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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2026

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: 001-40502

Lyell Immunopharma, Inc.

(Exact Name of Registrant as Specified in its Charter)

Delaware	**83-1300510**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
201 Haskins Way **South San Francisco, California**	**94080**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: **(650) 695-0677**

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 per share	LYEL	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 ☒

As of August 3, 2026, the registrant had 24,505,141 shares of common stock, $0.0001 par value per share, outstanding.

Lyell Immunopharma, Inc.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements. All statements other than statements of historical facts contained in this Quarterly Report on Form 10-Q, including statements regarding our future results of operations and financial position, business strategy, product candidates, planned nonclinical studies and clinical trials, results of nonclinical studies and clinical trials, research and development costs, planned regulatory submissions, regulatory approvals and the timing and likelihood of success, as well as plans and objectives of management for future operations, are forward-looking statements. These statements involve known and unknown risks, uncertainties and other important factors that are in some cases beyond our control and may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

In some cases, you can identify forward-looking statements by terms such as "may," "will," "should," "would," "expect," "plan," "anticipate," "could," "intend," "target," "project," "believe," "estimate," "predict," "potential" or "continue," or the negative of these terms or other similar expressions. Forward-looking statements contained in this Quarterly Report on Form 10-Q include, but are not limited to, statements about:

- the sufficiency of our existing cash to fund our future operating expenses and capital expenditure requirements;
- the accuracy and timing of our estimates regarding expenses, revenue opportunities, capital requirements and needs for additional financing;
- the scope, progress, results and costs of developing rondecabtagene autoleucel (ronde-cel), LYL273 or any other product candidates we may develop or acquire, including both nonclinical studies and clinical trials;
- the timing and costs involved in obtaining and maintaining regulatory approvals of ronde-cel, LYL273 or any other product candidates we may develop or acquire, and the timing or likelihood of regulatory filings and approvals, including any expectations or plans regarding seeking or maintaining special designations, such as Regenerative Medicine Advanced Therapy designation, Orphan Drug designation or Fast Track designation, for our product candidates for various diseases;
- our plans relating to the commercialization of ronde-cel, LYL273 or any other product candidates we may develop or acquire, if approved, including the geographic areas of focus, and our ability to commercially differentiate such product candidates and build a sales force;
- the size of the market opportunities for ronde-cel, LYL273 or any other product candidates we may develop or acquire in each of the diseases we may target;
- our reliance on third parties to conduct research activities for ronde-cel, LYL273 or any other product candidates we may develop or acquire;
- the characteristics, safety, efficacy and therapeutic effects of ronde-cel, LYL273 or any other product candidates we may develop or acquire;
- the advancement of our technologies and the effectiveness and expected benefits of any of our technologies and manufacturing processes;
- our estimates of the number of patients in the United States and worldwide who suffer from the diseases we target and the number of patients that may enroll in our clinical trials;
- the progress and focus of the current and planned clinical trials of our product candidates, and the reporting of data from those trials, including the timing thereof;
- the ability of our clinical trials to sufficiently demonstrate the safety and efficacy of ronde-cel, LYL273 or any other product candidates we may develop or acquire, and other clinical trial results;
- the success of competing therapies that are, or may become, available;
- developments relating to our competitors and our industry, including any existing or future competing product candidates or therapies;
- our plans relating to the further development and manufacturing of ronde-cel, LYL273 or any other product candidates we may develop or acquire, including lines of therapy or additional indications that we may pursue;
- existing regulations and regulatory developments in the United States and other jurisdictions;

- our potential and ability to successfully manufacture and supply or our ability to contract with third parties to manufacture and supply ronde-cel, LYL273 or any other product candidates we may develop or acquire for clinical trials and for commercial use, if approved;
- the rate and degree of market acceptance, as well as the pricing and reimbursement, of ronde-cel, LYL273 or any other product candidates we may develop or acquire, if approved;
- our continued reliance on third parties to assist us in conducting additional clinical trials of ronde-cel, LYL273 or any other product candidates we may develop or acquire;
- the scope of protection we are able to establish and maintain for intellectual property rights, including covering ronde-cel, LYL273 and other product candidates and technologies we may develop or acquire;
- our ability to retain the continued service of our key personnel and to identify, hire and retain additional qualified personnel;
- our expectations regarding the impact of inflation, macroeconomic conditions and geopolitical conflicts on our business and operations, including on our manufacturing suppliers, collaborators, contract research organizations (CROs) and employees;
- our ability to realize the anticipated benefits of and potential value created by our acquisition of ImmPACT Bio USA Inc., our acquisition of rights to LYL273 from Innovative Cellular Therapeutics Holdings Limited and Innovative Cellular Therapeutics or any other acquisition or strategic transaction and our success in commercializing any product candidates we acquire in connection therewith;
- our expectation that our LyFE Manufacturing Center™ and, if applicable, contract drug manufacturing organizations engaged by us, will provide sufficient drug supply for our ongoing and planned clinical trials and through potential commercial launch; and
- our anticipated use of our existing cash, cash equivalents and marketable securities.

We have based these forward-looking statements largely on our current expectations and projections about our business, the industry in which we operate and financial trends that we believe may affect our business, financial condition, results of operations and prospects, and these forward-looking statements are not guarantees of future performance or development. These forward-looking statements speak only as of the date of this Quarterly Report on Form 10-Q and are subject to a number of risks, uncertainties and assumptions described under “Risk Factors” in Part II, Item 1A, and elsewhere in this Quarterly Report on Form 10-Q. Because forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified, you should not rely on these forward-looking statements as predictions of future events. The events and circumstances reflected in our forward-looking statements may not be achieved or occur, and actual results could differ materially from those projected in these forward-looking statements. Except as required by applicable law, we undertake no obligation to update or supplement any forward-looking statements publicly, or to update or supplement the reasons that actual results could differ materially from those projected in these forward-looking statements, even if new information becomes available in the future.

In addition, statements indicating that “we believe” and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based upon information available to us as of the date of this Quarterly Report on Form 10-Q, and while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain, and you are cautioned not to unduly rely upon these statements.

PART I—FINANCIAL INFORMATION

ITEM 1. Financial Statements.

Lyell Immunopharma, Inc.

Condensed Consolidated Balance Sheets

(in thousands, except per share amounts)

(unaudited)

	June 30, 2026	December 31, 2025
ASSETS		
Current assets:		
Cash and cash equivalents	$ 72,985	$ 60,181
Marketable securities	131,117	187,039
Prepaid expenses and other current assets	9,439	13,719
Total current assets	213,541	260,939
Restricted cash	1,587	1,585
Marketable securities, non-current	23,896	—
Other investments	19,000	19,000
Property and equipment, net	30,507	34,771
Operating lease right-of-use assets	16,781	18,871
Other non-current assets	5,841	4,886
Total assets	$ 311,153	$ 340,052
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 3,879	$ 2,893
Accrued liabilities and other current liabilities	35,988	46,519
Total current liabilities	39,867	49,412
Operating lease liabilities, non-current	36,934	41,921
Other non-current liabilities	537	517
Total liabilities	77,338	91,850
Commitments and contingencies (Note 12)		
Stockholders' equity:		
Preferred stock, $0.0001 par value; 10,000 shares authorized at June 30, 2026 and December 31, 2025; no shares issued and outstanding at June 30, 2026 and December 31, 2025	—	—
Common stock, $0.0001 par value; 500,000 shares authorized at June 30, 2026 and December 31, 2025; 23,397 and 21,251 shares issued and outstanding at June 30, 2026 and December 31, 2025, respectively	2	2
Additional paid-in capital	1,922,433	1,867,512
Accumulated other comprehensive (loss) income	(158)	242
Accumulated deficit	(1,688,462)	(1,619,554)
Total stockholders' equity	233,815	248,202
Total liabilities and stockholders' equity	$ 311,153	$ 340,052

See accompanying notes.

Lyell Immunopharma, Inc.

Condensed Consolidated Statements of Operations and Comprehensive Loss

(in thousands, except per share amounts)

(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Revenue	$ 4	$ 8	$ 6	$ 15
Operating expenses:				
Research and development	39,524	34,857	76,128	78,304
General and administrative	9,576	9,786	19,131	23,832
Other operating (income) loss, net	(1,759)	1,062	(3,655)	943
Impairment of long-lived assets	—	1,443	—	1,443
Total operating expenses	47,341	47,148	91,604	104,522
Loss from operations	(47,337)	(47,140)	(91,598)	(104,507)
Interest income, net	2,184	3,276	4,378	7,138
Other income, net	398	1,180	18,312	2,490
Total other income, net	2,582	4,456	22,690	9,628
Net loss	(44,755)	(42,684)	(68,908)	(94,879)
Other comprehensive loss:				
Net unrealized loss on marketable securities	(149)	(101)	(400)	(234)
Comprehensive loss	$ (44,904)	$ (42,785)	$ (69,308)	$ (95,113)
Net loss per common share, basic and diluted	$ (1.92)	$ (2.89)	$ (3.05)	$ (6.42)
Weighted-average shares used to compute net loss per common share, basic and diluted	23,364	14,793	22,624	14,774

See accompanying notes.

Lyell Immunopharma, Inc.
Condensed Consolidated Statements of Stockholders' Equity
(in thousands)
(unaudited)

	Three Months Ended June 30, 2026					
	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive (Loss)	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount				
Balance as of March 31, 2026	23,328	$ 2	$ 1,917,379	$ (9)	$ (1,643,707)	$ 273,665
Issuance of common stock under employee stock purchase plan	37	—	522	—	—	522
Issuance of common stock in connection with restricted stock units, net of tax	32	—	—	—	—	—
Stock-based compensation	—	—	4,532	—	—	4,532
Other comprehensive loss	—	—	—	(149)	—	(149)
Net loss	—	—	—	—	(44,755)	(44,755)
Balance as of June 30, 2026	23,397	$ 2	$ 1,922,433	$ (158)	$ (1,688,462)	$ 233,815

	Six Months Ended June 30, 2026					
	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount				
Balance as of December 31, 2025	21,251	$ 2	$ 1,867,512	$ 242	$ (1,619,554)	$ 248,202
Issuance of common stock upon exercise of stock options	3	—	26	—	—	26
Issuance of common stock under employee stock purchase plan	37	—	522	—	—	522
Issuance of common stock in connection with restricted stock units, net of tax	89	—	—	—	—	—
Issuance of common stock in connection with PIPE financing	1,952	—	43,850	—	—	43,850
Issuance of common stock in connection with ATM financing	65	—	1,696	—	—	1,696
Stock-based compensation	—	—	8,827	—	—	8,827
Other comprehensive loss	—	—	—	(400)	—	(400)
Net loss	—	—	—	—	(68,908)	(68,908)
Balance as of June 30, 2026	23,397	$ 2	$ 1,922,433	$ (158)	$ (1,688,462)	$ 233,815

See accompanying notes.

Lyell Immunopharma, Inc.
Condensed Consolidated Statements of Stockholders' Equity
(in thousands)
(unaudited)

	Three Months Ended June 30, 2025					
	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount				
Balance as of March 31, 2025[1]	14,764	$ 1	$ 1,733,663	$ 158	$ (1,397,301)	$ 336,521
Issuance of common stock under employee stock purchase plan	26	—	183	—	—	183
Issuance of common stock in connection with restricted stock units, net of tax	41	—	—	—	—	—
Stock-based compensation	—	—	5,004	—	—	5,004
Other comprehensive loss	—	—	—	(101)	—	(101)
Net loss	—	—	—	—	(42,684)	(42,684)
Balance as of June 30, 2025	14,831	$ 1	$ 1,738,850	$ 57	$ (1,439,985)	$ 298,923

	Six Months Ended June 30, 2025					
	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount				
Balance as of December 31, 2024[1]	14,744	$ 1	$ 1,727,638	$ 291	$ (1,345,106)	$ 382,824
Issuance of common stock under employee stock purchase plan	26	—	183	—	—	183
Issuance of common stock in connection with restricted stock units, net of tax	61	—	1	—	—	1
Stock-based compensation	—	—	11,028	—	—	11,028
Other comprehensive loss	—	—	—	(234)	—	(234)
Net loss	—	—	—	—	(94,879)	(94,879)
Balance as of June 30, 2025	14,831	$ 1	$ 1,738,850	$ 57	$ (1,439,985)	$ 298,923

1. Amounts previously reported have been retroactively adjusted to reflect the 1-for-20 reverse stock split effected on May 30, 2025. See Note 2.

See accompanying notes.

Lyell Immunopharma, Inc.
Condensed Consolidated Statements of Cash Flows
(in thousands)
(unaudited)

	Six Months Ended June 30,	
	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	$ (68,908)	$ (94,879)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock-based compensation expense	8,827	11,028
Depreciation and amortization expense	4,554	6,576
Gain on securities purchase agreement put/call	(17,561)	—
Non-cash lease income	(2,306)	(1,516)
Net amortization and accretion on marketable securities	(1,708)	(2,890)
Change in fair value of success payment liabilities	(752)	(240)
Loss on property and equipment disposals, net	117	3,759
Change in fair value of contingent consideration payable	—	(2,075)
Impairment of long-lived assets	—	1,443
Loss on marketable equity security	—	28
Changes in operating assets and liabilities:		
Prepaid expenses, other current assets and other assets	3,325	4,796
Accounts payable	919	(1,885)
Accrued liabilities and other current liabilities	1,041	(13,118)
Other non-current liabilities	20	(223)
Net cash used in operating activities	(72,432)	(89,196)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(345)	(414)
Sales of property and equipment	5	—
Purchases of marketable securities	(90,706)	(165,112)
Maturities of marketable securities	124,040	247,639
Net cash provided by investing activities	32,994	82,113
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from securities purchase agreement equity issuance	50,000	—
Proceeds from employee stock purchase plan	522	184
Proceeds from exercise of stock options	26	—
Proceeds from at-the-market offering, net of offering expenses	1,696	—
Net cash provided by financing activities	52,244	184
Net increase (decrease) in cash, cash equivalents and restricted cash	12,806	(6,899)
Cash, cash equivalents and restricted cash at beginning of period	61,766	107,287
Cash, cash equivalents and restricted cash at end of period	$ 74,572	$ 100,388
Represented by:		
Cash and cash equivalents	$ 72,985	$ 98,804
Restricted cash	1,587	1,584
Total	$ 74,572	$ 100,388
SUPPLEMENTAL CASH FLOW INFORMATION		
Cash paid for amounts included in the measurement of lease liabilities	$ 6,436	$ 6,252
Non-cash investing and financing activities:		
Purchases of property and equipment included in accounts payable and accrued liabilities	$ 77	$ 9

See accompanying notes.

Lyell Immunopharma, Inc.

Notes to Unaudited Condensed Consolidated Financial Statements

1. Organization

Lyell Immunopharma, Inc. (the "Company") was incorporated in Delaware in June 2018. The Company is a late-stage clinical cell therapy company advancing a pipeline of proprietary next-generation autologous chimeric antigen receptor ("CAR") T-cell product candidates for patients with hematologic malignancies and solid tumors. The Company's lead product candidate, rondecabtagene autoleucel ("ronde-cel"), is an autologous dual-targeting CD19/CD20 CAR T-cell therapy in development for large B-cell lymphoma ("LBCL"). In November 2025, the Company acquired exclusive global rights outside of mainland China, Hong Kong, Macau and Taiwan, to a novel guanylyl cyclase C ("GCC")-targeted CAR T-cell product candidate, LYL273, in clinical development for relapsed/refractory metastatic colorectal cancer ("mCRC") and other GCC-expressing cancers. The Company's primary activities since incorporation have been to develop investigational T-cell therapies, conduct research and development, execute clinical trials, enable and execute manufacturing activities in support of its product candidate development efforts, submit regulatory submissions, acquire technology and product candidates, enter into strategic license and collaboration arrangements, organize and staff the Company, conduct business planning, establish its intellectual property portfolio, raise capital and provide general and administrative support for these activities.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP"). The unaudited condensed consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All significant intercompany transactions and balances have been eliminated in consolidation. Certain prior period amounts have been reclassified to conform with the current period presentation.

The condensed consolidated balance sheet as of December 31, 2025 included herein was derived from the audited consolidated financial statements as of that date. Certain information and footnote disclosures typically included in the Company's audited consolidated financial statements have been condensed or omitted. The accompanying unaudited condensed consolidated financial statements have been prepared on the same basis as the annual consolidated financial statements and reflect, in the opinion of management, all adjustments of a normal and recurring nature that are necessary for the fair presentation of the Company's financial position, results of operations and cash flows for the periods presented, but are not necessarily indicative of results to be expected for any future annual or interim period.

These unaudited condensed consolidated financial statements should be read in conjunction with the Company's audited financial statements and notes included in the Company's Annual Report on Form 10-K for the year ended December 31, 2025 ("2025 Annual Report").

Reverse Stock Split

On May 30, 2025, the Company effected a 1-for-20 reverse stock split ("Reverse Split") of its issued and outstanding shares of common stock, and the common stock began trading on a split-adjusted basis on June 2, 2025. The Reverse Split did not reduce the total number of authorized shares of common stock or the Company's preferred stock or change the par values per share of the common stock or preferred stock. The Reverse Split affected all stockholders uniformly and did not affect any stockholder's ownership percentage of the shares of common stock (except to the extent that the Reverse Split resulted in some of the stockholders receiving cash in lieu of fractional shares). All outstanding equity awards entitling their holders to shares of common stock were adjusted as a result of the Reverse Split, in accordance with the terms of each such security. In addition, the number of shares reserved for future issuance pursuant to the Company's equity incentive plans was adjusted accordingly. As a result, all historical per share data, the number of shares issued and outstanding and outstanding equity awards for the periods presented in the accompanying unaudited condensed consolidated financial statements and notes thereto have been adjusted retroactively in this Form 10-Q, where applicable, to reflect the Reverse Split. As the par value per share of the common stock was unchanged, corresponding amounts have been reclassified from common stock to additional paid-in capital.

Liquidity and Management's Plan

The Company discovers and develops product candidates that involve experimental technologies. The product candidates may require several years and substantial expenditures to complete and ultimately may be unsuccessful. The Company expects to continue to incur significant operating losses for the foreseeable future and may never be profitable.

As a result, the Company will need to raise additional capital through equity offerings, debt financings or other capital sources, including potential collaborations, licenses and other similar arrangements. Management believes that it has sufficient working capital on hand to fund operations through at least the next 12 months from the date these unaudited condensed consolidated financial statements are issued.

Use of Estimates

The preparation of the Company's unaudited condensed consolidated financial statements in conformity with GAAP requires management to make judgments, estimates and assumptions that affect reported amounts and related disclosures. Specific accounts that require management estimates include, but are not limited to, stock-based compensation, valuation of long-lived and acquired assets, the SPA put/call (as defined below), other investments and accrued expenses. Management bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results could differ materially from those estimates.

Concentrations of Credit Risk and Off-balance Sheet Risk

The Company maintains its cash, cash equivalents and restricted cash with high quality, accredited financial institutions. Restricted cash is cash held in a bank account and is used as collateral associated with the Company's corporate credit card program as well as collateral for a letter of credit in favor of one of the Company's landlords. Cash, cash equivalents and restricted cash amounts, at times, may exceed federally insured limits. The Company also makes short-term investments in money market funds, U.S. Treasury securities, U.S. government agency securities and corporate debt securities, which can be subject to certain credit risk. However, the Company mitigates the risks by investing in high-grade instruments, limiting exposure to any one issuer or type of investment and monitoring the ongoing creditworthiness of the financial institutions and issuers. The Company has not experienced any credit losses in such accounts and does not believe it is exposed to significant risk on these funds. The Company has no off-balance sheet concentrations of credit risk, such as foreign currency exchange contracts, option contracts or other hedging arrangements.

Significant Accounting Policies

There have been no material changes to the significant accounting policies from the 2025 Annual Report.

Recent Accounting Pronouncements

Recently Adopted

None.

Not Yet Adopted

Income Statement Expense Disaggregation

In November 2024, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2024-03, *Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures*, to require more detailed information about specified categories of expenses (purchases of inventory, employee compensation, depreciation and amortization) included in certain expense captions presented on the face of the income statement. This ASU is effective for fiscal years beginning after December 15, 2026, and for interim periods within fiscal years beginning after December 15, 2027. Early adoption is permitted. The amendments may be applied either (1) prospectively to financial statements issued for reporting periods after the effective date of this ASU or (2) retrospectively to all prior periods presented in the financial statements. The Company is currently evaluating the impact of ASU 2024-03 on its consolidated financial statements.

Interim Reporting

In December 2025, the FASB issued ASU 2025-11, *Interim Reporting (Topic 270): Narrow-Scope Improvements*, which clarifies the guidance in Topic 270 to improve the consistency of interim financial reporting. The ASU provides a comprehensive list of required interim disclosures and introduces a disclosure principle requiring entities to disclose events since the end of the last annual reporting period that have had a material impact on the entity. ASU 2025-11 is effective for fiscal years beginning after December 15, 2027, including interim periods within those fiscal years, with early adoption permitted. The Company is currently evaluating the impact of ASU 2025-11 on its consolidated financial statements.

3. Asset Acquisitions and Contingent Consideration

ICT License Acquisition

On November 6, 2025, the Company entered into an Exclusive License Agreement with Innovative Cellular Therapeutics Holdings Limited and Innovative Cellular Therapeutics, Inc. (together, "ICT") for the development and commercialization of LYL273, a novel GCC-targeted CAR T-cell product candidate for the treatment of mCRC and other GCC-expressing cancers (the "ICT License Agreement"). Pursuant to the terms of the ICT License Agreement, the Company received exclusive global rights, outside of mainland China, Hong Kong, Macau and Taiwan, to research, develop, manufacture, commercialize and otherwise exploit LYL273 ("LYL273 license"), along with clinical supply through the technology transfer period (subject to a $10 million cap) ("prepaid clinical supply"), in exchange for an upfront payment of $40 million in cash and the issuance of 1.9 million shares of the Company's common stock and the cash and equity contingent consideration noted below.

ICT is eligible to receive additional cash and equity payments of (i) a potential $30 million clinical milestone payment, up to $115 million upon the achievement of certain late-stage regulatory milestones and up to $675 million in commercial sales milestones; (ii) up to an additional 1.85 million shares of the Company's common stock based on the achievement of certain clinical and regulatory milestones; and (iii) tiered royalties ranging from mid-single-digits up to 10% on annual net sales in the United States and low to mid-single-digit royalties on annual net sales in other countries within the licensed territory.

The prepaid clinical supply balance was $3.5 million and $7.5 million as of June 30, 2026 and December 31, 2025, respectively, and is recorded within prepaid expenses and other current assets on the Company's condensed consolidated balance sheets. During the three and six months ended June 30, 2026, the Company recorded clinical supply expense of $2.3 million and $4.0 million, respectively, reducing the prepaid clinical supply balance.

The Company will recognize any future cash milestones or royalty payments in the period in which the cash milestones or royalty payments become due and payable. The Company has not made or accrued for cash milestones or royalty payments as these have not become due and payable.

