to have Mersana supply in accordance with Section 6.3.3, Licensed ADCs for Phase 1 Clinical Trials or for further Clinical Trials, until the completion of such Mersana supply obligations.

(b) As of the Effective Date, [**]. Notwithstanding the foregoing, [**]. Such technology transfer may occur [**], such technology transfer will be [**].

(c) The technology transfer(s) described in this Section 6.3.8 will be conducted for each Target in accordance with a technology transfer plan developed and approved by the JMC (the "**Technology Transfer Plan**"). Each Technology Transfer Plan will set forth the technology transfer activities to be conducted by the Parties in relation to the Licensed ADCs Directed to the applicable Target. Each Technology Transfer Plan shall be accompanied by a budget for the Technology Transfer Costs to be incurred by Mersana and its Affiliates in conducting the activities described in the Technology Transfer Plan (the "**Technology Transfer Budget**"). The Technology Transfer Budget shall be broken down by components of costs (i.e. FTE Costs and Out-of-Pocket Expenses) per Calendar Quarter.

(d) Promptly following Janssen's request to commence a technology transfer with respect to a Target, the initial Technology Transfer Plan for such Target will be developed and approved by the JMC. Each Technology Transfer Plan will include all activities necessary to conduct a technology transfer as described in Section 6.3.8(a) and

Section 6.3.8(b). Promptly following JMC approval of an initial Technology Transfer Plan for a Target, Mersana shall provide an initial Technology Transfer Budget proposal to Janssen for such initial Technology Transfer Plan. As soon as reasonably practicable thereafter, the Parties will review and discuss the initial Technology Transfer Budget proposal and any changes requested by Janssen. The Technology Transfer Budget will not go into effect unless and until (a) Janssen has agreed to the Technology Transfer Budget proposed by Mersana or (b) the Parties have mutually agreed on any changes to the Technology Transfer Budget proposed by Mersana. Notwithstanding anything to the contrary herein, Mersana shall not be obligated to perform any Technology Transfer Plan activities until the initial Technology Transfer Plan has been approved by the JMC and the initial Technology Transfer Budget has been approved as described in the preceding sentence.

(e) Either Party may propose changes to a Technology Transfer Plan, which shall be subject to review and approval by the Joint Manufacturing Committee, as provided in Section 4.3. Other than as explicitly approved by the Joint Manufacturing Committee (or, if applicable, the Executive Officers or Janssen) in accordance with Section 4.3, no changes, amendments or other modifications to an approved Technology Transfer Plan shall be made by either Party. Any amendment to a Technology Transfer Plan will become effective upon the date of JMC approval (or, if applicable, the date of approval by the Executive Officers or Janssen) in accordance with Section 4.3.

(f) Mersana may also propose amendments to the Technology Transfer Budget to the JMC upon any amendment to the Technology Transfer Plan in Section 6.3.8(e) which affects the Technology Transfer Budget or if Mersana believes the then-current Technology Transfer Budget does not accurately reflect the anticipated costs to be incurred under any amended Technology Transfer Plan. In each such case, the Parties will then review and discuss such proposal through the JMC and, if appropriate, the JMC will approve a revised Technology Transfer Budget as soon as reasonably practicable thereafter. If Mersana proposes an amendment to increase the then-current Technology Transfer Budget to account for (i) an amendment to the Technology Transfer Plan in Section 6.3.8(e) that affects the Technology Transfer Budget or (ii) an increase in the costs charged by a Third Party supplier or vendor for an activity allocated to Mersana under the Technology Transfer Plan, and (in either case ((i) or (ii))) the JMC does not approve such amendment, then Mersana will not be obligated to conduct the applicable activity(ies) unless and until the JMC approves an amendment to the Technology Transfer Budget.

(g) Janssen shall reimburse the Technology Transfer Costs incurred by Mersana and its Affiliates in conducting the technology transfer activities allocated to it in the Technology Transfer Plan in accordance with Section 8.2.

6.3.9 Use of CMOs. Subject to Section 2.7, Mersana may perform its obligations set forth under this Section 6.3 itself or through a CMO.

6.3.10 Other Manufacturing of Licensed ADCs and Licensed Products. Other than as expressly provided in this Section 6.3, Janssen shall be responsible for all Manufacturing of the Licensed ADCs and Licensed Products at its cost with respect to activities under this Agreement. For clarity, Janssen will be responsible for the Manufacture of all clinical supplies of Licensed Products for pivotal trials and for all commercial supplies of Licensed Products.

6.4 Commercialization. As between the Parties, Janssen shall have the sole and exclusive right to Commercialize the Licensed Products in the Field in the Territory under this

Agreement, including to invoice and book sales, establish all terms of sale (including pricing and discounts), warehouse and distribute the Licensed Products in the Territory, and perform or cause to be performed all related services. As between the Parties, Janssen shall handle all returns, recalls or withdrawals, order processing, invoicing, collection, distribution and inventory management with respect to the Licensed Products in the Territory. Janssen will have sole decision-making authority over global Commercialization matters with respect to the Licensed Products, including pricing and reimbursement.

ARTICLE 7 REGULATORY MATTERS

7.1 Regulatory Assistance.

7.1.1 As between the Parties, Janssen shall have the sole right to (a) prepare and submit all Regulatory Documentation (including all INDs/CTAs and all applications for Regulatory Approval and Pricing Approval) with respect to the Licensed Products, (b) obtain and maintain all Regulatory Approvals and Pricing Approvals for the Licensed Products and (c) conduct all correspondence and communications with Regulatory Authorities regarding such matters described in clauses (a) and (b).

7.1.2 Should Janssen desire to file an IND/CTA, NDA, BLA, MAA or any other application for Regulatory Approval or Pricing Approval, or equivalents of the foregoing, for a Licensed Product, Mersana will provide to Janssen, at Janssen's request, Mersana Regulatory Documentation (which may be redacted to remove information not relevant for the purposes hereunder) and other technical information or data Mersana has created or possesses that Janssen reasonably determines to be necessary or reasonably useful for Janssen in connection with any such IND/CTA or other application for Regulatory Approval or Pricing Approval or the maintenance thereof, including (a) information relating to the chemical structure of the Licensed Product or the applicable Licensed ADC, the Auristatin Compound used to create such Licensed Product or Licensed ADC, and the Mersana Technology used to create such Licensed Product or Licensed ADC, including access to the contents of relevant Drug Master Files, if any, (b) other Mersana Regulatory Documentation that is necessary or reasonably useful to compile the Chemistry Manufacturing and Controls section of an IND/CTA submission or an application for Regulatory Approval with respect to a Licensed Product and (c) such other relevant information or data Mersana has created or possesses or Controls as Janssen may reasonably request (including information and data that may be contained in a Drug Master File for use in countries that do not file Drug Master Files). Without limiting the foregoing, if Mersana has, during the Term, a Drug Master File with the FDA or equivalent that contains information necessary or reasonably useful to support or maintain an IND/CTA or application for Regulatory Approval or Pricing Approval: (x) Mersana shall notify Janssen of such Drug Master File and any subsequent amendments or changes made to such Drug Master File; and (y) in accordance with Section 5.1.3, Janssen shall have, and shall have the further right to grant to Affiliates and Sublicensees, the right of reference and access to the contents of each such Drug Master File, subject to the confidentiality obligations under Article 10.

7.1.3 In addition, upon request by Janssen, Mersana shall provide the FDA and other applicable Governmental Authorities full access to all Mersana Regulatory Documentation and related Mersana Know-How, in each case, to the extent necessary for the FDA and other applicable Governmental Authorities to consider and approve Janssen, an Affiliate, a Sublicensee or a Third Party as a manufacturer of the Licensed Products, or to consider and act upon any filings with such Governmental Authorities with respect to Licensed Products, including for Regulatory Approvals of the Licensed Products.

7.1.4 [**] under this Section 7.1; provided, however, that if [**] under this Section 7.1, [**].

7.2 Regulatory Documentation. All Regulatory Documentation (including all Regulatory Approvals and Pricing Approvals) relating to any Licensed Product shall be owned by and shall be the sole property and held in the name of, Janssen or its designated Affiliate, Sublicensee or designee. [**], Janssen will provide Mersana with draft copies of the CMC portion of any Regulatory Documentation for the Licensed Products Directed to such Target that Janssen proposes to file with or submit to any Regulatory Authority; provided, however, that Janssen may redact any information that is not solely related to a Licensed ADC. Janssen shall provide such copies reasonably in advance of such filing or submission for Mersana to have a reasonable opportunity to review such filing or submission (and in any event at least [**] in advance). Mersana will provide comments on such proposed Regulatory Documentation, if any, to Janssen as soon as practicable following receipt thereof, and Janssen will consider in good faith any timely comments provided by Mersana.

7.3 Regulatory Communications. [**], with respect to material communications with Regulatory Authorities related to CMC for the Licensed Products Directed to such Target that do not constitute Regulatory Documentation, Janssen will provide Mersana a reasonable opportunity to review any such proposed written communications or discuss with Mersana any proposed oral communications prior to providing or discussing such communication with any Regulatory Authority, to the extent such communications relate to supplies of Licensed ADC Manufactured, released or stability tested by Mersana.

7.4 Pharmacovigilance. Prior to clinical Development of the first Licensed ADC under this Agreement, the Parties will discuss and execute a pharmacovigilance agreement (the "**Pharmacovigilance Agreement**"), which will set forth the responsibilities of each Party with respect to pharmacovigilance matters relating to the Licensed ADCs and Licensed Products. The Pharmacovigilance Agreement will provide for (a) disclosure by Janssen to Mersana of safety data Controlled by Janssen or its Affiliates with respect to the Licensed Products, solely for use by Mersana in complying with its regulatory obligations with respect to other antibody-drug conjugate products of Mersana and its Affiliates that utilize the Mersana Platform and (b) disclosure by Mersana to Janssen of safety data Controlled by Mersana or its Affiliates with respect to other antibody-drug conjugate products that utilize the Mersana Platform, solely for use by Janssen in complying with its regulatory obligations with respect to the Licensed Products and otherwise in accordance with the license grants set forth in Section 5.1. The Parties will update the Pharmacovigilance Agreement from time to time as needed to properly reflect the status of the marketing and sale of each Licensed Product and the relevant pharmacovigilance regulations in the Territory. Janssen will maintain the global safety database for each Licensed Product and will establish and maintain all necessary pharmacovigilance requirements for a Licensed Product in full compliance with all Applicable Laws and requirements of the Regulatory Authorities in the Territory. Mersana will establish and maintain appropriate pharmacovigilance systems to fulfill its responsibilities under the Pharmacovigilance Agreement.

ARTICLE 8 FEES, MILESTONES AND ROYALTIES

8.1 Upfront Payment. Within [**] following the Effective Date, Janssen shall pay to Mersana, a non-refundable, non-creditable upfront payment of Forty Million U.S. Dollars ($40,000,000).

8.2 CMC Costs and Supply Costs; Technology Transfer Costs.

8.2.1 CMC Costs and Supply Costs. For each Target, Janssen shall (a) reimburse Mersana for the CMC Costs incurred by Mersana and its Affiliates in the performance of CMC Development activities in accordance with the applicable CMC Plan as set forth under Section 2.3.4, and (b) pay Mersana for the Supply Costs for Licensed ADCs supplied by Mersana for use in Research Plan activities in accordance with the applicable CMC Plan as set

forth in Section 6.3.2, up to [**]% of the applicable CMC/Preclinical Supply Budget for the applicable Calendar Year. Mersana shall invoice Janssen for such CMC Costs and Supply Costs [**], with each invoice accompanied by a reasonable supporting explanation and documentation for such invoiced amounts. Documentation shall include FTE records and records of Out-of-Pocket Expenses (such as Third Party statements of work and, once available, Third Party invoices). Mersana shall not invoice Janssen for CMC Costs or Supply Costs if such costs are not included in the CMC/Preclinical Supply Budget. Notwithstanding the foregoing, in the event that Mersana incurs more than [**] percent ([**]%) of aggregate CMC Costs and Supply Costs budgeted for such [**] in the applicable CMC/Preclinical Supply Budget (the amount more than [**] percent ([**]%), the "**Excess CMC/Preclinical Supply Costs**"), such amount shall be carried forward to subsequent [**], provided that such [**] fall within the same Calendar Year, and solely to the extent that the total CMC Costs and Supply Costs for the Calendar Year to-date period are not in excess of [**]% of the applicable CMC/Preclinical Supply Budget for such Calendar Year. Janssen shall not be obligated to reimburse such Excess CMC/Preclinical Supply Costs to the extent that such Excess CMC/Preclinical Supply Costs exceed [**]% of the applicable CMC/Preclinical Supply Budget on a Calendar Year to-date basis in a given Calendar Year (unless Mersana notifies the JMC of such Excess CMC/Preclinical Supply Costs in advance and Janssen agrees to reimburse such Excess CMC/Preclinical Supply Costs).

8.2.2 Technology Transfer Costs. For each Target, Janssen shall reimburse Mersana for the Technology Transfer Costs incurred by Mersana and its Affiliates in the performance of technology transfer activities and assistance in accordance with the applicable Technology Transfer Plan as set forth under Section 6.3.8, up to [**]% of the applicable Technology Transfer Budget for the applicable Calendar Year. Mersana shall invoice Janssen for such costs [**], with each invoice accompanied by a reasonable supporting explanation for such invoiced amounts. Notwithstanding the foregoing, in the event that Mersana incurs more than [**] percent ([**]%) of aggregate Technology Transfer Costs budgeted for such [**] in the applicable Technology Transfer Budget (the amount more than [**] percent ([**]%), "**Excess Technology Transfer Costs**"), such amount shall be carried forward to subsequent [**], provided that such [**] fall within the same Calendar Year, and solely to the extent that the total Technology Transfer Costs for the Calendar Year to-date period are not in excess of [**]% of the applicable Technology Transfer Budget for such Calendar Year. Janssen shall not be obligated to reimburse such Excess Technology Transfer Costs to the extent that such Excess Technology Transfer Costs exceed [**]% of the applicable Technology Transfer Budget on a Calendar Year to-date basis in a given Calendar Year (unless Mersana notifies the JMC of such Excess Technology Transfer Costs in advance and Janssen agrees to reimburse such Excess Technology Transfer Costs).

8.2.3 Payments. Janssen will pay Mersana the undisputed amounts set forth in any invoice submitted pursuant to this Section 8.2 within [**] after receipt of the applicable invoice by Janssen. Janssen may request and Mersana shall provide FTE records and Third Party invoices to substantiate the invoiced costs and expenses. Mersana will not double charge Janssen for any costs or expenses subject to reimbursement under this Section 8.2.

8.3 Royalties Payable by Janssen.

8.3.1 Royalty Rates. In consideration for the licenses granted to Janssen herein, and subject to Section 8.3.3 and Section 8.3.4, on a Licensed Product-by-Licensed Product basis, Janssen shall pay to Mersana royalties on Net Sales of such Licensed Product in the Field in the Territory during the Royalty Term, which royalties shall be paid at the following rates as set forth below:

(a) [**] percent ([**]%) of the portion of Net Sales less than or equal to [**] Dollars ($[**]) for such Licensed Product in a single Calendar Year;

(b) [**] percent ([**]%) of the portion of Net Sales greater than [**] Dollars ($[**]) and less than or equal to [**] Dollars ($[**]) for such Licensed Product in a single Calendar Year;

(c) [**] percent ([**]%) of the portion of Net Sales greater than [**] Dollars ($[**]) and less than or equal to [**] Dollars ($[**]) for such Licensed Product in a single Calendar Year; and

(d) [**] percent ([**]%) of the portion of Net Sales in excess of [**] Dollars ($[**]) for such Licensed Product in a single Calendar Year.

For the avoidance of doubt, the incremental royalty rates set forth in this Section 8.3.1 shall only apply to that portion of the Net Sales in a Calendar Year that falls within the indicated range of sales. By way of example, if, during a Calendar Year, Net Sales of a Licensed Product in the Territory were equal to $[**], the royalty payable by Janssen would be calculated by [**]. The obligation to pay royalties shall be imposed only once with respect to the same unit of Licensed Product sold by Janssen, its Affiliate or Sublicensee.

8.3.2 [**].

8.3.3 Reduction for Lack of Patent Coverage and Regulatory Exclusivity. If during any Calendar Quarter within the applicable Royalty Term of a Licensed Product for a country, (a) there is no Valid Patent Claim [**], and (b) all applicable Regulatory Exclusivity periods have expired in such country with respect to such Licensed Product, the royalties payable by Janssen to Mersana under Section 8.3.1 for such Licensed Product in such country will be reduced by [**] percent ([**]%) of the amount that would otherwise be due under Section 8.3.1 for such Calendar Quarter and the remainder of the Royalty Term of such Licensed Product in such country.

8.3.4 Third Party Payments.

(a) *Payments for [**]*. Subject to Section 8.3.4(d), if Janssen (or its Affiliate or Sublicensee, as applicable) enters into an agreement with a Third Party to acquire or in-license rights to any [**], then Janssen shall have the right to deduct [**] percent ([**]%) of royalties, milestones and other payments actually paid to such Third Party(ies) under such agreements by Janssen (or by such Affiliate or Sublicensee, as applicable) with respect to the Exploitation of such Licensed Product in a Calendar Quarter; [**].

(b) *Payments for [**]*. Janssen shall be solely responsible for all payment obligations arising under any agreements with Third Parties to acquire or in-license rights to any [**].

(c) *Payments for [**]*. Mersana shall be solely responsible for all payment obligations arising under [**].

(d) *Royalty Floor*. In no event shall the total deductions under Section 8.3.3, Section 8.3.4(a) and Section 8.3.4(b), collectively, reduce the royalties payable to Mersana with respect to Net Sales of a Licensed Product in such Calendar Quarter to less than [**] percent ([**]%) of the amount that would otherwise be payable under Section 8.3.1 (the "**Royalty Floor**").

(e) *Carry-Forward Rights*.

(i) Janssen shall have the right to carry forward and deduct any amounts permitted to be deducted under Section 8.3.4(a) or Section 8.3.4(b) from royalties during a particular Calendar Quarter, but not so deducted in such Calendar Quarter because of the application of Section 8.3.4(d), from royalties payable in subsequent Calendar Quarters, provided that such Calendar Quarters fall within the same Calendar Year.

(ii) Janssen shall have the right to carry forward and deduct any amounts permitted to be deducted under Section 8.3.4(c) from royalties during a particular Calendar Quarter and milestone payments payable under Section 8.4 or Section 8.5, but not so deducted, from royalties payable in subsequent Calendar Quarters, [**], or from any subsequent milestone payments payable under Section 8.4 or Section 8.5.

(f) *[**].*

8.4 Development Milestone Payments.

8.4.1 Janssen shall provide written notice to Mersana no later than [**] following the first occurrence of each event set forth below (each event, a "**Development Milestone Event**") with respect to each Target or Licensed Product, as specified in the table below, and Janssen shall pay to Mersana the respective milestone payments (each, a "**Development Milestone Payment**") within [**] following receipt of an invoice therefor from Mersana. [**].

Development Milestone Event No.	Development Milestone Event	Development Milestone Payment
1	**[**]**	
1.a	[**]	[**]
1.b	[**]	[**]
2	**[**]**	
2.	[**]	[**]
3	**[**]**	
3.a [See **Note 1**]	[**]	[**]

3.b [See **Note 1**]	[**]	[**]
3.c	[**]	[**]
3.d	[**]	[**]
3.e	[**]	[**]
4.	**[**]**	
4.a	[**]	[**]
4.b [See **Note 2**]	[**]	[**]
4.c	[**]	[**]
4.d	[**]	[**]
4.e	[**]	[**]
4.f	[**]	[**]

Note 1. [**].

Note 2. [**].

8.4.2 For purposes of Development Milestone Events 3.e, 4.d, 4.e and 4.f, a "[**]" means, with respect to a given Licensed Product for a Target:

[**].

For example, [**]."

8.4.3 On a Target-by-Target basis, (a) if Development Milestone Event [**] has not occurred with respect to a Licensed Product Directed to a Target before Development Milestone Event [**] occurs with respect to a Licensed Product Directed to such Target, then Development Milestone Event [**] will be deemed to have occurred with respect to such Target on the same date as the occurrence of Development Milestone Event [**] with respect to such Target, (b) if any of Development Milestone Events [**] has not occurred with respect to a Licensed Product Directed to a Target before the earlier of (i) the [**] with respect to a Licensed Product Directed to such a Target, or (ii) the date Development Milestone Event [**] occurs with respect to a Licensed Product Directed to such Target, then such Development Milestone Event will be deemed to have occurred with respect to such Target on the same date that is the earlier to occur of (b)(i) and (b)(ii) with respect to such Target, and (c) if Development Milestone Event

[**] has not occurred with respect to a Licensed Product Directed to a Target before the earlier of (i) the [**] with respect to a Licensed Product Directed to such Target, or (ii) the date Development Milestone Event [**] occurs with respect to a Licensed Product Directed to such Target, then Development Milestone Event [**] will be deemed to have occurred with respect to such Target on the same date that is the earlier to occur of (c)(i) and (c)(ii) with respect to such Target.

8.5 Sales Milestone Payments.

8.5.1 On a Target-by-Target basis, Janssen shall make the following sales milestone payments (each, a "**Sales Milestone Payment**") to Mersana within [**] after the end of the Calendar Quarter in which aggregate annual Net Sales of all Licensed Products Directed to such Target in such Calendar Year in all countries in the Territory exceed the following amounts (each, a "**Sales Milestone Event**") for the first time:

Sales Milestone Event	Sales Milestone Payment
Net Sales (payable per Target, based on Net Sales for all Licensed Products Directed to such Target)	
5.a Upon worldwide Net Sales of all Licensed Products Directed to such Target in a Calendar Year exceeding $[**]	The amount specified in Section 8.5.3(a)
5.b Upon worldwide Net Sales of all Licensed Products Directed to such Target in a Calendar Year exceeding $[**]	The amount specified in Section 8.5.3(b)
5.c Upon worldwide Net Sales of all Licensed Products Directed to such Target in a Calendar Year exceeding $[**]	$[**]
5.d Upon worldwide Net Sales of all Licensed Products Directed to such Target in a Calendar Year exceeding $[**]	$[**]
5.e Upon worldwide Net Sales of all Licensed Products Directed to such Target in a Calendar Year exceeding $[**]	$[**]

8.5.2 Each Sales Milestone Payment is separate and may only be earned once for each Target, irrespective of the number of times such thresholds are achieved for such Target, but if more than one Net Sales threshold is reached in the same Calendar Year, all corresponding sales milestone payments shall be payable with respect to Net Sales during such Calendar Year. For example, if annual Net Sales of all Licensed Products for a Target first reaches $[**] in Calendar Year 1, then, subject to Section 8.5.3(a), [**] Sales Milestone Payments would be payable to Mersana for such Calendar Year 2.

8.5.3 Certain Sales Milestone Payments.

(a) The amount of Sales Milestone Payment 5.a. will be $[**].

(b) The amount of Sales Milestone Payment 5.b. will be $[**].

8.6 Payment Terms. Royalties shown to have accrued by each Royalty Report provided for under Article 9 shall be due within [**] following the end of the Calendar Quarter to which such Royalty Report relates.

8.7 Payment Method. All payments by Janssen to Mersana under this Agreement shall be paid in U.S. dollars, and all such payments shall be made by electronic funds or ACH transfer to a bank account established by Mersana in the Janssen supplier portal at [**].

8.8 Late Payments. If a Party does not receive payment of any sum due to it on or before the due date therefor, simple interest shall thereafter accrue on the sum due to such Party from the due date until the date of payment at a per-annum rate of [**] percent ([**]%) over the then-current prime rate reported in The Wall Street Journal or the maximum rate allowable by Applicable Law, whichever is lower. This Section 8.8 will not apply to payments made as a result of audit findings under Section 9.2 except to the extent an audit finding relates to a late payment subject to this Section 8.8.

8.9 Exchange Control. If at any time legal restrictions prevent the prompt remittance of part or all royalties with respect to any country in the Territory where Licensed Product is sold, payment shall be made through such lawful means or method as the Parties reasonably shall determine in as prompt a manner as possible.

8.10 Withholding Taxes. In the event that Applicable Law requires Janssen to deduct or withhold taxes with respect to any payment to be made pursuant to this Agreement to Mersana, Janssen will notify Mersana of such requirement prior to making the payment to Mersana and provide such assistance to Mersana, including the provision of such documentation as may be required by a tax authority, as may be reasonably necessary in Mersana's efforts to claim an exemption from or reduction of such taxes. Janssen will, in accordance with Applicable Law, deduct or withhold taxes from the amount due, remit such taxes to the appropriate tax authority when due, and furnish Mersana with proof of payment of such taxes within [**] following the payment. If taxes are paid to a tax authority, Janssen shall provide reasonable assistance to Mersana to obtain a refund of taxes withheld, or obtain a credit with respect to taxes paid.

8.11 Indirect Taxes. Amounts payable under this Agreement do not include any sales, use, excise, value added or other applicable taxes, tariffs or duties. If any taxing authority imposes a VAT, GST, sales, use, service, consumption, business or similar tax with respect to the work undertaken under this Agreement, then Janssen agrees to pay that amount if specified in a valid invoice or supply exemption documentation. For avoidance of doubt, Mersana will not be entitled to pass on to Janssen, and Janssen will not be obligated to pay or bear, any tax that is based on Mersana's real, personal or intangible property (whether owned or leased), corporate structure, franchise, continuing business operations, income, gross receipts, capital stock, net worth or imposed with respect to Mersana's engagement of employees or independent contractors or that Mersana incurs upon subcontracting any work hereunder, in whole or in part, to any affiliated or non-affiliated third party. Mersana is solely responsible, to the extent required by Applicable Law, for identifying, billing, and collecting the taxes payable by Janssen in all relevant federal, state, county, municipal and other taxing jurisdictions and for filing all required tax returns in a timely manner**.** To the extent that Mersana does not provide Janssen a valid invoice (*i.e.*, an invoice compliant with this Agreement and the rules and regulations of the

jurisdiction of both Mersana and Janssen, including separate identification of the tax where legally required), Mersana shall be responsible for any penalty resulting directly from such noncompliance. The Parties will cooperate in good faith to minimize taxes to the extent legally permissible.

ARTICLE 9 ROYALTY REPORTS AND ACCOUNTING

9.1 Reports, Exchange Rates.

9.1.1 On a Target-by-Target basis, for the duration of the Royalty Term (and for any sales following the Royalty Term in accordance with Section 8.3.2 and Section 14.7.1), Janssen shall, with respect to each Calendar Quarter (or portion thereof), provide a written report showing, on a consolidated aggregated basis in reasonable detail (a) [**] (each, a "**Royalty Report**").

9.1.2 Royalty Reports shall be due within [**] following the end of the Calendar Quarter to which such Royalty Report relates. Janssen shall keep complete and accurate records in sufficient detail to properly reflect all Net Sales and to enable the royalties payable hereunder to be determined.

9.1.3 [**].

9.1.4 With respect to sales of Licensed Products invoiced in U.S. dollars, the Net Sales and royalties payable shall be expressed in U.S. dollars. With respect to sales of Licensed Products reported in a currency other than U.S. dollars, the Net Sales and royalties payable shall be expressed in the reporting currency of the Party making the sale together with the U.S. dollars equivalent of the royalty due, calculated using the Currency Hedge Rate. Janssen shall provide a Currency Hedge Rate to be used for the local currency of each country of the Territory in writing to Mersana no later than [**] after the Currency Hedge Rates are available, which is customarily at the beginning of December of each given Calendar Year.

9.2 Audits.

9.2.1 Upon the written request of a Party (the "**Auditing Party**") and with at least [**] prior written notice, but not more than [**] during the Term and during the [**] following the termination of this Agreement, the other Party (the "**Audited Party**") shall permit an independent certified public accounting firm of internationally recognized standing in the field of audit and with offices in the U.S., the Major European Countries, Japan and China, selected by the Auditing Party and reasonably acceptable to the Audited Party, at the Auditing Party's sole cost and expense (except as set forth in this Section 9.2), to have access during normal business hours to such of the financial records and books of the Audited Party as required to be maintained under this Agreement (a) in the case of Janssen as the Audited Party, to verify the accuracy of the Royalty Reports and calculation of Net Sales for payments due hereunder and (b) in the case of Mersana as the Audited Party, to verify the accuracy of the CMC Costs, Supply Costs and Technology Transfer Costs invoiced to Janssen hereunder. Such accountants may audit such records for any Calendar Year ending not more than [**] prior to the date of such request. The report of the independent certified public accountant shall be shared with the Audited Party before distribution to the Auditing Party so that the Audited Party can provide the independent public accountant with justifying remarks for inclusion in the report before sharing the conclusions of such independent public audit with the Auditing Party. The final audit report will be shared with both Parties at the same time. The accounting firm shall disclose to the Auditing Party only the information relevant to support a statement as to whether (i) in the case of Janssen as the Audited Party, the Royalty Reports and other payments were correct or not and (ii) in the case of Mersana as the Audited Party, the CMC Costs, Supply Costs or Technology

Transfer Costs invoiced to Janssen were correct or not, and, in either case ((i) or (ii)), shall not include any confidential information (to the extent not already disclosed by the Audited Party to the Auditing Party) disclosed to the auditor during the course of the audit. An audit of the records relating to a particular Calendar Year may be conducted not more than [**].

9.2.2 If such accounting firm concludes that any royalties, CMC Costs, Supply Costs or Technology Transfer Costs were owed but not paid to Mersana, Janssen shall pay the additional royalties, CMC Costs, Supply Costs or Technology Transfer Costs within [**] following the date Mersana delivers to Janssen an undisputed invoice therefor following the issuance of such accounting firm's written report so concluding. The fees charged by such accounting firm shall be paid by the Auditing Party; provided, that if the audit determines that (a) the royalties payable by Janssen for the audited period are understated by greater than [**] percent ([**]%) or (b) the CMC Costs, Supply Costs and Technology Transfer Costs payable by Janssen for the audited period are overstated by greater than [**] percent ([**]%), then the Audited Party shall pay the reasonable fees and expenses charged by such accounting firm. If such accounting firm concludes that the royalties, CMC Costs, Supply Costs or Technology Transfer Costs paid were more than what was owed during such period, Janssen may credit such overpayment against future payments owed to Mersana under this Agreement or, in the case of CMC Costs, Supply Costs or Technology Transfer Costs, Mersana shall pay to Janssen such overpayment within [**] following the date Mersana receives an undisputed invoice. If the Audited Party disagrees with the findings of the audit report, the Parties will first seek to resolve the matter between themselves, and in the event that they fail to reach agreement, the dispute resolution clause in Section 20.3 will apply.

9.3 Confidential Financial Information. The Parties shall treat all financial information subject to review under this Article 9 or under any sublicense agreement as Confidential Information of such Party as set forth in Article 10, and shall cause its accounting firm to retain all such financial information in confidence under terms substantially similar to those set forth in Article 10. With respect to each inspection, the independent accounting firm shall be subject to customary confidentiality obligations to the Audited Party.

ARTICLE 10 CONFIDENTIALITY; PUBLICITY

10.1 Non-Disclosure and Non-Use Obligations. Except as otherwise provided in this Article 10 during the Term and for a period of [**] thereafter, each Party (the "**Receiving Party**") and its Affiliates shall (and shall ensure that its and its Affiliates' employees, agents, consultants, clinical investigators and other representatives): (a) maintain in confidence all Confidential Information of the other Party (the "**Disclosing Party**"), using at least the same standard of care as it uses to protect its own non-public or proprietary information of similar kind and value (but no less than reasonable efforts); (b) not disclose such Confidential Information to any Third Party without the prior written consent of the Disclosing Party, except for disclosures expressly permitted in this Article 10; and (c) use such Confidential Information only for purposes as expressly authorized and contemplated by this Agreement or internal management and operations directly related to this Agreement. For purposes of this Agreement, "**Confidential Information**" means, with respect to a Party, all non-public or proprietary information (including information relating to such Party's research programs, development, marketing and other business practices and finances) and non-public or proprietary data disclosed orally, visually, in writing or other form by or on behalf of such Party or its Affiliates or representatives to the other Party or its Affiliates or representatives under this Agreement or under the Confidential Disclosure Agreement between Johnson & Johnson Innovation LLC and Mersana dated [**], as amended (the "**Confidentiality Agreement**"), including any such information that is marked or otherwise identified as "Confidential." Notwithstanding anything to the contrary in this Agreement:

10.1.1 any non-public or proprietary information generated by Mersana or its Affiliates or disclosed by or on behalf of Janssen to Mersana or its Affiliates, in each case, in connection with activities under this Agreement to the extent related to the Janssen Antibodies, Licensed ADCs or the Licensed Products shall be Confidential Information of Janssen (and Janssen shall be deemed the Disclosing Party and Mersana the Receiving Party with respect thereto) (collectively, "**Specified Janssen Confidential Information**");

10.1.2 except as set forth in Section 10.1.1, (i) any non-public or proprietary information generated by Janssen or its Affiliates or disclosed by or on behalf of Mersana to Janssen or its Affiliates, in each case, constituting Mersana Know-How, Mersana Platform Know-How or Mersana Regulatory Documentation shall be Confidential Information of Mersana (and Mersana shall be deemed the Disclosing Party and Janssen the Receiving Party with respect thereto), (ii) any non-public or proprietary information generated by Mersana or its Affiliates or disclosed by or on behalf of Janssen to Mersana or its Affiliates, in each case, constituting Janssen Know-How, Product Know-How or Janssen Regulatory Documentation shall be Confidential Information of Janssen (and Janssen shall be deemed the Disclosing Party and Mersana the Receiving Party with respect thereto) and (iii) any non-public or proprietary information of either Party constituting Joint Know-How shall be Confidential Information of both Parties (and both Parties shall be deemed the Receiving Party with respect thereto); and

10.1.3 the terms of this Agreement and the terms of the [**] shall be Confidential Information of both Parties (and both Parties shall be deemed the Receiving Party with respect thereto), subject to Section 10.3 (collectively, the information described in Section 10.1.1 through this Section 10.1.3, "**Specified Confidential Information**").

10.2 Exceptions and Permitted Disclosures.

10.2.1 Notwithstanding the foregoing, but subject to the last sentence of this Section 10.2.1, the provisions of Section 10.1 shall not apply to information, documents or materials that the Receiving Party can show by competent evidence:

(a) have become published or otherwise entered the public domain or become generally available to the public, other than by breach of this Agreement by the Receiving Party or its Affiliates;

(b) are expressly permitted to be disclosed by prior written consent of the Disclosing Party;

(c) have become known to the Receiving Party through a non-confidential disclosure by a Third Party, provided that, to the Receiving Party's knowledge after due inquiry, such Confidential Information was not obtained by such Third Party directly or indirectly from the Disclosing Party on a confidential basis or subject to any restriction on its use;

(d) prior to disclosure under this Agreement, was already in the possession of the Receiving Party or its Affiliates or representatives, as evidenced by competent written documentation, without any obligation to the Disclosing Party to keep it confidential or any restriction on its use; or

(e) have been independently developed by or for the Receiving Party without use of, reliance on, or reference to the Disclosing Party's Confidential Information;

[**].

10.2.2 Each Party may disclose Confidential Information of the other Party as set forth below in this Section 10.2.2 or otherwise expressly permitted under another provision of this Agreement. Notwithstanding any such permitted disclosure, any Confidential Information so disclosed shall remain subject to the confidentiality and non-use obligations of Section 10.1, unless and until any exceptions described in Section 10.2.1 shall apply. The Receiving Party may disclose Confidential Information of the Disclosing Party to the extent such disclosure is made:

(a) in response to a valid order of a court of competent jurisdiction or other Governmental Authority or Regulatory Authority; provided that the Receiving Party shall first have given notice to the Disclosing Party and given the Disclosing Party a reasonable opportunity to quash such order or to obtain a protective order or confidential treatment requiring that the Confidential Information and documents that are the subject of such order or requirement be held in confidence by such court or agency or, if disclosed, be used only for the purposes for which the order was issued; provided, further, that the Confidential Information disclosed in response to such court or governmental order shall be limited to that information which is legally required to be disclosed in response to such court or governmental order;

(b) to the extent required to comply with Applicable Law, including the rules and regulations promulgated by the United States Securities and Exchange Commission or any equivalent governmental agency in any country in the Territory; provided, that, to the extent such disclosure includes information that has not previously been so disclosed in compliance with this Article 10, the Receiving Party will provide the Disclosing Party, except where impracticable or not legally permitted, [**] advance notice (or, if [**] notice is not possible under the circumstances, reasonable advance notice), and a reasonable opportunity to review such disclosure and reasonably consider the Disclosing Party's comments regarding confidential treatment sought for such disclosure; provided, further, that the Confidential Information disclosed shall be limited to that information which is legally required to be disclosed under Applicable Law; and provided, further, that the Receiving Party shall use not less than the same efforts to secure confidential treatment of such Confidential Information as it would to protect its own confidential information from disclosure (but no less than reasonable efforts);

(c) solely to the extent reasonably necessary in filing, prosecuting, maintaining, enforcing or defending any Patent Rights as permitted under this Agreement;

(d) by Janssen to a Regulatory Authority, as reasonably required or useful in connection with any filing or submission (or preparation thereof) or communication with a Regulatory Authority, in each case, with respect to any Licensed ADC or Licensed Product; provided that reasonable measures shall be taken to assure confidential treatment of such information, to the extent such protection is available;

(e) by Janssen to an existing or prospective Sublicensee as permitted hereunder; provided, that such Sublicensee is then subject to obligations of confidentiality and limitations on use of such Confidential Information substantially similar to those contained herein and Janssen otherwise complies with Section 5.4; provided, further, that Janssen will remain responsible for any violation of such confidentiality provisions by any Sublicensee who receives Confidential Information pursuant to this clause (e);

(f) by either Party to its Affiliates, consultants, subcontractors and advisors, to the extent such disclosure is reasonably necessary to perform its obligations

or to exercise the rights granted to it, or reserved by it, under this Agreement; provided, that such Affiliate, consultant, subcontractor or advisor is then subject to obligations of confidentiality and limitations on use of such Confidential Information substantially similar to those contained herein; provided, further, that the Receiving Party will remain responsible for any violation of such confidentiality provisions by any Affiliate who receives Confidential Information pursuant to this clause (f);

(g) to prosecute or defend litigation, including responding to a subpoena in a Third Party litigation; provided, that the Receiving Party will provide the Disclosing Party, except where impracticable or not legally permitted, [**] advance notice (or, if [**] notice is not possible under the circumstances, reasonable advance notice), and a reasonable opportunity to review such disclosure and reasonably consider the Disclosing Party's comments regarding confidential treatment sought for such disclosure; and provided, further, that the Receiving Party shall use not less than the same efforts to secure confidential treatment of such Confidential Information as it would to protect its own confidential information from disclosure (but no less than reasonable efforts);

(h) by (i) Janssen, its Affiliates or its or their Sublicensees to an actual or potential Third Party Manufacturing, Development or Commercialization collaborator, (sub)contractor or partner with respect to a Licensed ADC or Licensed Product or otherwise as may be necessary or reasonably useful in connection with its exercise of rights or performance of obligations hereunder or (ii) Mersana to a permitted actual or potential Third Party Manufacturer with respect to a Licensed ADC in connection with its performance of obligations hereunder; provided, that such Third Party recipient is subject to obligations of confidentiality and limitations on use of such Confidential Information substantially similar to those contained herein; and provided, further, that the Receiving Party will remain responsible for any violation of such confidentiality provisions by any Person who receives Confidential Information pursuant to this clause (h);

(i) by either Party to an actual or potential investor in or acquirer of the business to which this Agreement relates in connection with bona fide due diligence for the sole purpose of evaluating an actual or potential investment in, acquisition of or other financial transaction with such Party, in each case on a need to know basis; provided, that such Third Party recipient is then subject to obligations of confidentiality and limitations on use of such Confidential Information substantially similar to those contained herein; and provided, further, that the Receiving Party will remain responsible for any violation of such confidentiality provisions by any Person who receives Confidential Information pursuant to this clause (i); and provided, further, that Mersana may not disclose any Specified Janssen Confidential Information to a prospective acquirer unless and until such Third Party has provided Mersana with a written proposal for a Change in Control transaction (including financial compensation) and Mersana's board of directors has determined to pursue negotiations with such prospective acquirer with respect to such proposal; and

(j) by Mersana to a Third Party that is a party to a Mersana In-License or Future Mersana In-License, to the extent required to comply with the terms of such Mersana In-License or Future Mersana In-License; provided, that such Third Party is subject to obligations of confidentiality and limitations on use of such Confidential Information substantially similar to those contained herein; and provided, further, that Mersana will remain responsible for any violation of such confidentiality provisions by any Person who receives Confidential Information pursuant to this clause (j).

10.3 Terms of Agreement. In addition to the disclosures permitted under Section 10.2.2, either Party may disclose the terms of this Agreement and other information relating to this Agreement or the transactions contemplated by this Agreement to the extent required, in the reasonable opinion of such Party's counsel, to comply with the rules and regulations promulgated by the United States Securities and Exchange Commission or the Nasdaq Stock Market or similar security regulatory authorities or stock market in other countries, including as a result of any actions taken by a Party not in violation of this Agreement. If a Party intends to disclose this Agreement or any of its terms or other such information in accordance with this Section 10.3, such Party will, except where impracticable or not legally permitted, give reasonable advance notice to the other Party of such disclosure and seek confidential treatment of portions of this Agreement or such terms or information, as may be reasonably requested by the other Party in a timely manner.

10.4 Press Releases and Other Disclosures to Third Parties. Neither Mersana nor Janssen will, without the prior consent of the other Party (not to be unreasonably withheld, conditioned or delayed), issue any press release or make any other public announcement or furnish any statement to any person or entity (other than either Parties' respective Affiliates) concerning the existence of this Agreement, its terms and the transactions contemplated hereby, except for (a) an initial press release to be issued by Mersana substantially in the form attached hereto as Schedule 10.4, and (b) disclosures made in compliance with Sections 10.2.2 or 10.3. In addition, if so required, first approval by a Party of the contents of a press release or public disclosure shall constitute permission of a Party to use such same contents subsequently, without submission of the press release or public disclosure to a Party for approval, provided that such information remains accurate and not misleading in all material respects at the time of such further press release or public disclosure.

10.5 Publications Regarding Results of the Research Program or Development of Licensed ADCs or Licensed Products. Neither Party may publish, present or announce results of the Research Programs or Development of Licensed ADCs or Licensed Products hereunder either orally or in writing, including any abstracts, manuscripts, posters, slide presentations or other materials (each, a "**Publication**") without complying with the provisions of this Section 10.5. A Party wishing to make a Publication will provide the other Party with a copy of the proposed Publication at least [**] in the case of abstracts) prior to submitting the Publication to a publisher or initiating any other release. The other Party shall have [**] in the case of abstracts) from receipt of a proposed Publication to provide comments or proposed changes to the publishing Party. The publishing Party shall take into account the comments or proposed changes made by the other Party on any Publication. Each Party shall agree to designate employees or others acting on behalf of the other Party as co-authors on any Publication describing results to which such persons have contributed in accordance with standards applicable to authorship of scientific publications. If the other Party reasonably determines that the Publication would entail the public disclosure of such Party's Confidential Information or of a patentable invention upon which a patent application should be filed prior to any such disclosure, then, as applicable, submission of the concerned Publication to Third Parties shall be delayed for such period as may be reasonably necessary for deleting any such Confidential Information of the other Party (if the other Party has requested deletion thereof from the proposed Publication) or the drafting and filing of a patent application covering such invention, provided such additional period shall not exceed [**] from the date the publishing Party first provided the proposed Publication to the other Party. Notwithstanding the foregoing, Janssen may not publish any data relating to the [**] (other than the [**], data that resulted from Research Plan activities or data solely related to a Licensed ADC or Licensed Product) without Mersana's prior written consent, and Mersana shall not need to comply with the provisions of this Section 10.5 with respect to publications relating to the [**], to the extent unrelated to the Research Plan activities or the Licensed ADCs or Licensed Products.

10.6 Return of Confidential Information. Upon the effective date of expiration or termination of this Agreement for any reason, with respect to Confidential Information of the Disclosing Party to which the Receiving Party does not retain rights under the surviving provisions of this Agreement, upon the written request of the Disclosing Party (the requesting Party), the Receiving Party (the non-requesting Party) shall use Diligent Efforts to either, at the non-requesting Party's option: (a) promptly destroy all copies of such Confidential Information of the requesting Party in the possession or control of the non-requesting Party and confirm such destruction in writing to the requesting Party; or (b) promptly deliver to the requesting Party, at the non-requesting Party's sole cost and expense, all copies of such Confidential Information in the possession or control of the non-requesting Party. Notwithstanding the foregoing, the non-requesting Party shall be permitted to retain such Confidential Information (x) to the extent necessary or reasonably useful for purposes of performing any continuing obligations or exercising any ongoing rights hereunder and, in any event, a single copy of such Confidential Information for archival purposes and (y) any computer records or files containing such Confidential Information that have been created solely by such non-requesting Party's automatic archiving and back-up procedures, to the extent created and retained in a manner consistent with such non-requesting Party's standard archiving and back-up procedures, but not for any other uses or purposes. All Confidential Information shall continue to be subject to the terms of this Agreement for the period set forth in Section 10.1.

ARTICLE 11 INVENTIONS AND PATENTS

11.1 Disclosure of Inventions.

11.1.1 "**Invention**" means [**].

11.1.2 Janssen shall promptly disclose to Mersana [**].

11.1.3 Mersana shall promptly disclose to Janssen any Product Invention and any Know-How to the extent relating to such Product Invention ([**]).

11.1.4 Each Party shall promptly disclose to the other Party any Joint Inventions and any other Joint Know-How.

11.2 Ownership of Intellectual Property.

11.2.1 Background IP. As between the Parties, subject to the applicable licenses granted in Article 5, each Party shall own and retain all right, title and interest in and to any and all Know-How that is Controlled by such Party as of the Effective Date or conceived, discovered, developed, invented or otherwise first made by or on behalf of such Party outside of this Agreement, and any and all Patent Rights and other intellectual property rights therein. For the avoidance of doubt, subject to the applicable licenses granted in Article 5, (x) Mersana shall own and retain all right, title and interest in and to any and all Mersana Technology and (y) Janssen shall own and retain all right, title and interest in and to any and all Janssen Technology.

11.2.2 Inventions - General. Subject to Section 11.2.3 and Section 11.2.4, any Invention conceived or discovered solely by Janssen (or any of its Affiliates or Sublicensees or any Third Party acting on behalf of Janssen or any of its Affiliates or Sublicensees) will be solely owned by Janssen, any Invention conceived or discovered solely by or on behalf of Mersana (or any of its Affiliates or any Third Party acting on behalf of Mersana or any of its Affiliates) will be solely owned by Mersana, and any Inventions conceived or discovered jointly by Janssen (or any of its Affiliates or Sublicensees or any Third Party acting on behalf of Janssen or any of its Affiliates or Sublicensees) and Mersana (or any of its Affiliates or any Third Party acting on

behalf of Mersana or any of its Affiliates) will be jointly owned by Janssen and Mersana (a "**Joint Invention**").

11.2.3 Mersana Platform Inventions.

(a) ***Mersana Platform Inventions***. Notwithstanding Section 11.2.2 and subject to Section 11.2.4, as between the Parties, Mersana shall [**] that is:

(i) [**] during the Research Term;

(ii) [**] during the Research Term; or

(iii) [**]

(the Inventions described in clauses (i), (ii) and (iii) above, collectively, the "**Mersana Platform Inventions**").

(b) ***Obligation to Assign***. Janssen will, and does hereby, assign to Mersana and will cause each of its officers, directors, employees, Affiliates, subcontractors and agents to assign to Mersana all right, title and interest in and to Mersana Platform Invention and any Patent Rights to the extent claiming any Mersana Platform Inventions without additional compensation, as is necessary to fully effect the sole ownership provided for in this Section 11.2.3. Mersana will solely own any Patent Rights claiming any Mersana Platform Invention.

(c) ***[**]***.

(d) ***License to Use Know-How relating to Mersana Platform Inventions***. Janssen will grant, and hereby grants, to Mersana a perpetual non-exclusive, non-transferrable (except as set forth in Article 17), worldwide, royalty-free, sublicensable (through multiple tiers) license to use any Know-How Controlled by Janssen to the extent relating to any Mersana Platform Inventions for all purposes, other than the Exploitation of Licensed ADCs, Licensed Products, Janssen Antibodies or products containing a Janssen Antibody. If any of the Know-How licensed to Mersana pursuant to this Section 11.2.3(d) is Controlled by an Affiliate of Janssen, Janssen will procure that such Affiliate grants the licenses and rights to Mersana in accordance with this Section 11.2.3(d).

11.2.4 Product Inventions.

(a) ***Product Inventions***. Notwithstanding Section 11.2.2, as between the Parties, Janssen shall [**] that is:

(i) [**]; or

(ii) [**]

(the Inventions described in clauses (i) and (ii) above, collectively, the "**Product Inventions**").

(b) ***Obligation to Assign***. Mersana will, and does hereby, assign to Janssen and will cause each of its officers, directors, employees, Affiliates, subcontractors and agents to assign to Janssen all right, title and interest in and to any Product Invention and any Patent Rights to the extent claiming any Product Inventions

without additional compensation, as is necessary to fully effect the sole ownership provided for in this Section 11.2.4. Janssen will solely own any Patent Rights claiming any Product Invention, provided that, in filing and prosecuting such Patent Right, Janssen will not claim (i) any [**] within the Mersana Platform or any Auristatin Compound within the Mersana Platform, in each case, that is not used in a Licensed ADC or (ii) any [**] within the Mersana Platform or any Auristatin Compound within the Mersana Platform, in each case, separately from a Licensed ADC as a whole.

(c) ***[**]***.

(d) ***License to Use Know-How relating to Product Inventions***. Mersana will grant, and hereby grants, to Janssen a perpetual non-exclusive, non-transferrable (except as set forth in Article 17), worldwide, royalty-free, sublicensable (through multiple tiers) license to use any Know-How Controlled by Mersana to the extent relating to any Product Invention for all purposes, other than the Exploitation of Licensed ADCs or Licensed Products. If any of the Know-How licensed to Janssen pursuant to this Section 11.2.4(d) is Controlled by an Affiliate of Mersana, Mersana will procure that such Affiliate grants the licenses and rights to Janssen in accordance with this Section 11.2.4(d).

11.2.5 Other Agreement Technology. Except as set forth in Section 11.2.2, 11.2.3 and 11.2.4, (a) each Party shall own and, subject to the applicable licenses granted in Article 5, retain all right, title and interest in and to any and all Know-How (other than Inventions) that is generated, conceived, or developed solely by or on behalf of such Party (or its Affiliates or Sublicensees) under this Agreement and (b) the Parties shall each own an equal, undivided interest in any and all Joint Technology. Each Party will, and does hereby, assign to the other Party and will cause each of its officers, directors, employees and Affiliates, to assign to the other Party an undivided one-half (1/2) ownership interest in and to any Joint Technology, without additional compensation, as is necessary to fully effect the joint ownership provided for in the first sentence of this Section 11.2.5. Subject to the licenses granted in Article 5 and the provisions of Section 5.5, each Party shall have the right to Exploit, including granting a license under such Party's interest in, the Joint Technology without a duty of seeking consent of or accounting to the other Party.

11.2.6 United States Law. The determination of whether any Invention is conceived, discovered, developed or otherwise made by a Party for the purpose of allocating proprietary rights (including Patent Rights or other intellectual property rights) therein, shall, for purposes of this Agreement, be made in accordance with Applicable Law in the United States as such law exists as of the Effective Date irrespective of where or when such conception, discovery, development or making occurs. Each Party agrees to execute, acknowledge and deliver such further instruments and to do all such other acts as may be necessary or appropriate to effect the allocation of ownership set forth this Section 11.2.