The Company determined that the milestone payments payable in the Company's common stock are subject to accounting under ASC 718, *Compensation - Stock Compensation*. Consistent with the Company's treatment of other performance-based equity awards, compensation expense is recognized for the number of shares expected to be earned after assessing the probability that a certain performance condition will be met and the targeted payout level associated with the performance condition expected to be achieved. At each reporting date, the Company is required to evaluate whether achievement of a performance condition is probable. If performance conditions are not met or not expected to be met, any compensation expense previously recognized associated with the awards will be reversed. A clinical milestone for 1.1 million shares of common stock was achieved during the three months ended June 30, 2026. The $19.7 million of stock-based compensation expense related to this clinical milestone was recognized in the fourth quarter of 2025, when achievement of the milestone was initially deemed probable, and was recorded within research and development expense.

The achievement of the clinical milestone triggered the Company's obligation to issue 1.1 million shares of the Company's common stock to ICT, which were issued in July 2026. See Note 13, *Related-Party Transactions*, for information regarding the Company's related-party relationship with ICT.

ImmPACT Acquisition

In October 2024, the Company acquired ImmPACT Bio USA Inc. ("ImmPACT") for upfront consideration of $30.0 million in cash (in addition to approximately $11.9 million for ImmPACT's existing cash balance, net of certain of ImmPACT's unpaid transaction expenses) and 1.875 million shares of common stock. In July 2025, the Company issued 625,000 shares of common stock valued at $5.9 million upon achieving a specified clinical milestone, fulfilling all contingent equity obligations.

Remaining contingent consideration consists of a low single-digit royalty on future U.S. net sales of the dual-targeting CD19/20 CAR T-cell product. Under ASC 815, these royalties are not accounted for as derivatives and are recognized in the period they become due. As of June 30, 2026, no royalty payments have been made or accrued.

4. License, Collaboration and Success Payment Agreements

Fred Hutch

Collaboration and Success Payments - In 2018, the Company entered into a research and collaboration agreement with Fred Hutchinson Cancer Center ("Fred Hutch" and "Fred Hutch Collaboration Agreement"), pursuant to which it granted Fred Hutch rights to certain success payments. The potential payments for the Fred Hutch success

payments are based on multiples of increased value ranging from 10 times to 50 times based on a comparison of the per share fair market value of the Company's common stock relative to the original $36.58 per share issuance price of the Company's Series A convertible preferred stock, which converted into an equal number of shares of the Company's common stock in connection with the closing of the Company's initial public offering ("IPO"). The aggregate success payments to Fred Hutch are not to exceed $200.0 million, which would only occur upon a 50 times increase in value relative to the original $36.58 per share issuance price of the Company's Series A convertible preferred stock. Each threshold is associated with a success payment, ascending from $10.0 million at $365.76 per share to $200.0 million at $1,828.80 per share, payable if such threshold is reached during the measurement period. The term of the success payment agreement ends on the earlier to occur of (i) December 19, 2027 (the nine-year anniversary of the date of the agreement) and (ii) a change in control transaction.

The following table summarizes the aggregate potential success payments, which are payable to Fred Hutch in cash or cash equivalents, or at the Company's discretion, publicly-tradeable shares of the Company's common stock:

Multiple of initial equity value at issuance	10x	20x	30x	40x	50x
Per share common stock price required for payment	$ 365.76	$ 731.52	$ 1,097.28	$ 1,463.04	$ 1,828.80
Aggregate success payment(s) (in millions)	$ 10	$ 40	$ 90	$ 140	$ 200

The success payments will be owed if the per share fair value of the Company's common stock on the contractually specified valuation measurement dates during the term of the success payment agreement equals or exceeds the above outlined multiples. The valuation measurement dates are triggered by the following events: the one-year anniversary of the Company's IPO and each two-year anniversary of the Company's IPO thereafter, the closing of a change in control transaction and the last day of the term of the success payment agreement, unless the term has ended due to the closing of a change of control transaction. As of June 30, 2026, no success payments have been incurred as the per share fair value of the Company's common stock was below the price required for payment.

The success payment liability was $0.2 million and $0.4 million as of June 30, 2026 and December 31, 2025, respectively, which is recognized in accrued liabilities and other current liabilities. With respect to the Fred Hutch Collaboration Agreement success payment obligations, the Company recognized success payment expense reversals of $0.2 million and approximately zero for the three months ended June 30, 2026 and 2025, respectively, and expense reversals of $0.3 million and $0.1 million for the six months ended June 30, 2026 and 2025, respectively, which are recognized in other income, net.

Stanford

License Agreement - In 2019, the Company entered into a license agreement with The Board of Trustees of the Leland Stanford Junior University ("Stanford") to license specified patent rights.

Collaboration and Success Payments - In October 2020, the Company entered into a research and collaboration agreement with Stanford ("Stanford Collaboration Agreement"), pursuant to which it granted Stanford rights to certain success payments. The potential payments for the Stanford Collaboration Agreement success payments are based on multiples of increased value ranging from 10 times to 50 times based on a comparison of the per share fair market value of the Company's common stock relative to the original $36.58 per share issuance price of the Company's Series A convertible preferred stock, which converted into an equal number of shares of the Company's common stock in connection with the closing of the Company's IPO. The aggregate success payments to Stanford are not to exceed $200.0 million, which would only occur upon a 50 times increase in value relative to the original $36.58 per share issuance price of the Company's Series A convertible preferred stock. Each threshold is associated with a success payment, ascending from $10.0 million at $365.76 per share to $200.0 million at $1,828.80 per share, payable if such threshold is reached during the measurement period. The term of the success payment agreement ends on the earlier to occur of (i) October 1, 2029 (the nine-year anniversary of the date of the agreement) and (ii) a change in control transaction.

The following table summarizes the aggregate potential success payments, which are payable to Stanford in cash or cash equivalents, or at the Company's discretion, publicly-tradeable shares of the Company's common stock:

Multiple of initial equity value at issuance	10x	20x	30x	40x	50x
Per share common stock price required for payment	$ 365.76	$ 731.52	$ 1,097.28	$ 1,463.04	$ 1,828.80
Aggregate success payment(s) (in millions)	$ 10	$ 40	$ 90	$ 140	$ 200

The success payments will be owed if the per share fair value of the Company's common stock on the contractually specified valuation measurement dates during the term of the success payment agreement equals or exceeds the above outlined multiples. The valuation measurement dates are triggered by the following events: the one-year

anniversary of the Company's IPO and each two-year anniversary of the Company's IPO thereafter, the closing of a change in control transaction and the last day of the term of the success payment agreement, unless the term has ended due to the closing of a change of control transaction. As of June 30, 2026, no success payments have been incurred as the per share fair value of the Company's common stock was below the price required for payment.

The success payment liability was $0.3 million and $0.8 million as of June 30, 2026 and December 31, 2025, respectively, which is recognized in accrued liabilities and other current liabilities. With respect to the Stanford Collaboration Agreement success payment obligations, the Company recognized success payment expense reversals of $0.3 million and $0.1 million for the three months ended June 30, 2026 and 2025, respectively, and expense reversals of $0.5 million and $0.2 million for the six months ended June 30, 2026 and 2025, respectively, which are recognized in other income, net.

5. Cash Equivalents and Marketable Securities

The fair value and amortized cost of cash equivalents and fixed income marketable securities by major security type are as follows (in thousands):

	June 30, 2026			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Money market funds	$ 51,657	$ —	$ —	$ 51,657
U.S. Treasury securities	134,683	6	(150)	134,539
U.S. government agency securities	11,694	—	(9)	11,685
Corporate debt securities	18,017	—	(5)	18,012
Total cash equivalents and fixed income marketable securities	$ 216,051	$ 6	$ (164)	$ 215,893

Classified as:	Fair Value
Cash equivalents	$ 60,880
Marketable securities	131,117
Marketable securities, non-current	23,896
Total cash equivalents and fixed income marketable securities	$ 215,893

	December 31, 2025			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Money market funds	$ 49,766	$ —	$ —	$ 49,766
U.S. Treasury securities	175,839	233	—	176,072
U.S. government agency securities	6,528	5	—	6,533
Corporate debt securities	4,430	4	—	4,434
Total cash equivalents and fixed income marketable securities	$ 236,563	$ 242	$ —	$ 236,805

Classified as:	Fair Value
Cash equivalents	$ 49,766
Marketable securities	187,039
Marketable securities, non-current	—
Total cash equivalents and fixed income marketable securities	$ 236,805

The fair values of money market and fixed income marketable securities held by the Company in an unrealized loss position for less than 12 months were $126.0 million and zero as of June 30, 2026 and December 31, 2025, respectively. The fair values of money market and fixed income marketable securities held by the Company in an unrealized loss position for greater than 12 months were zero as of both June 30, 2026 and December 31, 2025. As of

June 30, 2026 and December 31, 2025, all of the Company's money market and fixed income marketable securities had a maturity date of two years or less, were available for use and were classified as available-for-sale. The Company does not intend to sell these securities nor does the Company believe that it will be required to sell these securities before recovery of their amortized cost basis. The Company determined that there was no material change in the credit risk of the above investments as of both June 30, 2026 and December 31, 2025. As such, an allowance for credit losses has not been recognized. Gross realized gains and losses were *de minimis* for the three and six months ended June 30, 2026 and 2025 and as a result, amounts reclassified out of accumulated other comprehensive income for the three and six months ended June 30, 2026 and 2025 were also *de minimis*. See Note 7, *Fair Value Measurements,* for additional information regarding cash equivalents and fixed income marketable securities.

6. Other Investments

In prior years the Company made minority ownership strategic investments. As of both June 30, 2026 and December 31, 2025, the aggregate carrying amount of the Company's strategic investments in non-publicly traded companies was $19.0 million. These investments are measured at initial cost, minus impairment, if any, and plus or minus changes resulting from observable price changes in orderly transactions for the identical or a similar investment of the same issuer. Cumulative impairments of strategic investments in equity investments without readily determinable fair values still held as of both June 30, 2026 and December 31, 2025 were $23.0 million, reflecting the full impairment of two of the Company's other investments.

As a part of the acquisition of each of the Company's other investments, the Company determines whether an investment or other interest is considered a variable interest. As of both June 30, 2026 and December 31, 2025, the Company held an interest in one entity that was concluded to be a variable interest for which the Company was not the primary beneficiary as the Company did not have the power to direct the activities that most significantly impact the economic performance of the variable interest entity. As of both June 30, 2026 and December 31, 2025, the carrying value and maximum exposure to loss of the Company's variable interests was zero.

7. Fair Value Measurements

The following table sets forth the fair value of the Company's financial assets and liabilities measured at fair value on a recurring basis based on the three-tier fair value hierarchy (in thousands):

	June 30, 2026			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Money market funds	$ 51,657	$ —	$ —	$ 51,657
U.S. Treasury securities	—	134,539	—	134,539
U.S. government agency securities	—	11,685	—	11,685
Corporate debt securities	—	18,012	—	18,012
Total financial assets	$ 51,657	$ 164,236	$ —	$ 215,893
Financial liabilities:				
Success payment liabilities	—	—	490	490
Total financial liabilities	$ —	$ —	$ 490	$ 490

	December 31, 2025			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Money market funds	$ 49,766	$ —	$ —	$ 49,766
U.S. Treasury securities	—	176,072	—	176,072
U.S. government agency securities	—	6,533	—	6,533
Corporate debt securities	—	4,434	—	4,434
Total financial assets	$ 49,766	$ 187,039	$ —	$ 236,805
Financial liabilities:				
SPA put/call	$ —	$ —	$ 11,411	$ 11,411
Success payment liabilities	—	—	1,242	1,242
Total financial liabilities	$ —	$ —	$ 12,653	$ 12,653

The Company measures the fair value of money market funds based on quoted prices in active markets for identical assets. The Company measures the fair value of marketable equity securities traded in active markets based on quoted prices of identical assets. The Level 2 marketable securities include U.S. Treasury securities, U.S. government agency securities and corporate debt securities, which are valued using third-party pricing sources. The pricing services applied industry standard valuation models. Inputs utilized include market pricing based on real-time trade data for the same or similar securities and other significant inputs derived from or corroborated by observable market data.

In July 2025, the Company completed a $50.0 million equity financing under a Securities Purchase Agreement (the "SPA") with certain institutional and other accredited investors (the "Purchasers") that provided both the Company and the Purchasers with mutually exclusive rights, but not obligations, to purchase or sell additional shares of the Company's common stock (or pre-funded warrants in lieu thereof) under specified conditions. These rights included (i) the Company's option to require investors to purchase additional equity securities upon the achievement of a defined milestone event (the "Milestone Closing") and (ii) the investors' option to purchase a similar dollar amount of equity securities at a fixed price prior to the Milestone Closing (the "Investor Call Closing"). Because the Milestone Closing and Investor Call Closing were mutually exclusive, they were accounted for as a single combined financial instrument (the "SPA put/call").

Pursuant to the SPA, following the achievement of the applicable milestone, the Company initiated the Milestone Closing and on March 6, 2026, the Company sold and issued 1,952,360 shares of common stock at a purchase price per share of $25.61 at the Milestone Closing, for gross proceeds of approximately $50.0 million. Prior to exercise, the SPA put/call was presented within accrued liabilities and other current liabilities on the Company's condensed consolidated balance sheet as of December 31, 2025. See Note 9, *Stockholders' Equity - Securities Purchase Agreement*, for additional information regarding the SPA put/call.

Prior to exercise, the SPA put/call was classified as a Level 3 financial instrument and the fair value was estimated using a Monte Carlo simulation valuation method including the following assumptions as of December 31, 2025:

	December 31, 2025
Time to maturity (years)	0.67
Risk-free rate	3.55 %
Volatility	90 %

Upon the Milestone Closing on March 6, 2026, the fair value of the SPA put/call was determined based on the intrinsic value of the instrument (the difference between the exercise price of $25.61 and the Company's closing stock price of $22.46). As the valuation was derived from observable inputs, the SPA put/call was classified as a Level 2 financial instrument at the time of settlement. Following the issuance of the shares, the instrument was settled and the carrying value of approximately $6.1 million was reclassified to stockholders' equity as a reduction of additional paid-in capital.

The Company's success payment liabilities are classified as Level 3 financial instruments. Prior to its settlement on March 6, 2026, the SPA put/call was also classified as a Level 3 financial instrument. The success payment liabilities were estimated by management using its historical experience of the correlation of success payment fair values relative to the Company's stock price.

The Company utilizes estimates and assumptions in determining the estimated success payment liabilities and SPA put/call and associated changes in fair value. A small change in the value of the Company's common stock may result in a relatively large change in the estimated fair value of the success payment liabilities and the SPA put/call prior to settlement and associated changes in fair value. Prior to its settlement, a small change in management's assessment of the likelihood of achieving either a clinical milestone relating to the Company's ongoing PiNACLE pivotal trial or certain other corporate milestones relevant to the SPA put/call could have resulted in a material change in its estimated fair value.

The following table sets forth a summary of the changes in the fair value of the Company's Level 3 financial instruments (in thousands):

	Success Payment Liabilities	SPA Put/Call Liability
Balance at December 31, 2025	$ 1,242	$ 11,411
Change in fair value [(1)]	(752)	(17,561)
Settlement via equity issuance	—	6,150
Balance at June 30, 2026	$ 490	$ —

(1) The change in fair value of the success payment liabilities and SPA put/call are recorded in other income, net.

8. Leases

The Company's lease portfolio is comprised of operating leases for laboratory, office and manufacturing facilities located in South San Francisco and Los Angeles, California, and Seattle and Bothell, Washington with contractual periods expiring between January 2028 and March 2031. In addition to minimum rent, the leases require payment of real estate taxes, insurance, common area maintenance charges and other executory costs. These additional charges are considered variable lease costs and are recognized in the period in which the costs are incurred.

The following table summarizes the Company's future minimum operating lease commitments as of June 30, 2026 (in thousands):

Year Ending December 31:	
2026 (remaining six months)	$ 6,522
2027	13,341
2028	13,005
2029	10,398
2030	9,855
Thereafter	2,333
Total undiscounted lease payments	55,454
Less: imputed interest	(8,856)
Total operating lease liabilities	$ 46,598

Reported as of June 30, 2026:	
Short-term portion of lease liabilities (included in accrued liabilities and other current liabilities)	$ 9,664
Operating lease liabilities, non-current	36,934
Total	$ 46,598

The operating lease costs for all operating leases were $2.0 million and $2.4 million for the three months ended June 30, 2026 and 2025, respectively, and $4.1 million and $4.8 million for the six months ended June 30, 2026 and 2025, respectively. The operating lease costs and total commitments for short-term leases were *de minimis* for the three and six months ended June 30, 2026 and 2025. Variable lease costs for operating leases were $1.5 million and $1.9 million for the three months ended June 30, 2026 and 2025, respectively, and $3.0 million and $3.8 million for the six months ended June 30, 2026 and 2025, respectively. The weighted-average remaining lease terms for operating leases were 4.3 and 4.8 years as of June 30, 2026 and December 31, 2025, respectively. The weighted-average discount rate for operating leases was 8.5% as of both June 30, 2026 and December 31, 2025.

The Company entered into subleases in May 2021 and September 2024, whereby the Company agreed to sublease approximately 11,000 and 12,150 square feet, respectively, of its currently leased space in South San Francisco, California. These subleases are classified as operating leases and currently will expire in March 2031 and December 2026, respectively.

In September 2021, the Company entered into a sublease with Sonoma Biotherapeutics, Inc. ("Sonoma"), a related party, whereby the Company agreed to sublease approximately 18,000 square feet of space in South San Francisco, California currently leased by the Company. See Note 13, *Related-Party Transactions.* As a part of the sublease, in September 2021, the Company received a $4.6 million tenant improvement contribution payment, which is recognized over the term of the sublease. The sublease is classified as an operating lease. In June 2026, the Company and Sonoma amended the sublease to extend the term through September 2027 and revised the subleased space to approximately 3,600 square feet, effective October 2026.

The Company's sublease income is recognized within other operating (income) loss, net in the condensed consolidated statements of operations and comprehensive loss. Total operating income from the subleases and income solely attributable to the subleases are shown in the table below (in thousands). Total operating income includes income attributable to the subleases, as well as additional operating fees recognized in other operating (income) loss, net such as common area maintenance charges.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Other operating income, net - subleases	$ 1,876	$ 1,373	$ 3,761	$ 2,760
Sublease income	$ 1,462	$ 900	$ 2,915	$ 1,800

As a result of the successful technology transfer from the Company's West Hills, Los Angeles manufacturing facility to the Company's LyFE manufacturing center in Bothell, Washington, and in connection with the planned closure of the West Hills facility, the associated lease has been classified as a separate asset group as of June 30, 2025. The Company performed an impairment assessment for the three and six months ended June 30, 2025. The Company concluded that the carrying value of the West Hills asset group was not recoverable as it exceeded the future undiscounted cash flows the asset is expected to generate from its use and eventual disposition. The Company applied a discounted cash flow method to estimate the fair value of the right-of-use asset, which represented level 3 nonrecurring fair value measurements. Based on this analysis, the Company recognized long-lived asset impairment charges of $1.4 million for the three and six months ended June 30, 2025 within impairment of long-lived assets in the condensed consolidated statements of operations and comprehensive loss.

9. Stockholders' Equity

Preferred Stock

The Company is authorized to issue 10 million shares of preferred stock with a par value of $0.0001 per share. As of June 30, 2026 and December 31, 2025, no shares of preferred stock were outstanding.

Common Stock

The Company is authorized to issue 500 million shares of common stock with a par value of $0.0001 per share. As of June 30, 2026 and December 31, 2025, there were 23,396,808 shares and 21,251,353 shares of the Company's common stock outstanding, respectively. In July 2026, the Company issued 1.1 million shares of common stock to ICT upon the achievement of a clinical milestone under the ICT License Agreement.

On February 28, 2024, the Company entered into a sales agreement with TD Securities (USA) LLC, (formerly known as Cowen and Company, LLC) ("TD Cowen") acting as the Company's sales agent (the "Sales Agreement"), pursuant to which the Company may offer and sell shares of common stock having an aggregate offering price of up to $150.0 million from time to time in a series of one or more at-the-market equity offerings. The Company will pay TD Cowen commissions of up to 3.0% of the gross proceeds of the sale, and reimbursement of certain expenses, under this agreement. Neither the Company nor TD Cowen is obligated to sell any shares under the Sales Agreement. The Company sold 65,092 shares in at-the-market equity offerings valued at approximately $1.7 million during the six months ended June 30, 2026. No shares were sold under the program during the three months ended June 30, 2026 or the three and six months ended June 30, 2025.

Securities Purchase Agreement

In July 2025, the Company entered into the SPA with the Purchasers, pursuant to which the Company sold and issued 3,753,752 shares of common stock at a purchase price of $13.32 per share at an initial closing, for gross proceeds of approximately $50.0 million. Pursuant to the SPA, following the achievement of the applicable milestone, the Company initiated the Milestone Closing and on March 6, 2026, the Company sold and issued 1,952,360 shares of common stock at a purchase price per share of $25.61 at the Milestone Closing, for gross proceeds of approximately $50.0 million. Following the issuance of the Milestone Closing shares, the instrument was settled and the carrying value of approximately $6.1 million was reclassified to stockholders' equity as a reduction of additional paid-in capital. See Note 7, *Fair Value Measurements*, for additional information regarding the valuation of the SPA put/call.

10. Stock-based Compensation

Equity Incentive and Employee Stock Purchase Plans

In June 2021, the Company adopted the 2021 Equity Incentive Plan ("2021 Plan") and the 2021 Employee Stock Purchase Plan ("2021 ESPP"), both of which became effective on the date of the underwriting agreement related to the Company's IPO. Under the 2021 Plan, the Company may grant incentive stock options, non-statutory stock options, restricted stock awards ("RSAs"), restricted stock units ("RSUs"), performance-based restricted stock units ("PSUs"), stock appreciation rights, performance awards and other stock-based awards. The term of any stock option granted under the 2021 Plan cannot exceed ten years. Generally, stock options (other than performance-based stock options, discussed below) and RSU awards granted by the Company vest over four years but may be granted with different vesting terms. PSUs and PBOs generally vest over a three-year performance period, with vesting subject to the achievement of the associated performance condition. On January 1, 2026, the Company reserved an additional 1,062,567 shares of common stock for issuance under the 2021 Plan representing 5% of the total common shares outstanding as of December 31, 2025. On January 1, 2026, the Company also reserved 212,513 additional shares under the 2021 ESPP representing 1% of the total common shares outstanding as of December 31, 2025.

The 2021 ESPP allows eligible employees to purchase shares of the Company's common stock at a discount through payroll deductions of up to 15% of their earnings, subject to plan limitations. Unless otherwise determined by the Company's board of directors, employees are able to purchase shares at 85% of the lower of the fair market value of the Company's common stock on the first date of an offering or on the purchase date. Under the 2021 ESPP, 37,189 shares were issued for the three and six months ended June 30, 2026 and 26,062 shares were issued for the three and six months ended June 30, 2025.

As of June 30, 2026, 2,298,275 and 376,157 shares were available for future issuance pursuant to the 2021 Plan and the 2021 ESPP, respectively.

Stock-based Compensation Expense

Stock-based compensation expense by classification included within the condensed consolidated statements of operations and comprehensive loss was as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Research and development	$ 2,174	$ 2,295	$ 4,375	$ 4,683
General and administrative	2,358	2,709	4,452	6,345
Total stock-based compensation expense	$ 4,532	$ 5,004	$ 8,827	$ 11,028

At June 30, 2026, total stock-based compensation cost related to unvested awards not yet recognized was $36.8 million, which is expected to be recognized over a remaining weighted-average period of 2.7 years.