11.3 Patent Prosecution and Maintenance.

11.3.1 Mersana Patent Rights. Mersana shall have the sole right and authority, but not the obligation, to prepare, file, prosecute and maintain the Mersana Patent Rights and any Mersana Platform Patent Rights that are not Mersana Patent Rights, on a worldwide basis and to be responsible for any related interference, re-issuance, re-examination and opposition proceedings, in each case, at Mersana's sole expense.

11.3.2 Janssen Patent Rights. Janssen shall have the sole right and authority, but not the obligation, to prepare, file, prosecute and maintain the Janssen Patent Rights and any

Product Patent Rights on a worldwide basis, and to be responsible for any related interference, re-issuance, re-examination and opposition proceedings, in each case, at Janssen's sole expense.

11.3.3 Joint Patent Rights. Mersana shall have the first right and authority, but not the obligation, to prepare, file, prosecute and maintain the Joint Patent Rights on a worldwide basis. Mersana shall keep Janssen reasonably informed and provide reasonable opportunity for Janssen to comment with respect to all material steps with regard to the filing, prosecution and maintenance of Joint Patent Rights, and shall reasonably consider such comments in good faith. The Parties shall share equally all the costs associated with filing, prosecution, and maintenance of such Joint Patent Rights; provided, that Janssen shall have the right, on written notice to Mersana to elect not to bear such costs with respect to a Joint Patent Right, in which case Janssen shall, and does hereby, assign its right, title and interest in and to such Joint Patent Right. If Mersana decides not to continue prosecuting any Joint Patent Rights, then Mersana shall promptly so notify Janssen in writing (which written notice shall be at least [**] before any relevant deadline prior to taking any extension for such Joint Patent Right), in which case, Mersana shall, and does hereby, assign its right, title and interest in and to such Joint Patent Right to Janssen. Thereafter, Janssen shall have the right, but not the obligation, to prosecute or maintain such Joint Patent Right, at Janssen's sole expense.

11.3.4 Cooperation. The Parties shall at all times fully cooperate with each other in order to reasonably implement the foregoing provisions of this Section 11.3. Such cooperation may include each Party's execution of necessary legal documents, coordinating filing or prosecution of applications to avoid potential issues during prosecution (including novelty, enablement, estoppel and double patenting and execution of amendments), and the assistance of each Party's relevant personnel. Any Party that owns Know-How that is invented, conceived or developed under this Agreement and wishes to file a patent application thereon shall provide the other Party's JPC representative with a copy of the proposed patent application at least [**] prior to the proposed filing date of such application, and the Parties shall, through their JPC representatives, coordinate such filings to avoid creating potential issues in the prosecution of such patent applications. Typically, such coordination will not delay the prosecuting Party from filing any such patent applications by more than [**] after its provision of a copy of such patent application to the other Party. However, in atypical circumstances, if the other Party's JPC representative requests in writing additional time for coordination efforts, the prosecuting Party shall delay the filing of such application by an additional [**], for a total of [**] from the prosecuting Party's provision of a copy of such patent application to other Party. [**]. Except as otherwise expressly authorized in this Agreement, Janssen shall not disclose or claim in any patent application, patent or publication any Mersana Confidential Information (including any Mersana Know-How or Mersana Platform Know-How) without first obtaining Mersana's prior written consent. Except as otherwise expressly authorized in this Agreement, Mersana shall not disclose or claim in any patent application, patent or publication any Janssen Confidential Information (including any Janssen Know-How or Product Know-How) without first obtaining Janssen's prior written consent.

11.3.5 Patent Term Extension and Supplementary Protection Certificate. As between the Parties, Janssen shall have the sole right to make decisions regarding, and to apply for, patent term extensions in the Territory, including the United States with respect to extensions pursuant to 35 U.S.C. §156 et. seq. and in other jurisdictions pursuant to supplementary protection certificates, and in all jurisdictions with respect to any other extensions that are now or become available in the future, wherever applicable (collectively, the "**Extensions**"), for the Janssen Patent Rights, any Product Patent Rights and any Joint Patent Rights and with respect to the Licensed Products, in each case including whether or not to do so. Mersana shall provide prompt and reasonable assistance with respect thereto, as requested by Janssen, including by taking such action as patent holder as is required under any Applicable Law to obtain such extension or supplementary protection certificate. As between the Parties, Mersana shall have

the sole right to make decisions regarding, and to apply for, Extensions for the Mersana Patent Rights; provided, that Janssen shall have the right, from time to time, request that Mersana make an Extension with respect to a Mersana Patent Right with respect to a Licensed ADC or Licensed Product and Mersana shall consider any such request from Janssen with regard thereto in good faith.

11.3.6 Common Ownership Under Joint Research Agreements. Notwithstanding anything to the contrary in this Article 11, neither Party shall have the right to make an election under 35 U.S.C. 102(c) when exercising its rights under this Article 11 without the prior written consent of the other Party. With respect to any such permitted election, the Parties shall coordinate their activities with respect to any submissions, filings or other activities in support thereof. The Parties acknowledge and agree that this Agreement is a "joint research agreement" as defined in 35 U.S.C. 100(h).

11.3.7 Unitary Patent System. The Party prosecuting and maintaining a Patent Right in Europe will have the exclusive right to opt-in or opt-out of the Europe Unitary Patent System for such Patent Right. For clarity, "to opt-in or opt-out" refers to both the right to have or have not a European patent application or an issued European patent registered to have unitary effect within the meaning of Regulation (EU) No 1257/2012 of December 17, 2012 as well as the Agreement on a Unified Patent Court as of February 19, 2013; and to the right to opt-in or opt-out from the exclusive competence of the Unified Patent Court in accordance with Article 83(3) of that Agreement on a Unified Patent Court. Without limiting the generality of the foregoing, unless a Party or its Affiliate has expressly opted in to the Europe Unitary Patent System with respect to a given Patent Right, the other Party will not initiate any action with respect to such Patent Right under the Europe Unitary Patent System without such Party's prior written approval, such approval to be granted or withheld in such Party's sole discretion.

11.4 Enforcement of Patent Rights.

11.4.1 Mersana Patent Rights.

(a) Mersana shall have the (i) sole right, at its sole expense, but not the obligation, to determine the appropriate course of action to enforce the Mersana Patent Rights Covering elements of the Mersana Platform and (ii) the Mersana Platform Patent Rights Covering elements of the Mersana Platform, or otherwise abate the infringement thereof, to take (or refrain from taking) appropriate action to enforce such Patent Rights, to control any litigation or other enforcement action and to enter into, or permit, the settlement of any such litigation or other enforcement action with respect to such Patent Rights. Mersana's right in the preceding sentence shall be, as between the Parties, Mersana's sole right with respect to the Mersana Patent Rights Covering elements of the Mersana Platform and the Mersana Platform Patent Rights Covering elements of the Mersana Platform and Mersana's first right with respect to all other Mersana Patent Rights (such other Mersana Patent Rights, the "**Non-Platform Mersana Patent Rights**"). Mersana shall in good faith consider the interests of Janssen in conducting the foregoing activities with respect to the Non-Platform Mersana Patent Rights. Janssen shall fully cooperate with Mersana in any such action to enforce the Mersana Patent Rights at Mersana's expense, including being joined as a party to such action if necessary.

(b) With respect to any enforcement of the Non-Platform Mersana Patent Rights against any Person that is Exploiting a product containing an antibody-drug conjugate Directed to any Target (a "**Competitive Infringement**") Mersana shall notify Janssen of its election to take any action in accordance with Section 11.4.1(a) within the earlier of: (i) [**] after Mersana becomes aware of the Competitive Infringement; or (ii)

[**] before any time limit set forth in Applicable Law. In such event, Janssen shall have the right, but not the obligation, to initiate such suit or take such other action with respect to the Non-Platform Mersana Patent Rights, upon written notice to Mersana. Janssen shall in good faith consider the interests of Mersana in conducting the foregoing activities with respect to the Non-Platform Mersana Patent Rights. Mersana shall fully cooperate with Janssen in any such action to enforce the Non-Platform Mersana Patent Rights against a Competitive Infringement at Janssen's expense, including being joined as a party to such action if necessary.

(c) All monies recovered upon the final judgment or settlement of any such suit to enforce any Non-Platform Mersana Patent Rights against a Competitive Infringement shall be allocated first to the enforcing Party to the extent necessary to compensate it for its expenses in its enforcement, second to the other Party to the extent necessary to compensate it for its expenses in cooperating with the enforcing Party in its enforcement, with any remainder paid to or retained by Janssen; provided, that to the extent that any remainder paid to or retained by Janssen is attributable to loss of sales or profits with respect to a Licensed Product, such amount shall be treated as "Net Sales" in the Calendar Quarter in which the money is actually received for purposes of calculating any royalties with respect thereto that may be owed to Mersana pursuant to Section 8.3.

11.4.2 Janssen Patent Rights. Janssen shall have the sole right, at its sole expense, but not the obligation, to determine the appropriate course of action to enforce Janssen Patent Rights, or otherwise to abate the infringement thereof, to take (or refrain from taking) appropriate action to enforce the Janssen Patent Rights and the Product Patent Rights, to control any litigation or other enforcement action and to enter into, or permit, the settlement of any such litigation or other enforcement action with respect to the Janssen Patent Rights and the Product Patent Rights. Mersana shall fully cooperate with Janssen, at Janssen's expense, in any such action to enforce the Janssen Patent Rights or the Product Patent Rights, including being joined as a party to such action if necessary. Janssen will reasonably inform and consult with Mersana prior to taking any such enforcement action with respect to a Competitive Infringement, provide Mersana with prompt written notice of the commencement of any such enforcement action and keep Mersana apprised of the progress of such enforcement action. All monies recovered upon the final judgment or settlement of any such suit to enforce any Janssen Patent Rights or Product Patent Rights against a Competitive Infringement shall be allocated first to Janssen to the extent necessary to compensate it for its expenses in its enforcement, second to Mersana to the extent necessary to compensate it for its expenses in cooperating with Janssen in its enforcement, with any remainder retained by Janssen; provided, that to the extent that any remainder retained by Janssen is attributable to loss of sales or profits with respect to a Licensed Product, such amount shall be treated as "Net Sales" in the Calendar Quarter in which the money is actually received for purposes of calculating any royalties with respect thereto that may be owed to Mersana pursuant to Section 8.3.

11.4.3 Joint Patent Rights.

(a) Mersana shall have the sole right, at its sole expense, to determine the appropriate course of action to enforce Joint Patent Rights, or otherwise to abate the infringement thereof, to take (or refrain from taking) appropriate action to enforce the Joint Patent Rights, to control any litigation or other enforcement action and to enter into, or permit, the settlement of any such litigation or other enforcement action with respect to the Joint Patent Rights, in each case in connection with any product that is competitive with any product Developed or Commercialized by or on behalf of Mersana (except a Competitive Infringement). All monies recovered upon the final judgment or settlement of any such suit to enforce any such Joint Patent Rights shall be allocated first to Mersana to the extent necessary to compensate it for its expenses in its enforcement, second to

Janssen to the extent necessary to compensate it for its expenses in cooperating with Mersana in its enforcement (to the extent not otherwise reimbursed), and finally any remaining amounts shall be retained by Mersana. Janssen shall fully cooperate with Mersana, at Mersana's expense, in any action to enforce the Joint Patent Rights in connection therewith, including being joined as a party to such action if necessary.

(b) Janssen shall have the sole right, at its sole expense, to determine the appropriate course of action to enforce Joint Patent Rights, or otherwise to abate the infringement thereof, to take (or refrain from taking) appropriate action to enforce the Joint Patent Rights, to control any litigation or other enforcement action and to enter into, or permit, the settlement of any such litigation or other enforcement action with respect to the Joint Patent Rights, in each case in connection with any product that is competitive with any product Developed or Commercialized by or on behalf of Janssen, including a Competitive Infringement. All monies recovered upon the final judgment or settlement of any such suit to enforce any such Joint Patent Rights shall be allocated first to Janssen to the extent necessary to compensate it for its expenses in its enforcement, second to Mersana to the extent necessary to compensate it for its expenses in cooperating with Janssen in its enforcement (to the extent not otherwise reimbursed), and finally any remaining amounts shall be retained by Janssen. Mersana shall fully cooperate with Janssen, at Janssen's expense, in any action to enforce the Joint Patent Rights in connection therewith, including being joined as a party to such action if necessary.

11.4.4 Notification of Infringement; Settlement. In the event either Party becomes aware of any actual or threatened Competitive Infringement of a Mersana Patent Right, Janssen Patent Right or Joint Patent Right or any an actual or threatened infringement of a Joint Patent Right, it shall promptly notify the other Party. Notwithstanding anything to the contrary under this Article 11, neither Party may enter a settlement, consent judgment or other voluntary final disposition of a suit under this Article 11 that disclaims, limits the scope of, admits the invalidity or unenforceability of, or grants a license, covenant not to sue or similar immunity under a Patent Right owned or controlled by the other Party or its Affiliates without first obtaining the written consent of the Party that owns or controls the relevant Patent Right.

11.5 Third Party Patent Rights. Notwithstanding anything to the contrary in this Agreement, with respect to any Mersana Patent Rights that are subject to the Mersana In-Licenses, the rights and obligations of the Parties under Sections 11.3 and 11.4 shall be subject to Mersana's licensors' rights to participate in and control prosecution, maintenance and enforcement of such Mersana Patent Rights, and to receive a share of damages recovered in such action, in accordance with the terms and conditions of the applicable Mersana In-License.

11.6 Separate Representation. The Party not bringing an action with respect to any Competitive Infringement or any infringement of a Joint Patent Right in the Territory under this Article 11 shall be entitled to separate representation in such matter by counsel of its own choice and at its own expense, but such Party shall at all times cooperate fully with the Party bringing such action; provided that to the extent such separate representation is retained and used in connection with any cooperation provision of this Article 11 or Article 12, the Party bringing such action shall reimburse such cooperating Party for the cost of such counsel, if required under such Articles.

11.7 Trademarks. Janssen (itself or through its Affiliates or Sublicensees) shall have the sole right to select, register, maintain, enforce and defend, in its (or their respective) name, all trademarks for use in connection with the sale or marketing of the Licensed Products in the Territory (collectively, "**Product Trademarks**") at Janssen's own cost and expense, and Janssen (or such Affiliates or Sublicensees) shall own all such Product Trademarks. Mersana shall not, and shall not permit its Affiliates to, (a) use in their respective businesses, any trademark that is

confusingly similar to, misleading or deceptive with respect to or that dilutes any (or any part of any) Product Trademark or (b) do any act that endangers, destroys, or similarly affects, in any material respect, the value of the goodwill pertaining to any Product Trademark. Mersana shall not, and shall not permit its Affiliates to, attack, dispute or contest the validity of or ownership of any Product Trademark anywhere in the Territory or any registrations issued or issuing with respect thereto, other than any Product Trademark that is confusingly similar to, misleading or deceptive with respect to or that dilutes any (or any part of any) Mersana Trademark. Janssen shall not, and shall not permit its Affiliates to, attack, dispute or contest the validity of or ownership of any trademark owned or Controlled by Mersana that is used in connection with the sale or marketing of Auristatin Compounds, or products arising out of Exploitation of the Mersana Platform Technology ("**Mersana Trademarks**"), anywhere in the Territory or any registrations issued or issuing with respect thereto, other than any Mersana Trademark that is confusingly similar to, misleading or deceptive with respect to or that dilutes any (or any part of any) Product Trademark.

ARTICLE 12 INFRINGEMENT OR OTHER ACTIONS BROUGHT BY THIRD PARTIES

12.1 Third Party Actions.

12.1.1 Each Party shall immediately disclose to the other Party in writing any warning letter or other notice of infringement or misappropriation received by a Party, or any action, suit or proceeding brought against a Party alleging infringement of a Patent Right or misappropriation of intellectual property of any Third Party with regard to any aspect of the conduct by either Party, its Affiliates or Sublicensees pursuant to this Agreement or a Research Program (each, a "**Third Party Action**").

12.1.2 Mersana Rights and Obligations. Except as provided in Section 12.1.3, and subject to Article 15, Mersana, at its own expense and through counsel of its choosing, shall have the sole right, but not the obligation to defend against any Third Party Action in the Territory alleging that the practice of the Mersana Technology or Mersana Platform Technology infringes or misappropriates a Third Party's intellectual property rights. Mersana shall have the sole and exclusive right to select counsel for such Third Party Action.

12.1.3 Janssen Right to Defend. Subject to Article 15, Janssen, at its own expense and through counsel of its choosing, shall have the sole right, but not the obligation to defend against any Third Party Action in the Territory alleging that the Development, Manufacture, Commercialization or other Exploitation of any Licensed Product infringes or misappropriates a Third Party's intellectual property rights, except to the extent such claim of infringement alleges that the practice of the Mersana Platform Technology infringes or misappropriates a Third Party's intellectual property rights. If Mersana is named as a defendant in such suit, Mersana will have the right to participate in such defense and settlement with its own counsel, at its cost. Janssen will not enter into any settlement of any Third Party Action that is instituted or threatened to be instituted against Mersana without Mersana's prior written consent, which will not be unreasonably withheld, conditioned or delayed; *except that,* such consent will not be required if such settlement includes a release of all liability in favor of Mersana or an assumption of any unreleased liability by Janssen. Janssen will reimburse Mersana for the reasonable out-of-pocket expenses incurred by Mersana in providing such assistance and cooperation; and *except that* Janssen will have no obligation to reimburse Mersana for any costs or expenses incurred if Mersana exercises its right to participate in the defense and settlement of a Third Party Action with its own counsel. Janssen will keep Mersana reasonably informed of the progress of any Third Party Action.

12.1.4 Consultation; Settlement. The Parties may consult with one another on all material aspects of the defense of Third Party Actions. The Parties shall reasonably cooperate with each other in all such actions or proceedings. No Party shall admit the invalidity or unenforceability of any Patent Right Controlled by the other Party without the other Party's prior written consent.

12.2 Invalidity or Unenforceability Defenses or Actions.

12.2.1 Each Party shall promptly notify the other Party in writing of any alleged or threatened assertion of invalidity or unenforceability of any of the Mersana Patent Rights, Janssen Patent Rights or Joint Patent Rights by a Third Party of which such Party becomes aware.

12.2.2 With respect to Mersana Patent Rights and Janssen Patent Rights, the Party that at the time is prosecuting such Patent Right shall have the sole right to control the defense of the validity and enforceability of such Patent Rights and shall bear the costs with respect thereto.

12.2.3 With respect to Joint Patent Rights, upon receipt of any notice provided under Section 12.2.1, the Parties shall promptly meet to discuss in good faith the most favorable approach to defend against any such allegation in light of each Party's commercial interests therein, including which Party should control the defense of the validity and enforceability of the Joint Patent Rights and the allocation of costs and expenses with respect thereto; provided, that as between the Parties, if any such invalidity or unenforceability of a Joint Patent Right is raised as a defense or counterclaim in connection with a Third Party Action initiated pursuant to Section 12.1, the Party controlling such Third Party Action pursuant to Section 12.1.2 or 12.1.3, as applicable, shall have the right, but not the obligation, to defend and control the defense of the validity and enforceability of such Joint Patent Rights at its sole expense in the Territory and using counsel of its own choice. If the controlling Party with respect to a Joint Patent Right elects not to defend or control the defense of the Joint Patent Rights, in a suit brought in the Territory or otherwise fails to initiate and maintain the defense of any such claim, suit or proceeding, then the other Party may conduct and control the defense of any such claim, suit or proceeding using counsel of its own choice at its sole cost and expense.

12.2.4 Where a Party controls any action described in this Section 12.2, the other Party shall have the right to participate in any such claim, suit or proceeding with counsel of its choice at its sole cost and expense (provided, that the controlling Party shall retain control of the defense in such claim, suit or proceeding) and shall cause its Affiliates to, assist and cooperate with the controlling Party, at the controlling Party's expense, as such controlling Party may reasonably request from time to time in connection with its activities set forth in this Section. In connection with any activities with respect to a defense, claim or counterclaim relating to the Patent Rights pursuant to this Section 12.2 (other than with respect a defense, claim or counterclaim relating to the Mersana Platform Patent Rights), the controlling Party shall (x) consult with the other Party as to the strategy for such activities, (y) consider in good faith any comments from the other Party and (z) keep the other Party reasonably informed of any material steps taken and provide copies of all material documents filed, in connection with such defense, claim or counterclaim.

12.3 Third Party Rights. If in the reasonable opinion of a Party, the Development, Manufacture, Commercialization or other Exploitation of a Licensed Product hereunder infringes or is reasonably expected to infringe or misappropriate any Patent Right, trade secret or other intellectual property right of a Third Party in any country in the Territory, then the Parties will consult on whether to, and under what terms to, negotiate and obtain a license or other rights from such Third Party to such rights as necessary or desirable to Develop, Manufacture and

Commercialize such Licensed Product in such country. The Parties' respective rights and obligations with respect to acquiring or obtaining an in-license of any such Patent Right, trade secret or other intellectual property right are set forth in Section 5.6.

ARTICLE 13 REPRESENTATIONS AND WARRANTIES; COVENANTS

13.1 Mutual Representations and Warranties. Each Party hereby represents and warrants, as of the Effective Date, and covenants (as applicable) to the other Party, as follows:

13.1.1 Corporate Existence and Power. It is a company or corporation duly organized, validly existing, and in good standing under the laws of the jurisdiction in which it is incorporated, and has full corporate power and authority and the legal right to own and operate its property and assets and to carry on its business as it is now being conducted and as contemplated in this Agreement, including the right to grant the licenses granted by it hereunder.

13.1.2 Authority and Binding Agreement. As of the Effective Date, (i) it has the corporate power and authority and the legal right to enter into this Agreement and perform its obligations hereunder; (ii) it has taken all necessary corporate action on its part required to authorize the execution and delivery of the Agreement and the performance of its obligations hereunder; (iii) the Agreement has been duly executed and delivered on behalf of such Party, and constitutes a legal, valid, and binding obligation of such Party that is enforceable against it in accordance with its terms (except as such enforcement may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other Applicable Laws affecting the rights of creditors generally and general equitable principles (whether considered in a proceeding in equity or at law)); and (iv) its execution of and performance of its obligations under this Agreement do not and will not conflict with, violate, breach or constitute a default under (a) any contractual or other legal obligation or restriction (including any confidentiality or non-competition obligation or any exclusivity restriction) to which such Party is legally bound by contract, judicial order or otherwise existing as of the Effective Date or (b) such Party's organizational documents or any requirement of Applicable Laws existing as of the Effective Date and applicable to such Party.

13.1.3 No Conflict. It is not a party to any agreement that would prevent it from (or would be breached by) granting the rights granted to the other Party under this Agreement or performing its obligations under this Agreement. It has the full right to grant the licenses or sublicenses (as applicable) granted herein and such grant will not result in the misappropriation of any Third Party intellectual property or violation of such Third Party's rights with respect thereto. During the Term, it will not enter into any agreement, contract, commitment or other arrangement that could reasonably be expected to conflict with the rights granted to the other Party hereunder or otherwise prevent the other Party from exercising the rights granted to it hereunder. Neither Party shall misappropriate any trade secret of a Third Party in connection with the performance of its activities hereunder.

13.1.4 It has not ever been, is not currently, nor is it the subject of a proceeding that could lead to it becoming a Debarred Entity, Excluded Entity or Convicted Entity.

13.1.5 Government Authorizations. Except for any Regulatory Approvals, Pricing Approvals, manufacturing approvals or similar approvals necessary for the Exploitation of the Licensed ADCs and Licensed Products, or any approvals that may be required under the HSR Act or similar Applicable Law, it has obtained all necessary consents, approvals and authorizations of all Governmental Authorities and other Persons required to be obtained by it as of the Effective Date in connection with the execution, delivery and performance of this Agreement (as contemplated as of the Effective Date), except for such consents that would not, individually or in the aggregate, be reasonably expected to have a material adverse effect on the

Exploitation of the Licensed ADCs and Licensed Products. It will maintain throughout the Term all permits, licenses, registrations, and other forms of authorizations and approvals from any Governmental Authority, necessary or required to be obtained or maintained by such Party in order for such Party to execute and deliver this Agreement and to perform its obligations hereunder in a manner which complies with all Applicable Laws.

13.2 Additional Representations, Warranties and Covenants of Mersana. Mersana hereby represents and warrants, as of the Effective Date, to Janssen, and covenants (as applicable) to Janssen, as follows:

13.2.1 No Conflicting Grants. Mersana has all rights necessary to grant the licenses under the Mersana Technology that it grants to Janssen in this Agreement. Mersana has not previously (a) licensed, assigned, transferred, or otherwise conveyed any right, title or interest in, to or under the Mersana Warranty Technology, or (b) otherwise granted any rights, in each case ((a) and (b)), to any Third Party in any way that would conflict with the licenses and rights granted to Janssen under this Agreement if the Mersana Warranty Technology were to constitute Mersana Technology (each, "**Conflicting Rights**").

13.2.2 Ownership. Other than the intellectual property rights licensed to Mersana pursuant to the Existing Mersana In-Licenses, Mersana is the exclusive owner of the Mersana Warranty Technology free and clear of all liens, charges and encumbrances (excluding licenses that do not conflict with the rights granted to Janssen hereunder).

13.2.3 Development of Mersana Platform. Mersana, its Affiliates and its and their current and former employees have not misappropriated any intellectual property of a Third Party in connection with developing the Mersana Warranty Technology developed by Mersana. Mersana is not aware of any claim by a Third Party that any such misappropriation has occurred.

13.2.4 Patent Rights. Schedule 1.1.164 sets forth all Patent Rights included in the Mersana Warranty Patent Rights. Mersana has complied in all material respects with all Applicable Laws with respect to the filing, prosecution and maintenance of those Mersana Warranty Patent Rights owned by Mersana or otherwise of which Mersana has control of such filing, prosecution and maintenance (the "**Mersana Prosecution Patent Rights**") and, to Mersana's knowledge, the filing, prosecution and maintenance of all other Mersana Warranty Patent Rights has been in compliance in all material respects with all Applicable Laws with respect thereto. Mersana has paid all maintenance and annuity fees with respect to the Mersana Prosecution Patent Rights due and, to Mersana's knowledge, all maintenance and annuity fees with respect to all other Mersana Warranty Patent Rights have been paid when due. To Mersana's knowledge, no dispute regarding inventorship has been alleged or threatened with respect to the Mersana Prosecution Patent Rights or with respect to any other Mersana Warranty Patent Rights.