Performance-Based Stock Options

During the three months ended March 31, 2025, the Company granted performance-based stock options ("PBOs") to certain key employees. PBOs awarded to employees have a three-year performance period and vest based upon the Company's performance against a two- and three-year relative total shareholder return ("rTSR") metric or upon the achievement of certain clinical development milestones. Certain of the clinical development milestones were probable of achievement as of June 30, 2026, representing 7,062 shares. For the portion of PBOs subject to certain clinical development milestones, 50% vest upon the achievement of the applicable milestone and the remaining 50% vest upon the earlier of (a) one year of service from the date of such achievement and (b) the end of the three-year performance period.

The vesting of all PBOs granted is also subject to the respective employee's continued employment. The Company valued the portion of the PBOs subject to the rTSR metric using a Monte Carlo simulation. The number of PBOs granted subject to the rTSR metrics represents the target number of options that are eligible to be earned based on the achievement of the metrics established at the beginning of the performance period, which ends on December 31st of the three-year performance period. For the portion of PBOs subject to the rTSR metrics, employees may ultimately earn between zero and 200% of the target number of PBOs granted based on the degree of achievement of the applicable rTSR metric. Accordingly, additional PBOs may be issued or currently outstanding PBOs may be cancelled upon final determination of the degree of achievement of the applicable rTSR metric. PBOs have contractual terms of ten years from grant date.

A summary of the Company's PBO activity was as follows:

	Number of PBOs	Weighted-Average Exercise Price Per Share	Weighted-Average Remaining Contractual Life (in years)	Aggregate Intrinsic Value (in thousands)
PBOs outstanding as of December 31, 2025[1]	98,868	$ 11.07	9.11	$ 1,949
Granted	—	$ —		
Exercised	—	$ —		
Canceled or forfeited	—	$ —		
PBOs outstanding as of June 30, 2026	98,868	$ 11.07	8.61	$ 295
PBOs exercisable as of June 30, 2026	—	$ —	—	$ —

(1) PBOs outstanding reflect the target number of shares eligible to be earned at the time of grant.

Performance-Based Restricted Stock Units

PSUs have a three-year performance period and vest based upon the Company's performance against a two- and three-year rTSR metric or upon the achievement of certain clinical development milestones. Certain of the clinical development milestones were determined to be probable of achievement as of June 30, 2026, representing 29,118 shares. For the portion of PSUs subject to certain clinical development milestones (other than the bonus clinical development milestone), 50% vest upon the achievement of the applicable milestone, and the remaining 50% vest upon the earlier of (a) one year of service from the date of such achievement and (b) the end of the three-year performance period. The vesting of all PSU awards granted is also subject to the respective employee's continued employment. The Company valued the portion of PSUs subject to the rTSR metric using a Monte Carlo simulation. The number of PSUs granted subject to the rTSR metrics represents the target number of units that are eligible to be earned based on the achievement of the metrics established at the beginning of the performance period, which ends on December 31st of the three-year performance period. For the portion of PSUs subject to the rTSR metrics, employees may ultimately earn between zero and 200% of the target number of PSUs granted based on the degree of achievement of the applicable rTSR metric. Accordingly, additional PSUs may be issued or currently outstanding PSUs may be cancelled upon final determination of the degree of the achievement of the applicable rTSR metric. Stock-based compensation expense recognized for the PSU awards was approximately $0.1 million and approximately zero for the three months ended June 30, 2026 and 2025, respectively, and $0.3 million and $0.5 million for the six months ended June 30, 2026 and 2025, respectively.

A summary of the Company's PSU activity was as follows:

	Performance-Based Restricted Stock Units Outstanding	Weighted-Average Value at Grant Date Per Share
Unvested PSUs as of December 31, 2025[1]	65,518	$ 37.51
PSUs granted	—	$ —
PSUs vested	(29,120)	$ 36.00
PSUs forfeited or canceled	—	$ —
Unvested PSUs as of June 30, 2026	36,398	$ 38.72

(1) PSU grants reflect the target number of shares eligible to be earned at the time of grant.

Restricted Stock Units

A summary of the Company's RSU activity was as follows:

	Restricted Stock Units Outstanding	Weighted-Average Value at Grant Date Per Share
Unvested RSUs as of December 31, 2025	306,415	$ 19.77
RSUs granted	286,116	$ 23.73
RSUs vested	(59,364)	$ 23.22
RSUs forfeited or canceled	(16,366)	$ 19.74
Unvested RSUs as of June 30, 2026	516,801	$ 21.57

Stock Options

A summary of the Company's stock option activity was as follows:

	Number of Stock Options	Weighted-Average Exercise Price Per Share	Weighted-Average Remaining Contractual Life (in years)	Aggregate Intrinsic Value (in thousands)
Options outstanding as of December 31, 2025	2,696,444	$ 40.32	6.14	$ 17,090
Granted	699,750	$ 23.00		
Exercised	(2,348)	$ 11.07		
Canceled or forfeited	(99,216)	$ 43.16		
Options outstanding as of June 30, 2026	3,294,630	$ 36.58	6.67	$ 2,715
Options exercisable as of June 30, 2026	1,821,492	$ 48.54	4.74	$ 2,124

The fair value of stock options and performance-based stock options granted to employees, directors and consultants valued using the Black-Scholes option pricing model was estimated on the date of grant using the following weighted-average assumptions:

	Six Months Ended June 30,	
	2026	2025
Risk-free interest rate	3.86 %	4.31 %
Expected volatility	91.8 %	84.7 %
Expected term (in years)	5.99	6.03
Expected dividend yield	0 %	0 %

The weighted-average grant date fair value of options granted for the six months ended June 30, 2026 and 2025 were $17.67 per share and $8.93 per share, respectively.

11. Net Loss Per Share

Basic and diluted net loss per share is calculated by dividing net loss by the weighted-average number of common shares outstanding during the period, without consideration for common stock equivalents. The Company's potentially dilutive shares, which include unvested RSUs, unvested PSUs, options to purchase common stock and contingently issuable shares, are considered to be common stock equivalents and are only included in the calculation of diluted net loss per share when their effect is dilutive. Shares subject to options to purchase common stock, unvested RSUs and unvested PSUs were all excluded from consideration in the calculation of diluted net loss per share in all periods presented due to their anti-dilutive effects.

12. Commitments and Contingencies

License and Collaboration Agreements

The Company has entered into certain license and collaboration agreements, including those identified in Note 3, *Asset Acquisitions and Contingent Consideration* and Note 4, *License, Collaboration and Success Payment Agreements*

above, with third parties that include the funding of certain development, manufacturing and commercialization efforts with the potential for future milestone and royalty payments upon the achievement of pre-established developmental, regulatory and/or commercial milestones. The Company's obligation to fund these efforts is contingent upon continued involvement in the programs and/or the lack of any adverse events that could cause the discontinuance of the programs, including termination of such agreements. Due to the nature of these agreements, the future potential payments are inherently uncertain, and accordingly no amounts had been recorded for the potential future achievement of these targets as of both June 30, 2026 and December 31, 2025.

13. Related-Party Transactions

In September 2021, the Company entered into a sublease with Sonoma ("Sonoma Sublease"), a company (i) in which the Company is a stockholder and has a board seat and (ii) whose stockholders include stockholders of the Company, whereby the Company agreed to sublease approximately 18,000 square feet of space in South San Francisco, California currently leased by the Company. Dr. Klausner, the Chair of the Company's board of directors, ceased serving as Chair of, and a member of, the board of directors of Sonoma in April 2026. Stephen Hill, the Company's Chief Operating Officer, was elected to the board of directors of Sonoma effective June 2026. See Note 8, *Leases*, for information regarding the terms of the Sonoma Sublease, including the amendment entered into in June 2026. As of June 30, 2026 and December 31, 2025, there were accrued liabilities and other current liabilities of $0.8 million and $2.5 million, respectively, in connection with the Sonoma Sublease.

Total operating income from Sonoma and income solely attributable to the Sonoma Sublease are shown in the table below (in thousands). Total operating income includes income attributable to the sublease, as well as additional operating fees recognized in "other operating (income) loss, net" such as common area maintenance charges.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Sonoma other operating income, net	$ 1,212	$ 688	$ 2,428	$ 1,389
Sonoma sublease income	$ 1,028	$ 465	$ 2,046	$ 930

In connection with the SPA, ARCH Venture XIII, L.P. participated as a Purchaser by acquiring approximately 0.5 million shares of common stock for aggregate gross proceeds to the Company of $12.5 million at a purchase price of $25.61 per share during the six months ended June 30, 2026. ARCH Venture Fund XIII, L.P. filed a Form 3 in July 2025 stating it beneficially owned greater than 10% of the Company's outstanding common stock as of that date. See Note 9, *Stockholders' Equity - Securities Purchase Agreement*, for additional information regarding the SPA.

ICT, the Company's licensor under the ICT License Agreement, is a related party of the Company, having reported beneficial ownership of greater than 10% of the Company's outstanding common stock on a Schedule 13G/A filed in June 2026. In July 2026, the Company issued 1.1 million shares of common stock to ICT upon the achievement of a clinical milestone under the ICT License Agreement. See Note 3, *Asset Acquisitions and Contingent Consideration*, for information regarding transactions under the ICT License Agreement.

14. Segment

The Company reports segment information in accordance with the management approach, which reflects the internal reporting utilized by the Chief Operating Decision Maker ("CODM"), the Company's President and Chief Executive Officer. Based on the information used by the CODM to allocate resources and assess the Company's performance, the Company has determined it operates in one segment. The CODM reviews financial information presented on a consolidated basis for purposes of making operating decisions and assessing financial performance. Prior period segment information has been recast to reflect the manner in which financial information is currently reviewed by the CODM to allocate resources and assess performance, conforming to the current period presentation.

The CODM evaluates the performance of the Company's sole reportable segment based on net loss that also is reported on the condensed consolidated statements of operations and comprehensive loss as net loss. The table below details the Company's segment net loss, significant expenses, and other segment items (in thousands). The measure of segment assets is reported on the condensed consolidated balance sheets as total assets.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Revenue	$ 4	$ 8	$ 6	$ 15
Less:				
Technical operations	12,236	11,176	24,630	29,071
Clinical development	15,094	9,486	27,737	18,160
Support functions	5,211	5,672	10,849	14,127
Lease costs	3,715	4,377	7,424	8,823
Operations management	2,447	3,289	5,174	8,273
Research activities	2,775	2,460	5,185	5,990
Other segment items[1]	3,281	6,232	(12,085)	10,450
Net loss	$ 44,755	$ 42,684	$ 68,908	$ 94,879

1. Includes stock-based compensation, depreciation, other operating (income) loss, net, interest income, net, and other income, net. For the six months ended June 30, 2026, includes a $17.6 million gain associated with the settlement of the SPA put/call.

Total expenditures for additions to the Company's property and equipment, net were approximately $0.1 million and approximately zero for the three months ended June 30, 2026 and 2025, respectively, and $0.4 million and $0.3 million for the six months ended June 30, 2026 and 2025, respectively.

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

You should read the following discussion and analysis of our financial condition and results of operations together with our unaudited Condensed Consolidated Financial Statements and the related notes included elsewhere in this Quarterly Report on Form 10-Q, and our audited consolidated financial statements and notes thereto as of and for the year ended December 31, 2025 and the related Management's Discussion and Analysis of Financial Condition and Results of Operations, both of which are contained in our 2025 *Annual Report on Form 10-K for the year ended December 31, 2025, filed with the Securities and Exchange Commission (SEC) on March 12, 2026 (the 2025 Annual Report). This discussion and analysis and other parts of this Quarterly Report on Form 10-Q contain forward-looking statements based upon current beliefs, plans and expectations related to future events and our future financial performance that involve risks, uncertainties and assumptions, such as statements regarding our intentions, plans, objectives and expectations for our business. Our actual results and the timing of selected events could differ materially from those described in or implied by these forward-looking statements as a result of several factors, including those set forth in the section titled "Risk Factors" in Part II, Item 1A of this Quarterly Report on Form 10-Q. See also the section titled "Special Note Regarding Forward-Looking Statements."*

Overview

We are a late-stage clinical cell therapy company advancing a pipeline of proprietary next-generation autologous CAR T-cell product candidates for patients with cancer. Our goal is to fully realize the curative potential of cell therapy for patients with hematologic malignancies and solid tumors. To achieve this, we are pioneering novel approaches designed to generate T-cell therapies that drive long-lasting clinical responses. Our investigational CAR T-cell therapies start with the identification of promising cancer targets. We then engineer the patient's own living immune cells and arm them with our innovative enhancements, including CAR constructs, technologies or manufacturing protocols that are designed to endow T cells with more potent cancer cell killing capabilities.

In hematologic malignancies, we are focused on delivering to patients meaningfully improved outcomes over currently approved, first-generation CD19 CAR T-cell products. Our lead product candidate, rondecabtagene autoleucel, or ronde-cel, is a dual-targeting CD19/CD20 CAR T-cell product candidate designed to increase complete response rates and prolong the duration of response as compared to the approved CD19-targeted CAR T-cell therapies. Ronde-cel is designed with a true 'OR' logic gate to target B cells that express either CD19 or CD20 with full potency at either target and is manufactured with a process that enriches for CD62L-positive cells to generate more naïve and central memory CAR T cells with enhanced stemlike features and antitumor activity.

We are currently conducting two pivotal trials with ronde-cel. The first, PiNACLE, is a single-arm clinical trial that is a seamless expansion of the third- or later line (3L+) cohort in the Phase 1/2 trial. This trial is expected to report additional data in the second half of 2026 and pivotal data in mid-2027, with submission of a Biologics License Application (BLA) expected to follow in 2027. The PiNACLE trial is evaluating ronde-cel in patients with relapsed/refractory (R/R) LBCL receiving treatment in the 3L+ setting. We commenced dosing in the first-of-its-kind Phase 3 head-to-head CAR T-cell therapy randomized controlled trial, PiNACLE-H2H, for patients with LBCL receiving treatment in the second-line (2L) setting. Patients are randomized to either ronde-cel or investigator's choice of axicabtagene ciloleucel (axi-cel) or lisocabtagene maraleucel (liso-cel).

To realize the potential of cell therapy for solid tumors, we acquired an exclusive global license for LYL273 (excluding mainland China, Hong Kong, Macau and Taiwan), a guanylyl cyclase C (GCC)-targeted CAR T-cell product candidate, from Innovative Cellular Therapeutics Holdings Limited and Innovative Cellular Therapeutics (collectively, ICT) in November 2025. A 67% overall response rate and an 83% disease control rate with a manageable safety profile have been reported at the highest dose level tested in patients with 3L+ R/R mCRC in a U.S. Phase 1 clinical trial as of the data cutoff date of October 28, 2025. In June 2026, updated safety data from the ongoing trial were shared. The protocol was recently amended to a Phase 1/2 design to enable seamless expansion into a potential pivotal single-arm Phase 2 trial, pending regulatory alignment, and adds new cohorts, including a 2L cohort and a cohort evaluating a combination strategy with radiotherapy. LYL273 is enhanced with CD19 CAR expression and controlled cytokine release designed to improve CAR T-cell expansion, immune cell infiltration and cancer cell killing in the hostile tumor microenvironment. Clinical proof-of-concept for this program was initially demonstrated in 15 patients with mCRC in an investigator-sponsored clinical trial conducted in China and published in *JAMA Oncology* (September 2024).

We were incorporated in June 2018. We wholly own and operate the LyFE Manufacturing Center™ (LyFE) capable of providing clinical trial material for our ongoing clinical trials, as well as for commercial launch. We expect LyFE to have the capacity to manufacture more than 1,200 CAR T-cell doses/year. Our primary activities to date have included clinical development of investigational T-cell therapies, conducting research and development, building and operating LyFE, acquiring technology, entering into strategic collaboration and license agreements, enabling and executing manufacturing activities in support of our product candidate development efforts, executing clinical trials, organizing and

staffing the company, business planning, establishing and maintaining our intellectual property portfolio, regulatory submissions and other preparations to initiate and execute clinical trials, raising capital and providing general and administrative support for these activities.

Our pipeline of next-generation CAR T-cell product candidates target cancers with large unmet need and is summarized in Table 1 below:

Advancing Next Generation CAR T-Cell Therapies

Multiple Near-Term Value-Creating Milestones

Product	Target	Target Indications	Enhancements	Phase 1/2	Pivotal	Next Expected Milestones
Ronde-cel	CD19/ CD20	3L+ Aggressive LBCL • Regenerative Medicine Advanced Therapy Designation • Fast Track Designation 2L Aggressive LBCL • Regenerative Medicine Advanced Therapy Designation	• CD62L+	PiNACLE PiNACLE-H2H		• Additional data from PiNACLE pivotal trial in 2H 2026 • Pivotal data in mid-2027 • BLA submission in 2H 2027 • Progress update 2H 2026
LYL273	GCC	3L+ Metastatic CRC • Fast Track Designation	• CD19 CAR with controlled cytokine release	CARAMINER		• Updated clinical data in 2H 2026 • EOP1 meeting 2H 2026 • 1H 2027 initiation of pivotal clinical trial

Table 1: Lyell's Pipeline
2L, second line; 3L+, third- or later-line; BLA, Biologics License Application; CAR, chimeric antigen receptor; CD62L+, CD62L or L-selectin positive T cells; CRC, colorectal cancer; EOP1, End-of-Phase 1; GCC, guanylyl cyclase C; LBCL, large B-cell lymphoma.

Our Pipeline Programs

Rondecabtagene Autoleucel (ronde-cel): A next-generation dual-targeting CD19/CD20 CAR T-cell product candidate designed to increase complete response rates and prolong the duration of responses as compared to the approved CD19-targeted CAR T-cell therapies for the treatment of large B-cell lymphoma.

Our lead program, ronde-cel, is targeting patients with aggressive R/R large B-cell non-Hodgkin lymphoma (NHL), more commonly referred to as LBCL. Lymphoma is a blood cancer that begins in lymphocytes and spreads primarily in lymph nodes, but can also metastasize to the liver, kidney, brain and other organs. NHL is the more common form of lymphoma, representing approximately 90% of all lymphomas.

We are initially focused on developing ronde-cel for the treatment of patients with NHL subtypes representing approximately 35% of the over 80,000 patients estimated to be diagnosed with NHL in the United States in 2025 and 545,000 patients worldwide. The NHL subtypes we are currently pursuing include diffuse large B-cell lymphoma (DLBCL), high grade B-cell lymphoma (HGBCL), primary mediastinal large B-cell lymphoma (PMBCL), transformed follicular lymphoma (tFL), transformed marginal zone B-cell lymphoma (tMZBCL), transformed mantle cell lymphoma (tMCL) and Grade 3B follicular lymphoma (FL3B). DLBCL represents approximately 31% of patients diagnosed with NHL each year (of which approximately 5% are HGBCL). PMBCL represents approximately 3% and FL3B and the transformed lymphomas represent approximately 1 to 2% of patients diagnosed with NHL each year. We may choose to further expand development to include additional NHL subtypes in the future.

The worldwide sales for currently approved CD19 CAR T-cell products are expected to exceed $5 billion by 2030 (Figure 1). Of the approximately 30,000 patients in the U.S. with LBCL, 40% to 50% are refractory to, or relapse following, first-line treatment and we estimate approximately 12,000 to 15,000 patients in the United States with LBCL progress to 2L treatment. We estimate the 3L+ patient population to be approximately 6,000 to 7,000 patients. This estimate reflects findings from a retrospective analysis presented by investigators from Memorial Sloan Kettering Cancer Center that up to 50% of patients with LBCL who progress on first-line therapy received a second regimen of chemotherapy prior to undergoing leukapheresis for CAR T-cell therapy. In a separate Medicare fee-for-service claims analysis, a similar percentage (57%) of patients with LBCL classified as receiving CAR T-cell therapy in the 2L been

administered a second chemotherapy regimen prior to CAR while awaiting referral and/or scheduling for leukapheresis (Figure 2).

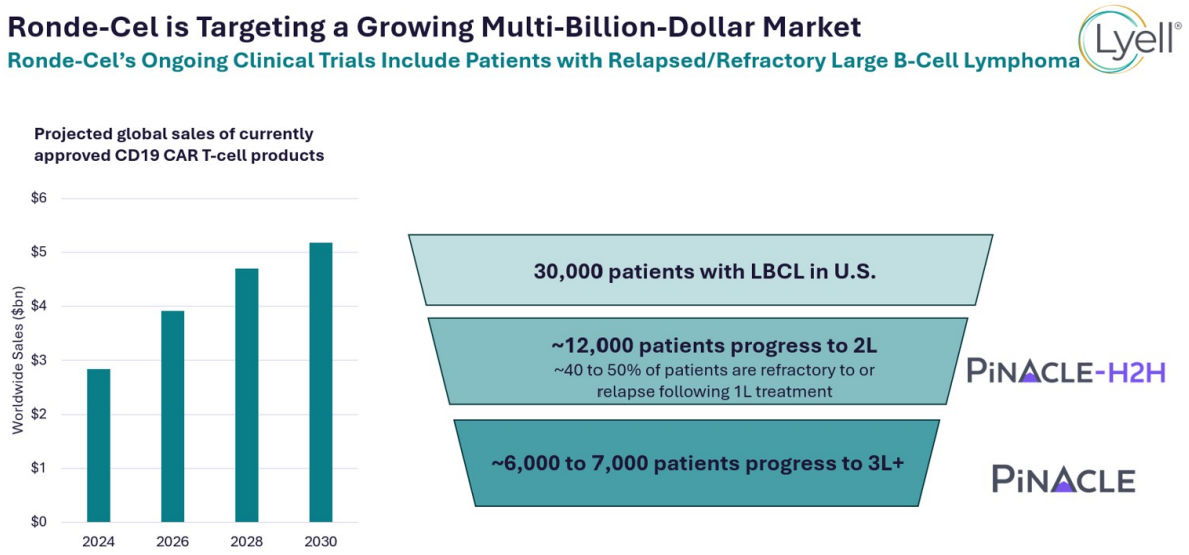


Figure 1: Ronde-cel is targeting the multi-billion dollar CD19 CAR T-cell market.
Leukemia and Lymphoma Society Facts and Statistics Overview; Datamonitor (2024); Flowers CR, et al. *Hematology Am Soc Hematol Educ Program 2022*; SEER (2023).
1L, first line; 2L, second line; 3L+, third- or later-line, CAR, chimeric antigen receptor; LBCL, large B-cell lymphoma.

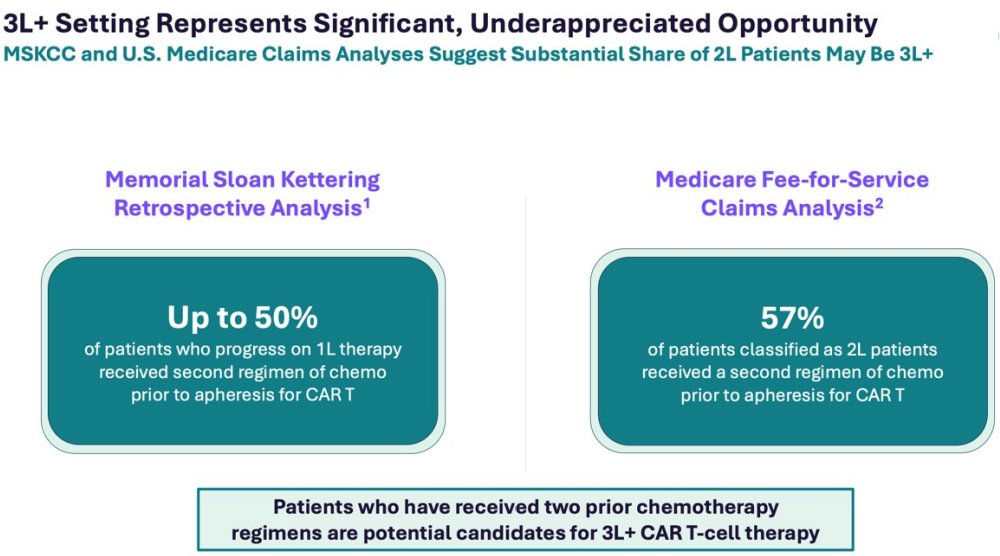


Figure 2: Approximately half of patients with LBCL who undergo leukapheresis for CAR T-cell therapy have received two prior regimens of chemotherapy.
[1]Gomez-Llobell M, et al. *Blood* 2025. [2]Data on file based on analyses of Medicare Fee-for-Service claims conducted by BluePath Solutions. 1L, first line; 2L, second line; 3L+, third- or later-line; CAR, chimeric antigen receptor; MSKCC, Memorial Sloan Kettering Cancer Center.

While the first generation of CD19 CAR T-cell therapies delivered a major advance in treatment for patients with B-cell lymphoma, there remains a need for therapies that deliver more complete and durable responses. More than 40% of patients with aggressive LBCL treated in the 3L+ setting with a CD19 CAR T-cell therapy are not disease-free after treatment and 30% of patients do not respond at all. Of these patients treated with an approved CD19 CAR T-cell therapy, approximately 50% of patients progress or die within six months, and the overall survival at one year for patients treated with a CD19 CAR T-cell therapy is only 50% to 60%. The median progression-free survival for the approved CD19 CAR T-cell therapies for patients in the 3L+-setting is 6 to 7 months.

The ZUMA-7 randomized controlled trial of axi-cel versus standard of care chemoimmunotherapy in the 2L setting demonstrated a complete response rate of 65% and a median progression-free survival in all enrolled patients of 14.7 months. For those patients with primary refractory disease, the median progression-free survival was only 7 months as reported in an abstract. The complete response rate for patients with primary refractory disease was not reported. The median event-free survival in all patients was 8.3 months. Importantly, this study did not allow patients to receive bridging therapy other than steroids between leukapheresis and CAR T-cell therapy infusion, potentially excluding patients who were progressing too rapidly to wait for CAR T-cell therapy.

Liso-cel was evaluated in two pivotal trials conducted in the 2L setting. The first pivotal trial was a randomized controlled trial of liso-cel versus standard-of-care chemoimmunotherapy (TRANSFORM), which did not enroll patients over the age of 75 but did allow bridging therapy with chemotherapy. The complete response rate was 66% and the median progression-free survival was 14.8 months, and the median event-free survival was 10.1 months in the liso-cel arm. Data for patients with primary refractory disease in the 2L were not published from this trial; however, a poster presentation suggested these younger patients (median age of 61 years) with low disease volume (9% of patients with a Sum of Product Diameter > 50 cm^2) had similar clinical outcomes between primary refractory and relapsed subgroups. The second pivotal single-arm trial conducted for liso-cel (PILOT), did allow patients over the age of 75 to enroll and included patients ineligible for transplant with primary refractory disease, relapse before 12 months or relapse after 12 months. The complete response rate in the overall patient population was 54% and was 42% in the primary refractory patient population. The package insert for YESCARTA® lists the rate of Grade 3 or higher cytokine release syndrome (CRS) as 9% and the rate of Grade 3 or higher neurotoxicity as 31%. The package insert for BREYANZI® lists the rate of Grade 3 or higher CRS as 3% and the rate of Grade 3 or higher neurotoxicity as 10%.

Ronde-cel is an autologous dual-targeting CD19/CD20 CAR T-cell therapy designed to kill B cells expressing CD19 and/or CD20 antigens for the treatment of patients with aggressive B-cell malignancies. We acquired this product candidate through our acquisition of ImmPACT Bio USA Inc. (ImmPACT) in October 2024.

A dual-targeting, or bispecific, tandem CAR recognizes two targets with a single construct. Ronde-cel is rationally designed with a true CD19/CD20 “OR” logic-gated CAR targeting either CD19 or CD20 with full potency at either target, and the cell therapy product is enriched for naïve and central memory T cells. Together, this novel construct and the cell enrichment for naïve and central memory T cells are designed to provide multiple clinical benefits over CD19 CAR T-cell therapies, including:

- Ability to target lower or heterogeneous CD19 antigen density and result in a higher percentage of complete responses than with a single-targeting CAR construct;
- Increase in the duration of responses by preventing relapse due to CD19 antigen escape; and
- Better cell expansion, persistence and reduced exhaustion to provide longer duration of responses.

Ronde-cel consists of autologous T cells that are genetically modified through transduction with a lentiviral vector expressing a tandem CAR construct composed of anti-CD19 and anti-CD20 single-chain variable fragments (scFvs) in tandem and an intracellular portion that contains the T-cell signaling zeta chain (CD3-ζ) and the 4-1BB co-stimulatory domain (Figure 3). This differentiates ronde-cel from cell therapies and other therapeutic modalities that singularly target CD19, CD20 or CD22.

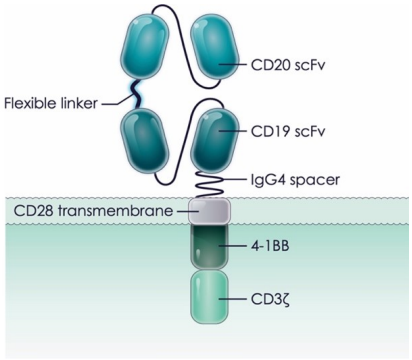


Figure 3: Ronde-cel contains separate, tandem scFv antibody domains designed to target both CD19 and CD20 and is manufactured using a CAR construct that contains a 4-1BB costimulatory domain and is manufactured with a process to enrich for CD62-positive naïve and central memory T cells.

Antigen heterogeneity, which refers to variation in the expression levels of tumor antigens across cancer cells, can limit the effectiveness of targeted therapies, including CD19 CAR T-cell therapy. Nonclinical data demonstrated that ronde-cel's optimized tandem CAR design is capable of killing target cells that express CD19 only, CD20 only or both antigens with full potency, thus it has the potential to achieve a higher percentage of complete responses than a single-targeting agent, particularly in those patients with malignant B cells with a lower or heterogeneous CD19 antigen density.

CD19 antigen escape, a mechanism by which tumor cells evade the host immune system or targeted therapy through loss, downregulation or modification of target antigens, is a known mechanism contributing to disease relapse. Ronde-cel's dual-targeting of both CD19 and CD20 was designed to overcome CD19 antigen escape and potentially prolong the duration of responses, as well as to target malignant B cells with limited or no expression of CD19 to achieve a higher overall response rate. In a nonclinical xenograft model of mixed tumor cells (75% CD19-positive/CD20-positive, 25% CD19-negative/CD20-positive), mice treated with CAR T cells that targeted CD19 and CD20 in this manner eliminated tumors and overcame a subsequent tumor re-challenge, whereas CD19 CAR T-cell treatment failed to control the tumors.

Additionally, ronde-cel is manufactured to produce a CAR T-cell product with higher proportions of naïve and central memory T cells through a process that enriches for CD62L-expressing cells. CD62L is a surface protein that acts as a homing beacon, guiding white blood cells to sites of inflammation. CD62L enrichment in ronde-cel's manufacturing process substitutes for the CD4/CD8 enrichment step in traditional CAR T-cell manufacturing, and generates cell products that are comprised of more than 95% naïve or central memory T cells. This manufacturing process is designed to generate CAR T cells with enhanced antitumor activity, which we believe could result in both increased complete response rates and more durable responses. Naïve T cells are mature T lymphocytes that have differentiated in the bone marrow and undergone central tolerance selection in the thymus, but have not interacted with their antigen. CAR T cells generated from these CD62L-positive less differentiated T cells have been associated with better cell expansion, improved persistence, reduced exhaustion and lower adverse cytokine production compared to CAR T cells generated from traditional processes. The enrichment of CD62L-expressing T cells does not increase the manufacturing time, which is similar to that of the approved CD19 CAR T-cell therapies with a median vein to site time of 16 days. Data from the ZUMA-7 pivotal trial of axi-cel in patients with R/R LBCL demonstrated an improved overall survival in those patients with a higher median percentage of T cells with a naïve/stem memory phenotype in the administered cell product.

Translational analyses were presented at the European Hematology Association Annual Congress in June 2026 (EHA 2026), providing a biological basis for ronde-cel's durable responses, including enhanced memory potential of cytotoxic effector cells from CD62L+ enrichment and CD19/CD20 dual-targeting to overcome low antigen expression.

Ronde-cel Clinical Development

Our ongoing Phase 1/2 trial of ronde-cel is a multi-cohort, multi-center, open-label dose-escalation and dose-expansion clinical trial designed to evaluate the safety and clinical benefit of ronde-cel (NCT05826535). We presented positive data, detailed below, from the 3L+ and 2L cohorts from the ongoing Phase 1/2 trial during an oral presentation at the American Society of Hematology Annual Meeting and Exhibition in December 2025 (ASH 2025). Based on these data, as well as our End-of-Phase 1 meetings with the U.S. Food and Drug Administration (FDA), we announced the initiation of two pivotal trials of ronde-cel: PiNACLE and PiNACLE-H2H.

The PiNACLE trial, which is underway and enrolling patients, is a seamless expansion of the 3L+ cohort of our Phase 1/2 trial. PiNACLE is a single-arm trial evaluating ronde-cel at a dose of 100 x 10^6 CAR T cells in patients with LBCL treated in the 3L+ setting. The trial is expected to treat approximately 100 patients with R/R DLBCL, PMBCL, FL3B or tFL who have received two or more prior lines of therapy and have not received CAR T-cell therapy. Patients may be treated with ronde-cel in the inpatient or outpatient setting, with observation near the site limited to 14 days. There is no upper age limit for eligibility, which broadens the addressable patient population. The primary endpoint of the trial is the best overall response rate, including an evaluation of duration of response. More information about the PiNACLE trial can be found on clinicaltrials.gov (NCT05826535). Additional data from the PiNACLE trial are expected to be reported in the second half of 2026. Pivotal data from the PiNACLE trial are expected in mid-2027, with a BLA submission expected to follow in the second half of 2027.

The PiNACLE-H2H trial is a first-of-its-kind Phase 3 head-to-head CAR T-cell therapy randomized controlled trial evaluating ronde-cel versus investigator's choice of approved CD19 CAR T-cell therapies (axi-cel or liso-cel) in patients with R/R LBCL receiving treatment in the 2L setting. Patients randomized to ronde-cel will be treated with a dose of 100 x 10^6 CAR T cells. The primary endpoint of the trial is event-free survival. The trial is expected to enroll approximately 400 patients with R/R LBCL (200 per arm), including DLBCL, PMBCL, HGBCL, FL3B, tFL, tMCL or tMZBCL who have not previously received CAR T-cell therapy. Patients may be treated with ronde-cel in either the inpatient or outpatient setting. Patient dosing commenced in February 2026, and clinical site activation is ongoing in the

United States, Canada and Australia. More information about the PiNACLE-H2H trial can be found on clinicaltrials.gov (NCT07188558). A progress update from the PiNACLE-H2H trial is expected in the second half of 2026. Now that the PiNACLE-H2H trial is enrolling patients, the 2L cohort in our Phase 1/2 multi-cohort trial is no longer recruiting patients.

In the future, we may expand into other types of B-cell NHL.

Ronde-cel: Clinical Data

We presented new clinical and translational data from our ongoing Phase 1/2 clinical trial of ronde-cel in patients with LBCL at ASH 2025. The trial is a multi-cohort, multi-center, dose-escalation, dose-expansion trial. Patients had not previously received CAR T-cell therapy and there was no upper age limit nor requirement for CD19/CD20 screening prior to enrollment. Data were presented from the 3L+ and 2L cohorts. Bridging therapy was optional and lymphodepletion included fludarabine, 30 mg/m^2, and cyclophosphamide, 500 mg/m^2, each for three days. The cell manufacturing median vein to site time was 16 days and the recommended Phase 2 dose was established at 100 x 10^6 CAR T cells. Two patients were treated at Dose Level 2 (300 x 10^6 CAR T cells). Imaging response assessments were conducted locally at Day 28, Month 3 and every three months for 24 months. The trial objectives were safety and tolerability, best overall response rate and complete response rate, duration of response, selection of the recommended Phase 2 dose and cell expansion pharmacokinetics.

Sixty-nine patients with R/R LBCL received ronde-cel as of September 5, 2025 (the data cutoff date for the presentation at ASH 2025). Patient demographics and baseline disease characteristics were consistent with a high-risk, heavily pre-treated patient population, particularly as compared to historical trials of CD19 CAR T-cell products: median ages of 64 and 65 years with 16% (6/37) and 21% (5/24) of patients being 75 years or older in the 3L+ and 2L settings, respectively; and primary refractory disease in 43% (16/37) and 92% (22/24) of patients in the 3L+ and 2L settings, respectively. The efficacy evaluable population, defined as those patients with Day 84 assessments or prior disease progression or death, consisted of 47 patients (29 in the 3L+ setting and 18 in the 2L setting).

Patients Treated with Ronde-Cel in the 3L+ Setting

There were 29 efficacy-evaluable 3L+ patients with R/R LBCL (DLBCL, PMBCL, 3BFL or tFL) with a median follow-up time of 12 months as of the data cutoff date. The data are presented in Figure 4 and summarized here:

- The best overall response rate was 93% (27/29 patients), with 76% (22/29) of patients achieving a complete response
- 72% (13/18) of patients with complete response remained in complete response at 6 months or longer
- Median progression-free survival was 18 months

The PiNACLE single-arm pivotal trial is a seamless expansion of this 3L+ cohort and is ongoing. Patients with HGBCL are no longer included in the PiNACLE single-arm trial to focus the trial on those patients most likely to achieve high durable response rates. The response rate and duration of response in patients enrolled with HGBCL (N = 8) was shorter than that observed for patients with other histologies.

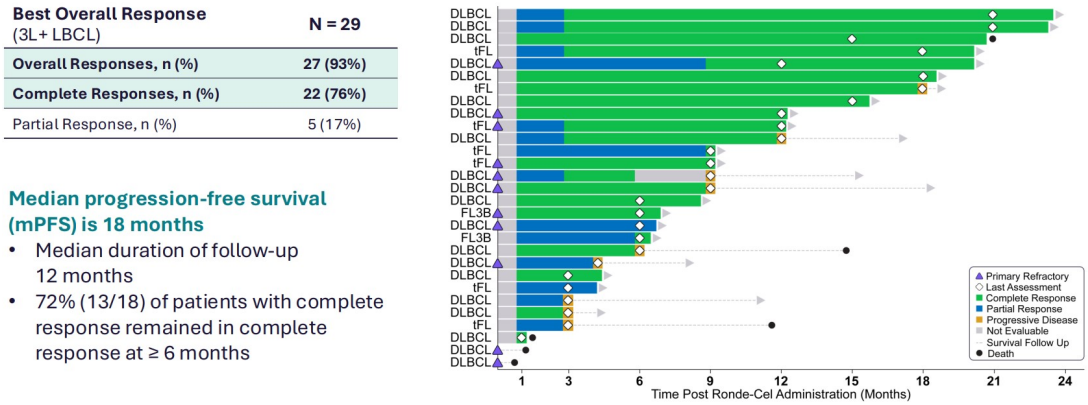
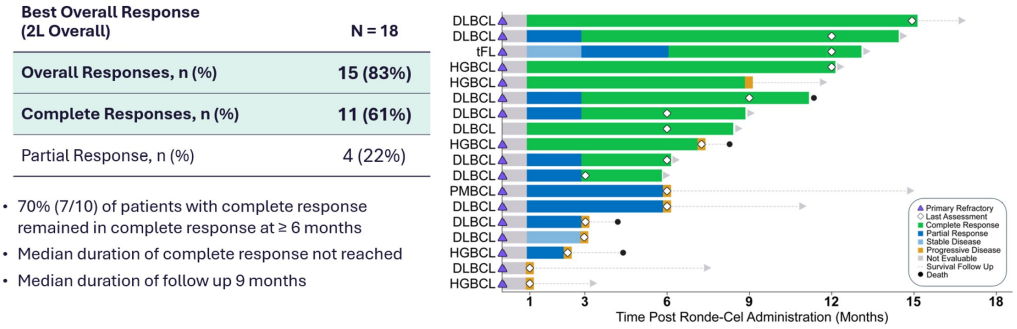


Figure 4: High rates of durable complete responses were observed in patients treated with ronde-cel in the 3L+ setting.
3L+, third- or later-line setting, LBCL, large B-cell lymphoma.

Patients Treated with Ronde-Cel in the 2L Setting

There were 18 efficacy-evaluable patients enrolled in the 2L setting with a median follow-up time of 9 months as of the data cutoff date. Of these efficacy-evaluable patients, 94% had primary refractory disease. Data from these patients are presented in Figure 5 and summarized here:

- The overall response rate was 83% (15/18 patients), with 61% (11/18) achieving a complete response
- 70% (7/10) of patients with complete response remained in complete response at ≥ 6 months
- The median duration of complete response was not reached



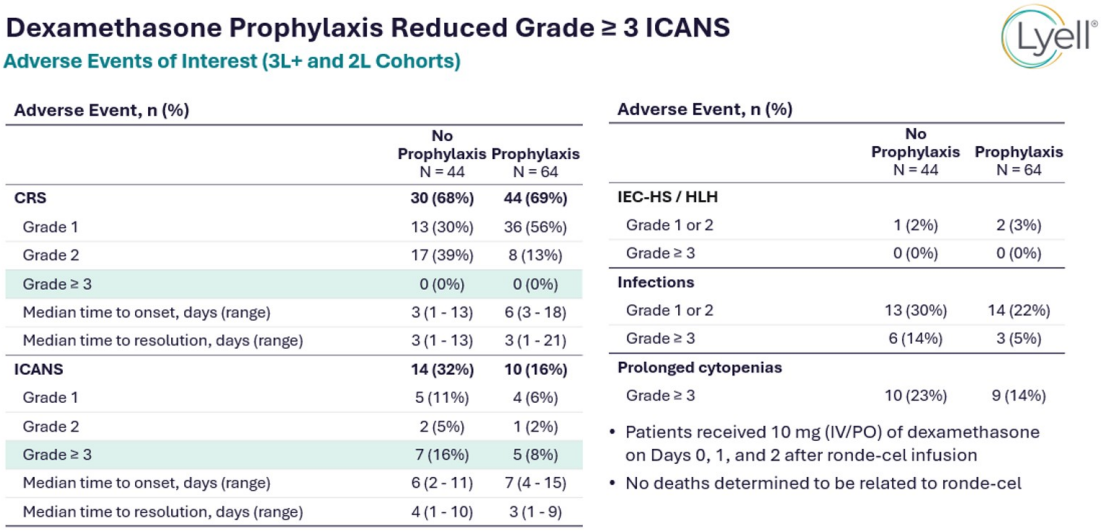
Best Overall Response (2L Overall)	N = 18
Overall Responses, n (%)	**15 (83%)**
Complete Responses, n (%)	**11 (61%)**
Partial Response, n (%)	4 (22%)

- 70% (7/10) of patients with complete response remained in complete response at ≥ 6 months
- Median duration of complete response not reached
- Median duration of follow up 9 months

Figure 5: High rates of durable complete responses were observed in patients treated with ronde-cel in the 2L setting.
2L, second-line setting, LBCL, large B-cell lymphoma.

Safety Data

Updated safety data from the Phase 1/2 trial were presented at EHA 2026. One hundred and eight patients with R/R LBCL received ronde-cel as of the EHA 2026 data cutoff date of May 5, 2026. In 108 patients, including patients from both the 3L+ and the 2L cohorts, a manageable safety profile potentially appropriate for outpatient administration was observed. Sixty-four of the 108 patients (59%) received dexamethasone prophylaxis (10 mg/day for 3 days). No Grade 3 or higher CRS was reported in any patient. Five cases (8%) of Grade 3 or higher immune effector cell-associated neurotoxicity syndrome (ICANS) were reported in patients receiving dexamethasone prophylaxis. The median time to onset of CRS was 6 days and of ICANS was 7 days in those patients receiving prophylaxis. The median time to resolution of CRS or of ICANS was 3 days. Data are presented in Figure 6.



Dexamethasone Prophylaxis Reduced Grade ≥ 3 ICANS

Adverse Events of Interest (3L+ and 2L Cohorts)

Adverse Event, n (%)	No Prophylaxis N = 44	Prophylaxis N = 64
CRS	**30 (68%)**	**44 (69%)**
Grade 1	13 (30%)	36 (56%)
Grade 2	17 (39%)	8 (13%)
Grade ≥ 3	0 (0%)	0 (0%)
Median time to onset, days (range)	3 (1 - 13)	6 (3 - 18)
Median time to resolution, days (range)	3 (1 - 13)	3 (1 - 21)
ICANS	**14 (32%)**	**10 (16%)**
Grade 1	5 (11%)	4 (6%)
Grade 2	2 (5%)	1 (2%)
Grade ≥ 3	7 (16%)	5 (8%)
Median time to onset, days (range)	6 (2 - 11)	7 (4 - 15)
Median time to resolution, days (range)	4 (1 - 10)	3 (1 - 9)

Adverse Event, n (%)	No Prophylaxis N = 44	Prophylaxis N = 64
IEC-HS / HLH		
Grade 1 or 2	1 (2%)	2 (3%)
Grade ≥ 3	0 (0%)	0 (0%)
Infections		
Grade 1 or 2	13 (30%)	14 (22%)
Grade ≥ 3	6 (14%)	3 (5%)
Prolonged cytopenias		
Grade ≥ 3	10 (23%)	9 (14%)

- Patients received 10 mg (IV/PO) of dexamethasone on Days 0, 1, and 2 after ronde-cel infusion
- No deaths determined to be related to ronde-cel

Figure 6: Adverse events of interest with and without dexamethasone prophylaxis for patients in both the 3L+ and 2L settings.
CRS, cytokine release syndrome; HGBCL, high grade B-cell lymphoma; ICANS, immune effector cell-associated neurotoxicity; IEC-HS, immune effector cell-associated hemophagocytic lymphohistiocytosis-like syndrome; HLH, hemophagocytic lymphohistiocytosis; IV, intravenous; LDH, lactate dehydrogenase; PO, per os (oral).

Ronde-cel demonstrated robust cell expansion with or without dexamethasone prophylaxis with no significant differences observed in peak CAR T-cell expansion (C_{max}) or overall exposure (AUC) between patients who received dexamethasone (N = 25) and those who did not (N = 42).