13.2.5 No Action or Claim. To Mersana's knowledge, there are no actual, pending or alleged or threatened, adverse actions, suits, claims, interferences, re-examinations, oppositions, inventorship challenges or formal governmental investigations involving the Mersana Warranty Technology that are by or before any Governmental Authority. There is no award, stay, writ, judgement, injunction, decree or similar order of any Governmental Authority outstanding, or, to Mersana's knowledge, pending, involving the Mersana Warranty Technology. Mersana has not received any written notice of any actual, pending, alleged or threatened adverse actions, suits, claims, interferences, re-examinations, oppositions, inventorship challenges or formal governmental investigations involving the Mersana Warranty Technology.

13.2.6 Non-Infringement or Misappropriation. To Mersana's knowledge, the use of the Mersana Platform and the practice of the Mersana Warranty Technology will not

infringe or misappropriate the intellectual property rights of any Third Party. Mersana has not received written notice from a Third Party claiming that a Patent Right owned by such Third Party would be infringed by the use of the Mersana Warranty Technology in the Territory, and no Third Party has threatened in writing to Mersana to make any such claim.

13.2.7 Third Party Actions. To Mersana's knowledge, no Third Party is infringing or threatening to infringe any of the Mersana Warranty Patent Rights or misappropriating or threatening to misappropriate any Mersana Warranty Know-How**.**

13.2.8 Validity and Enforceability of Patents. To Mersana's knowledge, the Mersana Prosecution Patent Rights are subsisting and are, or, upon issuance, will be, valid and enforceable patents, and no Third Party has challenged the extent, validity, registrability or enforceability of such Patent Rights or alleged any misuse or non-infringement thereof (including by way of example through the institution or written threat of institution of interference, nullity or similar invalidity proceedings before the United States Patent and Trademark Office or any analogous foreign Governmental Authority), or challenged Mersana's ownership or Control of such Patent Rights.

13.2.9 Assignments. Mersana has obtained assignments from the inventors of all inventorship rights relating to the Mersana Warranty Patent Rights owned by Mersana, and, to Mersana's knowledge, all such assignments of inventorship rights relating to such Patent Rights are valid and enforceable.

13.2.10Government Funding. Neither Mersana nor any of its Affiliates is or has been a party to any agreement with a Governmental Authority pursuant to which such Governmental Authority provided or may provide funding for the development of the Mersana Warranty Technology. To Mersana's knowledge, none of the Mersana Warranty Technology includes any invention that was conceived or first actually reduced to practice in the performance of work under a funding agreement between Mersana and any Governmental Authority.

13.2.11Mersana In-Licenses. Schedule 1.1.94 sets forth a true and complete list of all agreements whereby Mersana or its Affiliates has in-licensed Mersana Warranty Technology as of the Effective Date. As of the Effective Date, (1) the Existing Mersana In-Licenses are in full force and effect, have been duly maintained, have not been cancelled, expired or abandoned; (2) Mersana is not aware of any challenges to or violation of the rights granted thereunder by any Third Party; (3) Mersana is not in material breach under any of the Existing Mersana In-Licenses, nor, to Mersana's knowledge, is any counterparty thereto; and (4) Mersana has not received any written notice of material breach under any of the Existing Mersana In-Licenses. Mersana has provided to Janssen, prior to the Effective Date, true, complete and correct copies of all Existing Mersana In-Licenses. Except for the Existing Mersana In-Licenses, neither Mersana nor any of its Affiliates is party to any agreement with a Third Party in effect on the Effective Date pursuant to which Mersana (or its respective Affiliates) is obligated to pay any amount to such Third Party for the practice of any intellectual property rights with respect to the Exploitation of Licensed ADCs or Licensed Products pursuant to this Agreement.

13.2.12Compliance. Mersana and its Affiliates conducted, and has used reasonable efforts to cause its contractors and consultants to conduct, the development of the Mersana Warranty Technology that was developed by Mersana and its Affiliates, in accordance in all material respects with Applicable Law, professional scientific standards, accepted ethical standards and applicable experimental protocols, procedures and controls.

13.2.13Adverse Event and Related Disclosure. Mersana has made available to Janssen any material safety and regulatory information in Mersana's or its Affiliate's control relating to Serious Adverse Reactions or Suspected Unexpected Serious Adverse Reactions (each

as defined under Applicable Law) with respect to products that have been made using the Mersana Platform before the Effective Date, including complete and correct copies of the following, if any: adverse event reports and Regulatory Authority inspection reports, notices of adverse findings, warning letters, regulatory filings and other material correspondence with Regulatory Authorities, in each case, with respect to such Serious Adverse Reactions or Suspected Unexpected Serious Adverse Reactions.

13.3 Additional Covenants of Mersana.

13.3.1 During the Term with respect to a Target, Mersana will [**] under this Agreement. During the Term, Mersana and its Affiliates covenant that they [**].

13.3.2 Mersana (a) shall perform its obligations under the Mersana In-Licenses and maintain such Mersana In-Licenses in full force and effect during the Term and (b) will not amend any Mersana In-Licenses except as expressly permitted under Section 5.7.2, without having first obtained Janssen's express prior written consent.

13.3.3 Mersana's collection, generation, processing and storage of all results and reports of the work carried out in the course of performing the Research Programs, [**] and Manufacturing of Licensed ADCs under this Agreement, shall be in accordance with Schedule 13.3.3.

13.3.4 Mersana covenants that if, during the Term, it becomes a Debarred Entity, Excluded Entity or Convicted Entity or if any employee or agent performing any of its obligations hereunder becomes a Debarred Individual, Excluded Individual or Convicted Individual, Mersana shall immediately notify Janssen and Janssen shall have the right to terminate this Agreement. In addition, Mersana shall not use in any capacity, in connection with the obligations to be performed under this Agreement, any person who is a Debarred Individual, Excluded Individual or Convicted Individual. For purposes of this provision, the following definitions shall apply:

(a) A "**Debarred Individual**" is an individual who has been debarred by the FDA pursuant to 21 U.S.C. §335a (a) or (b) from providing services in any capacity to a person that has an approved or pending drug or biological product application.

(b) A "**Debarred Entity**" is a corporation, partnership or association that has been debarred by the FDA pursuant to 21 U.S.C. §335a (a) or (b) from submitting or assisting in the submission of any abbreviated drug application, or a subsidiary or affiliate of a Debarred Entity.

(c) An "**Excluded Individual**" or "**Excluded Entity**" is (i) an individual or entity, as applicable, who has been excluded, debarred, suspended or is otherwise ineligible to participate in federal health care programs such as Medicare or Medicaid by the Office of the Inspector General (OIG/HHS) of the U.S. Department of Health and Human Services, or (ii) is an individual or entity, as applicable, who has been excluded, debarred, suspended or is otherwise ineligible to participate in federal procurement and non-procurement programs, including those produced by the U.S. General Services Administration (GSA).

(d) A "**Convicted Individual**" or "**Convicted Entity**" is an individual or entity, as applicable, who has been convicted of a criminal offense that falls within the ambit of 21 U.S.C. §335a (a) or 42 U.S.C. §1320a - 7(a), but has not yet been excluded, debarred, suspended or otherwise declared ineligible.

13.3.5 Mersana and its Affiliates (a) shall comply with all Applicable Law governing bribery, money laundering and other corrupt practices and behavior (including, as applicable, the U.S. Foreign Corrupt Practices Act and UK Bribery Act) and (b) shall not, directly or indirectly, offer, give, pay, promise to pay or authorize the payment of any bribes, kickbacks, influence payments or other unlawful or improper inducements to any Person in whatever form (including gifts, travel, entertainment, contributions or anything else of value).

13.4 **Additional Representation and Warranty of Janssen**. Janssen represents and warrants to Mersana, as of the date that Janssen provides to Mersana any Janssen Antibody for incorporation into a Licensed ADC under a Research Program, that [**].

13.5 **Additional Covenants of Janssen**.

13.5.1 Janssen's collection, generation, processing and storage of all results and reports of the work carried out in the course of performing the Research Programs, [**] and Manufacturing of Licensed ADCs under this Agreement, shall be in accordance with Schedule 13.3.3.

13.5.2 Janssen covenants that if, during the Term, it becomes a Debarred Entity, Excluded Entity or Convicted Entity or if any employee or agent performing any of its obligations hereunder becomes a Debarred Individual, Excluded Individual or Convicted Individual, Janssen shall immediately notify Mersana and Mersana shall have the right to terminate this Agreement. In addition, Janssen shall not use in any capacity, in connection with the obligations to be performed under this Agreement, any person who is a Debarred Individual, Excluded Individual or Convicted Individual.

13.5.3 Janssen and its Affiliates (a) shall comply with all Applicable Law governing bribery, money laundering and other corrupt practices and behavior (including, as applicable, the U.S. Foreign Corrupt Practices Act and UK Bribery Act) and (b) shall not, directly or indirectly, offer, give, pay, promise to pay or authorize the payment of any bribes, kickbacks, influence payments or other unlawful or improper inducements to any Person in whatever form (including gifts, travel, entertainment, contributions or anything else of value).

13.6 **Performance by Affiliates**. The Parties recognize that each may perform some or all of its obligations under this Agreement through Affiliates; provided, that each Party shall remain responsible for the performance by its Affiliates and shall cause its Affiliates to comply with the provisions of this Agreement in connection with such performance.

13.7 **DISCLAIMER OF WARRANTIES**. EXCEPT FOR THE EXPRESS WARRANTIES SET FORTH HEREIN, NEITHER PARTY MAKES ANY REPRESENTATIONS OR GRANTS ANY WARRANTIES, EXPRESS OR IMPLIED, EITHER IN FACT OR BY OPERATION OF LAW, BY STATUTE OR OTHERWISE, AND EACH PARTY SPECIFICALLY DISCLAIMS ANY OTHER WARRANTIES, WHETHER WRITTEN OR ORAL OR EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF QUALITY, MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE OR PURPOSE OR ANY WARRANTY AS TO THE VALIDITY OF ANY PATENT RIGHTS OR THE NON-INFRINGEMENT OF ANY INTELLECTUAL PROPERTY RIGHTS OF THIRD PARTIES. EACH PARTY HEREBY DISCLAIMS ANY REPRESENTATION OR WARRANTY THAT THE EXPLOITATION OF THE LICENSED ADCS OR LICENSED PRODUCTS PURSUANT TO THIS AGREEMENT WILL BE SUCCESSFUL OR THAT ANY PARTICULAR SALES LEVEL WITH RESPECT TO THE LICENSED PRODUCTS WILL BE ACHIEVED.

ARTICLE 14 TERM AND TERMINATION

14.1 Term. Unless earlier terminated pursuant to this Article 14, on a Target-by-Target basis, the term of this Agreement (the "**Term**") shall commence on the Effective Date and shall remain in full force and effect until the date of expiration of the last-to-expire Royalty Term for the last Licensed Product Directed to such Target. Upon the expiration of the Royalty Term with respect to a Licensed Product in a country, Mersana hereby grants to Janssen a perpetual, irrevocable, non-exclusive, fully-paid and royalty-free right and license, with the right to grant sublicenses through multiple tiers, under the Mersana Technology and Mersana's interest in the Joint Technology to Develop, Manufacture, Commercialize and otherwise Exploit such Licensed Product (and the corresponding Licensed ADCs) in the Field in such country.

14.2 Termination for Convenience by Janssen. Janssen shall have the right, at any time, to (a) during the Research Term, terminate this Agreement in its entirety or with respect to a Target without cause, by providing not less than [**] prior written notice to Mersana of such termination, or (b) following the Research Term, terminate this Agreement in its entirety or with respect to a Target without cause, by providing not less than [**] prior written notice to Mersana of such termination. Any termination of this Agreement with respect to one Target shall not affect the continuation of this Agreement with respect to other Targets.

14.3 Termination for Cause.

14.3.1 Right to Terminate for Material Breach. Either Party (the "**Non-breaching Party**") may (but is not required to and without limitation of any other right or remedy such Party may have) terminate this Agreement in its entirety in the event of a material breach of this Agreement by the other Party, if the other Party (the "**Breaching Party**") has not cured such breach within [**] after notice thereof (such period, the "**Notice Period**"). Such notice will specify the alleged breach in sufficient detail to put the Breaching Party on notice and clearly state the Non-breaching Party's intent to terminate if the alleged breach is not cured within the Notice Period. Notwithstanding the foregoing, (a) the Notice Period in connection with a material breach of a payment obligation under Article 8 shall be [**], and (b) with respect to an alleged material breach that, by its nature, is curable, but cannot be cured within the Notice Period, if the Breaching Party provides a written plan to cure such breach within the Notice Period and the Breaching Party reasonably promptly commences actions to cure such breach in accordance with such written plan, then the Notice Period shall be tolled for so long as the Breaching Party thereafter diligently continues such actions, for up to an additional [**].

14.3.2 Right to Terminate for Material Breach with respect to a Target. Mersana may (but is not required to and without limitation of any other right or remedy such Party may have) terminate this Agreement solely with respect to a Target in the event a Target-Specific Material Breach occurs, if Janssen has not cured such breach within [**] after notice thereof (such period, the "**Target-Specific Notice Period**"). Such notice will specify the alleged breach in sufficient detail to put Janssen on notice and clearly state Mersana's intent to terminate if the alleged breach is not cured within the Target-Specific Notice Period. Notwithstanding the foregoing, (a) the Target-Specific Notice Period in connection with a material breach of a payment obligation under Article 8 shall be [**], and (b) with respect to an alleged Target-Specific Material Breach that, by its nature, is curable, but cannot be cured within the Target-Specific Notice Period, if Janssen provides a written plan to cure such breach within the Target-Specific Notice Period and Janssen reasonably promptly commences actions to cure such breach in accordance with such written plan, then the Target-Specific Notice Period shall be tolled for so long as Janssen thereafter diligently continues such actions, for up to an additional [**]. A "**Target-Specific Material Breach**" means, with respect to a Target, a material breach by Janssen of its obligations under this Agreement relating to such Target that would constitute a

material breach of this Agreement if such Target had been, at the time the material breach occurred, the only Target that was subject to this Agreement.

14.3.3 Disputes. If the Breaching Party disputes in good faith the existence or materiality of a breach specified in a notice under Section 14.3.1 or Section 14.3.2 and initiates a dispute resolution procedure under Section 20.3 to resolve the dispute before the end of the Notice Period, the Notice Period shall be tolled during the pendency of such dispute resolution, and the termination shall not become effective unless and until (a) the dispute resolution process in Section 20.3 has finally determined that the Breaching Party has materially breached this Agreement and (b) such breach remains uncured for [**] (or [**] in the case of the breach of a payment obligation under Article 8) after the final resolution of the dispute through such dispute resolution procedure (or, if the breach cannot be cured within such [**] period, if the Breaching Party provides a written plan to cure such breach within such [**] period and the Breaching Party commences actions to cure such breach in accordance with such written plan and thereafter diligently continues such actions, for up to an additional [**]). During the pendency of such dispute, all of the terms and conditions of this Agreement will remain in effect and the Parties will continue to perform all of their respective obligations hereunder.

14.4 Termination for [**].

14.5 Termination for Insolvency. If either Party (a) makes an assignment of all or substantially all of its property for the benefit of creditors, (b) appoints or suffers appointment of a receiver or trustee over all or substantially all of its property, (c) files a petition under any bankruptcy or insolvency act or for reorganization or has any such petition filed against it, and such Party consents to the involuntary bankruptcy or such petition is not discharged within [**] after the filing thereof, or (d) will propose or be a party to any dissolution or liquidation (each, an "**Insolvency Event**"), the other Party may terminate this Agreement in its entirety by providing written notice of its intent to terminate this Agreement to the Party undergoing the Insolvency Event, in which case, this Agreement will terminate on the date on which the Party undergoing the Insolvency Event receives such written notice.

14.6 License Survival Upon Insolvency.

14.6.1 All licenses (and to the extent applicable, rights) granted under or pursuant to this Agreement are, and shall otherwise be deemed to be, for purposes of Section 365(n) of 11 U.S.C. Section 101, et. seq. ("**Bankruptcy Code**"), licenses of rights to "intellectual property" as defined under the Paragraph 101(35A) of the Bankruptcy Code. Upon the occurrence of any Insolvency Event with respect to a Party, the Parties agree that the non-bankrupt Party shall retain and may fully exercise all of its rights and elections under Applicable Law (including the Bankruptcy Code). The Parties further agree that, in the event of the commencement of bankruptcy proceeding by or against a bankrupt Party, the other Party shall be entitled to a complete duplicate of (or complete access to, as appropriate) any intellectual property which at that date is known to be useful or necessary for the Research Program or the Development, Manufacture or Commercialization of Licensed ADCs or Licensed Products throughout the Territory and all embodiments of such intellectual property; and the same, if not already in the other Party's possession, shall be promptly delivered to the other Party (a) upon any such commencement of a bankruptcy proceeding, upon the other Party's written request therefor (which request must identify the specific intellectual property), unless the bankrupt Party (or trustee on behalf of the bankrupt Party) elects within [**] to continue to perform all of its obligations under this Agreement or (b) if not delivered under (a) above, upon rejection of this Agreement by or on behalf of the bankrupt Party, upon written request therefor by the other Party.

14.6.2 Without limiting the generality of Section 14.6.1, Mersana and Janssen intend and agree that any sale of Mersana's assets under Section 363 of the Bankruptcy Code will be subject to Janssen's rights under Section 365(n), that Janssen cannot be compelled to accept a money satisfaction of its interests in the intellectual property licensed pursuant to this Agreement, and that any such sale therefore may not be made to a purchaser "free and clear" of Janssen's rights under this Agreement and Section 365(n) without the express, contemporaneous consent of Janssen. Further, each Party agrees and acknowledges that all payments by Janssen to Mersana hereunder, other than royalty payments under Section 8.3 and Sales Milestone Payments under Section 8.5, do not constitute royalties within the meaning of Section 365(n) of the Bankruptcy Code or relate to licenses of intellectual property hereunder. Mersana will, during the Term, create and maintain current copies or, if not amenable to copying, detailed descriptions or other appropriate embodiments, to the extent feasible, of all such intellectual property described in Section 14.6.1. Mersana and Janssen acknowledge and agree that "embodiments" of intellectual property within the meaning of Section 365(n) include laboratory notebooks, cell lines, product samples and inventory, research studies and data, regulatory filings and marketing approvals. If (i) a case under the Bankruptcy Code is commenced by or against Mersana, (ii) this Agreement is rejected as provided in the Bankruptcy Code, and (iii) Janssen elects to retain its rights hereunder as provided in Section 365(n) of the Bankruptcy Code, Mersana (in any capacity, including debtor-in-possession) and its successors and assigns (including a trustee) will:

(a) provide to Janssen all such intellectual property (including copies of embodiments of such intellectual property) held by Mersana and such successors and assigns, or otherwise available to them, immediately upon Janssen's written request; and

(b) not interfere with Janssen's rights under this Agreement, or any agreement supplemental hereto, to such intellectual property (including such embodiments), including any right to obtain such intellectual property (or such embodiments) from another entity, to the extent provided in Section 365(n) of the Bankruptcy Code.

If Mersana or any of its successors or assigns provides to Janssen any of the intellectual property licensed hereunder (or any embodiment thereof) under this Section 14.6.2, Janssen will have the right to perform Mersana's obligations under Article 2, Article 3 and Section 6.3 with respect to such intellectual property, but neither such provision nor such performance by Janssen will release Mersana from liability resulting from rejection of the license or failure to perform such obligations.

14.7 Effect of Expiration and Termination.

14.7.1 General Effects. Except where explicitly provided within this Agreement, expiration or termination of this Agreement, as applicable for any reason, or expiration of this Agreement, will not affect any: (a) obligations, including payment of any royalties or other sums which have accrued as of the date of termination or expiration, or (b) Janssen's ability to sell any existing inventory of Licensed Product (if applicable) for a period of up to [**] following termination, subject to Janssen's obligation to make corresponding payments with respect to any such sales pursuant to Article 8. Notwithstanding the foregoing, upon termination of this Agreement, all licenses granted by either Party to the other Party hereunder, and all sublicenses granted by either Party thereunder, will immediately terminate, except for licenses expressly stated to survive termination of this Agreement; provided, that in the event of a termination with respect to one Target, only such licenses with respect to such Target shall terminate. Except as provided in clause (b), neither Party shall be permitted to Develop, Manufacture or Commercialize any Licensed ADC or Licensed Product Directed to a Target following the termination of this Agreement with respect to such Target.

Notwithstanding anything herein to the contrary, termination of this Agreement by a Party will be without prejudice to other remedies such Party may have at law or equity.

14.7.2 Wind-Down. Upon any termination of this Agreement, the Parties shall cooperate in good faith to wind down any then-ongoing activities under the Research Programs, if any. In the event of a termination of this Agreement with respect to one Target, only the Research Program with respect to such Target shall be subject to such wind-down. Any CMC Costs, Supply Costs or Technology Transfer Costs incurred prior to the effective date of termination of this Agreement in the conduct of such wind-down activities shall be shared to the extent provided in Section 8.2. Any such costs that are Out-of-Pocket Expenses and are incurred in the [**] period following the effective date of termination of this Agreement shall also be shared to the extent provided in Section 8.2, and Mersana shall be solely responsible for all other costs (if any) incurred following the effective date of termination of this Agreement.

14.7.3 Return of Confidential Information and Materials. Upon any expiration or termination of this Agreement, each Receiving Party shall return or destroy all Confidential Information of the Disclosing Party in accordance with Section 10.6. In addition, each receiving Party, at the providing Party's election, shall return or destroy all Materials of the providing Party, and, with respect to destruction of Materials, shall confirm in writing such destruction.

14.7.4 Effect of Termination by Janssen for Convenience or by Mersana for Cause. If Janssen terminates this Agreement in its entirety pursuant to Section 14.2 or Mersana terminates this Agreement in its entirety pursuant to Section 14.3, then [**].

14.7.5 Survival. The following provisions will survive expiration or termination of this Agreement (including any other Sections, Articles or defined terms necessary to give such provisions effect), as well as any other provision which by its terms or by the context thereof is intended to survive such expiration or termination: Sections 2.5 (Restrictions on Use) (solely with respect to the provisions thereof that expressly survive the Term), 2.6.1 (Records) (for the period set forth therein), 2.8 (Materials), 5.2.2 ([**] License), 5.3 (No Other Rights), 8.2 (CMC Costs and Supply Costs; Technology Transfer Costs) (for any CMC Costs, Supply Costs and Technology Transfer Costs incurred during the Term, and as otherwise provided in Section 14.7.2), 8.3 (Royalties Payable by Janssen) to 8.5 (Sales Milestone Payments) (each solely with respect to payment obligations arising during the Term, except that Section 8.3.2 will survive expiration of this Agreement with respect to payment obligations arising after such expiration), 8.6 (Payment Terms) through 8.11 (Indirect Taxes), 11.2 (Ownership of Intellectual Property), 11.3 (Patent Prosecution and Maintenance) (solely with respect to Joint Patent Rights), 11.4 (Enforcement of Patent Rights) (solely with respect to Joint Patent Rights), 11.6 (Separate Representation) (solely with respect to Joint Patent Rights), 12.2 (Invalidity or Unenforceability Defenses or Actions) (solely with respect to Joint Patent Rights), 13.7 (Disclaimer of Warranties), 14.1 (Term) (the last sentence thereof) and 14.7 (Effect of Expiration and Termination); and Articles 9 (Royalty Reports and Accounting), 10 (Confidentiality; Publicity), 15 (Indemnity; Limitation of Liability), 17 (Assignment), 18 (Severability), 19 (Insurance) and 20 (Miscellaneous).

ARTICLE 15 INDEMNITY; LIMITATION OF LIABILITY

15.1 Indemnity.

15.1.1 Mersana shall defend, indemnify and hold harmless Janssen, its Affiliates and its and their respective directors, officers, employees, agents, successors and assigns from and against all liabilities, losses, damages, and expenses, including reasonable attorneys' fees and costs, (each, a "**Liability**") directly or indirectly resulting from all Third Party claims, suits,

actions, terminations or demands (each, a "**Claim**") to the extent such Claims are incurred, relate to, are in connection with or arise out of (a) the breach of this Agreement by Mersana, (b) the negligence, recklessness or willful misconduct of Mersana in connection with the performance of its obligations hereunder, (c) violation of Applicable Law by Mersana in connection with the performance of its obligations hereunder or (d) any action or omission of the Gatekeeper in performing its obligations under or in connection with this Agreement, except in each case ((a)-(d)), to the extent such Liabilities resulted from any action for which Janssen is obligated to indemnify Mersana under Section 15.1.2 or under the Clinical Supply Agreement.

15.1.2 Janssen shall defend, indemnify and hold harmless Mersana, its Affiliates and its and their respective directors, officers, employees, agents, successors and assigns from and against all Liabilities directly or indirectly resulting from all Claims to the extent such Claims are incurred, relate to or arise out of (a) the breach of this Agreement by Janssen, (b) the negligence, recklessness or willful misconduct of Janssen in connection with the performance of its obligations hereunder, (c) violation of Applicable Law by Janssen in connection with the performance of its obligations hereunder, or (d) the Development, Manufacture or Commercialization of the Licensed ADCs or the Licensed Products by Janssen, its Affiliates or Sublicensees, including any failure to test for or provide adequate warnings of adverse side effects, or any manufacturing defect in any Licensed Product, except, in each case ((a)-(d)), to the extent such Liabilities resulted from any action for which Mersana is obligated to indemnify Janssen under Section 15.1.1 or under the Clinical Supply Agreement.