Ronde-cel has received Regenerative Medicine Advanced Therapy (RMAT) designation as well as Fast Track designation from the FDA for the treatment of adults with R/R DLBCL in the 3L+ setting and has also received RMAT designation for the treatment of LBCL in the 2L setting. The FDA has also granted ronde-cel Orphan Drug Designation for the treatment of DLBCL/HGBCL with MYC and BCL2 rearrangements.

LYL273: GCC-targeted CAR T-cell product candidate for the treatment of R/R mCRC and other GCC-expressing cancers

In November 2025, we acquired an exclusive global license, outside of mainland China, Hong Kong, Macau and Taiwan, from ICT for a next-generation GCC-targeted CAR T-cell product candidate (LYL273) with promising dose-dependent clinical activity in patients with R/R mCRC in a Phase 1 trial conducted in the U.S. LYL273 is a GCC-targeted CAR T-cell product candidate enhanced with CD19 CAR expression and controlled cytokine release designed to improve CAR T-cell expansion, immune cell infiltration and cancer cell killing in the hostile solid tumor microenvironment. LYL273 was granted Fast Track designation for the treatment of mCRC by the FDA. Clinical proof-of-concept was initially demonstrated in an investigator-sponsored clinical trial conducted in China prior to the submission to the FDA of an Investigational New Drug Application. Data from this single-center clinical trial in 15 patients with mCRC conducted in China were published in *JAMA Oncology* (September 2024).

In the ongoing U.S. Phase 1 clinical trial, as of the data cutoff date of October 28, 2025, the overall response rate was 50% (6 of 12 patients) and the disease control rate was 83% across both dose levels. At Dose Level 2, the highest dose tested, the overall response rate was 67%, including one patient with a pathological complete response, one patient with complete reduction in tumor volume of the target lesions (100% partial response) and two additional patients with confirmed partial responses (Figure 7). For patients treated at Dose Level 2, the disease control rate was 83%, and the median progression-free survival was 7.8 months.

Additional data from patients treated in the 3L+ setting of the U.S. Phase 1 trial, and an End-of-Phase 1 FDA meeting, are expected in the second half of 2026.

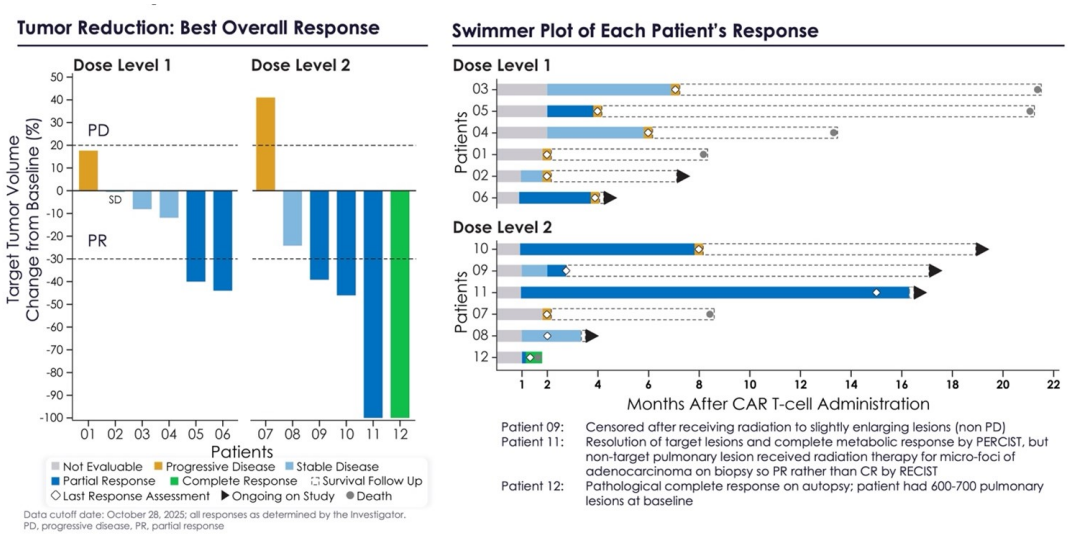


Figure 7: Data shown are from 12 patients enrolled in the U.S. Phase 1 clinical trial, six at Dose Level 1 and six at Dose Level 2. The left panel depicts target tumor volume change from baseline (%) and the right panel depicts the best overall response and survival after CAR T-cell administration.

We provided a safety update in June 2026 (data cutoff date of May 5, 2026) from the U.S. Phase 1 trial following the implementation of gastrointestinal (GI) prophylaxis and a new safety management plan because of previously reported dose-limiting toxicities in one patient at Dose Level 2, including Grade 3 diarrhea, Grade 4 enterocolitis and death from fungal sepsis 48 days post-infusion. Gastrointestinal prophylaxis consisted of infliximab, vedolizumab and budesonide after infusion and prior to symptom onset. Safety data from patients enrolled at Dose Levels 1 and 2 included data from 9 patients who did not receive GI prophylaxis and 10 patients who did receive prophylaxis. The median age of the patients enrolled was 52 years (range, 39 to 74), the patients had received a median of 4 prior lines of therapy for mCRC (range, 2

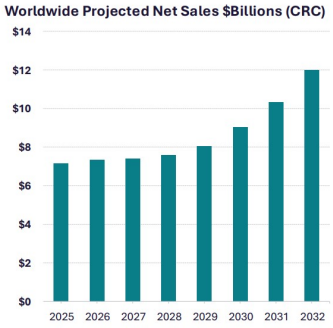
to 7) and all patients had microsatellite stable disease. No difference in patient demographics and disease characteristics were observed between the two groups.

No Grade ≥ 3 or higher CRS, ICANS or diarrhea/colitis was reported in any patient receiving GI prophylaxis, across Dose Levels 1 and 2. Reports of Grade ≥ 2 or higher diarrhea/colitis decreased from 55% to 10% with GI prophylaxis. Grade 3 or higher diarrhea/colitis occurred in 22% (2/9) of patients who did not receive GI prophylaxis. Evaluation of GCC-CAR cell expansion kinetic data revealed that both peak GCC CAR T-cell expansion and overall exposure are similar with and without GI prophylaxis at Dose Levels 1 and 2.

Based on the new safety data and cell expansion kinetics, we amended the Phase 1 U.S. trial to enable seamless expansion into a pivotal single-arm Phase 1/2 trial, pending FDA agreement. New centers are being activated to support trial expansion and new cohorts to explore LYL273 in patients with 2L mCRC and in combination with radiotherapy were also added.

Colorectal cancer is the second leading cause of cancer deaths worldwide, and the incidence of colorectal cancer is rising in people younger than 55 years old. In the United States, there were estimated to be 154,000 total new colorectal cancer diagnoses and about 1 in 5 of these diagnoses will occur in people younger than 55 years old. Approximately 53,000 people were estimated to have died from CRC in the U.S. in 2025. Approximately 25% of patients have metastatic disease at the time of diagnosis and up to 60% of patients diagnosed with colorectal cancer will develop distant metastases at some point during their disease journey.

Despite the remaining tremendous unmet medical need for new effective therapies for mCRC, the worldwide net sales for currently approved CRC products are expected to reach $12 billion by 2032 (Figure 8). However, the benefit of approved therapies for mCRC in the 3L+ setting is limited. With the approved products, only 6% or less of patients achieve a partial or complete response to their next line of therapy, the median progression-free survival is 6 months or less and the median overall survival is 11 months or less (Figure 8).



Treatment	Overall Response Rate	mPFS (months)	mOS (months)
LONSURF® (trifluridine/tipiracil) + AVASTIN® (bevacizumab) SUNLIGHT Trial (N = 246/group)	**6%**	6	11
LONSURF® (trifluridine/tipiracil) RECOURSE Trial (N = 534 TAS-102)	**2%**	2	7
FRUZAQLA® (fruquinitinib) FRESCO-2 Trial (N = 461fruquintinib)	**2%**	4	7
STIVARGA® (regorafenib) CORRECT Trial (N = 505 regorafenib)	**1%**	2	6

Figure 8: The worldwide market for therapies approved for colorectal cancer is six billion dollars and growing. However, currently approved standard-of-care therapies in the 3L+ setting do not achieve meaningful response rates and provide limited survival benefit.

Our Nonclinical Programs

Cell therapy has demonstrated profound results in some patients suffering from hematologic malignancies, but there remains a need for therapies that deliver more complete and durable responses. Solid tumors are even more complex and have evolved multiple mechanisms to evade and ultimately resist clearance by the immune system. This has limited the use of cell therapy in solid tumors, which account for 90% of cancer deaths. And while there has been recent progress with new cell therapies approved for solid tumors, overall response rates and the duration of response remain low.

We continue to invest in earlier stage cell therapy research and development utilizing our proprietary technologies. We are advancing a fully-armed solid tumor CAR T-cell product candidate with an undisclosed target, with the CAR T cells enhanced by multiple technologies, each designed to address different barriers to effective cell therapies, including T-cell exhaustion, lack of durable stemness, as well as immune suppression within the hostile tumor microenvironment.

Macroeconomic Environment

Our business and operations may be affected by worldwide economic conditions, which may continue to be impacted by global macroeconomic challenges such as the effects of disruption between the U.S. and its trading partners due to tariffs or other policies, ongoing geopolitical conflicts (including military conflicts, threatened hostilities and conflicts or heightened tension in geopolitical relations) and related U.S. involvement, inflationary pressures, fluctuations in the interest rate environment, instability in the banking industry, supply constraints and overall market volatility.

Economic uncertainty may persist throughout the remainder of 2026, and the market dynamics and potential business disruptions discussed above and similar adverse conditions may negatively impact our business.

For a further discussion of trends, uncertainties and other factors that could impact our operating results, see the section entitled "Risk Factors" in Part II, Item 1A of this Quarterly Report on Form 10-Q.

Components of Results of Operations

Revenue

We have no products approved for sale and have never generated any revenue from product sales. In the future, we may generate additional revenue from collaborations, strategic alliances, licensing agreements, product sales, or a combination of these.

Operating Expenses

Research and Development

To date, research and development expenses consist of costs incurred by us for the discovery and development of our technology platforms and product candidates and include costs incurred in connection with conducting and completing current and planned clinical trials, strategic collaborations, costs to license technology, personnel-related costs, stock-based compensation expense, facility and technology related costs, research and laboratory expenses and other expenses, including consulting fees and other costs. Upfront payments and milestones paid to third parties in connection with technology platforms that have not reached technological feasibility and do not have an alternative future use are expensed as incurred.

We deploy our employee and infrastructure resources across multiple research and development programs for identifying and developing product candidates and establishing manufacturing capabilities. These include costs for personnel, laboratory and other indirect facility and operating costs.

Research and development activities account for a significant portion of our operating expenses. We anticipate that our research and development expenses will increase over the foreseeable future as we expand our research and development efforts including completing nonclinical studies, commencing planned clinical trials, conducting and completing current and planned clinical trials, seeking regulatory approvals of our product candidates, identifying new product candidates and incurring costs to acquire and license technology platforms. A change in the outcome of any of these variables could mean a significant change in the costs and timing associated with the development of our product candidates. Because we are early in our research and clinical development efforts of our product candidates, and the outcome of these efforts is uncertain, we cannot estimate the actual amounts necessary to successfully complete the nonclinical development, clinical development and commercialization of product candidates or whether, or when, we may achieve profitability.

Our research and development expenses may vary significantly based on factors such as:

- the number and scope of nonclinical and IND-enabling studies;
- per patient trial costs;
- the number of trials required for approval;
- the number of sites included in the trials;
- the countries in which the trials are conducted;
- the length of time required to enroll eligible patients;
- the number of patients that participate in the trials;
- the drop-out or discontinuation rates of patients in the trials;
- potential additional safety monitoring requested by regulatory agencies;
- the duration of patient participation in the trials and follow-up;
- the cost and timing of manufacturing our product candidates;
- the phase of development of our product candidates;
- the efficacy and safety profile of our product candidates;
- the extent to which we establish additional collaboration or license agreements; and

- whether we choose to partner any of our product candidates and the terms of any such partnership.

A change in the outcome of any of these variables with respect to the development of any of our product candidates could significantly change the costs and timing associated with the development of that product candidate. We may never succeed in obtaining regulatory approval for any of our product candidates. We may obtain unexpected results from our nonclinical studies and clinical trials.

General and Administrative

General and administrative costs include personnel-related expenses, including stock-based compensation expense for personnel in executive, legal, finance and other administrative functions, legal costs, transaction costs related to licensing and collaboration agreements, as well as fees paid for accounting and tax services, consulting fees and facilities costs not otherwise included in research and development expenses. Legal costs include those related to corporate, dispute and patent matters.

We anticipate that our general and administrative expenses will increase over the foreseeable future to support our continued research and development activities, operations generally, future business development opportunities, consulting fees, as well as the costs of operating as a public company such as costs related to accounting, audit, legal, regulatory and tax-related services associated with maintaining compliance with exchange listing and SEC requirements, director and officer insurance costs and investor and public relations costs.

Other Operating (Income) Loss, Net

Other operating (income) loss, net consists primarily of service and occupancy fees received associated with subleases as well as losses on the retirement of property and equipment.

Impairment of Long-Lived Assets

Impairment of long-lived assets consists of the expense associated with our 2025 impairment of our West Hills, Los Angeles lease right-of-use asset. The impairment loss is measured as the amount by which the carrying value of the asset group exceeded its fair value.

Interest Income, Net

Interest income, net consists primarily of interest earned on our cash, cash equivalents and marketable securities balances.

Other Income, Net

Other income, net consists primarily of the changes in fair value of our success payment liabilities for the three months ended June 30, 2026, and the changes in fair value of our success payment liabilities and SPA put/call (defined below) for the six months ended June 30, 2026. Other income, net consists primarily of the changes in fair value associated with our contingent consideration payable related to the ImmPACT acquisition and success payment liabilities for the three and six months ended June 30, 2025.

The SPA put/call refers to a combined financial instrument arising from the Securities Purchase Agreement (SPA) we entered into in July 2025. It represented (i) our right to require certain investors to purchase additional shares of common stock upon the achievement of specified milestones and (ii) the investors' reciprocal right to purchase additional shares. Because these rights were mutually exclusive, they were accounted for as a single financial instrument (SPA put/call). The SPA put/call was settled in March 2026 upon the Milestone Closing and, accordingly, no changes in its fair value were recognized subsequent to settlement. See Note 7, *Fair Value Measurements*, in the accompanying notes to our unaudited condensed consolidated financial statements included in Part I, Item 1, of this Form 10-Q for additional information.

See Note 3, *Asset Acquisitions and Contingent Consideration* regarding contingent consideration payable, Note 4, *License, Collaboration and Success Payment Agreements* regarding our success payment liabilities and associated expenses and Note 7, *Fair Value Measurements* regarding our SPA put/call in the accompanying notes to our unaudited condensed consolidated financial statements included in Part I, Item 1 of this Form 10-Q for additional information.

Results of Operations

Three and Six Months Ended June 30, 2026 and 2025

The following table summarizes our results of operations for the periods presented (in thousands):

	Three Months Ended June 30,			Six Months Ended June 30,		
	2026	2025	Change	2026	2025	Change
Revenue	$ 4	$ 8	$ (4)	$ 6	$ 15	$ (9)
Operating expenses:						
Research and development	39,524	34,857	4,667	76,128	78,304	(2,176)
General and administrative	9,576	9,786	(210)	19,131	23,832	(4,701)
Other operating (income) loss, net	(1,759)	1,062	(2,821)	(3,655)	943	(4,598)
Impairment of long-lived assets	—	1,443	(1,443)	—	1,443	(1,443)
Total operating expenses	47,341	47,148	193	91,604	104,522	(12,918)
Loss from operations	(47,337)	(47,140)	(197)	(91,598)	(104,507)	12,909
Interest income, net	2,184	3,276	(1,092)	4,378	7,138	(2,760)
Other income, net	398	1,180	(782)	18,312	2,490	15,822
Total other income, net	2,582	4,456	(1,874)	22,690	9,628	13,062
Net loss	$ (44,755)	$ (42,684)	$ (2,071)	$ (68,908)	$ (94,879)	$ 25,971

Research and Development Expenses

The following table summarizes the components of our research and development expenses for the periods presented (in thousands):

	Three Months Ended June 30,			Six Months Ended June 30,		
	2026	2025	Change	2026	2025	Change
Research activities, collaborations and outside services	$ 18,976	$ 10,144	$ 8,832	$ 34,134	$ 21,894	$ 12,240
Personnel	11,993	13,556	(1,563)	24,071	33,171	(9,100)
Facilities, technology and depreciation	8,555	11,157	(2,602)	17,923	23,239	(5,316)
Total research and development expenses	$ 39,524	$ 34,857	$ 4,667	$ 76,128	$ 78,304	$ (2,176)

Research and development expenses were $39.5 million and $34.9 million for the three months ended June 30, 2026 and 2025, respectively. The $4.7 million increase was due primarily to a $8.8 million increase in research activities, collaborations and outside services due to increased clinical trial activity, partially offset by a $1.6 million decrease in personnel-related expenses and a $2.6 million reduction in facilities, technology and depreciation expenses primarily due to lower headcount associated with the successful technology transfer of ronde-cel to LyFE in 2025 and reduced depreciation expenses.

Research and development expenses were $76.1 million and $78.3 million for the six months ended June 30, 2026 and 2025, respectively. The $2.2 million decrease was due primarily to a decrease of $9.1 million in personnel expenses and $5.3 million in facilities, technology and depreciation costs primarily due to lower headcount associated with the successful technology transfer of ronde-cel to LyFE in 2025 and reduced depreciation expenses, partially offset by a $12.2 million increase in research activities, collaborations and outside services due primarily to increased clinical trials activity.

General and Administrative Expenses

General and administrative expenses were $9.6 million and $9.8 million for the three months ended June 30, 2026 and 2025, respectively. The $0.2 million decrease was primarily due to a decrease in professional and outside services expenses.

General and administrative expenses were $19.1 million and $23.8 million for the six months ended June 30, 2026 and 2025, respectively. The $4.7 million decrease was primarily due to a $3.8 million reduction in personnel costs,

including a $1.9 million decrease in stock-based compensation expense, primarily due to decreased headcount from the successful technology transfer of ronde-cel in 2025, in addition to a decrease in professional and outside services expenses.

Other Operating (Income) Loss, Net

Other operating (income) loss, net was $(1.8) million and $1.1 million for the three months ended June 30, 2026 and 2025, respectively, and $(3.7) million and $0.9 million for the six months ended June 30, 2026 and 2025, respectively. The changes of $2.8 million and $4.6 million for the three and six months ended June 30, 2026, respectively, were primarily due to increased sublease income and reduced losses on disposals of property and equipment; we recognized $2.5 million and $3.8 million of such losses for the three and six months ended June 30, 2025, respectively, primarily in connection with the closure of the West Hills facility in 2025 following the technology transfer of ronde-cel.

Impairment of Long-lived Assets

Impairment of long-lived assets was $1.4 million for the three and six months ended June 30, 2025, consisting of the impairment of our West Hills, Los Angeles right-of-use lease asset resulting from the closure of the facility subsequent to the successful transition of the manufacturing of ronde-cel to our LyFE Manufacturing Center™. No impairment was recognized for the three and six months ended June 30, 2026.

Interest Income, Net

Interest income, net was $2.2 million and $3.3 million for the three months ended June 30, 2026 and 2025, respectively, and $4.4 million and $7.1 million for the six months ended June 30, 2026 and 2025, respectively. The decrease in interest income, net for the three and six months ended June 30, 2026 was primarily driven by decreased interest rates in 2026 coupled with lower cash equivalent and marketable securities balances.

Other Income, Net

Other income, net was $0.4 million and $1.2 million for the three months ended June 30, 2026 and 2025, respectively. The decrease of $0.8 million was primarily due to a $0.9 million gain recognized in the prior year period from the change in fair value of our contingent consideration payable related to the ImmPACT acquisition that did not recur.

Other income, net was approximately $18.3 million and $2.5 million for the six months ended June 30, 2026 and 2025, respectively. The increase of $15.8 million was primarily driven by a $17.6 million gain from the change in fair value of our SPA put/call, which was settled in the first quarter of 2026 upon the Milestone Closing, partially offset by a $2.1 million gain recognized in the prior year period from the change in fair value of our contingent consideration payable that did not recur.

Liquidity and Capital Resources

Sources of Liquidity

Since our inception, we have funded our operations primarily through the sale and issuance of convertible preferred stock, business development activities and the sale of common stock in connection with our IPO, in a private placement financing and pursuant to an at-the-market offering program discussed below. As of June 30, 2026, we had $228.0 million in cash, cash equivalents and marketable securities excluding restricted cash. Since our inception, we have incurred significant operating losses. We have not yet commercialized any product candidates, and we do not expect to generate revenue from sales of any product candidates for a few years, if ever. We had an accumulated deficit of $1.7 billion as of June 30, 2026. From June 29, 2018 (inception) through June 30, 2026, we raised an aggregate of $1.5 billion in gross proceeds primarily from the sales of our convertible preferred stock, our IPO and private placements in July 2025 and March 2026 of our common stock pursuant to the SPA.

In February 2024, we entered into a sales agreement (Sales Agreement) with TD Securities (USA) LLC (formerly known as Cowen and Company, LLC) (TD Cowen) as our sales agent with respect to an at-the-market offering program. In accordance with the terms of the Sales Agreement, we may offer and sell from time to time through TD Cowen shares of our common stock having an aggregate offering amount of up to $150.0 million (the Placement Shares). Sales of the Placement Shares are made at prevailing market prices on Nasdaq at the time of sale, or as otherwise agreed with the Agent, by any method permitted by law deemed to be an “at-the-market offering” as defined in Rule 415 of the Securities Act of 1933, as amended (the Securities Act). We pay commissions to TD Cowen of up to 3% of the gross proceeds of the sale of the Placement Shares sold under the Sales Agreement and reimburse TD Cowen for certain expenses. Neither us nor TD Cowen is obligated to sell any shares. During the six months ended June 30, 2026, we sold 65,092 shares of our common stock under the Sales Agreement for net proceeds of approximately $1.7 million. No shares were sold during the three months ended June 30, 2026 or the three and six months ended June 30, 2025.

Securities Purchase Agreement

On July 25, 2025, we issued 3,753,752 shares of common stock at a purchase price of $13.32 per share at an initial closing pursuant to the SPA for gross proceeds of approximately $50.0 million. On March 6, 2026, we issued 1,952,360 shares of common stock at a purchase price of $25.61 per share at a subsequent closing pursuant to the SPA for gross proceeds of approximately $50.0 million.

Future Funding Requirements

We expect to incur additional losses in the foreseeable future as we conduct and expand our research and development efforts, including conducting nonclinical studies and clinical trials, developing new product candidates, establishing, improving and maintaining internal manufacturing capabilities and funding our operations generally. Based on our current operating plan, we believe that our existing cash, cash equivalents and marketable securities will be sufficient to meet our working capital and capital expenditure needs for at least the next 12 months. However, we anticipate that we will need to raise additional capital in the future to fund our operations, including further development of our product candidates and the commercialization of any approved product candidates. In addition, we regularly consider fund-raising opportunities and may decide, from time to time, to raise additional capital, including pursuant to the Sales Agreement, based on various factors, including market conditions and our plans of operation. We are subject to the risks typically related to the development of new products, and we may encounter unforeseen expenses, difficulties, complications, delays and other unknown factors that may adversely affect our business.

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

- the scope, timing, progress, costs and results of discovery, nonclinical development and clinical trials for our current and future product candidates and any additional nonclinical studies;
- the number of clinical trials required for regulatory approval of our current and future product candidates;
- the costs, timing and outcome of regulatory review of any of our current and future product candidates;
- the cost of manufacturing clinical and commercial supplies of our current and future product candidates, including increases in these costs as a result of tariffs;
- the costs and timing of future commercialization activities, including manufacturing, marketing, sales and distribution, for any of our product candidates for which we receive marketing approval;
- further investment to build additional manufacturing facilities or expand the capacity of our existing ones;
- the costs and timing of preparing, filing and prosecuting patent applications, maintaining and enforcing our intellectual property rights and defending any intellectual property-related claims;
- our ability to maintain existing, and establish new, collaborations, licenses, product acquisitions or other strategic transactions and the fulfillment of our financial obligations under any such agreements, including the timing and amount of any success payment, future contingent payments, milestone, royalty or other payments due under any such agreement;
- the revenue, if any, received from commercial sales of our product candidates for which we receive marketing approval;
- expenses to attract, hire and retain skilled personnel;
- the costs of operating as a public company, including legal, accounting and other related expenses as well as costs relating to maintaining or expanding our operational, financial and management systems;
- addressing or responding to any potential disputes or litigation;
- the extent to which we acquire or invest in businesses, products and technologies; and
- integration of any new businesses, products and technologies, such as LYL273, into our business.

Until such time as we complete nonclinical and clinical development and receive regulatory approval of our product candidates and can generate significant revenue from product sales, if ever, we expect to finance our operations from the sale of additional equity or debt financings, or other capital that comes in the form of strategic collaborations, licensing, or other arrangements. In the event that additional capital is required, we may not be able to raise it on terms acceptable to us, or at all. If we raise additional funds through the issuance of equity or convertible debt securities, including pursuant to the Sales Agreement, it may result in dilution to our existing stockholders. Debt financing or preferred equity financing, if available, may result in increased fixed payment obligations, and the existence of securities with rights that may be senior to those of our common stock. If we incur indebtedness, we could become subject to

covenants that may restrict our operations. If we raise funds through strategic collaboration, licensing or other arrangements, we may relinquish significant rights or grant licenses on terms that are not favorable to us. Our ability to raise additional funds may be adversely impacted by potential worsening global economic conditions and disruptions to, and volatility in, the credit and financial markets in the United States and worldwide resulting from tariffs, actual or perceived changes in interest rates and economic inflation, and otherwise. If we are unable to raise additional capital when desired, our business, results of operations and financial condition would be adversely affected.

Material Cash Requirements

We continually evaluate our liquidity and capital resources to ensure that we can adequately and efficiently finance our operations. As of June 30, 2026, our material cash requirements consisted primarily of paying salaries and benefits, administering clinical trials, conducting research, improving our manufacturing capabilities, providing the technology and facilities necessary to support our operations, funding operating lease obligations and other payments related to our license and collaboration agreements and the acquisitions of ImmPACT and our LYL273 license. See Note 3, *Asset Acquisitions and Contingent Consideration*, Note 4, *License, Collaboration and Success Payment Agreements*, and Note 8, *Leases*, in the accompanying notes to the unaudited condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q, for additional information.

Cash Flows

The following table summarizes our cash flows for the periods indicated (in thousands):

	Six Months Ended June 30,	
	2026	2025
Net cash (used in) provided by:		
Operating activities	$ (72,432)	$ (89,196)
Investing activities	32,994	82,113
Financing activities	52,244	184
Net increase (decrease) in cash, cash equivalents and restricted cash	$ 12,806	$ (6,899)

Operating Activities

During the six months ended June 30, 2026, net cash used in operating activities was $72.4 million, reflecting our net loss of $68.9 million, in addition to non-cash items primarily related to the gain on the SPA put/call of $17.6 million and non-cash lease income of $2.3 million, partially offset by stock-based compensation expense of $8.8 million and depreciation and amortization expense of $4.6 million. Additionally, changes in net operating assets and liabilities of $5.3 million partially offset the net cash used in operating activities.

During the six months ended June 30, 2025, net cash used in operating activities was $89.2 million, reflecting our net loss of $94.9 million, partially offset by $16.1 million of non-cash items primarily related to stock-based compensation expense of $11.0 million, depreciation and amortization expense of $6.6 million and losses on property and equipment disposals of $3.8 million, partially offset by net amortization and accretion on marketable securities of $2.9 million and the change in the fair value of our contingent consideration payable of $2.1 million. Additionally, net operating assets and liabilities decreased $10.4 million primarily driven by a $13.1 million decrease in accrued liabilities and other current liabilities, partially offset by a $4.8 million increase in prepaid expenses, other current assets and other assets, which also contributed to the net cash used in operating activities.

Investing Activities

During the six months ended June 30, 2026 and June 30, 2025, cash provided by investing activities was $33.0 million and $82.1 million, respectively, consisting primarily of net maturities and purchases of marketable securities.

Financing Activities

During the six months ended June 30, 2026, cash provided by financing activities was $52.2 million, consisting primarily of $50.0 million of proceeds from the issuance of common stock under the SPA and $1.7 million from our at-the-market equity financing.

During the six months ended June 30, 2025, cash provided by financing activities was approximately $0.2 million, consisting of proceeds from the employee stock purchase plan.

Critical Accounting Policies and Estimates

Our unaudited condensed consolidated financial statements are prepared in accordance with U.S. generally accepted accounting principles (GAAP). The preparation of these unaudited condensed consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the unaudited condensed consolidated financial statements, as well as the reported revenue and expenses incurred during the reporting periods. Our estimates are based on our historical experience and on various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

There have been no material changes to our critical accounting policies and estimates as compared to those described in our 2025 Annual Report.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

We are exposed to market risks in the ordinary course of our business. Our primary risks include interest rate sensitivities.

Interest Rate Risk

We had cash equivalents of $60.9 million as of June 30, 2026, which consisted of money market funds and highly liquid investments purchased with original maturities of three months or less from the purchase date. We also had fixed income marketable securities of $155.0 million as of June 30, 2026. The primary objective of our investment activities is to preserve capital to fund our operations, and we currently do not hedge our interest rate risk exposure. Because our fixed income marketable securities are primarily short-term in duration, our exposure to interest rate risk is not significant, and a hypothetical 10% relative change in interest rates during any of the periods presented would not have had a material effect on our unaudited condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q. We had no debt outstanding as of June 30, 2026.

Foreign Currency Exchange Risk

Substantially all of our employees and operations are currently located in the United States and our expenses are generally denominated in U.S. dollars. We have limited operations in Australia that are not material to our financial statements. We therefore are not currently exposed to significant market risk related to changes in foreign currency exchange rates. However, we have contracted with and may continue to contract with non-U.S. vendors who we may pay in their local currency. Our operations may be subject to fluctuations in foreign currency exchange rates in the future. To date, foreign currency transaction gains and losses have not been material to our unaudited condensed consolidated financial statements, and we have not had a formal hedging program with respect to foreign currency. A hypothetical 10% change in exchange rates during any of the periods presented would not have had a material effect on our unaudited condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Management, with the participation and supervision of our Chief Executive Officer and our Chief Financial and Business Officer, have evaluated our disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934 (Exchange Act) as of June 30, 2026. Our disclosure controls and procedures are designed to ensure that information required to be disclosed in the reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and our Chief Financial and Business Officer, to allow timely decisions regarding required disclosures.

Any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objective and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based on this evaluation, our Chief Executive Officer and our Chief Financial and Business Officer concluded that, as of June 30, 2026, the design and operation of our disclosure controls and procedures were effective at a reasonable assurance level.

Changes in Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as such term is defined in Rule 13a-15(f) of the Exchange Act. An evaluation was also performed under the supervision

and with the participation of our management, including our Chief Executive Officer and our Chief Financial and Business Officer, of any change in our internal control over financial reporting that occurred during our last fiscal quarter and that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting. That evaluation did not identify any change in our internal control over financial reporting during the quarter ended June 30, 2026 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 have been or may become involved in material legal proceedings or be subject to claims arising in the ordinary course of our business. We are currently not party to any legal proceedings material to our operations or of which any of our property is the subject, nor are we aware of any such proceedings that are contemplated by a government authority or otherwise. Regardless of outcome, any such proceedings or claims are subject to inherent uncertainties and can have an adverse impact on us because of defense and settlement costs, diversion of time and resources and other factors, and there can be no assurances that favorable outcomes will be obtained.

Item 1A. Risk Factors.

Our business involves significant risks, some of which are described below. You should carefully consider the risks described below, as well as the other information contained in this Quarterly Report on Form 10-Q, including our unaudited condensed consolidated financial statements and the related notes and the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations." The occurrence of any of the events or developments described below could harm our business, financial condition, results of operations and growth prospects. In such an event, the market price of our common stock could decline and you may lose all or part of your investment. Additional risks and uncertainties not presently known to us or that we currently deem immaterial also may impair our business operations. The risk factors set forth below that are marked with an asterisk (*) contain substantive changes to the similarly titled risk factors included in, or did not appear as separate risk factors in, Item 1A of our 2025 *Annual Report.*

Summary of Risk Factors

Below is a summary of material factors that make an investment in our securities speculative or risky. Importantly, this summary does not address all of the risks and uncertainties that we face. Additional discussion of the risks and uncertainties summarized in this risk factor summary, as well as other risks and uncertainties that we face, follows this summary. This summary is qualified in its entirety by that more complete discussion of such risks and uncertainties.

- We are a late-stage clinical cell therapy company that has incurred substantial losses since our inception and anticipate that we will continue to incur substantial and increasing net losses for the foreseeable future.
- We will require substantial additional capital 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 currently have no products approved for sale and have never generated revenue from product sales. We may never generate revenue from product sales or achieve profitability.
- We operate in a rapidly evolving field and have a limited operating history, which may make it difficult to evaluate the success of our business to date and to assess our future viability.
- Our milestone, royalty and success payment obligations may result in dilution to our stockholders or may reduce the availability of our cash resources to satisfy the payment obligations, which could cause our operating results and financial condition to fluctuate significantly from quarter to quarter and year to year and may reduce the usefulness of our GAAP consolidated financial statements.
- If we are unable to successfully develop, manufacture and commercialize product candidates or experience significant delays in doing so, our business may be harmed.
- Our product candidates and technologies are based on novel technologies that are unproven and may not result in approvable or marketable products, which expose us to unforeseen risks and make it difficult for us to predict the time and cost of product development and potential for regulatory approval, and we may not be successful in our efforts to use and expand our technologies to develop any product candidate.
- The results of research, nonclinical studies or earlier clinical trials are not necessarily predictive of future results. If clinical trials of our product candidates fail to produce, or continue to produce, positive results or demonstrate satisfactory safety and efficacy, at the appropriate dose level or at all, we may incur additional costs or experience delays in completing, or ultimately be unable to complete, the development and commercialization of our product candidates.

- Clinical development involves a lengthy and expensive process with an uncertain outcome.
- Interim, topline or preliminary data from our clinical trials that we announce or publish from time to time may change as more patient data become available or as we make changes to our manufacturing processes and are subject to audit and verification procedures that could result in material changes in the final data.
- We acquired ImmPACT in October 2024 and LYL273 in November 2025 and may not realize the benefits of such acquisitions or any potential future collaborations, licenses, product acquisitions or other strategic transactions.
- We face substantial competition in a rapidly changing industry, which may result in others discovering, developing or commercializing products before or more successfully than we do.
- The manufacturing of cell therapies is very complex. We are subject to a multitude of manufacturing risks, any of which could substantially increase our costs, delay our programs or limit supply of our product candidates.
- Cell-based therapies rely on the availability of specialty raw materials, which may not be available to us on acceptable terms or at all.
- We currently manufacture drug products for our clinical trials ourselves. Delays in further qualifying or in receiving regulatory approvals for any manufacturing facility or product candidates, or in expanding our manufacturing capacity, could delay our development plans and thereby limit our ability to generate product revenues.
- If our clinical manufacturing facility in Bothell, Washington or any of our potential contract manufacturing organizations is damaged or destroyed or production at these facilities is otherwise interrupted, our business would be negatively affected.
- We rely on third parties to assist in conducting and monitoring our clinical trials and for some of our research and non-clinical studies for our product candidates, and, if those third parties do not successfully carry out their contractual duties, comply with regulatory requirements or otherwise perform satisfactorily, we may not be able to obtain regulatory approval or commercialize product candidates, or such approval or commercialization may be delayed, and our business may be substantially harmed.
- We depend on the enrollment and retention of patients in our current and planned clinical trials for our product candidates. If we experience delays or difficulties enrolling or retaining patients in our clinical trials, our research and development efforts and business, financial condition and results of operations could be materially adversely affected.
- We do and will continue to or intend to rely on outside scientists and clinical trial investigators and their third-party research institutions for research and development and clinical testing of our product candidates. These scientists, investigators and institutions may have other commitments or conflicts of interest, which could limit our access to their expertise and harm our ability to leverage our technologies.
- We have in the past, and we may in the future, form or seek collaborations or strategic alliances or enter into additional licensing arrangements, and we may not realize the benefits of such alliances or licensing arrangements.
- We are currently in clinical development of our product candidates, and our future success is dependent on the successful development and regulatory approval of our product candidates and any product candidates we acquire.
- Our cell therapy product candidates represent new therapeutic approaches that could result in heightened regulatory scrutiny, delays in clinical development or delays in our ability to achieve regulatory approvals, commercialization or payor coverage of our product candidates.
- If we are unable to obtain and maintain sufficient intellectual property protection for our product candidates, or if the scope of the intellectual property protection is not sufficiently broad, our ability to commercialize our product candidates successfully and to compete effectively may be adversely affected.

Risks Related to Our Financial Condition, Limited Operating History and Need for Additional Capital

We are a late-stage clinical cell therapy company that has incurred substantial losses since our inception and anticipate that we will continue to incur substantial and increasing net losses for the foreseeable future.

Investment in biopharmaceutical product development is highly speculative because it entails substantial upfront capital expenditures and significant risk that a product candidate will fail to prove safe and effective, gain regulatory approval or become commercially viable. We are a late-stage clinical cell therapy company that does not yet have any products approved by regulatory authorities for sale, and we have incurred significant research, development and other expenses related to our ongoing operations and expect to continue to incur such expenses. Since our inception, we have not

generated any revenue from product sales and have incurred significant net losses. Substantially all of our net losses since inception have resulted from our research and development programs and general and administrative costs associated with our operations.

We do not expect to generate revenue from product sales for the foreseeable future, if at all. We also expect to continue to incur significant expenses and operating losses for the foreseeable future. We anticipate these losses to increase as we continue to research, develop and seek regulatory approvals for our product candidates, expand our manufacturing capabilities, in-license or acquire additional technologies and potentially begin to commercialize product candidates that may achieve regulatory approval. We may encounter unforeseen expenses, difficulties, complications, delays and other unknown factors that may adversely affect our business. The size of our future net losses will depend, in part, on the rate of future growth of our expenses and our ability to generate revenues. Moreover, our net losses may fluctuate significantly from quarter to quarter and year to year, such that a period-to-period comparison of our results of operations may not be a good indication of our future performance. If any of our product candidates fails in research and development or clinical trials or does not gain regulatory approval, or, if approved, fails to achieve market acceptance, we may never become profitable. Even if we achieve profitability in the future, we may not be able to sustain profitability in subsequent periods.

We expect to incur additional expenses and operating losses in the foreseeable future, as we:

- commence and continue clinical trials, including pivotal trials, of our current and future product candidates;
- continue nonclinical development of our current and future product candidates and initiate additional nonclinical studies;
- advance our other research and development efforts;
- acquire and license technology or technologies;
- attract, hire and retain qualified personnel;
- seek regulatory approval of our current and future product candidates;
- expand our manufacturing and process development capabilities;
- expand our operational, financial and management systems and compliance programs;
- prepare for future commercialization activities, including marketing, sales and distribution for any of our product candidates for which we receive marketing approval;
- continue to develop, protect and defend our intellectual property portfolio; and
- incur additional legal, accounting or other expenses in operating our business, including the additional costs associated with operating as a public company.

We will require substantial additional capital 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 limited resources and we expect to need to expend substantial resources for the foreseeable future to advance and expand our research pipeline, conduct nonclinical studies and pursue clinical development and manufacturing of our product candidates. We also expect to continue to expend resources for the development of our technologies. These expenditures will include costs associated with research and development, conducting nonclinical studies and clinical trials, acquiring or licensing new technologies and potentially obtaining regulatory approvals and manufacturing products, as well as marketing and selling products approved for sale, if any. We will also need to make significant expenditures to expand our medical affairs organization for medical education and develop a commercial organization capable of sales, marketing and distribution for products, if any, that we intend to sell ourselves in the markets in which we choose to commercialize. In addition, we may be required to make success payments and other contingent consideration payments under our license, collaboration and other agreements. Because the design and outcome of our planned and anticipated clinical trials are highly uncertain, we cannot reasonably estimate the actual amounts necessary to successfully complete the discovery, development and commercialization of our existing and potential product candidates, and other unanticipated costs may arise. Our current resources may be insufficient to support or complete the discovery, development and commercialization of our existing and potential product candidates.

As a result of expense timing, as well as diligent expense management, we believe that our existing cash, cash equivalents and marketable securities will be sufficient to meet our working capital and capital expenditure needs into the third quarter of 2027. However, our future capital requirements and the period for which our existing resources will support our operations may vary significantly from what we expect, and we will in any event require additional capital to complete clinical development of any of our current programs.

We do not have any committed external source of funds. Additional funds may not be available when we need them on terms that are acceptable to us, or at all, and our ability to raise additional capital may be adversely impacted by potentially unfavorable global economic conditions or conditions in the biopharmaceutical industry, including disruptions to, or volatility in, the credit and financial markets in the United States and worldwide, actual or perceived changes in interest rates and economic inflation, the current or anticipated impact of geopolitical instability and otherwise. In February 2024, we entered into the Sales Agreement with TD Cowen, acting as our sales agent, pursuant to which we may offer and sell shares of our common stock having an aggregate offering price of up to $150.0 million from time to time in a series of one or more at-the-market equity offerings. Neither we nor TD Cowen are obligated to sell any shares. As of June 30, 2026, we have sold 65,092 shares of our common stock under the Sales Agreement. If adequate funds are not available to us on a timely basis, including pursuant to the Sales Agreement, we may be required to delay, limit, reduce or terminate nonclinical studies, clinical trials or other development activities for our product candidates or delay, limit, reduce or terminate our establishment of sales, marketing and distribution capabilities or other activities that may be necessary to commercialize our product candidates.

We currently have no products approved for sale and have never generated revenue from product sales. We may never generate revenue from product sales or achieve profitability.

To date, we have not generated any revenues from product sales. Our ability to generate revenues from product sales and achieve profitability will depend on our ability to successfully develop and subsequently obtain regulatory approvals for and commercialize our product candidates. Our ability to generate revenues and achieve profitability also depends on a number of additional factors, including our ability to:

- successfully complete our research activities to identify the technologies and product candidates to further investigate in clinical trials;
- successfully complete development activities, including the necessary clinical trials;
- complete and submit regulatory submissions to the FDA, the European Medicines Agency or other agencies and obtain regulatory approval for indications for which there is a commercial market;
- obtain coverage and adequate reimbursement from third parties, including government and private payors;
- set commercially viable prices for our products, if any;
- develop manufacturing and distribution processes for our product candidates;
- produce commercial quantities of our products at acceptable cost levels;
- maintain adequate supply of our product candidates, including any starting materials and reagents needed;
- maintain the supply of our product candidates in a manner that is compliant with global legal requirements or to the extent necessary;
- establish and maintain manufacturing relationships with reliable third parties;
- achieve market acceptance of our products, if any;
- attract, hire and retain qualified personnel;
- protect our rights in our intellectual property portfolio;
- develop a commercial organization capable of sales, marketing and distribution for any products we intend to sell ourselves in the markets in which we choose to commercialize on our own; and
- find suitable distribution partners to help us market, sell and distribute our approved products in other markets.

Our revenues for any product for which regulatory approval is obtained will be dependent, in part, upon the size of the markets in the territories for which we gain regulatory approval, the availability of other competing approved or commonly used therapies in the indications for which we are approved, the accepted price for the product, the ability to get reimbursement at any price and whether we own the commercial rights for that territory. In addition, we anticipate incurring significant costs associated with commercializing any approved product. As a result, even if we generate revenue from product sales, we may not become profitable and may need to obtain additional funding to continue operations. If we fail to become profitable or are unable to sustain profitability on a continuing basis, then we may be unable to continue our operations at planned levels and may be forced to reduce our operations.

We operate in a rapidly evolving field and have a limited operating history, which may make it difficult to evaluate the success of our business to date and to assess our future viability.

We operate in a rapidly evolving field and, having commenced operations in June 2018, have a limited operating history, which makes it difficult to evaluate our business and prospects. Our primary activities to date have included conducting research and development, regulatory submissions and other preparations to initiate and execute clinical trials, executing clinical trials, enabling and executing manufacturing activities in support of our product candidate development efforts, acquiring technology, entering into strategic collaboration and license agreements, organizing and staffing the company, business planning, establishing and maintaining our intellectual property portfolio, raising capital and providing general and administrative support for these activities. Any predictions about our future success, performance or viability may not be as accurate as they could be if we had a longer operating history or approved products on the market.

In addition, we may encounter unforeseen expenses, difficulties, complications, delays and other known and unknown factors. If successful, we will need to transition at some point from a company with a research and development focus to a company capable of supporting commercial activities. We may not be successful in such a transition. We expect our financial condition and operating results to continue to fluctuate significantly from quarter to quarter and year to year due to a variety of factors, many of which are beyond our control. Accordingly, any of our quarterly or annual periods' results are not indicative of future operating performance.

Our milestone, royalty and success payment obligations may result in dilution to our stockholders or may reduce the availability of our cash resources to satisfy the payment obligations, which could cause our operating results and financial condition to fluctuate significantly from quarter to quarter and year to year and may reduce the usefulness of our GAAP consolidated financial statements.*

In connection with the Agreement and Plan of Merger, dated as of October 24, 2024, by and among Lyell, ImmPACT, Inspire Merger Sub Inc. and WT Representative LLC, solely in its capacity as the Representative (the Merger Agreement), we have assumed ImmPACT's rights and obligations under the UCLA License Agreement, pursuant to which we are obligated to pay a nominal, tiered annual license maintenance fee, one-time milestone payments for each commercialized licensed product and a tiered royalty on worldwide annual net sales of commercialized licensed products.

In addition, in connection with the ICT License Agreement, ICT is eligible to receive additional cash and equity payments of (i) a potential $30 million clinical milestone payment, up to $115 million upon the achievement of certain late-stage regulatory milestones and up to $675 million in commercial sales milestones; (ii) up to an additional 1.85 million shares of our common stock based on the achievement of certain clinical and regulatory milestones, of which we issued 1.1 million shares of our common stock to ICT upon the achievement of a clinical milestone in July 2026; and (iii) tiered royalties ranging from mid-single digits up to 10% on annual net sales in the United States and low to mid-single-digit royalties on annual net sales in other countries within the licensed territory.