15.2 Procedure.

15.2.1 Promptly after the receipt by a Party (the "**Indemnitee**") of notice of any pending or threatened Claim for which the Indemnitee intends to seek indemnification under this Article 15, such Party shall promptly provide notice thereof to the other Party (the "**Indemnitor**"), which notice shall include a reasonable identification of the alleged facts giving rise to such Claim, provided that the failure by an Indemnitee to give such notice shall not relieve the Indemnitor of its indemnification obligation under this Agreement, except and only to the extent that the Indemnitor is actually prejudiced as a result of such failure to give notice. The Indemnitor shall have the right to participate in, and, to the extent the Indemnitor so desires, jointly with any other Indemnitor similarly noticed, to control the defense thereof with counsel selected by the Indemnitor. However, notwithstanding the foregoing, the Indemnitee shall have the right to participate in, but not control, the defense of any Claim, and request separate counsel, with the fees and expenses to be paid by the Indemnitee, unless (a) representation of such Indemnitee by the counsel retained by the Indemnitor would be inappropriate due to actual or potential differing interests between such Indemnitee and any other Party represented by such counsel in such proceedings or (b) the Indemnitor has failed to assume the defense of the applicable Claim, in which case ((a) or (b)), such fees and expenses shall be paid by the Indemnitor. The Indemnitee shall, and shall cause each of its Affiliates and its and their respective directors, officers, employees, agents, successors and assigns, as applicable, to, cooperate in the defense or prosecution thereof and shall furnish such records, information and testimony, provide such witnesses and attend such conferences, discovery proceedings, hearings, trials and appeals and otherwise providing reasonable access to such indemnitees and other employees and agents of the Indemnitee, in each case as may be reasonably requested in connection therewith; provided, that the Indemnitor shall reimburse the Indemnitee for its reasonable and verifiable out-of-pocket expenses in connection therewith. The Indemnitor may not settle any Claim, and the Indemnitee shall not be responsible for or be bound by any settlement of a Claim that imposes an obligation on it, without the prior written consent of the Indemnitee (which consent shall not be unreasonably withheld, conditioned or delayed), unless such settlement or compromise (i) fully releases the Indemnitee without any liability, loss, cost or obligation, (ii) admits no liability, wrongdoing or other admission against interest on the part of the Indemnitee and (iii) would not have an adverse effect on the Indemnitee's interests

(including any rights under this Agreement or the scope or enforceability of the technology licensed hereunder).

15.2.2 The assumption of the defense of a Claim by the Indemnitor shall not be construed as an acknowledgment that the Indemnitor is liable to indemnify the Indemnitee in respect of the Claim, nor shall it constitute a waiver by the Indemnitor of any defenses it may assert against the Indemnitee's claim for indemnification.

15.3 Limitation of Liability. EXCEPT [**], NEITHER PARTY NOR ANY OF ITS AFFILIATES OR SUBLICENSEES SHALL BE LIABLE IN CONTRACT, TORT, NEGLIGENCE, BREACH OF STATUTORY DUTY OR OTHERWISE FOR ANY SPECIAL, PUNITIVE, EXEMPLARY, INDIRECT, INCIDENTAL, CONSEQUENTIAL OR MULTIPLE DAMAGES ARISING OUT OF THIS AGREEMENT OR THE EXERCISE OF ITS RIGHTS UNDER THIS AGREEMENT OR FOR LOST PROFITS SUFFERED BY THE OTHER PARTY OR ANY OTHER LOSS OR INJURY TO A PARTY'S OR ITS AFFILIATES' PROFITS, REVENUES, BUSINESS OR GOODWILL ARISING FROM OR RELATING TO ANY BREACH OF THIS AGREEMENT, IN EACH CASE, REGARDLESS OF ANY PRIOR NOTICE OF SUCH DAMAGES.

ARTICLE 16 FORCE MAJEURE

No Party (or any of its Affiliates) shall be held liable or responsible to the other Party (or any of its Affiliates) hereunder, or be deemed to have defaulted under or breached this Agreement, for failure or delay by such Party in fulfilling or performing any term of this Agreement when such failure or delay is caused by or results from causes beyond the reasonable control of the affected Party (or any of its Affiliates), including fire, floods, epidemics or pandemics, embargoes, war, acts of war (whether war be declared or not), insurrections, riots, civil commotions, acts of God, earthquakes, or omissions or delays in acting by any Governmental Authority (each, an "**Event of Force Majeure**"); provided, that the affected Party shall exert commercially reasonable efforts to eliminate, cure or overcome any such Event of Force Majeure and to resume performance of its obligations promptly. Notwithstanding the foregoing, to the extent that an Event of Force Majeure continues for a period in excess of [**], the affected Party shall promptly notify in writing the other Party of such Event of Force Majeure and within [**] of the other Party's receipt of such notice, the Parties shall discuss in good faith a plan for resolution of the Event of Force Majeure, if possible.

ARTICLE 17 ASSIGNMENT

This Agreement may not be assigned or otherwise transferred, nor, except as expressly provided hereunder, may any right or obligations hereunder be assigned or transferred by either Party without the consent of the other Party, such consent not to be unreasonably withheld, conditioned or delayed; provided, that either Party may, without such consent but with notification to the other Party following such assignment and subject to the terms and conditions of this Article 17, assign this Agreement in its entirety and its rights and obligations hereunder (a) to any of its Affiliates (for so long as the assignee remains an Affiliate of the assigning Party), provided that the assigning Party will remain responsible for the performance of, and primarily liable under, this Agreement notwithstanding such assignment, or (b) to a Third Party that acquires all or substantially all of such Party's business to which this Agreement relates (whether by merger, reorganization, acquisition, sale or otherwise). Any such assignment shall not be valid and effective unless and until the assignee agrees in writing to assume all rights and obligations of its assignor under this Agreement and be bound by the terms and conditions of this Agreement applicable to the assignor. The terms and conditions of this Agreement will be binding on and inure to the benefit of the successors and permitted assigns of the Parties. Any

attempted assignment of this Agreement not in accordance with this Article 17 shall be void and of no effect.

ARTICLE 18 SEVERABILITY

Each Party hereby agrees that this Agreement is not intended to violate any public policy, statutory or common laws, rules, regulations, treaty or decision of any government agency or executive body thereof of any country or community or association of countries. Should one or more provisions of this Agreement be or become invalid or unenforceable under Applicable Law, the Parties hereto shall substitute, by mutual consent, valid and enforceable provisions for such invalid or unenforceable provisions that, in their effect, are sufficiently similar to the invalid or unenforceable provisions that it can be reasonably assumed that the Parties would have entered into this Agreement based on such valid provisions. In case such alternative provisions cannot be agreed upon, suitable and equitable provisions will be substituted therefor in order to carry out, so far as may be valid and enforceable, the intent and purpose of such invalid or unenforceable provisions. In any case, the invalidity or unenforceability of one or several provisions of this Agreement shall not affect the validity or enforceability of this Agreement as a whole or the application of such provision to other Persons or circumstances, nor will such invalidity or unenforceability affect the validity or enforceability of such provision, or the application of such provision, in any other jurisdiction.

ARTICLE 19 INSURANCE

Each Party will maintain, at its sole cost, reasonable insurance against liability and other risks associated with its activities contemplated by this Agreement, consistent with the normal and customary practices of companies of similar size, nature and scope. Upon written request, Each Party will provide evidence of insurance in the form of a certificate of insurance. Each Party shall provide the other with [**] advance written notice in the event of any insurance cancellation.

ARTICLE 20 MISCELLANEOUS

20.1 **Notices**. Any consent, notice or report required or permitted to be given or made under this Agreement by one of the Parties hereto to the other shall be in writing, delivered personally (with tracking capabilities), first class air mail (postage prepaid, where applicable) or courier (with tracking capabilities), addressed to such other Party at its address indicated below, or to such other address as the addressee shall have last furnished in writing to the other Party in accordance with this Section 20.1. In addition and not in lieu of any of the foregoing methods of transmission, a copy of any such consent, notice or report (which shall not in itself constitute notice) may be sent by electronic mail to the electronic mail address set forth below. Any such consent, notice or report shall be effective upon the date of delivery (if delivered personally or by courier) or five (5) Business Days after mailing (if sent by first class air mail). This Section 20.1 is not intended to govern the day-to-day business communications necessary between the Parties in performing their obligations under the terms of this Agreement.

If to Mersana:

Mersana Therapeutics, Inc.
840 Memorial Drive
Cambridge, MA 02139
Attention: Legal Department
Telephone: (617) 498-0020

With a copy to:

Ropes & Gray LLP
800 Boylston Street
Boston, MA 02199
Attention: Marc Rubenstein
Telephone: (617) 951-7000
Email: mrubenstein@ropesgray.com

If to Janssen:

Janssen Biotech Inc.
800/850 Ridgeview Drive
Horsham, PA 19044
Attn: President

With a copy to:

Johnson & Johnson
Law Department
One Johnson & Johnson Plaza
New Brunswick, NJ 08933
Attn: [**]
Email: [**]

20.2 Applicable Law; Jurisdiction. This Agreement shall be governed by and construed in accordance with the laws of the State of New York, without regard to the conflict of law principles thereof that may dictate application of the laws of any other jurisdiction. Notwithstanding anything to the contrary herein, any disputes regarding validity, enforceability, interpretation and construction of any Patent Rights will be governed in accordance with the laws of the jurisdiction in which such Patent Rights were filed or granted, as the case may be, by a court of competent jurisdiction.

20.3 Dispute Resolution. The Parties agree that if any dispute or disagreement arises between Janssen on the one hand and Mersana on the other in respect of this Agreement ("**Dispute**"), subject to Section 20.9, they shall follow the following procedure in an attempt to resolve the dispute or disagreement. The term "Dispute" excludes any JRC Matter or JMC Matter, which will be subject to resolution under Section 3.2.4 or 3.3.4, as applicable. Any Dispute, including, to the extent related to this Agreement, disputes that may involve the parent

company, subsidiaries, or Affiliates under common control of any Party, shall be resolved in accordance with this Section 20.3.

20.3.1 Referral to Executive Officers. Either Party may refer to the Executive Officers any Dispute. The Executive Officers shall discuss any such matter referred to them in good faith and attempt to find a mutually satisfactory resolution to the issue. If the Executive Officers do not reach consensus regarding, or do not resolve, such a matter within [**] after the date on which the matter is referred to the Executive Officers (unless a longer period is agreed to by the Parties), then the matter may be referred to arbitration in accordance with Section 20.3.2 below, except that the following categories of Disputes shall be resolved in accordance with Section 20.3.3 below: [**], each an "**Expert Panel Dispute**").

20.3.2 Arbitration.

(a) If the Parties fail to resolve the Dispute by escalation to Executive Officers, and a Party desires to pursue resolution of the Dispute, the Dispute shall be submitted by either Party for resolution in arbitration pursuant to the then-current CPR Non-Administered Arbitration Rules ("**CPR Rules**") (www.cpradr.org), except where they conflict with these provisions, in which case these provisions control. The arbitration will be held in New York, New York. All aspects of the arbitration shall be treated as confidential.

(b) The arbitrators will be chosen from the CPR Panel of Distinguished Neutrals, unless a candidate not on such panel is approved by both Parties. Each arbitrator shall be a lawyer with at least [**] years' experience with a law firm or corporate law department of over [**] lawyers or who was a judge of a court of general jurisdiction. To the extent that the Dispute requires special expertise, the Parties will so inform CPR prior to the beginning of the selection process.

(c) The arbitration tribunal shall consist of three arbitrators, of whom each Party shall designate one in accordance with the "screened" appointment procedure provided in CPR Rule 5.4. The chair will be chosen in accordance with CPR Rule 6.4. If, however, the aggregate award sought by the Parties is less than [**] Dollars ($[**]) and equitable relief is not sought, a single arbitrator shall be chosen in accordance with the CPR Rules. Candidates for the arbitrator position(s) may be interviewed by representatives of the Parties in advance of their selection, provided that all Parties are represented.

(d) The Parties agree to select the arbitrator(s) within [**] of initiation of the arbitration. The hearing will be concluded within [**] after selection of the arbitrator(s), and the award will be rendered within [**] of the conclusion of the hearing, or of any post hearing briefing, which briefing will be completed by both sides within [**] after the conclusion of the hearing. In the event that the Parties cannot agree upon a schedule, then the arbitrator(s) shall set the schedule following the time limits set forth above as closely as practicable.

(e) The hearing will be concluded in [**] or less. Multiple hearing days will be scheduled consecutively to the greatest extent possible. A transcript of the testimony adduced at the hearing shall be made and shall be made available to each Party.

(f) The arbitrator(s) shall be guided, but not bound, by the CPR Protocol on Disclosure of Documents and Presentation of Witnesses in Commercial Arbitration (www.cpradr.org) ("**Protocol**"). The Parties will attempt to agree on modes of document disclosure, electronic discovery, witness presentation, etc. within the

parameters of the Protocol. If the Parties cannot agree on discovery and presentation issues, the arbitrator(s) shall decide on presentation modes and provide for discovery within the Protocol, understanding that the Parties contemplate reasonable discovery.

(g) The arbitrator(s) shall decide the merits of any Dispute in accordance with the law governing this Agreement, without application of any principle of conflict of laws that would result in reference to a different law. The arbitrator(s) may not apply principles such as "amiable compositeur" or "natural justice and equity."

(h) The arbitrator(s) are expressly empowered to decide dispositive motions in advance of any hearing and shall endeavor to decide such motions as would a United States District Court Judge sitting in the jurisdiction whose substantive law governs.

(i) The arbitrator(s) shall render a written opinion stating the reasons upon which the award is based. The Parties consent to the jurisdiction of the United States District Court for the district in which the arbitration is held for the enforcement of these provisions and the entry of judgment on any award rendered hereunder. Should such court for any reason lack jurisdiction, any court with jurisdiction may act in the same fashion.

(j) Each Party has the right to seek from the appropriate court provisional remedies such as attachment, preliminary injunction, replevin, etc. to avoid irreparable harm, maintain the status quo, or preserve the subject matter of the Dispute. Rule 14 of the CPR Rules does not apply to this Agreement.

20.3.3 Expert Panel. If the Parties fail to resolve an Expert Panel Dispute by escalation to Executive Officers, either Party may submit such Expert Panel Dispute for resolution in accordance with the following procedure:

(a) Each Party will select one Third Party expert who is neutral, disinterested and impartial, and has experience relevant to the Expert Panel Dispute, within [**] after either Party requests resolution by an Expert Panel (each, an "**Expert**"). The Experts selected by the Parties shall jointly select a third Expert within [**] thereafter (the three Experts together, the "**Expert Panel**").

(b) Within [**] after the Expert Panel has been selected, each Party will provide to the Expert Panel and the other Party a written report setting forth its position on the Expert Panel Dispute. Each Party may update its own report within [**] after receiving the other Party's report. If requested by the Expert Panel, each Party will make oral submissions based on its written report and each Party will have the right to be present during any such oral submissions.

(c) Within [**] after receiving the last report or, if requested by the Expert Panel, the oral submissions, the Expert Panel will select one Party's position on the referred Expert Panel Dispute as its final decision. The Expert Panel will not have the authority to modify either Party's position or to render any substantive decision other than to select one Party's position on the referred Expert Panel Dispute as set forth in such Party's written report most recently submitted to the Expert Panel. The decision of the Expert Panel will be the Parties' sole, exclusive and binding resolution of the referred Expert Panel Dispute, and the Expert Panel's decision will be deemed to be the mutual agreement by the Parties on the matter.

(d) The costs and fees of the Expert Panel will be shared equally by the Parties. Each Party will bear its own costs of participating in the proceeding.

(e) The Parties will use, and will direct the Expert Panel to use, Diligent Efforts to resolve the referred Expert Panel Dispute within [**] after either Party requests such resolution.

(f) Unless otherwise mutually agreed upon by the Parties, the in-person portion (if any) of such proceedings shall be conducted in Boston, Massachusetts.

20.3.4 In the event of a dispute regarding any payments owing under this Agreement, all undisputed amounts shall be paid promptly when due and the balance, if any, promptly after resolution of the dispute (but in no event longer than [**]).

20.3.5 Waiver. EACH PARTY HERETO WAIVES: (1) ITS RIGHT TO TRIAL OF ANY ISSUE BY JURY, AND (2) ANY CLAIM FOR ATTORNEY FEES, COSTS AND PREJUDGMENT INTEREST.

20.4 Entire Agreement. This Agreement contains the entire understanding of the Parties with respect to the specific subject matter hereof. All express or implied agreements and understandings, either oral or written, heretofore made (including the Confidentiality Agreement) are expressly superseded by this Agreement. This Agreement may be amended, or any term hereof modified, only by a written instrument duly executed by both Parties hereto.

20.5 Independent Contractors. Mersana and Janssen each acknowledge that they are independent contractors and that the relationship between the two (2) Parties does not constitute a partnership, joint venture, agency or any type of fiduciary relationship. Neither Mersana nor Janssen has the authority to make any statements, representations or commitments of any kind, or to take any action, that is binding on the other Party, without the prior consent of the other Party to do so. Neither Party nor its Affiliates will be deemed to be acting "on behalf of" the other Party under this Agreement, except to the extent expressly otherwise provided.

20.6 Waiver and Non-Exclusion of Remedies. The waiver by either Party hereto of any right hereunder or of the failure to perform or of a breach by the other Party shall not be deemed a waiver of any other right hereunder or of any other breach or failure by said other Party whether of a similar nature or otherwise. The rights and remedies provided herein are cumulative and do not exclude any other right or remedy provided by Applicable Law or otherwise available, except as expressly set forth herein.

20.7 Further Assurances. Each Party shall execute such additional documents as are necessary to effect the purposes of this Agreement.

20.8 No Benefit to Third Parties. Except as provided in Article 15, the covenants and agreements set forth in this Agreement are for the sole benefit of the Parties hereto and their successors and permitted assigns and they shall not be construed as conferring any rights on any other parties.

20.9 Equitable Relief. Each Party acknowledges and agrees that the restrictions set forth in Article 10 are reasonable and necessary to protect the legitimate interests of the other Party and that any breach or threatened breach of any provision of such Section or Articles may result in irreparable injury to such other Party for which there will be no adequate remedy at law. In the event of a breach or threatened breach of any provision of such Article, the non-breaching Party shall be authorized and entitled to seek from any court of competent jurisdiction injunctive relief, whether preliminary or permanent, specific performance and other equitable relief, which

rights shall be cumulative and in addition to any other rights or remedies to which such non-breaching Party may be entitled in law or equity. Nothing in this Section 20.9 is intended or should be construed, to limit either Party's right to seek equitable relief or any other remedy for a breach of any other provision of this Agreement.

20.10 Use of Names. Neither Party shall use the name, physical likeness, employee names or Trademarks of the other Party (or any of its Affiliates) for any purpose without the prior written consent of the other Party, such consent not to be unreasonably withheld, conditioned or delayed; provided, however, that nothing contained herein shall be construed to prevent either Party from using the name of the other Party (or its Affiliates) for purposes of preparing necessary filings with the United States Securities and Exchange Commission or complying with its regulations, or other regulations applicable to the public sale of securities, including preparing proxy statements or prospectuses. Nothing contained herein shall be construed as granting either Party any rights or license to use any of the Trademarks of the other Party (or its Affiliates) without separate, express written permission of the owner of such Trademark.

20.11 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be signed or delivered by facsimile or electronically scanned signature page.

(The remainder of this page has been intentionally left blank. The signature page follows.)

IN WITNESS WHEREOF, the Parties have executed this Research Collaboration and License Agreement as of the Effective Date.

MERSANA THERAPEUTICS, INC.

By:/s/ Anna Protopapas

Name: Anna Protopapas

Title: CEO

JANSSEN BIOTECH, INC.

By:/s/ Pearl Pugh

Name: Pearl Pugh

Title: Vice President, Sales & Marketing, Hematology

Certain identified information has been excluded from the exhibit because it is both (i) not material and (ii) is the type of information that the registrant treats as private or confidential. Double asterisks denote omissions.

Amendment #1 to the Amended and Restated Commercial License and Option Agreement

This Amendment #1 (this "**Amendment**") dated February 2, 2022 (the "**Amendment Effective Date**"), is made by and between **Mersana Therapeutics, Inc**., with an office at 840 Memorial Drive, Cambridge, Massachusetts, 02139, USA (hereinafter referred to as "**MERSANA**") and **Synaffix B.V.,** with business address at Kloosterstraat 9, 5349 AB Oss, The Netherlands ("**SNFX**"); COMPANY and SNFX hereinafter individually referred to as "**Party**" and jointly as "**Parties**".

WHEREAS, MERSANA and SNFX entered into a certain Amended and Restated Commercial License and Option Agreement effective as of November 23, 2021 (the "**CLOA**");

WHEREAS, MERSANA, SNFX and Janssen Biotech, Inc. ("**Sublicensee**") entered into a certain letter of agreement on the date hereof (the "**Letter Agreement**");

WHEREAS, the Parties desire to make an amendment to the CLOA as set forth in this Amendment;

Now, therefore, in consideration of the following mutual promises, covenants and conditions hereinafter set forth, the Parties agree as follows:

1. This Amendment shall be effective as of the Amendment Effective Date.

2. As of the Amendment Effective Date, the CLOA shall hereby be amended such that the penultimate sentence of Section 2.2(b)(7) of the CLOA is hereby superseded and replaced in its entirety with the following sentence:

   "If MERSANA subsequently elects to exercise its Option right under this Section 2.2(b) for a Reserved Target during the Reservation Period, then MERSANA shall provide an Option Notice and pay the remainder of the License Fee owed pursuant to the procedures set forth in Section 2.2(b)(6); provided that the Reservation Fee(s) previously paid by MERSANA in relation to such Option shall be deducted from the License Fee owed by MERSANA under Section 3.2 for such Target(s) corresponding to Option #2 through Option #6 (inclusive) but not Option #7 through Option #12 (inclusive); provided further that, solely in connection with the exercise of Option #7 to Option #12 (inclusive), if MERSANA chooses to directly exercise any such Option without first reserving a Target for such Option and paying the applicable Reservation Fee, an amount equal to such Reservation Fee shall be paid together with the License Fee as part of the exercise of such Option [**].

3. As of the Amendment Effective Date, the CLOA shall hereby be amended such that an additional Section 3.3A shall be included:

   *"**3.3A Letter Agreement Execution Fee.** In consideration for SNFX entering into the Letter Agreement MERSANA shall pay to SNFX the non-refundable sum of one million five hundred thousand U.S. Dollars (U.S. $1,500,000.00) within [**] of the Amendment Effective Date, provided that [**]."*

4. The Parties acknowledge and agree that the Letter Agreement and the Sublicense Agreement relate to Licensed Targets [**]; provided that in no event shall [**] during the term of the Sublicense Agreement.

5. For the avoidance of doubt, the Parties acknowledge and agree that, in the event of an amendment of the Sublicense Agreement, Mersana will comply with its obligations under and pursuant to Section 2.4(a)(b) of the CLOA. In addition, notwithstanding any provision of the Letter Agreement, it is acknowledged and agreed by the Parties that Mersana will comply with its obligations under Section 2.4(a)(a) (and the Parties acknowledge and agree that Section 2.4(a)(a) will permit Mersana to enter the Sublicense Agreement (as defined in the Letter Agreement) prior to payment of a License Fee as long as such Sublicense Agreement does not grant rights under the Licensed Technology prior to the payment of the License Fee), 2.4(a)(c), Section 2.4(a)(d) or Section 2.4(a)(e) of the CLOA (each as expressly modified under the Letter Agreement).

6. Except as expressly amended by this Amendment, the CLOA shall be unchanged and shall remain in full force and effect in accordance with its terms.

7. Unless a capitalized term is defined herein, such term set forth in this Amendment shall bear the meaning set forth in the CLOA.

8. This Amendment shall be governed by and construed and enforced in accordance with the laws of the State of New York and the Federal laws of the United States of America, without reference to conflicts of law principles.

9. The Parties may execute this Amendment in two (2) or more counterparts, each of which is deemed an original, but all of which together constitute one and the same agreement. Signatures to this Amendment delivered by facsimile or other electronic transmission (e.g., portable document format (PDF)) shall be deemed to be binding as original signatures.

IN WITNESS WHEREOF, the Parties have executed this Amendment on the Amendment Effective Date.

SIGNED for and on behalf of
Synaffix B.V.:

/s/ Peter van de Sande
Name: Peter van de Sande
Position: Chief Executive Officer

SIGNED for and on behalf of
Mersana Therapeutics, Inc.:

/s/ Brian DeSchuytner
Name: Brian DeSchuytner
Position: Chief Financial Officer

Exhibit 10.4

Certain identified information has been excluded from the exhibit because it is both (i) not material and (ii) is the type of information that the registrant treats as private or confidential. Double asterisks denote omissions.

FIRST AMENDMENT TO LOAN AND SECURITY AGREEMENT

THIS FIRST AMENDMENT TO LOAN AND SECURITY AGREEMENT (this "**Amendment**") is entered into as of February 17, 2022, by and among OXFORD FINANCE LLC, a Delaware limited liability company with an office located at 115 South Union Street, Suite 300, Alexandria, Virginia 22314 ("Oxford"), as collateral agent (in such capacity, "**Collateral Agent**"), the Lenders listed on Schedule 1.1 to the Loan Agreement (as defined below) or otherwise a party thereto from time to time including Oxford in its capacity as a Lender and SILICON VALLEY BANK, a California corporation with an office located at 275 Grove Street, Suite 2-200, Newton, MA 02466 ("**Bank**" or "**SVB**") (each a "**Lender**" and collectively, the "**Lenders**"), and MERSANA THERAPEUTICS, INC., a Delaware corporation with offices located at 840 Memorial Drive, Cambridge, MA 02139 ("**Borrower**").

A. Collateral Agent, Borrower and Lenders have entered into that certain Loan and Security Agreement dated as of October 29, 2021 (as amended, supplemented or otherwise modified from time to time, the "**Loan Agreement**") pursuant to which Lenders have provided to Borrower certain loans in accordance with the terms and conditions thereof;

B. Borrower has requested that Collateral Agent and the Required Lenders modify certain provisions of the Loan Agreement regarding the undrawn Term Loans pursuant to that certain Consent Under Loan and Security Agreement dated as of February 1, 2022; and

C. Collateral Agent and the Required Lenders have agreed to amend certain provisions of the Loan Agreement, subject to, and in accordance with, the terms and conditions set forth herein, and in reliance upon the representations and warranties set forth herein.