We also agreed to make success payments payable in cash or publicly-tradeable shares of our common stock at our discretion pursuant to our success payment agreements with Fred Hutch and Stanford, pursuant to which we may be required to make success payments based on increases in the per share fair value of our common stock on each contractually prescribed measurement date. Our success payment obligations are recorded as liabilities on our consolidated balance sheets. Under U.S. generally accepted accounting principles (GAAP), we are required to estimate the fair value of these liabilities as of each quarter end. Changes in the success payment liabilities fair value are recognized in other income or expense, net. We may have additional obligations owed to third parties in the form of cash or equity. Factors that may lead to increases or decreases in the estimated fair value of our success payment liabilities include, among others, changes in the value of the common stock, changes in volatility and changes in the risk-free rate. For information related to our success payment obligations, see Note 4, *License, Collaboration and Success Payment Agreements*, in the accompanying notes to our unaudited condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

In order to satisfy our obligations to make these milestone and success payments, if and when they are triggered, we may issue equity or convertible debt securities, as applicable, that may cause dilution to our stockholders. We may also use our existing cash to satisfy the milestone, royalty or success payment obligations, if and as applicable, in the future, which may adversely affect our financial position. As a result, our operating results and financial condition as reported by GAAP may fluctuate significantly from quarter to quarter and from year to year, which may reduce the usefulness of our GAAP consolidated financial statements. In addition, these success, milestone and royalty payments may impede our ability to raise money in future public offerings of debt or equity securities or to obtain a third-party line of credit.

Our ability to use our net operating loss carryforwards and certain other tax attributes may be limited.

Under the Tax Cuts and Jobs Act of 2017 (the Tax Act), as modified by the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act), our net operating losses (NOLs) generated in tax years beginning after

December 31, 2017 may be carried forward indefinitely, but the deductibility of such federal NOLs is limited to 80% of taxable income. There is variation in how states have responded and may continue to respond to the Tax Act and CARES Act. In addition, under Sections 382 and 383 of the U.S. Internal Revenue Code of 1986, as amended (the Code), if a corporation undergoes an "ownership change," generally defined as a greater than 50 percentage point change (by value) in its equity ownership by certain stockholders over a three-year period, the corporation's ability to use its pre-change NOLs and other pre-change tax attributes (such as research and development tax credits) to offset its post-change income or taxes may be limited. We may have experienced ownership changes in the past, including as a result of our initial public offering (IPO), and may experience future ownership changes as a result of subsequent shifts in our stock ownership (some of which may be outside our control). As a result, our ability to use our pre-change NOLs and tax credits to offset post-change taxable income, if any, could be subject to limitations. Similar provisions of state tax law may also apply. In addition, at the state level, there may be periods during which the use of NOLs is suspended or otherwise limited, which could accelerate or permanently increase state taxes owed. As a result, even if we attain profitability, we may be unable to use a material portion of our NOLs and tax credits.

We have long-lived assets, which are assessed for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. In addition, we may never realize the full value of our long-lived assets, causing us to record material impairment charges.

Under GAAP, we assess our long-lived assets, including property and equipment and lease right-of-use assets, for possible impairment whenever events or circumstances indicate that the carrying amount of such assets may not be recoverable. For example, as a result of the sustained decline in the trading price of our common stock and related market capitalization, our reprioritization of certain research and development programs and our associated reductions in workforce, we performed an impairment assessment of long-lived assets for the year ended December 31, 2024 that resulted in recognition of an impairment of long-lived assets. See Note 5, *Impairment of Long-Lived Assets*, in the accompanying notes to our audited consolidated financial statements included in Part II, Item 8, of our 2025 Annual Report for additional information.

It is possible that changes in circumstances, many of which are outside of our control, or in the numerous variables associated with the assumptions and estimates used in assessing the appropriate valuation of our long-lived assets, could in the future result in an impairment to our long-lived assets, requiring us to record impairment charges, which would adversely affect our results of operations.

Risks Related to Our Business and Industry

If we are unable to successfully develop, manufacture and commercialize product candidates or experience significant delays in doing so, our business may be harmed.

We currently have two product candidates in clinical development. Our lead product candidate, ronde-cel, is under evaluation in two pivotal trials: PiNACLE, a single-arm clinical trial that is a seamless expansion of the 3L+ cohort in the Phase 1/2 trial, evaluating ronde-cel in patients with R/R LBCL receiving treatment in the 3L+ setting, and PiNACLE-H2H, a Phase 3 head-to-head CAR T-cell therapy randomized controlled trial of ronde-cel for LBCL in the 2L setting that has commenced dosing. LYL273, a novel GCC-targeted CAR T-cell product candidate, is under evaluation in a U.S. Phase 1 dose-escalation, dose-expansion clinical trial in patients with refractory mCRC. We have not yet demonstrated our ability to successfully complete any clinical trials (including any pivotal clinical trials), obtain regulatory approvals, manufacture a commercial-scale product or arrange for a third party to do so on our behalf, or conduct sales and marketing activities necessary for successful product commercialization, and we have previously discontinued clinical development for other programs. We have invested substantial resources in developing our technologies and our product candidates, conducting nonclinical studies, commencing and conducting clinical trials and building our manufacturing facilities and capabilities, each of which will be required prior to any regulatory approval and commercialization. Our ability to generate revenue from product sales, which we do not expect will occur for a few years, if ever, will depend heavily on the successful research and development and eventual commercialization of one or more product candidates in profitable indications and markets. The success of our efforts to identify, develop, manufacture and commercialize product candidates will depend on many factors, including the following:

- timely and successful completion of our nonclinical studies and research activities to identify and develop product candidates to investigate in clinical trials;
- submission of INDs to the FDA to proceed with clinical trials, or comparable applications to foreign regulatory authorities that allow the commencement of our planned clinical trials for our product candidates;
- successful enrollment and completion of clinical trials in compliance with GCP requirements with positive results;
- the level of efficacy observed with our product candidates;

- the prevalence and severity of adverse events experienced with our product candidates;
- successfully developing, or making arrangements with third parties for, manufacturing and distribution processes for our product candidates and for commercial manufacturing and distribution for any of our product candidates that receive regulatory approval;
- receipt of timely regulatory approvals from applicable authorities for our product candidates for their intended uses;
- protecting our rights in our intellectual property portfolio, including by obtaining and maintaining patent and trade secret protection and regulatory exclusivity for our product candidates;
- establishing capabilities and infrastructure to obtain the materials needed to develop and, if successful, commercialize approved products;
- manufacturing our product candidates at an acceptable cost;
- launching commercial sales of our products, if approved by applicable regulatory authorities, whether alone or in collaboration with others;
- acceptance of our products, if approved by applicable regulatory authorities, by patients and the medical community;
- obtaining and maintaining coverage and adequate reimbursement by third-party payors, including government payors, for our products, if approved by applicable regulatory authorities;
- developments relating to our competitors and our industry, including any existing or future competing product candidates or therapies, and our ability to effectively compete with other marketed therapies;
- maintaining compliance with regulatory requirements, including the U.S and European Union (EU) current Good Manufacturing Practices (cGMP) requirements;
- maintaining a continued acceptable benefit/risk profile of our products following approval, if approved by applicable regulatory authorities; and
- maintaining and growing an organization of scientists and functional experts who can develop and commercialize our products and technology.

If we do not achieve one or more of these factors in a timely manner or at all, we could experience significant delays or an inability to successfully develop and commercialize our product candidates, which could harm our business. If we do not receive marketing approvals for any product candidate we develop, we may not be able to continue our operations.

Our product candidates and technologies are based on novel technologies that are unproven and may not result in approvable or marketable products, which expose us to unforeseen risks and make it difficult for us to predict the time and cost of product development and potential for regulatory approval, and we may not be successful in our efforts to use and expand our technologies to develop any product candidate.

We are seeking to identify and develop a pipeline of product candidates using our proprietary technologies. The scientific research that forms the basis of our efforts to develop product candidates with our technologies is still ongoing. Further, the scientific evidence to support the feasibility of developing therapeutic treatments based on our technologies is both preliminary and limited. Additionally, although ronde-cel is in the PiNACLE trial in the 3L+ setting and the PiNACLE-H2H trial in the 2L setting and LYL273 is in Phase 1 clinical development, our current clinical data are limited, and nonclinical data may not translate into humans or may not accurately predict the safety and efficacy of our product candidates in humans. As a result, we are exposed to a number of unforeseen risks, and it is difficult to predict the types of challenges and risks that we may encounter during development of our product candidates. Although we have presented clinical data from the PiNACLE trial in the 3L+ setting and the Phase 1/2 trial of ronde-cel, including data from patients with relapsed/refractory LBCL, and from the Phase 1 trial of LYL273 in patients with refractory mCRC, our clinical trials may not generate similar results or otherwise provide adequate data to demonstrate the efficacy and safety of our product candidates.

Given the novelty of our technologies, we intend to work closely with the FDA and comparable foreign regulatory authorities to perform the requisite scientific analyses and evaluation of our methods to obtain regulatory approval for our product candidates; however, the regulatory pathway with the FDA and comparable foreign regulatory authorities may be more complex and time-consuming relative to other more well-known therapeutics. Even if we obtain human data to support our product candidates, the FDA or comparable foreign regulatory authorities may lack sufficient experience in

evaluating the safety and efficacy of our product candidates developed using our technologies, which could result in a longer than expected regulatory review process, increase our expected development costs and delay or prevent commercialization of our product candidates. The validation process takes time and resources, may require independent third-party analyses and may not be accepted or approved by the FDA and comparable foreign regulatory authorities. There can be no assurance as to the length of clinical development, the number of patients that the FDA or comparable foreign regulatory authorities may require to be enrolled in clinical trials to establish the safety, purity and potency of our product candidates or the acceptability to the FDA or comparable foreign regulatory authorities of data generated in these clinical trials to support marketing approvals. We cannot be certain that our approach will lead to the development of approvable or marketable products, alone or in combination with other therapies.

The results of research, nonclinical studies or earlier clinical trials are not necessarily predictive of future results. If clinical trials of our product candidates fail to produce, or continue to produce, positive results or demonstrate satisfactory safety and efficacy, at the appropriate dose level or at all, we may incur additional costs or experience delays in completing, or ultimately be unable to complete, the development and commercialization of our product candidates.

Success in research, nonclinical studies and early clinical trials does not ensure that later clinical trials will generate similar results and otherwise provide adequate data to demonstrate the efficacy and safety of an investigational product. Clinical trials may show that one or more of our product candidates are not safe or effective, in which event we may need to abandon development of such product candidates. In fact, a number of companies in the biopharmaceutical industry, including those with greater resources and experience than us, have suffered significant setbacks in early- and late-stage clinical trials, even after seeing promising results in earlier nonclinical studies or clinical trials. Thus, even if the results from our initial research, nonclinical activities or early clinical results appear positive, we do not know whether the current PiNACLE trial in the 3L+ setting and PiNACLE-H2H in the 2L setting for ronde-cel or the Phase 1 clinical trial for LYL273 in patients with refractory mCRC or subsequent clinical trials we may conduct will demonstrate adequate efficacy and safety to result in regulatory approval to market ronde-cel or LYL273. Although we presented clinical data from the PiNACLE trial and the Phase 1/2 clinical trial for ronde-cel and the Phase 1 clinical trial for LYL273, such results may not be predictive of future results in our ronde-cel and LYL273 clinical trials and may change following blinded independent central review of the imaging data.

Moreover, final trial results may not be consistent with interim trial results, and results in one indication may not be predictive of results for the same product candidate in another indication. If later-stage clinical trials do not produce favorable results, our ability to achieve regulatory approval for any of our product candidates may be adversely impacted. Even if we believe that we have adequate data to support an application for regulatory approval to market any of our product candidates, the FDA or other regulatory authorities may not agree and may require that we conduct additional clinical trials. Additionally, even if clinical trials show promising early results, clinical trials of the same product candidate in another indication may fail to show similar results, and market acceptance of our product candidate, if approved, may be limited.

Clinical development involves a lengthy and expensive process with an uncertain outcome.*

We currently have two product candidates in clinical development. Our lead product candidate, ronde-cel, is under evaluation in two pivotal trials: PiNACLE, a single-arm clinical trial that is a seamless expansion of the 3L+ cohort in the Phase 1/2 trial, evaluating ronde-cel in patients with R/R LBCL receiving treatment in the 3L+ setting; and PiNACLE-H2H, a Phase 3 head-to-head CAR T-cell therapy randomized controlled trial of ronde-cel for LBCL in the 2L setting that has commenced dosing. In addition, LYL273, our novel GCC-targeted CAR T-cell product candidate for the treatment of mCRC, is currently in Phase 1 clinical development, and while we are amending the protocol to enable expansion of this trial into a potentially pivotal Phase 2, this remains subject to receiving FDA guidance. The risk of failure of our product candidates, or any product candidates we acquire, is high. The clinical trials and manufacturing of our product candidates, or any product candidates we acquire, are, and the manufacturing and marketing of such product candidates, if approved, will be, subject to extensive and rigorous review and regulation by numerous government authorities in the United States and in other countries where we intend to test and market our product candidates. Before obtaining regulatory approvals for the commercial sale of any of our product candidates, we must demonstrate through lengthy, complex and expensive nonclinical testing and clinical trials that our product candidates are both safe and effective for use in each target indication. In particular, because our product candidates are subject to regulation as biological products, we will need to demonstrate that they are safe, pure and potent for use in their target indications. Each product candidate must demonstrate an adequate risk versus benefit profile in its intended patient population and for its intended use.

The clinical testing that will be required for any product candidates we choose to advance is expensive and can take many years to complete, and its outcome is inherently uncertain. The FDA may not clear the IND submissions for any planned clinical trials. Even if cleared by the FDA and initiated, we cannot guarantee that any clinical trials will be conducted as planned or completed on schedule, if at all. Failure can occur at any time during the clinical trial process.

Even if our current and planned clinical trials are completed as planned, we cannot be certain that their results will support the safety and effectiveness of our product candidates for their targeted indications or support continued clinical development of our product candidates. Product candidates in later stages of clinical trials may fail to show the desired safety and efficacy traits despite having progressed through nonclinical and clinical trials.

In addition, even if such trials are successfully completed, we cannot guarantee that the FDA or comparable foreign regulatory authorities will interpret the results as we do, and more trials could be required before we submit our product candidates for approval. Moreover, results acceptable to support approval in one jurisdiction may be deemed inadequate by another regulatory authority to support regulatory approval in that other jurisdiction. To the extent that the results of the trials are not satisfactory to the FDA or comparable foreign regulatory authorities for support of a marketing application, we may be required to expend significant resources, which may not be available to us, to conduct additional trials in support of potential approval of our product candidates.

To date, we have not fully enrolled or completed any clinical trials required for the approval of our product candidates. We may experience delays in initiating, enrolling or conducting our current and planned clinical trials, and we do not know whether clinical trials will begin or enroll patients on time, will need to be redesigned, will achieve expected enrollment rates or will be completed on schedule, if at all. Our inability to successfully manufacture cell product candidates for enrolled patients or to obtain sufficient amounts of specific reagents and raw materials to manufacture product candidates in a timely manner or at all could delay or preclude our ability to execute and complete the clinical trials. There can be no assurance that the FDA or comparable foreign regulatory authorities will not put clinical trials of any of our product candidates on clinical hold in the future. Clinical trials can be delayed, suspended or terminated for a variety of reasons, including in connection with:

- inability to generate sufficient nonclinical, toxicology or other in vivo or in vitro data to support the initiation of clinical trials;
- delays in sufficiently developing, characterizing or controlling a manufacturing process suitable for advanced clinical trials;
- delays in reaching agreement with the FDA or other regulatory authorities, including comparable foreign regulatory authorities, as to the design or implementation of our clinical trials;
- obtaining regulatory authorization to commence a clinical trial;
- change in our strategy, such as our prioritization of our ronde-cel and LYL273 product candidates and discontinuation in 2024 of our LYL797, LYL845 and LYL119 programs;
- reaching an agreement on acceptable terms with clinical trial sites or prospective CROs, the terms of which can be subject to extensive negotiation and may vary significantly among different clinical trial sites;
- obtaining Institutional Review Board (IRB) approval at each trial site or positive ethics committee opinions;
- recruiting suitable patients to participate in our clinical trials;
- having patients complete a clinical trial or return for post-treatment follow-up;
- inspections of clinical trial sites or operations by applicable regulatory authorities, or the imposition of a clinical hold;
- clinical sites, CROs or other third parties deviating from trial protocol or dropping out of a trial;
- failure to perform in accordance with applicable regulatory requirements, including the FDA's and comparable foreign regulatory authorities' GCP requirements, or other applicable regulatory requirements;
- addressing patient safety concerns that arise during the course of a trial, including occurrence of adverse events associated with the product candidate that are viewed to outweigh its potential benefits;
- adding a sufficient number of clinical trial sites;
- manufacturing sufficient quantities of product candidates for use in clinical trials; or
- suspensions or terminations by IRBs or ethics committees of the institutions at which such trials are being conducted, by the independent Data Safety Monitoring Committee for such trial or by the FDA or other regulatory authorities, including comparable foreign regulatory authorities, due to a number of factors, including those described above.

Further, a clinical trial may be suspended or terminated by us, the IRBs or ethics committees for the institutions in which such trials are being conducted, recommended for suspension or termination by the independent Data Safety

Monitoring Committee for such trial or suspended or terminated by the FDA or other regulatory authorities, including comparable foreign regulatory authorities, due to a number of factors, including failure to conduct the clinical trial in accordance with regulatory requirements or our clinical protocols, inspection of the clinical trial operations or trial site by the FDA or other regulatory authorities, including comparable foreign regulatory authorities, resulting in the imposition of a clinical hold, unforeseen safety issues or adverse side effects, failure to demonstrate a benefit from using a product candidate, changes in governmental regulations or administrative actions or lack of adequate funding to continue the clinical trial.

We cannot predict with any certainty whether or when we might complete a given clinical trial, if at all. If we experience delays or quality issues in the conduct, completion or termination of any clinical trial of our product candidates, the approval and commercial prospects of such product candidate will be harmed, and our ability to generate product revenues from such product candidate will be delayed. In addition, any delays in completing our clinical trials will increase our costs, slow down our product candidate development and approval process and jeopardize our ability to commence product sales and generate revenues. Many of the factors that cause, or lead to, a delay in the commencement or completion of clinical trials may ultimately lead to the denial of regulatory approval of our product candidates.

Our product candidates may cause undesirable side effects or have other properties that could delay or prevent their regulatory approval, limit the commercial profile of an approved label or result in significant negative consequences following any regulatory approval. Additionally, our product candidates, if approved, could be subject to labeling and other restrictions and market withdrawal, and we may be subject to penalties if we fail to comply with regulatory requirements or experience unanticipated problems with our products.

Undesirable side effects caused by our product candidates could cause us or regulatory authorities to interrupt, delay or halt clinical trials and could result in a more restrictive label or the delay or denial of regulatory approval by the FDA or other comparable foreign regulatory authority. As a result of safety or toxicity issues that we may experience in our clinical trials, we may not continue the development of nor receive approval to market any product candidates, which could prevent us from ever generating product revenues or achieving profitability. Previous clinical trials utilizing CAR T cells to treat hematologic malignancies have shown an increased risk of CRS and ICANS, and approved CAR T-cell therapy products carry a boxed warning concerning the risk of developing secondary T-cell malignancies. For example, while we observed a manageable safety profile appropriate for potential outpatient administration, initial data from patients with LBCL treated in the 3L+ setting and the 2L setting in our multi-cohort, multi-center Phase 1/2 clinical trial of ronde-cel reported low rates of Grade $\geq$ 3 ICANS. In addition to CRS and ICANS, diarrhea or colitis have been reported with LYL273. Adverse events may also be associated with the lymphodepletion utilized with cell therapies. If additional adverse events or other side effects are observed in any of our clinical trials that are atypical of, or more severe than, the known side effects of similar cell therapies, we may have difficulty recruiting patients to our clinical trials, patients may drop out of our trials or we may be required to abandon those trials or our development efforts of one or more product candidates altogether. If such effects are more severe, less reversible than we expect or not reversible at all, we may decide or be required to perform additional studies or to halt or delay further clinical development of any of our product candidates, which could result in the delay or denial of regulatory approval by the FDA or other regulatory authorities.

In the event that any of our product candidates receives regulatory approval and we or others later identify undesirable or unacceptable side effects caused by such products, a number of potentially significant negative consequences could result, including:

- regulatory authorities may withdraw or limit approvals of such products and require us to take our approved product off the market;
- regulatory authorities may require the addition of labeling statements, specific warnings, a contraindication or field alerts to physicians and pharmacies, or issue other communications containing warnings or other safety information about the product;
- regulatory authorities may require a medication guide outlining the risks of such side effects for distribution to patients, or that we implement a risk evaluation and mitigation strategy (REMS) plan or risk management plan to ensure that the benefits of the product outweigh its risks;
- we may be required to change the dose or the way the product is administered, conduct additional clinical trials or change the labeling of the product;
- we may be subject to limitations on how we may promote or manufacture the product;
- sales of the product may decrease significantly;
- we may be subject to litigation or product liability claims; and

- our reputation may suffer.

Any of these events could prevent us or our potential future partners from achieving or maintaining market acceptance of the affected product or could substantially increase commercialization costs and expenses, which in turn could delay or prevent us from generating significant revenue from the sale of any products.

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

From time to time, we may publicly disclose interim, topline or preliminary data from our nonclinical studies and clinical trials, which are based on a preliminary analysis of then-available data, and the results and related findings and conclusions are subject to change following a more comprehensive review of the data related to the particular study or trial, or following, for example, independent blinded central review of imaging data. We also make assumptions, estimations, calculations and conclusions as part of our analyses of data, and we may not have received or had the opportunity to fully and carefully evaluate all data. Further, modifications or improvements to our manufacturing processes for a therapy may result in changes to the characteristics or behavior of the product candidate that could cause our product candidates to perform differently and affect the results of our ongoing clinical trials. As a result, the topline results that we report may differ from future results of the same studies or clinical trials, or different conclusions or considerations may qualify such results, once additional data have been received and fully evaluated. Topline data also remain subject to audit and verification procedures that may result in the final data being materially different from the preliminary data we previously published. As a result, topline data should be viewed with caution until the final data are available.

From time to time, we may also disclose preliminary or interim data from our nonclinical studies and from our or related third-party clinical trials. Preliminary or interim data from clinical trials are subject to the risk that one or more of the clinical outcomes may materially change as patient enrollment continues and more patient data become available. For example, although we presented clinical data from the PiNACLE trial and the Phase 1/2 trial of ronde-cel, including data from patients with relapsed/refractory LBCL, our ronde-cel clinical trials, including the PiNACLE trial and the PiNACLE-H2H trial, may not generate similar results or otherwise provide adequate data to demonstrate the efficacy and safety of ronde-cel. In addition, the enrollment of additional patients into the ongoing U.S. Phase 1 clinical trial of LYL273 in patients with refractory mCRC may not generate similar results or otherwise provide adequate data to demonstrate the safety and efficacy of LYL273. Adverse differences between preliminary or interim data and final data could significantly harm our business prospects. Additionally, disclosure of preliminary or interim data by us or by our competitors could result in volatility in the price of our common stock.