Agreement

NOW, THEREFORE, in consideration of the promises, covenants and agreements contained herein, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Borrower, the Required Lenders and Collateral Agent hereby agree as follows:

1. Definitions. Capitalized terms used but not defined in this Amendment shall have the meanings given to them in the Loan Agreement.

2. Amendments to Loan Agreement.

2.1 Section 2.2(a) (Term Loans). Section 2.2(a) of the Loan Agreement is amended and restated as follows:

"(a) Availability.

(i) Subject to the terms and conditions of this Agreement, the Lenders agree, severally and not jointly, during the Term A Draw Period, to make term loans to Borrower in an aggregate amount of up to Sixty Million Dollars ($60,000,000.00) to be disbursed in an amount equal to Twenty-Five Million Dollars ($25,000,000.00) on the Effective Date according to each Lender's Term A Loan Commitment as set forth on Schedule 1.1 hereto, with the remaining Thirty-Five Million Dollars ($35,000,000.00) available to be disbursed, upon Borrower's request, in up to three (3) additional single advances according to each Lender's Term A Loan Commitment as set forth on Schedule 1.1 hereto (such term loans on the Effective Date and thereafter are hereinafter referred to singly as a "**Term A Loan**", and collectively as the "**Term A Loans**"). Each disbursement of Term A Loans after the Effective Date shall be in an aggregate amount of at least Five Million Dollars ($5,000,000.00) and, unless the entire remaining amount of the Term A Loan Commitment will be disbursed at such disbursement, in a denomination that is a whole number multiple of Five Million Dollars ($5,000,000.00). After repayment, no Term A Loan may be re-borrowed.

(ii) Subject to the terms and conditions of this Agreement and upon Borrower's request, the Lenders agree, severally and not jointly, during the Term B Draw Period, to make term loans to Borrower in an aggregate amount equal to Twenty Million Dollars ($20,000,000.00) and disbursed in a single advance according to each Lender's Term B Loan Commitment as set forth on Schedule 1.1 hereto (such term loans are hereinafter referred to singly as a "**Term B Loan**", and collectively as the "**Term B Loans**"). After repayment, no Term B Loan may be re-borrowed.

(iii) Subject to the terms and conditions of this Agreement, the Lenders may, in their sole discretion, agree to make term loans to Borrower prior to the Amortization Date in an aggregate amount equal to Twenty Million Dollars ($20,000,000.00) in a single advance and, if made, according to a commitment schedule to be provided by the Lenders prior to the Funding Date of such term loans (such term loans are hereinafter referred to singly as a "**Term C Loan**", and collectively as the "**Term C Loans**"; each Term A Loan, Term B Loan or Term C Loan is hereinafter referred to singly as a "**Term Loan**" and the Term A Loans, the Term B Loans and the Term C Loans are hereinafter referred to collectively as the "**Term Loans**"). After repayment, no Term C Loan may be re-borrowed."

2.2 Section 3.2 (Conditions Precedent to all Credit Extensions). Section 3.2(f) of the Loan Agreement is amended and restated as follows:

"(f) [reserved]."

2.3 Section 13 (Definitions). The defined terms "Term C Draw Period", Term C Milestone and "Term D Loan"in Section 13 of the Loan Agreement are deleted, as well as any references to such defined terms in any Loan Document. The following defined terms in Section 13 of the Loan Agreement are amended and restated as follows:

"**Amortization Date**" is, November 1, 2024; provided, however, if Borrower achieves clause (b) of the defined term "Term B Milestone", then the Amortization Date with respect to all Term Loans shall automatically be extended to November 1, 2025.

"**Permitted Licenses**" are (A) licenses of over-the-counter software that is commercially available to the public, (B) non-exclusive and exclusive licenses for the use of the Intellectual Property of Borrower or any of its Subsidiaries entered into in the ordinary course of business, provided, that, with respect to each such license described in clause (B), (i) no Event of Default has occurred or is continuing at the time of such license; (ii) the license constitutes an arms-length transaction, the terms of which, on their face, do not provide for a sale or assignment of any Intellectual Property and do not restrict the ability of Borrower or any of its Subsidiaries, as applicable, to pledge, grant a security interest in or lien on, or assign or otherwise Transfer any Intellectual Property; (iii) in the case of any exclusive license, (x) Borrower delivers three (3) days' prior written notice and a brief summary of the terms of the proposed license to Collateral Agent and the Lenders and delivers to Collateral Agent and the Lenders copies of the final executed licensing documents in connection with the exclusive license promptly upon consummation thereof, and (y) any such license could not result in a legal transfer of title of the licensed property but may be exclusive in respects other than territory and may be exclusive as to territory only as to discrete geographical areas outside of the United States; and (iv) all upfront payments, royalties, milestone payments or other proceeds arising from the licensing agreement that are payable to Borrower or any of its Subsidiaries are paid to a Deposit Account that is governed by a Control Agreement, and (C) the Permitted License Transaction, provided that all upfront payments, royalties, milestone payments or other proceeds arising from the Permitted License Transaction that are payable to Borrower or any of its Subsidiaries are paid to a Deposit Account that is governed by a Control Agreement.

"**Permitted License Transaction**" means the transactions contemplated by that certain Research Collaboration and License Agreement dated as of February 2, 2022 between Borrower and Janssen Biotech, Inc, as the same may be amended or otherwise modified from time to time so long as any such amendment or modification (i) is not materially adverse to Borrower, (ii) is not materially adverse to Collateral Agent or Lenders, and (iii) does not encumber any Intellectual Property related to (A) [**], (B) [**], (C) [**], (D) [**], (E) [**], (F) any other discovery programs or candidates in research or (G) any other material Intellectual Property (other than other material Intellectual Property related exclusively to such Collaboration and License Agreement).

"**Term B Draw Period**" is the period commencing on the date of the occurrence of the Term B Milestone and ending on the earliest of (i) the date that is ninety (90) days after the occurrence of the Term B Milestone, (ii) June 30, 2023 and (iii) the occurrence of an Event of Default; provided, however, that the Term B Draw Period shall not commence if on the date of the occurrence of the Term B Milestone an Event of Default has occurred and is continuing.

"**Term B Milestone**" means Borrower's delivery to Collateral Agent and Lenders of both (a) evidence, satisfactory to Collateral Agent and Lenders in their reasonable discretion, that Borrower has [**], and (b) evidence, satisfactory to Collateral Agent and Lenders in their sole but reasonable discretion, that Borrower has [**].

"**Term Loan**" is defined in Section 2.2(a)(iii) hereof.

2.4 Schedule 1.1 (Lenders and Commitments). Schedule 1.1 of the Loan Agreement is amended and restated with Schedule 1.1 attached to this Amendment.

3. Limitation of Amendment.

3.1 The amendments set forth in Section 2 above are effective for the purposes set forth herein and shall be limited precisely as written and shall not be deemed to (a) be a consent to any amendment, waiver or modification of any other term or condition of any Loan Document, or (b) otherwise prejudice any right, remedy or obligation which Lenders or Borrower may now have or may have in the future under or in connection with any Loan Document, as amended hereby.

3.2 This Amendment shall be construed in connection with and as part of the Loan Documents and all terms, conditions, representations, warranties, covenants and agreements set forth in the Loan Documents are hereby ratified and confirmed and shall remain in full force and effect.

4. Representations and Warranties. To induce Collateral Agent and the Required Lenders to enter into this Amendment, Borrower hereby represents and warrants to Collateral Agent and the Required Lenders as follows:

4.1 Immediately after giving effect to this Amendment (a) the representations and warranties contained in the Loan Documents are true, accurate and complete in all material respects as of the date hereof (except to the extent such representations and warranties relate to an earlier date, in which case they are true and correct in all material respects as of such date) and (b) no Event of Default has occurred and is continuing;

4.2 Borrower has the power and due authority to execute and deliver this Amendment and to perform its obligations under the Loan Agreement, as amended by this Amendment;

4.3 The organizational documents of Borrower delivered to Collateral Agent on the Effective Date, and updated pursuant to subsequent deliveries by or on behalf of the Borrower to the Collateral Agent, remain true, accurate and complete and have not been amended, supplemented or restated and are and continue to be in full force and effect;

4.4 The execution and delivery by Borrower of this Amendment and the performance by Borrower of its obligations under the Loan Agreement, as amended by this Amendment, do not contravene (i) any material law or regulation binding on or affecting Borrower, (ii) any material contractual restriction with a Person binding on Borrower, (iii) any material order, judgment or decree of any court or other governmental or public body or authority, or subdivision thereof, binding on Borrower, or (iv) the organizational documents of Borrower;

4.5 The execution and delivery by Borrower of this Amendment and the performance by Borrower of its obligations under the Loan Agreement, as amended by this Amendment, do not require any order, consent, approval, license, authorization or validation of, or filing, recording or registration with, or exemption by any governmental or public body or authority, or subdivision thereof, binding on Borrower, except as already has been obtained or made;

4.6 This Amendment has been duly executed and delivered by Borrower and is the binding obligation of Borrower, enforceable against Borrower in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, liquidation, moratorium or other similar laws of general application and equitable principles relating to or affecting creditors' rights.

5. Loan Document. Borrower, Lenders and Collateral Agent agree that this Amendment shall be a Loan Document. Except as expressly set forth herein, the Loan Agreement and the other Loan Documents shall continue in full force and effect without alteration or amendment. This Amendment and the Loan Documents represent the entire agreement about this subject matter and supersede prior negotiations or agreements.

6. Release by Borrower.

6.1 FOR GOOD AND VALUABLE CONSIDERATION, Borrower hereby forever relieves, releases, and discharges Collateral Agent and each Lender and their respective present or former employees, officers, directors, agents, representatives, attorneys, and each of them, from any and all claims, debts, liabilities, demands, obligations, promises, acts, agreements, costs and expenses, actions and causes of action, of every type, kind, nature, description or character whatsoever, whether known or unknown, suspected or unsuspected, absolute or contingent, arising out of or in any manner whatsoever connected with or related to facts, circumstances, issues, controversies or claims existing or arising from the beginning of time through and including the date of execution of this Amendment solely to the extent such claims arise out of or are in any manner whatsoever connected with or related to the Loan Documents, the Recitals hereto, any instruments, agreements or documents executed in connection with any of the foregoing or the origination, negotiation, administration, servicing and/or enforcement of any of the foregoing (collectively "**Released Claims**").

6.2 In furtherance of this release, Borrower expressly acknowledges and waives the provisions of California Civil Code Section 1542 (and any similar provision under the laws of any state), which states:

> "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."

6.3 By entering into this release, Borrower recognizes that no facts or representations are ever absolutely certain and it may hereafter discover facts in addition to or different from those which it presently knows or believes to be true, but that it is the intention of Borrower hereby to fully, finally and forever settle and release all matters, disputes and differences, known or unknown, suspected or unsuspected in relation to the Released Claims; accordingly, if Borrower should subsequently discover that any fact that it relied upon in entering into this release was untrue, or that any understanding of the facts was incorrect, Borrower shall not be entitled to set aside this release by reason thereof, regardless of any claim of mistake of fact or law or any other circumstances whatsoever. Borrower acknowledges that it is not relying upon and has not relied upon any representation or statement made by Collateral Agent or Lenders with respect to the facts underlying this release or with regard to any of such party's rights or asserted rights.

6.4 This release may be pleaded as a full and complete defense and/or as a cross-complaint or counterclaim against any action, suit, or other proceeding that may be instituted, prosecuted or attempted in breach of this release. Borrower acknowledges that the release contained herein constitutes a material inducement to Collateral Agent and the Lenders to enter into this Amendment, and that Collateral Agent and the Lenders would not have done so but for Collateral Agent's and the Lenders' expectation that such release is valid and enforceable in all events.

7. Effectiveness. This Amendment shall be deemed effective as of the date hereof upon the due execution of this Amendment by the parties thereto.

8. Counterparts. This Amendment may be executed in any number of counterparts, each of which shall be deemed an original, and all of which, taken together, shall constitute one and the same instrument. Delivery by electronic transmission (e.g. ".pdf") of an executed counterpart of this Amendment shall be effective as a manually executed counterpart signature thereof.

9. **Governing Law.** This Amendment and the rights and obligations of the parties hereto shall be governed by and construed in accordance with the laws of the State of New York.

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IN WITNESS WHEREOF, the parties hereto have caused this First Amendment to Loan and Security Agreement to be executed as of the date first set forth above.

BORROWER:

MERSANA THERAPEUTICS, INC.

By /s/ Brian DeSchuytner
Name: Brian DeSchuytner
Title: Chief Financial Officer and Treasurer

COLLATERAL AGENT AND LENDER:

OXFORD FINANCE LLC

By /s/ Colette H. Featherly
Name: Colette H. Featherly
Title: Senior Vice President

LENDER:

SILICON VALLEY BANK

By /s/ Lauren Cole
Name: Lauren Cole
Title: Director

SCHEDULE 1.1

Lenders and Commitments

Term A Loans

Lender	Term Loan Commitment	Commitment Percentage
OXFORD FINANCE LLC	$30,000,000.00	50%
SILICON VALLEY BANK	$30,000,000.00	50%
TOTAL	**$60,000,000.00**	**100.00%**

Term B Loans

Lender	Term Loan Commitment	Commitment Percentage
OXFORD FINANCE LLC	$10,000,000.00	50%
SILICON VALLEY BANK	$10,000,000.00	50%
TOTAL	**$20,000,000.00**	**100.00%**

Aggregate (all Term Loans)

Lender	Term Loan Commitment	Commitment Percentage
OXFORD FINANCE LLC	$40,000,000.00	50%
SILICON VALLEY BANK	$40,000,000.00	50%
TOTAL	**$80,000,000.00**	**100.00%**

Mersana Therapeutics, Inc.
840 Memorial Dr.
Cambridge, MA 02139

March 7, 2021

VIA E-MAIL

Alejandra Carvajal
c/o Mersana Therapeutics, Inc.
840 Memorial Drive
Cambridge, MA 02139

Dear Alejandra:

I am pleased to offer you the position of SVP and General Counsel of Mersana Therapeutics, Inc. (the "Company"), and present you with the terms and conditions of your employment by the Company, as set forth in this letter agreement (this "Agreement").

1. Position. Your position will be SVP and General Counsel, reporting to President & Chief Executive Officer. In addition to performing duties and responsibilities associated with the position of SVP and General Counsel, from time to time the Company may assign you other duties and responsibilities consistent with such position. As a full-time employee of the Company, you will be expected to devote your full business time and energies to the business and affairs of the Company. Your performance will be reviewed on an annual basis.

2. Start Date and Nature of Relationship. Your start date is expected to be on or before Monday, April 26, 2021. Your employment with the Company will be for no specified period and will constitute "at-will" employment. As a result, either you or the Company may terminate your employment relationship at any time and for any reason. No provision of this Agreement shall be construed to create an express or implied employment contract between you and the Company for any specific period of time.

3. Compensation.

(a) Your base salary will be $16,666.67 (sixteen thousand six hundred sixty-six dollars and sixty-seven cents) per pay period (currently twice per month), which is $400,000.00 (four hundred thousand dollars) on an annualized basis and will be payable in accordance with the Company's standard payroll procedures. Your base salary will be eligible for potential discretionary merit increases, in the discretion of the compensation committee (the "Compensation Committee") of the Board of Directors of the Company.

(b) You will be eligible in January 2022 for a pro-rated annual discretionary performance bonus with a target of 40% (forty percent) of your annual base salary, subject to the achievement of performance goals determined by the Compensation Committee. The amount, terms and conditions of any annual bonus will be determined by the Compensation Committee in

its discretion, subject to the terms and conditions of any applicable bonus plan in effect from time to time.

(c) Subject to approval by the Company's Compensation Committee following your employment start date, the Company will grant to you an option to purchase 112,500 (one hundred and twelve thousand, five hundred shares of the Company's common stock, which option will vest (i.e., become exercisable) as to 25% of the shares on the first anniversary of your start date and the remainder of which shall vest at a rate of 6.25% quarterly over next three years, in each case, subject to your continued employment with the Company. The option exercise price will be equal to the fair market value of a share of the Company's common stock on the date of grant of the option as determined by the Company's Board of Directors (or its Compensation Committee). The option will be issued pursuant to the Mersana Therapeutics, Inc., 2017 Stock Incentive Plan (the "Plan") and will be subject to all of the terms and conditions set forth in the Plan and the option agreement governing the option. These documents will be provided to you at the time the stock option is granted to you. In the event of any conflict between this letter and the Plan or the stock option agreement, the Plan and the stock option agreement will control.

(d) Subject to approval by the Company's Compensation Committee following your employment start date, the Company will grant to you 26,500 (twenty-six thousand five hundred) restricted stock units ("RSUs"), which will vest 50% on the first anniversary of your start date and the remainder of which shall vest on the second anniversary of your start date, subject to your continued employment with the Company. This grant will be issued pursuant to the Mersana Therapeutics, Inc., 2017 Stock Incentive Plan (the "Plan") and will be subject to all of the terms and conditions set forth in the Plan and the restricted stock unit agreement governing the RSUs. These documents will be provided to you at the time the RSUs are granted to you. In the event of any conflict between this letter and the Plan or the restricted stock unit agreement, the Plan and the restricted stock unit agreement will control.

4. Benefits. You will be entitled to receive such benefits as are generally provided by the Company to its employees and for which you are eligible in accordance with Company policy and the terms and conditions of the applicable benefit plans, in each case, as in effect from time to time. The Company retains the right to change, add or cease any particular benefit at any time. You will be eligible for ten paid holidays and 4 weeks' paid vacation per year, which vacation eligibility will accrue at a rate of 1.67 days per month of service.

5. Severance. In the event that your employment is terminated by the Company other than for Disqualifying Conduct (as defined below) and not as a result of your death or disability) or you resign for Good Reason (as defined below) the Company shall, for 9 (nine) months following the date your employment terminates, (i) continue to pay you your base salary as in effect on the date of termination or, to the extent such base salary was reduced giving rise to Good Reason hereunder, as in effect immediately prior to such reduction in accordance with its standard payroll procedures, and (ii) provided that you timely elect to continue coverage in the Company's group health plans in accordance with COBRA or applicable state law, pay a portion of the COBRA or applicable state law premium contributions on your behalf equal to the excess of the cost of such premiums for you, your spouse and dependents (if applicable) over the amount that you would have paid for such coverage had you remained continuously employed by the Company, in each case, subject to your signing and returning to the Company (and not subsequently revoking), within sixty (60) days following the date on which your employment terminates, an effective separation agreement in the form provided by the Company (which separation agreement shall include a release of claims and restrictive covenants substantially similar to those contained in the Confidentiality Agreement) (the "Separation Agreement") and

your continued compliance with the Confidentiality Agreement (as defined below). Notwithstanding the foregoing, if the Company determines that its payment of the COBRA or applicable state law premium contributions would subject the Company to any tax or penalty, then the Company may elect to pay to you in any month, in lieu of making such payments on your behalf, a cash payment equal to the Company's cost of the monthly premium contribution for that month in accordance with the Company's standard payroll procedures. Any salary continuation payments made under this Section 5 will begin sixty (60) days following the date your employment terminates, on the next regular Company payroll following such date, and the first such salary continuation payment will include all payments that would have otherwise been paid on the regular payroll dates of the Company following the date your employment terminates but prior to such first salary continuation payment.

For all purposes of this Agreement:

- "Disqualifying Conduct" shall mean, as determined by the Company: (i) willful misconduct or gross negligence as to a material matter in connection with your duties; (ii) any act constituting material dishonesty or fraud with respect to the Company; (iii) the indictment for, conviction of, or a plea of guilty or *nolo contendere* to, a felony under applicable law; (iv) material violation of a material term of any written Company policy made available to you; (v) failure to attempt in good faith to (A) perform your duties in all material respects or (B) follow a clear, lawful and reasonable directive of the Board; or (vi) material breach of a fiduciary duty owed to the Company that has caused or could reasonably be expected to cause a material injury to the business; provided, that in no event shall your employment be terminated for Cause unless (A) an event or circumstance set forth in clauses (i), (ii), (iv) or (v) has occurred and the Company provides you with written notice after the Company has knowledge of the occurrence of existence of such event or circumstance, which notice reasonably identifies the event or circumstance that the Company believes constitutes Cause and (B) with respect to the events and circumstances set forth in clauses (iv) and (v) only, you fail to substantially cure the event or circumstance so identified within 30 days of the receipt of such notice; and

- "Good Reason" shall mean, without your consent: (i) a material decrease in your base salary; (ii) a material diminution in your authorities, duties or responsibilities, or (iii) the relocation of your principal work location to a location more than fifty (50) miles from its current location; provided, in each case, that (A) you provide written notice to the Company, setting forth in reasonable detail the event or events giving rise to Good Reason within thirty (30) days following the initial occurrence of such event, (B) such event or events are not cured by the Company within a period of thirty (30) days following its receipt of such written notice, and (C) you actually terminate your employment not later than thirty (30) days following the expiration of such cure period.

6. Change in Control. In the event your employment is terminated by the Company other than for Disqualifying Conduct (and not as a result of your death or disability) or you resign for Good Reason, in each case, on or within twelve (12) months following the consummation of a Change in Control (as defined below), in lieu of the payments set forth in Section 5 above, (i) the Company shall pay you a lump sum cash severance payment equal to the sum of (A) twelve (12) months' of your base salary and (B) one (1) times your annual target bonus, in each case as in effect on the date of termination (or, to the extent such base salary was reduced giving rise to Good Reason hereunder, as in effect immediately prior to such reduction), (ii) for a period of twelve (12) months following the date your employment terminates and provided that you timely elect to continue coverage in the Company's group health plans in

accordance with COBRA or applicable state law, the Company shall pay a portion of the COBRA or applicable state law premium contributions on your behalf equal to the excess of the cost of such premiums for you, your spouse and dependents (if applicable) over the amount that you would have paid for such coverage had you remained continuously employed by the Company, and (iii) all of your stock options and other equity-based awards, to the extent outstanding immediately prior to the termination of your employment, will be treated as having vested in full as of immediately prior to such termination of employment, in each case, subject to your signing and returning to the Company (and not subsequently revoking), within sixty (60) days following the date on which your employment terminates, an effective Separation Agreement in the form provided to you by the Company and your continued compliance with the Confidentiality Agreement (as defined below). Notwithstanding the foregoing, if the Company determines that its payment of the COBRA or applicable state law premium contributions would subject the Company to any tax or penalty, then the Company may elect to pay to you in any month, in lieu of making such payments on your behalf, a cash payment equal to the Company's cost of the monthly premium contribution for that month. Any cash severance payment made under this Section 6 will be made on the next regular Company payroll following the sixtieth (60^{th}) day after the date your employment terminates.

For all purposes of this Agreement, the term "Change in Control" shall mean, as determined by the Company, a "change in control event" as that term is defined in the regulations under Section 409A of the Internal Revenue Code of 1986, as amended (the "Code").

7. Confidentiality. The Company considers the protection of its confidential information and proprietary materials to be very important. Therefore, as a condition of your employment, you and the Company will become parties to a Nondisclosure and Assignment of Intellectual Property Agreement in the form of Attachment A to this Agreement (the "Confidentiality Agreement"). Notwithstanding anything to the contrary in this Agreement, in the event you breach any provision of the Confidentiality Agreement or Separation Agreement (to the extent one arises as provided herein), the Company's obligation to pay or provide, or continue to pay or provide, any salary continuation, severance or other benefits under Section 5 or 6 of this Agreement, as applicable, shall immediately cease.

8. Withholding. All payments made under this Agreement shall be reduced by any tax or other amounts required to be withheld by the Company, its successors or any of their respective affiliates under applicable law.

9. Section 409A. Notwithstanding anything to the contrary in this Agreement, if at the time your employment terminates, you are a "specified employee," as defined below, any and all amounts payable under this Agreement on account of such separation from service that would (but for this provision) be payable within six (6) months following the date of termination, shall instead be paid on the next business day following the expiration of such six (6)-month period or, if earlier, upon your death; except to the extent of amounts or benefits that are not subject to the requirements of Section 409A of the Code. For purposes of this Agreement, all references to "termination of employment" and correlative phrases shall be construed to require a "separation from service" (as defined in Section 1.409A-1(h) of the Treasury regulations after giving effect to the presumptions contained therein), and the term "specified employee" means an individual determined by the Company to be a specified employee under Section 1.409A-1(i) of the Treasury regulations. Each payment made under this Agreement shall be treated as a separate payment and the right to a series of installment payments under this Agreement is to be treated as a right to a series of separate payments. In no event shall the Company have any liability relating to the failure or alleged failure of any payment or benefit under this Agreement to comply with, or be exempt from, the requirements of Section 409A of the Code.

10. Section 280G. If all, or any portion, of the payments or benefits provided under this Agreement, either alone or together with any other payment or benefit which you receive or are entitled to receive from the Company or an affiliate, would constitute an "excess parachute payment" within the meaning of Section 280G of the Code, then, notwithstanding anything in this Agreement or any other agreement or plan to the contrary, you shall be entitled to receive: (A) the amount of such payments or benefits, reduced such that no portion thereof shall fail to be tax deductible under Section 280G of the Code (the "Limited Amount"), or (B) if the amounts otherwise payable hereunder and under any other agreement or plan of the Company or its subsidiaries (without regard to clause (A)), reduced by all taxes applicable thereto (including, for the avoidance of doubt, the excise tax imposed by Section 4999 of the Code), would be greater than the Limited Amount reduced by all taxes applicable thereto, the amounts otherwise payable hereunder. All determinations under this Section 10 shall be made by an accounting, consulting or valuation firm selected, and paid for, by the Company.

11. General.

(a) This Agreement, together with the Confidentiality Agreement, constitutes the entire agreement between the parties and supersedes all prior and contemporaneous communications, agreements and understandings, written or oral, with respect to the subject matter hereof. No amendment to this Agreement will be permitted except in writing, signed by the parties hereto.

(b) This Agreement shall be governed by the law of the Commonwealth of Massachusetts, without regard to any conflict of laws provisions.

(c) This Agreement may be executed in two or more counterparts, each of which shall be an original and all of which together shall constitute one and the same instrument.

You may accept this offer of employment and the terms and conditions of this Agreement by signing this letter, which execution will evidence your agreement with the terms and conditions set forth herein and therein and returning them to the Company.

This offer of employment will expire at the end of business, Monday, March 8, 2021, unless accepted by you prior to such date.

Sincerely,

MERSANA THERAPEUTICS, INC.

By: /s/Anna Protopapas
Name: Anna Protopapas
Title: President & Chief Executive Officer

ACCEPTED AND AGREED:

/s/Alejandra Carvajal
Date: 3/8/2021

Attachment A
Confidentiality Agreement

Please see attached.

MERSANA THERAPEUTICS, INC.
EMPLOYEE NONDISCLOSURE, NONCOMPETITION AND
ASSIGNMENT OF INTELLECTUAL PROPERTY AGREEMENT

In consideration and as a condition of my employment by Mersana Therapeutics, Inc., a Delaware corporation, or its affiliates (collectively, the "***Company***"), and of the compensation to be paid to me, including without limitation the option and restricted stock unit grants that will be made to me in connection with the commencement of my employment or engagement by the Company; in order to protect the Company's Confidential Information and goodwill; and in recognition of the fact that as an employee or consultant of the Company (it being understood that, as used herein, my employment includes any time in which I may be retained by the Company as a consultant) I will have access to the Company's Confidential Information (as defined below in Section 2), I agree with the Company as follows:

1. Performance; Prior Obligations.

(a) I agree to perform my assigned duties diligently, conscientiously, and with reasonable skill, and shall comply with all rules, procedures and standards promulgated from time to time by the Company with regard to my conduct and my access to and use of the Company's property, equipment and facilities. Among such rules, procedures and standards are those governing ethical and other professional standards for dealing with customers, government agencies, vendors, competitors, consultants, fellow employees, and the public at large, security provisions designed to protect Company property and the personal security of Company employees, rules respecting attendance, punctuality, and hours of work, and rules and procedures designed to protect the confidentiality of proprietary information. The Company agrees to make reasonable efforts to inform me of such rules, standards and procedures as are in effect from time to time.

(b) I hereby represent, warrant and agree (i) that I have the full right to enter into this Agreement and perform the services required of me hereunder and otherwise in connection with my employment by the Company, without any restriction whatsoever; (ii) that in the course of performing services hereunder or otherwise in connection with my employment by the Company, I will not violate the terms or conditions of any agreement between me and any third party or any court order or infringe or wrongfully appropriate any patents, copyrights, trade secrets or other intellectual property rights of any person or entity anywhere in the world; (iii) that I have not and will not disclose or use during my employment or engagement by the Company any confidential information that I acquired as a result of any previous employment or consulting arrangement or under a previous obligation of confidentiality; and (iv) that I have disclosed to the Company in writing any and all continuing obligations to previous employers or others that require me not to disclose any information to the Company or that otherwise limit or restrict my activities for the Company.

2. Confidential Information. As of the date this Agreement is fully-executed, and while employed by the Company and thereafter, I shall not, directly or indirectly, use any Confidential Information (as hereinafter defined) other than pursuant to my employment by and for the benefit of the Company, or disclose any Confidential Information to anyone outside of the Company, whether by private communication, public address, publication or otherwise, or disclose any Confidential Information to anyone within the Company who has not been authorized to receive such information, except as directed in writing by an authorized representative of the Company. The term "Confidential Information" as used throughout this Agreement shall mean all trade secrets, proprietary information, know-how, data, designs, specifications, processes, customer lists and other technical or business information (and any

tangible evidence, record or representation thereof), whether prepared, conceived or developed by a consultant or employee of the Company (including myself) or received by the Company from an outside source, and which is maintained in confidence by the Company or which might permit the Company or its customers to obtain a competitive advantage over competitors who do not have access to such trade secrets, proprietary information, or other data or information. Without limiting the generality of the foregoing, Confidential Information shall include:

(a) any idea, improvement, invention, innovation, development, concept, technical data, design, formula, device, pattern, sequence, method, process, composition of matter, computer program or software, source code, object code, algorithm, model, diagram, flow chart, product specification or design, plan for a new or revised product, sample, compilation of information, or work in process, or parts thereof, and any and all revisions and improvements relating to any of the foregoing (in each case whether or not reduced to tangible form); and

(b) the name of any customer, supplier, employee, prospective customer, sales agent, supplier or consultant, any sales plan, marketing material, plan or survey, business plan or opportunity, product or development plan or specification, business proposal, financial record, or business record or other record or information relating to the present or proposed business of the Company or its customers.

Notwithstanding the foregoing, the term Confidential Information shall not apply to information which the Company has voluntarily disclosed to the public without restriction, or which has otherwise lawfully entered the public domain other than through any acts by me or my agents.

I understand that the Company from time to time has in its possession information (including product and development plans and specifications) which is claimed by customers and others to be proprietary and which the Company has agreed to keep confidential. I agree that all such information shall be Confidential Information for purposes of this Agreement.

Nothing in this Agreement limits, restricts or in any other way affects my communications with any governmental agency or entity, or with any official or staff person of a governmental agency or entity, concerning matters relevant to the governmental agency or entity. I understand that I cannot be held criminally or civilly liable under any federal or state trade secret law for disclosing a trade secret (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, solely for the purpose of reporting or investigating a suspected violation of law, or (ii) in a complaint or other document filed under seal in a lawsuit or other proceeding. Notwithstanding this immunity from liability, I understand that I may be held liable if I unlawfully access trade secrets by unauthorized means.

3. Ownership and Assignment of Intellectual Property.

(a) I agree that all originals and all copies of all manuscripts, drawings, prints, manuals, diagrams, letters, notes, notebooks, reports, models, records, files, memoranda, plans, sketches and all other documents and materials containing, representing, evidencing, recording, or constituting any Confidential Information (as defined in Section 2 above), however and whenever produced (whether by myself or others) during the course of my employment, shall be the sole property of the Company.

(b) I agree that all Confidential Information and all other discoveries, inventions, ideas, concepts, trademarks, service marks, logos, processes, products, formulas, computer programs or software, source codes, object codes, algorithms, machines, apparatuses, items of manufacture or composition of matter, or any new uses therefor or improvements thereon, or any new designs or modifications or configurations of any kind, or works of authorship of any kind, including, without limitation, compilations and derivative works, whether or not patentable or copyrightable, conceived, developed, reduced to practice or otherwise made by me, either alone or with others, and in any way relating to the business or proposed business of the Company, to the Company's present or proposed products, programs or services, to tasks assigned to me by the Company or its predecessor in interest or to the work conducted by me for the Company or its predecessor in interest, whether or not reduced to tangible form or reduced to practice during the term of my employment, whether or not made during regular working hours, whether or not made on the Company's premises and whether or not disclosed by me to the Company (collectively "***Inventions***"), and any and all services and products which embody, emulate or employ any such Invention or Confidential Information shall be the sole property of the Company and all copyrights, patents, patent rights, trademarks and reproduction rights to, and other proprietary rights in, each such Invention or Confidential Information, whether or not patentable or copyrightable, shall belong exclusively to the Company.

(c) I agree to, and hereby do, assign to the Company all my right, title and interest throughout the world in and to all Inventions and to anything tangible which evidences, incorporates, constitutes, represents or records any Invention. I agree that all Inventions shall constitute works made for hire under the copyright laws of the United States and hereby assign and, to the extent any such assignment cannot be made at present, I hereby agree to assign to the Company all copyrights, patents and other proprietary rights I may have in any Inventions, together with the right to file for and/or own wholly without restriction United States and foreign patents, trademarks, and copyrights. I agree to waive, and hereby waive, all moral rights or proprietary rights in or to any Inventions and, to the extent that such rights may not be waived, agree not to assert such rights against the Company or its licensees, successors or assigns.

(d) I hereby certify Exhibit A sets forth any and all confidential information and intellectual property that I claim as my own or otherwise intend to exclude from this Agreement because it was developed by me prior to my employment with the Company. I understand that after execution of this Agreement I shall have no right to exclude Confidential Information or Inventions from this Agreement.

4. Employee's Obligation to Keep Records. I shall make and maintain adequate and current written records of all Inventions, including notebooks and invention disclosures, which records shall be available to and remain the property of the Company at all times. I shall disclose all Inventions promptly, fully and in writing to the Company immediately upon production or development of the same and at any time upon request.

5. Employee's Obligation to Cooperate. I will, at any time during my employment, or after it terminates, upon request of the Company, execute all documents and perform all

lawful acts which the Company considers necessary or advisable to secure its rights hereunder and to carry out the intent of this Agreement. Without limiting the generality of the foregoing, I will assist the Company in any reasonable manner to obtain for its own benefit patents or copyrights in any and all countries with respect to all Inventions assigned pursuant to Section 3, and I will execute, when requested, patent and other applications and assignments thereof to the Company, or persons designated by it, and any other lawful documents deemed necessary by the Company to carry out the purposes of this Agreement, and I will further assist the Company in every way to enforce any patents and copyrights obtained, including, without limitation, testifying in any suit or proceeding involving any of said patents or copyrights or executing any documents deemed necessary by the Company, all without further consideration than provided for herein. It is understood that reasonable out-of-pocket expenses of my assistance incurred at the request of the Company under this Section will be reimbursed by the Company. In the event the Company is unable after reasonable effort to obtain my signature on any document which I may be required to sign pursuant to this Agreement, whether because of my physical or mental incapacity or for any other reason whatsoever, I hereby irrevocably appoint each of the President and the Secretary of the Company (whether now or hereafter in office) as my attorney-in-fact to execute any such document on my behalf.

6. Noncompetition and Non-solicitation.

(a) During my employment with the Company I shall devote my full working time, skill, energy and efforts to the Company. During my employment with the Company and for a period of 12 months after termination of my employment for any reason other than due to layoff or termination by the Company without Cause (collectively, the "Non-Compete Period"), I shall not, on my own behalf, or as owner, manager, stockholder, consultant, director, officer, or employee of any business entity (except as a holder of not more than one (1%) percent of the stock of a publicly held company) participate, directly or indirectly, in any capacity involving any of the services that I provided to the Company at any time during my employment or, with respect to the portion of the Non-Compete Period that follows the termination of my employment, during the last two years of my employment, in any business that is [or that competes with] a Competitive Business anywhere in the Restricted Area. Notwithstanding the foregoing, Section 6(a) shall not preclude me from becoming an employee of, or from otherwise providing services to, a separate division or operating unit of a multi-divisional business or enterprise (a "Division") if: (i) the Division by which I am employed, or to which I provide services, is not a Competitive Business, (ii) I do not provide services, directly or indirectly, to any other division or operating unit of such multi-divisional business or enterprise which is a Competitive Business (individually, a "Competitive Division" and collectively, the "Competitive Divisions") and (iii) the Competitive Divisions, in the aggregate, accounted for less than one-third of the multi-divisional business or enterprises' consolidated revenues for the fiscal year, and each subsequent quarterly period, prior to my commencement of employment with the Division.

(b) During my employment with the Company and for a period of 12 months after termination of my employment for any reason (the "Non-Solicitation Period"), I shall not, directly or indirectly, solicit, induce, attempt to hire or engage, or hire or engage any employee of the Company (or any person who may have been employed by the Company during the two years preceding the restricted activity), or assist in such solicitation, inducement, attempt to hire or engage or hiring or engagement by any other person or business entity or encourage any such employee or any independent contractor of the Company (or any person or entity who may have been engaged by the Company as an independent contractor during the two years preceding the restricted activity) to terminate or diminish his, her or its employment or engagement with the Company.

(c) During the Non-Solicitation Period, I shall not, directly or indirectly (i) solicit or encourage any customer, vendor, supplier or other business partner of the Company to terminate or diminish its relationship with them; or (ii) seek to persuade any such customer, vendor, supplier or other business partner, or any prospective customer, vendor, supplier or other business partner of the Company, to conduct with anyone else any business or activity which such customer, vendor, supplier or other business partner conducts or could conduct, or such prospective customer, vendor, supplier or other business partner could conduct, with the Company; provided, however, that these restrictions shall apply (y) only with respect to those persons and entities who are or have been a customer, vendor, supplier or other business partner of the Company at any time within the two years preceding the activity restricted by this Section 6(c) or whose business has been solicited on behalf of the Company by any of its officers, employees or agents within such two year period, other than by form letter, blanket mailing or published advertisement, and (z) only if I have performed work for such person or entity during my employment with the Company or been introduced to, or otherwise had contact with, such person or entity as a result of my employment or other associations with the Company or have had access to Confidential Information which would assist in my solicitation of such person or entity.

(d) For purposes of Section 6(a):

(i) "Cause" shall mean for purposes of this Agreement and notwithstanding any other agreement between me and the Company, the occurrence of any of the following, as determined by the Company in its reasonable discretion: (i) my failure to perform my duties and responsibilities to the Company, or the performance of my duties and responsibilities to the Company in a manner deemed by the Company to be in any way unsatisfactory; (ii) my breach of this Agreement or any other agreement between me and the Company; (iii) my commission of, or plea of nolo contendere to, a felony or other crime; (iv) any misconduct by me or other conduct by me that is or could reasonably be expected to be harmful to the business interests or reputation of the Company; (v) my violation or disregard for any rule or procedure or policy of the Company; or (vi) any other reasonable basis for Company dissatisfaction with me, including for reasons such as lack of capacity or diligence, failure to conform to usual standards of conduct, or other culpable or inappropriate behavior.

(ii) "Competitive Business" shall mean any biopharmaceutical business that is engaged in the research, development and/or commercialization of antibody drug conjugates for oncology or immunotherapy.

(iii) "Restricted Area" shall mean anywhere in the word or, with respect to the portion of the Restricted Period that follows the termination of my employment, any geographic area in which I at any time within the last two years of my employment with the Company provided services or had a material influence or presence.

(e) I agree that if I violate any fiduciary duty to the Company or unlawfully take any Confidential Information or other property belonging to the Company, the Non-Compete Period will extend by the time during which I engaged in such violation(s), for up to a total of two (2) years following the date of termination of my employment. I further agree that if I violate any restriction set forth in Section 6(b), the period of such violation (from the commencement of any such violation until such time as I cure such violation) shall not count toward or be included in satisfying the Non-Solicitation Period.

7. Return of Property. Upon termination of my employment with the Company, or at any other time upon request of the Company, I shall return promptly any and all customer or prospective customer lists, other customer or prospective customer information or related materials, computer programs, software, electronic data, specifications, drawings, blueprints, data storage devices, reproductions, sketches, notes, notebooks, memoranda, reports, records, proposals, business plans, or copies of them, other documents or materials, tools, equipment, or other property belonging to the Company or its customers which I may then possess or have under my control. I further agree that upon termination of employment I shall not take with me any documents or data in any form or of any description containing or pertaining to Confidential Information or Inventions or any other property of the Company.

8. Other Obligations. I acknowledge that the Company from time to time may have agreements with other persons, including the government of the United States or other countries and agencies thereof, which impose obligations or restrictions on the Company regarding inventions made during the course of work thereunder or regarding the confidential nature of such work. I agree to be bound by all such obligations and restrictions and to take all action necessary to discharge the obligations of the Company thereunder.

9. Miscellaneous.

(a) This Agreement and the Offer Letter dated March 5, 2021 contain the entire and only agreement between me and the Company with respect to the subject matter hereof, superseding any previous oral or written communications, representations, understandings, or agreements with the Company or any officer or representative hereof. In the event of any inconsistency between this Agreement and any other contract between me and the Company, the provisions of this Agreement shall prevail.

(b) Except as otherwise provided herein, my obligations under this Agreement shall survive the termination of my employment with the Company regardless of the manner of or reasons for such termination, and regardless of whether such termination constitutes a breach of any other agreement I may have with the Company. I acknowledge that this Agreement is not meant to constitute a contract of employment for a specific duration or term, and that my employment with the Company is at-will. The Company and I will retain the right to terminate my employment at any time, with or without notice or cause. Further, no claimed breach of any agreement I may have with the Company or other violation of law attributed to the Company, or change in the nature or scope of my employment or other relationship with the Company, shall operate to excuse me from the performance of my obligations under this Agreement.

(c) If any provision of this Agreement shall be determined to be unenforceable by any court of competent jurisdiction by reason of its extending for too great a period of time or over too large a geographic area or over too great a range of activities, it shall be interpreted to extend only over the maximum period of time, geographic area or range of activities as to which it may be enforceable. If, after application of the immediately preceding sentence, any provision of this Agreement shall be determined to be invalid, illegal or otherwise unenforceable by any court of competent jurisdiction, the validity, legality and enforceability of the other provisions of this Agreement shall not be affected thereby. Except as otherwise provided in this paragraph, any invalid, illegal or unenforceable provision of this Agreement shall be severable, and after any such severance, all other provisions hereof shall remain in full force and effect.

(d) I acknowledge and agree that violation of this Agreement by me would cause irreparable harm to the Company not adequately compensable by money damages alone, and I therefore agree that, in addition to all other remedies available to the Company at law, in equity or otherwise, the Company shall be entitled to injunctive relief to prevent an actual or threatened violation of this Agreement and to enforce the provisions hereof, without showing or proving any actual damage to the Company or posting any bond in connection therewith, together with an award of its attorney's fees incurred in enforcing its rights hereunder.

(e) No failure by the Company to insist upon strict compliance with any of the terms, covenants, or conditions hereof, and no delay or omission by the Company in exercising any right under this Agreement, will operate as a waiver of such terms, covenants, conditions or rights. A waiver or consent given by the Company on any one occasion is effective only in that instance and will not be construed as a bar to or waiver of any right on any other occasion.

(f) This Agreement may not be changed, modified, released, discharged, abandoned, or otherwise amended, in whole or in part, except by an instrument in writing signed by me and the Company.

(g) This Agreement shall be governed by, and construed and enforced in accordance with, the laws of The Commonwealth of Massachusetts, without regard to its principles of conflicts of laws.

BY PLACING MY SIGNATURE HEREUNDER, I ACKNOWLEDGE THAT (1) I HAVE READ ALL THE PROVISIONS OF THIS EMPLOYEE NONDISCLOSURE, NONCOMPETITION AND ASSIGNMENT OF INTELLECTUAL PROPERTY AGREEMENT AND THAT I AGREE TO ALL OF ITS TERMS, (2) I HAVE BEEN ADVISED AND AM HEREBY ADVISED OF MY RIGHT TO CONSULT WITH AN ATTORNEY BEFORE SIGNING THIS AGREEMENT, AND (3) THE COMPANY PROVIDED ME WITH THIS AGREEMENT BY THE EARLIER OF (A) THE DATE OF A FORMAL OFFER OF EMPLOYMENT OR OTHER ASSOCIATION WITH THE COMPANY OR (B) TEN BUSINESS DAYS BEFORE THE COMMENCEMENT OF EMPLOYMENT OR OTHER ASSOCIATION WITH THE COMPANY.

Date: 3/8/2021

EMPLOYEE:

/s/ Alejandra Carvajal
Employee's Signature
Alejandra Carvajal
c/o Mersana Therapeutics, Inc.
840 Memorial Drive
Cambridge, MA 02139

Accepted and Agreed:

MERSANA THERAPEUTICS, INC.

By: /s/ Anna Protopapas
Anna Protopapas
President & Chief Executive Officer

EXHIBIT A

Excluded Confidential Information and Inventions

None, except if specifically described below:

Mersana Therapeutics, Inc.
840 Memorial Dr.
Cambridge, MA 02139

June 15, 2021

VIA E-MAIL

Tushar Misra
c/o Mersana Therapeutics, Inc.
840 Memorial Drive
Cambridge, MA 02139

Dear Tushar:

I am pleased to offer you the position of SVP and Chief Manufacturing Officer of Mersana Therapeutics, Inc. (the "Company"), and present you with the terms and conditions of your employment by the Company, as set forth in this letter agreement (this "Agreement").

1. Position. Your position will be SVP and Chief Manufacturing Officer, reporting to President & Chief Executive Officer. In addition to performing duties and responsibilities associated with the position of SVP and Chief Manufacturing Officer, from time to time the Company may assign you other duties and responsibilities consistent with such position. As a full- time employee of the Company, you will be expected to devote your full business time and energies to the business and affairs of the Company. Your performance will be reviewed on an annual basis.

2. Start Date and Nature of Relationship. Your start date is expected to be on or before Monday, August 2, 2021. Your employment with the Company will be for no specified period and will constitute "at-will" employment. As a result, either you or the Company may terminate your employment relationship at any time and for any reason. No provision of this Agreement shall be construed to create an express or implied employment contract between you and the Company for any specific period of time.

3. Compensation.

(a) Your base salary will be $17,708.34 (seventeen thousand seven hundred eight dollars and thirty four cents) per pay period (currently twice per month), which is $425,000.00 (four hundred twenty five thousand dollars) on an annualized basis and will be payable in accordance with the Company's standard payroll procedures. Your base salary will be eligible for potential discretionary merit increases, in the discretion of the compensation committee (the "Compensation Committee") of the Board of Directors of the Company

(b) You will be eligible in January 2022 for a pro-rated annual discretionary performance bonus with a target of 40% (forty percent) of your annual base salary, subject to the achievement of performance goals determined by the Compensation Committee. The amount, terms and conditions of any annual bonus will be determined by the Compensation Committee in its discretion, subject to the terms and conditions of any applicable bonus plan in effect from time to time.

(c) Subject to approval by the Company's Compensation Committee following your employment start date, the Company will grant to you an option to purchase 112,500 (one hundred and twelve thousand, five hundred shares of the Company's common stock, which option will vest (i.e., become exercisable) as to 25% of the shares on the first anniversary of your start date and the remainder of which shall vest at a rate of 6.25% quarterly over next three years, in each case, subject to your continued employment with the Company. The option exercise price will be equal to the fair market value of a share of the Company's common stock on the date of grant of the option as determined by the Company's Board of Directors (or its Compensation Committee). The option will be issued pursuant to the Mersana Therapeutics, Inc., 2017 Stock Incentive Plan (the "Plan") and will be subject to all of the terms and conditions set forth in the Plan and the option agreement governing the option. These documents will be provided to you at the time the stock option is granted to you. In the event of any conflict between this letter and the Plan or the stock option agreement, the Plan and the stock option agreement will control.

(d) Subject to approval by the Company's Compensation Committee following your employment start date, the Company will grant to you 25,000 (twenty-five-thousand) restricted stock units ("RSUs"), which will vest (i.e., become exercisable) as to 25% on the first anniversary of your start date and the remainder of which shall vest 25% annually on the anniversary of your start date over next three years, in each case, subject to your continued employment with the Company. This grant will be issued pursuant to the Mersana Therapeutics, Inc., 2017 Stock Incentive Plan (the "Plan") and will be subject to all of the terms and conditions set forth in the Plan and the restricted stock unit agreement governing the RSUs. These documents will be provided to you at the time the RSUs are granted to you. In the event of any conflict between this letter and the Plan or the restricted stock unit agreement, the Plan and the restricted stock unit agreement will control.

4. Benefits. You will be entitled to receive such benefits as are generally provided by the Company to its employees and for which you are eligible in accordance with Company policy and the terms and conditions of the applicable benefit plans, in each case, as in effect from time to time. The Company retains the right to change, add or cease any particular benefit at any time. You will be eligible for ten paid holidays and 4 weeks' paid vacation per year, which vacation eligibility will accrue at a rate of 1.67 days per month of service.

5. Severance. In the event that your employment is terminated by the Company other than for Disqualifying Conduct (as defined below) and not as a result of your death or disability) or you resign for Good Reason (as defined below) the Company shall, for 9 (nine) months following the date your employment terminates, (i) continue to pay you your base salary as in effect on the date of termination or, to the extent such base salary was reduced giving rise to Good Reason hereunder, as in effect immediately prior to such reduction in accordance with its standard payroll procedures, and (ii) provided that you timely elect to continue coverage in the Company's group health plans in accordance with COBRA or applicable state law, pay a portion of the COBRA or applicable state law premium contributions on your behalf equal to the excess of the cost of such premiums for you, your spouse and dependents (if applicable) over the amount that you would have paid for such coverage had you remained continuously employed by the Company, in each case, subject to your signing and returning to the Company (and not subsequently revoking), within sixty (60) days following the date on which your employment terminates, an effective separation agreement in the form provided by the Company (which separation agreement shall include a release of claims and restrictive covenants substantially similar to those contained in the Confidentiality Agreement) (the "Separation Agreement") and your continued compliance with the Confidentiality Agreement (as defined below). Notwithstanding the foregoing, if the Company determines that its payment of the COBRA or applicable state law premium contributions would subject the Company to any tax or penalty, then the Company may elect to pay to you in any month, in lieu of making such payments on your behalf, a cash payment equal to the Company's cost of the monthly premium contribution for that month in accordance with the Company's standard payroll procedures. Any salary continuation payments made under this Section 5 will begin sixty (60) days following the date your employment terminates, on the next regular Company payroll following such date, and the first such salary continuation payment will include all payments that would have otherwise been paid on the regular payroll dates of the Company following the date your employment terminates but prior to such first salary continuation payment.

For all purposes of this Agreement:

- "Disqualifying Conduct" shall mean, as determined by the Company: (i) willful misconduct or gross negligence as to a material matter in connection with your duties; (ii) any act constituting material dishonesty or fraud with respect to the Company; (iii) the indictment for, conviction of, or a plea of guilty or *nolo contendere* to, a felony under applicable law; (iv) material violation of a material term of any written Company policy made available to you; (v) failure to attempt in good faith to (A) perform your duties in all material respects or (B) follow a clear, lawful and reasonable directive of the Board; or (vi) material breach of a fiduciary duty owed to the Company that has caused or could reasonably be expected to cause a material injury to the business; provided, that in no event shall your employment be terminated for Cause unless (A) an event or circumstance set forth in clauses (i), (ii), (iv) or (v) has occurred and the Company provides you with written notice after the Company has knowledge of the occurrence of existence of such event or circumstance, which notice reasonably identifies the event or circumstance that the Company believes constitutes Cause and (B) with respect to the events and circumstances set forth in clauses (iv) and (v) only, you fail to substantially cure the event or circumstance so identified within 30 days of the receipt of such notice; and

- "Good Reason" shall mean, without your consent: (i) a material decrease in your base salary; (ii) a material diminution in your authorities, duties or responsibilities, or (iii) the relocation of your principal work location to a location more than fifty
(50) miles from its current location; provided, in each case, that (A) you provide written notice to the Company, setting forth in reasonable detail the event or events giving rise to Good Reason within thirty (30) days following the initial occurrence of such event, (B) such event or events are not cured by the Company within a period of thirty (30) days following its receipt of such written notice, and (C) you actually terminate your employment not later than thirty (30) days following the expiration of such cure period.

6. Change in Control. In the event your employment is terminated by the Company other than for Disqualifying Conduct (and not as a result of your death or disability) or you resign for Good Reason, in each case, on or within twelve (12) months following the consummation of a Change in Control (as defined below), in lieu of the payments set forth in Section 5 above, (i) the Company shall pay you a lump sum cash severance payment equal to the sum of (A) twelve (12) months' of your base salary and (B) one (1) times your annual target bonus, in each case as in effect on the date of termination (or, to the extent such base salary was reduced giving rise to Good Reason hereunder, as in effect immediately prior to such reduction), (ii) for a period of twelve (12) months following the date your employment terminates and provided that you timely elect to continue coverage in the Company's group health plans in accordance with COBRA or applicable state law, the Company shall pay a portion of the COBRA or applicable state law premium contributions on your behalf equal to the excess of the cost of such premiums for you, your spouse and dependents (if applicable) over the amount that you would have paid for such coverage had you remained continuously employed by the Company, and (iii) all of your stock options and other equity-based awards, to the extent outstanding immediately prior to the termination of your employment, will be treated as having vested in full as of immediately prior to such termination of employment, in each case, subject to your signing and returning to the Company (and not subsequently revoking), within sixty (60) days following the date on which your employment terminates, an effective Separation Agreement in the form provided to you by the Company and your continued compliance with the Confidentiality Agreement (as defined below). Notwithstanding the foregoing, if the Company determines that its payment of the COBRA or applicable state law premium contributions would subject the Company to any tax or penalty, then the Company may elect to pay to you in any month, in lieu of making such payments on your behalf, a cash payment equal to the Company's cost of the monthly premium contribution for that month. Any cash severance payment made under this Section 6 will be made on the next regular Company payroll following the sixtieth (60^{th}) day after the date your employment terminates.

For all purposes of this Agreement, the term "Change in Control" shall mean, as determined by the Company, a "change in control event" as that term is defined in the regulations under Section 409A of the Internal Revenue Code of 1986, as amended (the "Code").

7. Confidentiality. The Company considers the protection of its confidential information and proprietary materials to be very important. Therefore, as a condition of your employment, you and the Company will become parties to a Nondisclosure and Assignment of Intellectual Property Agreement in the form of Attachment A to this Agreement (the "Confidentiality Agreement"). Notwithstanding anything to the contrary in this Agreement, in the event you breach any provision of the Confidentiality Agreement or Separation Agreement (to the extent one arises as provided herein), the Company's obligation to pay or provide, or continue to pay or provide, any salary continuation, severance or other benefits under Section 5 or 6 of this Agreement, as applicable, shall immediately cease.

8. Withholding. All payments made under this Agreement shall be reduced by any tax or other amounts required to be withheld by the Company, its successors or any of their respective affiliates under applicable law.

9. Section 409A. Notwithstanding anything to the contrary in this Agreement, if at the time your employment terminates, you are a "specified employee," as defined below, any and all amounts payable under this Agreement on account of such separation from service that would (but for this provision) be payable within six (6) months following the date of termination, shall instead be paid on the next business day following the expiration of such six (6)-month period or, if earlier, upon your death; except to the extent of amounts or benefits that are not subject to the requirements of Section 409A of the Code. For purposes of this Agreement, all references to "termination of employment" and correlative phrases shall be construed to require a "separation from service" (as defined in Section 1.409A-1(h) of the Treasury regulations after giving effect to the presumptions contained therein), and the term "specified employee" means an individual determined by the Company to be a specified employee under Section 1.409A-1(i) of the Treasury regulations. Each payment made under this Agreement shall be treated as a separate payment and the right to a series of installment payments under this Agreement is to be treated as a right to a series of separate payments. In no event shall the Company have any liability relating to the failure or alleged failure of any payment or benefit under this Agreement to comply with, or be exempt from, the requirements of Section 409A of the Code.

10. Section 280G. If all, or any portion, of the payments or benefits provided under this Agreement, either alone or together with any other payment or benefit which you receive or are entitled to receive from the Company or an affiliate, would constitute an "excess parachute payment" within the meaning of Section 280G of the Code, then, notwithstanding anything in this Agreement or any other agreement or plan to the contrary, you shall be entitled to receive: (A) the amount of such payments or benefits, reduced such that no portion thereof shall fail to be tax deductible under Section 280G of the Code (the "Limited Amount"), or (B) if the amounts otherwise payable hereunder and under any other agreement or plan of the Company or its subsidiaries (without regard to clause (A)), reduced by all taxes applicable thereto (including, for the avoidance of doubt, the excise tax imposed by Section 4999 of the Code), would be greater than the Limited Amount reduced by all taxes applicable thereto, the amounts otherwise payable hereunder. All determinations under this Section 10 shall be made by an accounting, consulting or valuation firm selected, and paid for, by the Company.

11. General.

(a) This Agreement, together with the Confidentiality Agreement, constitutes the entire agreement between the parties and supersedes all prior and contemporaneous communications, agreements and understandings, written or oral, with respect to the subject matter hereof. No amendment to this Agreement will be permitted except in writing, signed by the parties hereto.

(b) This Agreement shall be governed by the law of the Commonwealth of Massachusetts, without regard to any conflict of laws provisions.

(c) This Agreement may be executed in two or more counterparts, each of which shall be an original and all of which together shall constitute one and the same instrument.

You may accept this offer of employment and the terms and conditions of this Agreement by signing this letter, which execution will evidence your agreement with the terms and conditions set forth herein and therein and returning them to the Company.

This offer of employment will expire at the end of business, Monday, June 21, 2021, unless accepted by you prior to such date.

Sincerely,

MERSANA THERAPEUTICS, INC.

By: /s/Anna Protopapas
Name: Anna Protopapas
Title: President & Chief Executive Officer

ACCEPTED AND AGREED:

/s/ Tushar Misra
Date: 6/18/2021

Attachment A
Confidentiality Agreement

Please see attached.

MERSANA THERAPEUTICS, INC.
EMPLOYEE NONDISCLOSURE, NONCOMPETITION AND
ASSIGNMENT OF INTELLECTUAL PROPERTY AGREEMENT

In consideration and as a condition of my employment by Mersana Therapeutics, Inc., a Delaware corporation, or its affiliates (collectively, the "***Company***"), and of the compensation to be paid to me, including without limitation the option and restricted stock unit grants that will be made to me in connection with the commencement of my employment or engagement by the Company; in order to protect the Company's Confidential Information and goodwill; and in recognition of the fact that as an employee or consultant of the Company (it being understood that, as used herein, my employment includes any time in which I may be retained by the Company as a consultant) I will have access to the Company's Confidential Information (as defined below in Section 2), I agree with the Company as follows:

1. Performance; Prior Obligations.

(a) I agree to perform my assigned duties diligently, conscientiously, and with reasonable skill, and shall comply with all rules, procedures and standards promulgated from time to time by the Company with regard to my conduct and my access to and use of the Company's property, equipment and facilities. Among such rules, procedures and standards are those governing ethical and other professional standards for dealing with customers, government agencies, vendors, competitors, consultants, fellow employees, and the public at large, security provisions designed to protect Company property and the personal security of Company employees, rules respecting attendance, punctuality, and hours of work, and rules and procedures designed to protect the confidentiality of proprietary information. The Company agrees to make reasonable efforts to inform me of such rules, standards and procedures as are in effect from time to time.

(b) I hereby represent, warrant and agree (i) that I have the full right to enter into this Agreement and perform the services required of me hereunder and otherwise in connection with my employment by the Company, without any restriction whatsoever; (ii) that in the course of performing services hereunder or otherwise in connection with my employment by the Company, I will not violate the terms or conditions of any agreement between me and any third party or any court order or infringe or wrongfully appropriate any patents, copyrights, trade secrets or other intellectual property rights of any person or entity anywhere in the world; (iii) that I have not and will not disclose or use during my employment or engagement by the Company any confidential information that I acquired as a result of any previous employment or consulting arrangement or under a previous obligation of confidentiality; and (iv) that I have disclosed to the Company in writing any and all continuing obligations to previous employers or others that require me not to disclose any information to the Company or that otherwise limit or restrict my activities for the Company.

2. Confidential Information. As of the date this Agreement is fully-executed, and while employed by the Company and thereafter, I shall not, directly or indirectly, use any Confidential Information (as hereinafter defined) other than pursuant to my employment by and for the benefit of the Company, or disclose any Confidential Information to anyone outside of the Company, whether by private communication, public address, publication or otherwise, or disclose any Confidential Information to anyone within the Company who has not been authorized to receive such information, except as directed in writing by an authorized representative of the Company. The term "Confidential Information" as used throughout this Agreement shall mean all trade secrets, proprietary information, know-how, data, designs,

specifications, processes, customer lists and other technical or business information (and any tangible evidence, record or representation thereof), whether prepared, conceived or developed by a consultant or employee of the Company (including myself) or received by the Company from an outside source, and which is maintained in confidence by the Company or which might permit the Company or its customers to obtain a competitive advantage over competitors who do not have access to such trade secrets, proprietary information, or other data or information. Without limiting the generality of the foregoing, Confidential Information shall include:

(a) any idea, improvement, invention, innovation, development, concept, technical data, design, formula, device, pattern, sequence, method, process, composition of matter, computer program or software, source code, object code, algorithm, model, diagram, flow chart, product specification or design, plan for a new or revised product, sample, compilation of information, or work in process, or parts thereof, and any and all revisions and improvements relating to any of the foregoing (in each case whether or not reduced to tangible form); and

(b) the name of any customer, supplier, employee, prospective customer, sales agent, supplier or consultant, any sales plan, marketing material, plan or survey, business plan or opportunity, product or development plan or specification, business proposal, financial record, or business record or other record or information relating to the present or proposed business of the Company or its customers.

Notwithstanding the foregoing, the term Confidential Information shall not apply to information which the Company has voluntarily disclosed to the public without restriction, or which has otherwise lawfully entered the public domain other than through any acts by me or my agents.
I understand that the Company from time to time has in its possession information (including product and development plans and specifications) which is claimed by customers and others to be proprietary and which the Company has agreed to keep confidential. I agree that all such information shall be Confidential Information for purposes of this Agreement.
Nothing in this Agreement limits, restricts or in any other way affects my communications with any governmental agency or entity, or with any official or staff person of a governmental agency or entity, concerning matters relevant to the governmental agency or entity. I understand that I cannot be held criminally or civilly liable under any federal or state trade secret law for disclosing a trade secret (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, solely for the purpose of reporting or investigating a suspected violation of law, or (ii) in a complaint or other document filed under seal in a lawsuit or other proceeding. Notwithstanding this immunity from liability, I understand that I may be held liable if I unlawfully access trade secrets by unauthorized means.

3. Ownership and Assignment of Intellectual Property.

(a) I agree that all originals and all copies of all manuscripts, drawings, prints, manuals, diagrams, letters, notes, notebooks, reports, models, records, files, memoranda, plans, sketches and all other documents and materials containing, representing, evidencing, recording, or constituting any Confidential Information (as defined in Section 2 above), however and whenever produced (whether by myself or others) during the course of my employment, shall be the sole property of the Company.

(b) I agree that all Confidential Information and all other discoveries, inventions, ideas, concepts, trademarks, service marks, logos, processes, products, formulas, computer programs or software, source codes, object codes, algorithms, machines, apparatuses, items of manufacture or composition of matter, or any new uses therefor or improvements thereon, or any new designs or modifications or configurations of any kind, or works of authorship of any kind, including, without limitation, compilations and derivative works,

whether or not patentable or copyrightable, conceived, developed, reduced to practice or otherwise made by me, either alone or with others, and in any way relating to the business or proposed business of the Company, to the Company's present or proposed products, programs or services, to tasks assigned to me by the Company or its predecessor in interest or to the work conducted by me for the Company or its predecessor in interest, whether or not reduced to tangible form or reduced to practice during the term of my employment, whether or not made during regular working hours, whether or not made on the Company's premises and whether or not disclosed by me to the Company (collectively "***Inventions***"), and any and all services and products which embody, emulate or employ any such Invention or Confidential Information shall be the sole property of the Company and all copyrights, patents, patent rights, trademarks and reproduction rights to, and other proprietary rights in, each such Invention or Confidential Information, whether or not patentable or copyrightable, shall belong exclusively to the Company.

(c) I agree to, and hereby do, assign to the Company all my right, title and interest throughout the world in and to all Inventions and to anything tangible which evidences, incorporates, constitutes, represents or records any Invention. I agree that all Inventions shall constitute works made for hire under the copyright laws of the United States and hereby assign and, to the extent any such assignment cannot be made at present, I hereby agree to assign to the Company all copyrights, patents and other proprietary rights I may have in any Inventions, together with the right to file for and/or own wholly without restriction United States and foreign patents, trademarks, and copyrights. I agree to waive, and hereby waive, all moral rights or proprietary rights in or to any Inventions and, to the extent that such rights may not be waived, agree not to assert such rights against the Company or its licensees, successors or assigns.

(d) I hereby certify Exhibit A sets forth any and all confidential information and intellectual property that I claim as my own or otherwise intend to exclude from this Agreement because it was developed by me prior to my employment with the Company. I understand that after execution of this Agreement I shall have no right to exclude Confidential Information or Inventions from this Agreement.

4. Employee's Obligation to Keep Records. I shall make and maintain adequate and current written records of all Inventions, including notebooks and invention disclosures, which records shall be available to and remain the property of the Company at all times. I shall disclose all Inventions promptly, fully and in writing to the Company immediately upon production or development of the same and at any time upon request.

5. Employee's Obligation to Cooperate. I will, at any time during my employment, or after it terminates, upon request of the Company, execute all documents and perform all lawful acts which the Company considers necessary or advisable to secure its rights hereunder and to carry out the intent of this Agreement. Without limiting the generality of the foregoing, I will assist the Company in any reasonable manner to obtain for its own benefit patents or copyrights in any and all countries with respect to all Inventions assigned pursuant to Section 3, and I will execute, when requested, patent and other applications and assignments thereof to the Company, or persons designated by it, and any other lawful documents deemed necessary by the Company to carry out the purposes of this Agreement, and I will further assist the Company in every way to enforce any patents and copyrights obtained, including, without limitation, testifying in any suit or proceeding involving any of said patents or copyrights or executing any documents deemed necessary by the Company, all without further consideration than provided for herein. It is understood that reasonable out-of-pocket expenses of my assistance incurred at the request of the Company under this Section will be reimbursed by the Company. In the event the Company is unable after reasonable effort to obtain my signature on any document which I may be required to sign pursuant to this Agreement, whether because of my physical or mental incapacity or for any other reason whatsoever, I hereby irrevocably appoint each of the President

and the Secretary of the Company (whether now or hereafter in office) as my attorney-in-fact to execute any such document on my behalf.

6. Noncompetition and Non-solicitation.

(a) During my employment with the Company I shall devote my full working time, skill, energy and efforts to the Company. During my employment with the Company and for a period of 12 months after termination of my employment for any reason other than due to layoff or termination by the Company without Cause (collectively, the "Non-Compete Period"), I shall not, on my own behalf, or as owner, manager, stockholder, consultant, director, officer, or employee of any business entity (except as a holder of not more than one (1%) percent of the stock of a publicly held company) participate, directly or indirectly, in any capacity involving any of the services that I provided to the Company at any time during my employment or, with respect to the portion of the Non-Compete Period that follows the termination of my employment, during the last two years of my employment, in any business that is [or that competes with] a Competitive Business anywhere in the Restricted Area. Notwithstanding the foregoing, Section 6(a) shall not preclude me from becoming an employee of, or from otherwise providing services to, a separate division or operating unit of a multi-divisional business or enterprise (a "Division") if: (i) the Division by which I am employed, or to which I provide services, is not a Competitive Business, (ii) I do not provide services, directly or indirectly, to any other division or operating unit of such multi-divisional business or enterprise which is a Competitive Business (individually, a "Competitive Division" and collectively, the "Competitive Divisions") and (iii) the Competitive Divisions, in the aggregate, accounted for less than one-third of the multi-divisional business or enterprises' consolidated revenues for the fiscal year, and each subsequent quarterly period, prior to my commencement of employment with the Division.

(b) During my employment with the Company and for a period of 12 months after termination of my employment for any reason (the "Non-Solicitation Period"), I shall not, directly or indirectly, solicit, induce, attempt to hire or engage, or hire or engage any employee of the Company (or any person who may have been employed by the Company during the two years preceding the restricted activity), or assist in such solicitation, inducement, attempt to hire or engage or hiring or engagement by any other person or business entity or encourage any such employee or any independent contractor of the Company (or any person or entity who may have been engaged by the Company as an independent contractor during the two years preceding the restricted activity) to terminate or diminish his, her or its employment or engagement with the Company.

(c) During the Non-Solicitation Period, I shall not, directly or indirectly (i) solicit or encourage any customer, vendor, supplier or other business partner of the Company to terminate or diminish its relationship with them; or (ii) seek to persuade any such customer, vendor, supplier or other business partner, or any prospective customer, vendor, supplier or other business partner of the Company, to conduct with anyone else any business or activity which such customer, vendor, supplier or other business partner conducts or could conduct, or such prospective customer, vendor, supplier or other business partner could conduct, with the Company; provided, however, that these restrictions shall apply (y) only with respect to those persons and entities who are or have been a customer, vendor, supplier or other business partner of the Company at any time within the two years preceding the activity restricted by this Section 6(c) or whose business has been solicited on behalf of the Company by any of its officers, employees or agents within such two year period, other than by form letter, blanket mailing or published advertisement, and (z) only if I have performed work for such person or entity during my employment with the Company or been introduced to, or otherwise had contact with, such person or entity as a result of my employment or other associations with the Company or have

had access to Confidential Information which would assist in my solicitation of such person or entity.

(d) For purposes of Section 6(a):

(i) "Cause" shall mean for purposes of this Agreement and notwithstanding any other agreement between me and the Company, the occurrence of any of the following, as determined by the Company in its reasonable discretion: (i) my failure to perform my duties and responsibilities to the Company, or the performance of my duties and responsibilities to the Company in a manner deemed by the Company to be in any way unsatisfactory; (ii) my breach of this Agreement or any other agreement between me and the Company; (iii) my commission of, or plea of nolo contendere to, a felony or other crime; (iv) any misconduct by me or other conduct by me that is or could reasonably be expected to be harmful to the business interests or reputation of the Company; (v) my violation or disregard for any rule or procedure or policy of the Company; or (vi) any other reasonable basis for Company dissatisfaction with me, including for reasons such as lack of capacity or diligence, failure to conform to usual standards of conduct, or other culpable or inappropriate behavior.

(ii) "Competitive Business" shall mean any biopharmaceutical business that is engaged in the research, development and/or commercialization of antibody drug conjugates for oncology or immunotherapy.

(iii) "Restricted Area" shall mean anywhere in the word or, with respect to the portion of the Restricted Period that follows the termination of my employment, any geographic area in which I at any time within the last two years of my employment with the Company provided services or had a material influence or presence.

(e) I agree that if I violate any fiduciary duty to the Company or unlawfully take any Confidential Information or other property belonging to the Company, the Non-Compete Period will extend by the time during which I engaged in such violation(s), for up to a total of two (2) years following the date of termination of my employment. I further agree that if I violate any restriction set forth in Section 6(b), the period of such violation (from the commencement of any such violation until such time as I cure such violation) shall not count toward or be included in satisfying the Non-Solicitation Period.

7. Return of Property. Upon termination of my employment with the Company, or at any other time upon request of the Company, I shall return promptly any and all customer or prospective customer lists, other customer or prospective customer information or related materials, computer programs, software, electronic data, specifications, drawings, blueprints, data storage devices, reproductions, sketches, notes, notebooks, memoranda, reports, records, proposals, business plans, or copies of them, other documents or materials, tools, equipment, or other property belonging to the Company or its customers which I may then possess or have under my control. I further agree that upon termination of employment I shall not take with me any documents or data in any form or of any description containing or pertaining to Confidential Information or Inventions or any other property of the Company.

8. Other Obligations. I acknowledge that the Company from time to time may have agreements with other persons, including the government of the United States or other countries and agencies thereof, which impose obligations or restrictions on the Company regarding inventions made during the course of work thereunder or regarding the confidential nature of such work. I agree to be bound by all such obligations and restrictions and to take all action necessary to discharge the obligations of the Company thereunder.

9. Miscellaneous.

(a) This Agreement and the Offer Letter dated March 5, 2021 contain the entire and only agreement between me and the Company with respect to the subject matter hereof, superseding any previous oral or written communications, representations, understandings, or agreements with the Company or any officer or representative hereof. In the event of any inconsistency between this Agreement and any other contract between me and the Company, the provisions of this Agreement shall prevail.

(b) Except as otherwise provided herein, my obligations under this Agreement shall survive the termination of my employment with the Company regardless of the manner of or reasons for such termination, and regardless of whether such termination constitutes a breach of any other agreement I may have with the Company. I acknowledge that this Agreement is not meant to constitute a contract of employment for a specific duration or term, and that my employment with the Company is at-will. The Company and I will retain the right to terminate my employment at any time, with or without notice or cause. Further, no claimed breach of any agreement I may have with the Company or other violation of law attributed to the Company, or change in the nature or scope of my employment or other relationship with the Company, shall operate to excuse me from the performance of my obligations under this Agreement.

(c) If any provision of this Agreement shall be determined to be unenforceable by any court of competent jurisdiction by reason of its extending for too great a period of time or over too large a geographic area or over too great a range of activities, it shall be interpreted to extend only over the maximum period of time, geographic area or range of activities as to which it may be enforceable. If, after application of the immediately preceding sentence, any provision of this Agreement shall be determined to be invalid, illegal or otherwise unenforceable by any court of competent jurisdiction, the validity, legality and enforceability of the other provisions of this Agreement shall not be affected thereby. Except as otherwise provided in this paragraph, any invalid, illegal or unenforceable provision of this Agreement shall be severable, and after any such severance, all other provisions hereof shall remain in full force and effect.

(d) I acknowledge and agree that violation of this Agreement by me would cause irreparable harm to the Company not adequately compensable by money damages alone, and I therefore agree that, in addition to all other remedies available to the Company at law, in equity or otherwise, the Company shall be entitled to injunctive relief to prevent an actual or threatened violation of this Agreement and to enforce the provisions hereof, without showing or proving any actual damage to the Company or posting any bond in connection therewith, together with an award of its attorney's fees incurred in enforcing its rights hereunder.

(e) No failure by the Company to insist upon strict compliance with any of the terms, covenants, or conditions hereof, and no delay or omission by the Company in exercising any right under this Agreement, will operate as a waiver of such terms, covenants, conditions or rights. A waiver or consent given by the Company on any one occasion is effective only in that instance and will not be construed as a bar to or waiver of any right on any other occasion.

(f) This Agreement may not be changed, modified, released, discharged, abandoned, or otherwise amended, in whole or in part, except by an instrument in writing signed by me and the Company.

(g) This Agreement shall be governed by, and construed and enforced in accordance with, the laws of The Commonwealth of Massachusetts, without regard to its principles of conflicts of laws.

BY PLACING MY SIGNATURE HEREUNDER, I ACKNOWLEDGE THAT (1) I HAVE READ ALL THE PROVISIONS OF THIS EMPLOYEE NONDISCLOSURE, NONCOMPETITION AND ASSIGNMENT OF INTELLECTUAL PROPERTY AGREEMENT AND THAT I AGREE TO ALL OF ITS TERMS, (2) I HAVE BEEN ADVISED AND AM HEREBY ADVISED OF MY RIGHT TO CONSULT WITH AN ATTORNEY BEFORE SIGNING THIS AGREEMENT, AND (3) THE COMPANY PROVIDED ME WITH THIS AGREEMENT BY THE EARLIER OF (A) THE DATE OF A FORMAL OFFER OF EMPLOYMENT OR OTHER ASSOCIATION WITH THE COMPANY OR (B) TEN BUSINESS DAYS BEFORE THE COMMENCEMENT OF EMPLOYMENT OR OTHER ASSOCIATION WITH THE COMPANY.

Date: 6/18/2021

EMPLOYEE:

/s/ Tushar Misra
Employee's Signature
Tushar Misra
c/o Mersana Therapeutics, Inc.
840 Memorial Drive
Cambridge, MA 02139

Accepted and Agreed:

MERSANA THERAPEUTICS, INC.

By: /s/ Anna Protopapas
Anna Protopapas
President & Chief Executive Officer

Exhibit 31.1

Certification of Principal Executive Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of Sarbanes-Oxley Act of 2002

I, Anna Protopapas, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Mersana Therapeutics, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report), that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting

Mersana Therapeutics, Inc.

Dated: May 9, 2022

By: /s/ Anna Protopapas

Anna Protopapas
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

Certification of Principal Financial Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of Sarbanes-Oxley Act of 2002

I, Brian DeSchuytner, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Mersana Therapeutics, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report), that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Mersana Therapeutics, Inc.

Dated: May 9, 2022

By: /s/ Brian DeSchuytner

Brian DeSchuytner
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Mersana Therapeutics, Inc. (the "Company") for the quarter ended March 31, 2022 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned officers of the company, hereby certifies, pursuant to Section 1350 of Chapter 63 of Title 18, United States Code, that to the best of her or his knowledge:

1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 9, 2022

/s/ Anna Protopapas

Anna Protopapas
President and Chief Executive Officer
(Principal Executive Officer)

Dated: May 9, 2022

/s/ Brian DeSchuytner

Brian DeSchuytner
Chief Financial Officer
(Principal Financial Officer)