Further, others, including regulatory agencies, may not accept or agree with our assumptions, estimates, calculations, conclusions or analyses or may interpret or weigh the importance of data differently, which could impact the value of the particular program, the approvability or commercialization of the particular product candidate and our company in general. If the interim, topline or preliminary data we report differ from actual results, or if others, including regulatory authorities, disagree with the conclusions reached, our ability to obtain approval for, and commercialize, any of our potential product candidates may be harmed, which could harm our business, operating results, prospects or financial condition.

We acquired ImmPACT in October 2024 and LYL273 in November 2025 and may not realize the benefits of such acquisitions or any potential future collaborations, licenses, product acquisitions or other strategic transactions.

We acquired ImmPACT in October 2024 and an exclusive global license, outside of mainland China, Hong Kong, Macau and Taiwan, from ICT for LYL273 in November 2025 with the expectation that these acquisitions will result in various benefits including, among other things, benefits relating to a strengthened market position for Lyell, cost savings and operating efficiencies. Our ability to realize the anticipated benefits of these acquisitions is dependent, in part, on our ability to realize the anticipated cost savings, such as those from the transition of the manufacturing of ronde-cel and LYL273 to LyFE. We may also encounter difficulties that could adversely affect our ability to maintain relationships with existing partners and employees, such as:

- the loss of key employees, including our manufacturing personnel, and associated costs;
- the disruption of operations and business;
- inability to maintain and increase competitive presence;
- possible inconsistencies in standards, control procedures and policies;
- inability to complete trials in a manner previously planned or announced (or continue to demonstrate adequate efficacy and safety);

- additional costs or unexpected problems with manufacturing ronde-cel and LYL273 at LyFE, executing clinical trials, loss of key personnel or with the licensed technology; and/or
- potential unknown liabilities associated with the ImmPACT and LYL273 acquisitions.

Failure to achieve these anticipated benefits on the anticipated timeframe, or at all, including successfully manufacturing ronde-cel and LYL273 at LyFE, could result in a reduction in the market price of our securities as well as in increased costs, decreases in the amount of expected revenues and diversion of management's time and energy and could materially and adversely affect our business, financial condition and operating results. Additionally, we have made fair value estimates of certain assets and liabilities in recording the ImmPACT acquisition and the exclusive license with ICT. Actual values of these assets and liabilities could differ from our estimates, which could result in our not achieving the anticipated benefits of the acquisition. ImmPACT may have liabilities that we failed or were unable to discover in the course of performing due diligence investigations, or we may not have correctly assessed the significance of certain liabilities of ImmPACT identified in the course of our due diligence. Any such liabilities, individually or in the aggregate, could have an adverse effect on our business, financial condition and results of operations. Finally, any cost savings that are realized may be offset by losses in revenues or other charges to earnings.

We may also desire to enter into future collaborations, licenses or other strategic transactions for the acquisition of products or business opportunities, where we believe such arrangement will complement or augment our existing business. These relationships or transactions, or those like them, may require us to incur nonrecurring and other charges, increase our near- and long-term expenditures, issue securities that dilute our existing stockholders, reduce the potential profitability of the products that are the subject of the relationship or disrupt our management and business. In addition, we face significant competition in seeking appropriate strategic alliances and transactions and the negotiation process is time-consuming and complex, and there can be no assurance that we can enter into any of these transactions even if we desire to do so. Moreover, we may not be successful in our efforts to establish a strategic alliance or other alternative arrangements for any future product candidates and programs because our research and development pipeline may be insufficient, our product candidates or programs may be deemed to be at too early a stage of development for collaborative effort and third parties may not view our product candidates and programs as having the requisite potential to demonstrate a positive benefit/risk profile. Any delays in entering into new strategic alliance agreements related to our product candidates could also delay the development and commercialization of our product candidates and reduce their competitiveness even if they reach the market.

If we license products or acquire businesses, we may not be able to realize the benefit of these transactions if we are unable to successfully integrate them with our existing operations and company culture. There are other risks and uncertainties involved in these transactions, including unanticipated liabilities related to acquired intellectual property rights, products or companies and disruption in our relationship with collaborators or suppliers as a result of such a transaction. We cannot be certain that, following an acquisition or license, we will achieve the financial or strategic results that would justify the transaction.

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

The biopharmaceutical industry is highly competitive and subject to significant and rapid technological change. Our success is substantially dependent on our ability to discover, develop and obtain marketing approval for new and innovative products on a cost-effective basis and to market them successfully. We face and will continue to face competition from numerous biopharmaceutical enterprises, as well as from academic institutions, government agencies and private and public research institutions, many of whom have market presence, engineering, technical and marketing capabilities and financial, personnel and other resources substantially greater than ours. These organizations may conduct similar research, seek patent protection and establish collaborative arrangements for research, development, manufacturing and marketing of products that compete with our product candidates. Smaller and other early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. Mergers and acquisitions in the biopharmaceutical industry may result in even more resources, including intellectual property that may be necessary or useful for the development and commercialization of our product candidates, being concentrated in our competitors and becoming unavailable to us on commercially reasonable terms or at all. Competition may increase further as a result of advances in the commercial applicability of technologies and greater availability of capital for investment in this industry.

There are currently a number of companies developing or commercializing autologous and allogeneic CAR T-cell therapies, as well as bi- and tri-specific T-cell engager and other approaches to treat hematologic malignancies and solid tumors. For example, clinical responses in patients with relapsed/refractory multiple myeloma and lymphoma have been reported recently using in vivo CAR T-cell product candidates. Some of the approved or commonly used drugs and therapies for our current or future target diseases, including LBCL and colorectal cancer, are established and are widely

accepted by physicians and patients. Insurers and other third–party payors may encourage the use of these products, and some patients may receive commercially available liso-cel or axi-cel rather than enrolling into PiNACLE-H2H, our Phase 3 head-to-head CAR T-cell therapy randomized controlled trial in the 2L setting. Physicians, hospitals and third-party payors often are slow to adopt new products, technologies and treatment practices that require additional upfront costs and training. Physicians may not be willing to undergo training to adopt our novel therapy, may decide the therapy is too complex to adopt without appropriate training or not cost-efficient and may choose not to administer the therapy. Based on these and other factors, hospitals and payors may decide that the benefits of this new therapy do not or will not outweigh its costs and choose other drugs or therapies.

Our product candidates, if approved, may be priced at a significant premium over competitive products. Absent differentiated and compelling clinical evidence, pricing premiums may impede the adoption of our products over currently approved or commonly used therapies, which may adversely impact our business. In addition, many companies are developing new therapeutics, and we cannot predict what the standard of care will become as our product candidates continue in clinical development.

Our ability to enroll clinical trials and/or our commercial opportunities will be reduced or eliminated if our competitors develop and commercialize products that are safer, more effective, have fewer side effects or are less expensive than any products that we may develop. Additionally, our commercial opportunities will be reduced or eliminated if novel upstream products or changes in treatment protocols reduce the overall incidence or prevalence of our current or future target diseases. Competition could result in reduced sales and pricing pressure on our product candidates, if approved by applicable regulatory authorities. In addition, significant delays in the development of our product candidates could allow our competitors to bring products to market before us and impair any ability to commercialize our product candidates. In addition, our potential future collaborators may decide to market and sell products that compete with the product candidates that we have agreed to license to them, which could have a material adverse effect on our future business, financial condition and results of operations.

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

Our ability to compete in the highly competitive biopharmaceutical industry depends upon our ability to attract and retain highly qualified managerial, scientific and medical personnel. We are highly dependent on our management, manufacturing, scientific and medical personnel. The loss of the services of any of our executive officers, other key employees, including our highly skilled and trained personnel at our manufacturing facilities, and other scientific and medical advisors and our inability to find suitable replacements could result in delays in product development and harm our business. We conduct substantially all of our operations at our facilities in the San Francisco, Seattle and Bothell metropolitan areas. These regions are headquarters to many other biopharmaceutical companies and many academic and research institutions. Competition for skilled personnel in these markets is intense and may limit our ability to hire and retain highly qualified personnel on acceptable terms or at all.

To induce valuable employees to remain at our company, in addition to salary and cash incentives, we have provided equity awards that vest over time and, for certain key employees, equity awards that vest subject to certain performance conditions. The value to employees of equity incentives may be significantly affected by factors beyond our control, including market conditions and volatility, and may at any time be insufficient to counteract more lucrative offers from other companies. Because the trading price of our common stock was significantly below the exercise price for many of the options we had granted to our employees, which made the value of our equity as a retention tool decrease substantially, our Board of Directors authorized a repricing of the exercise price of such options for certain employees in November 2023 and additional equity awards for certain employees in October 2025.

Despite our efforts to retain valuable employees, we may nevertheless experience attrition from members of our management, scientific and development teams. Although we have employment agreements with our key employees, these employment agreements provide for at-will employment, which means that any of our employees could leave our employment at any time, with or without notice. We do not maintain “key man” insurance policies on the lives of these individuals or the lives of any of our other employees. Our success also depends on our ability to continue to attract, retain and motivate highly skilled junior, mid-level and senior managers as well as junior, mid-level and senior scientific and medical personnel.

Additionally, we have implemented reductions in workforce in the past few years. If we implement additional reductions in force in the future, these reductions may yield unintended consequences and costs, such as difficulty retaining and motivating remaining employees, increased difficulty in our day-to-day operations and loss of institutional knowledge and expertise and difficulty in attracting and hiring qualified employees in the future. We may also be subject to reputational risks and litigation risks and expenses and may not realize the savings or operational efficiencies anticipated, which could result in total costs and expenses that are greater than expected.

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

Because we have limited financial and management resources, we have chosen to prioritize our pipeline to focus on our most differentiated product candidates. As such, we are currently primarily focused on the clinical development of ronde-cel and LYL273 and nonclinical research into novel CAR T-cell product candidates with new targets that are fully-armed with multiple technologies, each designed to address different barriers to effective cell therapies, including T-cell exhaustion, lack of durable stemness, as well as immune suppression within the hostile tumor microenvironment. As a result, we may forego or delay pursuit of opportunities with other product candidates or for other indications for these 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. Our spending on current and future development programs and product candidates for specific indications may not yield any commercially-viable products. For example, we discontinued the development of LYL797, LYL845 and LYL119 in 2024 following the acquisition of ronde-cel. Further, if we do not accurately evaluate the commercial potential or target market for a particular product candidate, we may relinquish valuable rights to that product candidate through collaboration, licensing or other royalty arrangements in cases in which it would have been more advantageous for us to retain sole development and commercialization rights to such product candidate.

Additionally, in connection with our discontinuation of LYL797, LYL845 and LYL119 in 2024, we incurred costs associated with termination of agreements associated with these programs, including winding down our agreements with third-party providers and CROs conducting our clinical trials. Termination of these agreements may result in disputes with these service providers that may result in additional costs and liabilities and divert management's attention and resources, which could harm our business, reputation, overall financial condition and operating results.

We currently have no marketing, sales or distribution infrastructure, and we intend to either establish a sales and marketing infrastructure or outsource this function to a third party. Either of these commercialization strategies carries substantial risks to us.

We currently have no marketing, sales or distribution capabilities. To support commercial marketing and distribution of any of our product candidates that are approved, we would either establish a sales and marketing organization with technical expertise and supporting distribution capabilities to commercialize our product candidates in a legally compliant manner or outsource this function to third parties. There are risks involved if we decide to establish our own sales and marketing capabilities or enter into arrangements with third parties to perform these services. To the extent that we enter into collaboration agreements with respect to marketing, sales or distribution, our product revenue may be lower than if we directly marketed or sold any approved products. Such collaborative arrangements with partners may place the commercialization of our products outside of our control and would make us subject to a number of risks, including that we may not be able to control the amount, quality or timing of resources that our collaborative partner devotes to our products or that our collaborator's willingness or ability to complete its obligations, and our obligations under our arrangements may be adversely affected by business combinations or significant changes in our collaborator's business strategy.

If we are unable to enter into these arrangements on acceptable terms or at all, we may not be able to successfully commercialize any approved products. If we are not successful in commercializing any approved products, either on our own or through collaborations with one or more third parties, our future product revenue will suffer, and we may incur significant additional losses, which would have a material adverse effect on our business, financial condition and results of operations.

If our information technology systems or those of third parties with whom we work, or our data, are or were compromised, we could experience adverse consequences resulting from such compromise, including but not limited to regulatory investigations or actions, litigation, fines and penalties, disruptions of our business operations, reputational harm and other adverse consequences.

We and the third parties with whom we work face a variety of evolving threats that could cause security incidents, including but not limited to social-engineering attacks (including through deep fakes, which are increasingly more difficult to identify as fake, and phishing attacks), malicious code (such as viruses and worms), malware (including as a result of advanced persistent threat intrusions), denial-of-service attacks, credential stuffing, credential harvesting, personnel misconduct or error, ransomware attacks, supply-chain attacks, software bugs, server malfunctions, software or hardware failures, loss of data or other information technology assets, adware, attacks enhanced or facilitated by artificial intelligence (AI), natural disasters, fire, terrorism, war, telecommunication and electrical failures and other similar threats. Cyber-attacks, malicious internet-based activity, online and offline fraud and other similar activities threaten the confidentiality, integrity and availability of our sensitive data and information technology systems and those of the third parties upon which we rely. Such threats are prevalent and continue to rise, are increasingly difficult to detect and come from a variety

of sources, including traditional computer "hackers," threat actors, "hacktivists," organized criminal threat actors, personnel (such as through theft or misuse), sophisticated nation states and nation-state-supported actors. In particular, severe ransomware attacks are becoming increasingly prevalent and can lead to significant interruptions in our operations, ability to advance our programs, loss of sensitive data, reputational harm and diversion of funds. Extortion payments may alleviate the negative impact of a ransomware attack, but we may be unwilling or unable to make such payments. To the extent that any disruption or security breach results in a loss of or damage to our data or applications or inappropriate disclosure of confidential or proprietary information, we could incur liability, the further development of our product candidates could be delayed and our business could be otherwise adversely affected. It may be difficult and/or costly to detect, investigate, mitigate, contain and remediate a security incident. Threat actors may also gain access to other networks and systems after a compromise of our networks and systems. Furthermore, in connection with our acquisition of ImmPACT, we integrated their information technology systems with ours. Any disruptions to our operations or other similar challenges due to this or other reasons may increase our vulnerability to cybersecurity threats.

Our reliance on third parties could introduce new cybersecurity risks and vulnerabilities, including supply-chain attacks, and other threats to our business operations. We rely on third-party service providers and technologies to operate critical business systems and to process sensitive data in a variety of contexts, including, without limitation, cloud-based infrastructure, data center facilities, encryption and authentication technology, employee email, clinical research and development and other functions. We also rely on third-party service providers to provide other products, services or otherwise to operate our business. Our ability to monitor these third parties' information security practices is limited, and these third parties may not have adequate information security measures in place. If our third-party service providers experience a security incident or other interruption, we could experience material adverse consequences. While we may be entitled to damages if our third-party service providers fail to satisfy their data privacy or security-related obligations to us, any award may be insufficient to cover our damages, or we may be unable to recover such award. In addition, supply-chain attacks have increased in frequency and severity, and we cannot guarantee that third parties' infrastructure in our supply chain or our third-party partners' supply chains have not been compromised.

While we have implemented security measures designed to protect against security incidents, we cannot ensure that our data protection efforts and our investment in information technology will detect all vulnerabilities on a timely basis, prevent significant breakdowns, data leakages, breaches in our systems or other cyber incidents that could have a material adverse effect upon our reputation, business, operations or financial condition. For example, we have been the target of unsuccessful phishing attempts in the past and expect such attempts will continue in the future. If any of the events referenced were to occur and cause interruptions in our operations, it could result in a material disruption of our programs, and the development of our product candidates could be delayed. In addition, the loss of clinical trial data for our product candidates could result in delays in our marketing approval efforts and significantly increase our costs to recover or reproduce the data. Furthermore, significant disruptions of our internal information technology systems or security breaches could result in the loss, misappropriation and/or unauthorized access, use or disclosure of, or the prevention of access to, confidential information (including trade secrets or other intellectual property, proprietary business information and personal data), which could result in financial, legal, business and reputational harm to us. For example, any such event that leads to unauthorized access, use or disclosure of personal data, including personal data regarding our clinical trial patients or employees, could harm our reputation directly, compel us to comply with potentially costly federal and/or state breach notification laws and foreign law equivalents, subject us to mandatory corrective action, including expending significant resources or modifying our business practices such as our clinical trial activities, and otherwise subject us to liability under laws and regulations that protect the privacy and security of personal data, which could result in significant legal and financial exposure and reputational damages that could potentially have an adverse effect on our business. We take steps designed to detect, mitigate and remediate vulnerabilities in our information systems. However, we may not detect and remediate all such vulnerabilities, including on a timely basis. Further, we have and may in the future experience delays in developing and deploying remedial measures and patches designed to address identified vulnerabilities.

Any of the previously identified or similar threats may cause a security incident or other interruption that may result in unauthorized, unlawful or accidental acquisition, modification, destruction, loss, alteration, encryption, disclosure of or access to our sensitive information or our information technology systems, or those of the third parties with whom we work. We may need to expend significant resources or modify our business activities (including our clinical trial activities) to try to protect against any security incidents.

Additionally, certain data privacy and security obligations require us, or we may voluntarily choose, to implement and maintain specific security measures or industry-standard or reasonable security measures to protect our information technology systems and sensitive data or to notify relevant stakeholders, including affected individuals, regulators and investors, of security incidents. Such disclosures are costly, and the disclosure or the failure to comply with such requirements could lead to adverse consequences.

Our contracts may not contain limitations of liability, and even where they do, there can be no assurance that limitations of liability in our contracts are sufficient to protect us from liabilities, damages or claims related to our data privacy and security obligations. We cannot be sure that our insurance coverage will be adequate or sufficient to protect us from or to mitigate liabilities arising out of our data privacy and security practices, that such coverage will continue to be available on commercially reasonable terms or at all, or that such coverage will pay future claims.

Additionally, sensitive information could be leaked, disclosed or revealed as a result of or in connection with the use of generative AI technologies by our employees, personnel or vendors.

Any litigation or adversarial proceedings could be costly and time-consuming to defend.

We have been and may in the future become subject to legal proceedings and claims that arise in the ordinary course of business, such as claims brought by us or third parties in connection with commercial disputes or employment claims made by our current or former employees. Litigation or adversarial proceedings might result in substantial costs and may divert management's attention and resources, which might seriously harm our business, reputation, overall financial condition and operating results. Insurance might not cover such claims, might not provide sufficient payments to cover all the costs to resolve one or more such claims and might not continue to be available on terms acceptable to us. Any claim brought by us or against us that is uninsured or underinsured could result in unanticipated costs, thereby harming our business.

International trade policies, including tariffs, sanctions and trade barriers, may adversely affect our business, financial condition, results of operations and prospects.*

We operate in a global economy, which includes utilizing third-party suppliers in certain countries outside the United States. There is inherent risk, based on the complex relationships among the U.S. and the countries in which we conduct our business, that political, diplomatic and national security factors can lead to global trade restrictions and changes in trade policies and export regulations that may adversely affect our business and operations. The current international trade and regulatory environment is subject to significant ongoing uncertainty. The U.S. government has announced substantial new tariffs affecting a wide range of products and jurisdictions and has indicated an intention to continue developing new trade policies, including with respect to the biopharmaceutical industry. In response, certain foreign governments have announced or implemented retaliatory tariffs and other protectionist measures. Since then, the U.S. government has announced various trade deals and ongoing negotiations with other countries and regions. In addition, the Bureau of Industry and Security, U.S. Department of Commerce, had initiated an investigation and determined that pharmaceutical ingredients, including finished drug product, manufactured outside the United States posed a national security risk and should be subject to additional tariffs. As relevant policies are rapidly evolving, it may be difficult to evaluate their potential future impacts. These developments have created a dynamic and unpredictable trade landscape, which may adversely impact our business, results of operations, financial condition and prospects.

Currently, certain of our suppliers are located outside of the United States. We also rely on specialized laboratory and manufacturing equipment, supplies, materials and precursor compounds, much of which is ultimately sourced from countries outside the United States, to advance our manufacturing and research and development efforts.

Current or future tariffs may result in increased research and development expenses, including with respect to increased costs associated with raw materials, manufacturing equipment, laboratory equipment and research materials and components. In addition, such tariffs may increase our supply chain complexity and could also potentially disrupt our existing supply chain. Trade restrictions affecting the import of materials necessary for clinical trials could result in delays to our development timelines. Increased development costs and extended development timelines could place us at a competitive disadvantage compared to companies operating in regions with more favorable trade relationships and could reduce investor confidence, negatively impacting our ability to secure additional financing on favorable terms or at all. In addition, as we advance toward commercialization in the future, tariffs and trade restrictions could hinder our ability to establish cost-effective supply chains, negatively impacting our growth prospects.

The complexity of announced or future tariffs may also increase the risk that we or our future customers or suppliers may be subject to civil or criminal enforcement actions in the United States or foreign jurisdictions related to compliance with trade regulations. Foreign governments may also adopt non-tariff measures, such as procurement preferences or informal disincentives to engage with, purchase from or invest in U.S. entities, which may limit our ability to compete internationally and attract non-U.S. investment, employees, customers and suppliers. Foreign governments may also take other retaliatory actions against U.S. entities, such as decreased intellectual property protection, increased enforcement actions or delays in regulatory approvals, which may result in heightened international legal and operational risks. In addition, the United States and other governments have imposed and may continue to impose additional sanctions, such as trade restrictions or trade barriers, which could restrict us from doing business directly or indirectly in or with certain countries or parties and may impose additional costs and complexity to our business.

Trade disputes, tariffs, restrictions and other political tensions between the United States and other countries may also exacerbate unfavorable macroeconomic conditions including inflationary pressures, foreign exchange volatility, financial market instability and economic recessions or downturns. The ultimate impact of current or future tariffs and trade restrictions remains uncertain and could materially and adversely affect our business, financial condition and prospects. While we actively monitor these risks, any prolonged economic downturn, escalation in trade tensions or deterioration in international perception of U.S.-based companies could materially and adversely affect our business, ability to access the capital markets or other financing sources, results of operations, financial condition and prospects. In addition, tariffs and other trade developments have and may continue to heighten the risks related to the other risk factors described elsewhere in this report.

Risks Related to Manufacturing

The manufacturing of cell therapies is very complex. We are subject to a multitude of manufacturing risks, any of which could substantially increase our costs, delay our programs or limit supply of our product candidates.

Developing commercially viable manufacturing processes for cell therapies is a difficult and uncertain task and requires significant expertise and capital investment. We are developing and implementing manufacturing processes for our product candidates. In particular, for autologous cell therapies, the starting material is the patient's own cells, which inherently adds complexity and variability to the manufacturing process. In addition, our ability to consistently and reliably manufacture our cell therapy product candidates is essential to our success, and there are risks associated with scaling to the level required for advanced clinical trials or commercialization, including cost overruns, potential problems with process scale-up, process reproducibility, stability issues, consistency and timely availability of reagents or raw materials. Furthermore, our manufacturing processes may have significant dependencies on third parties, which will pose additional risks to our manufacturing capabilities. Additionally, we do not yet have sufficient information to reliably estimate the cost of the commercial manufacturing and processing of our product candidates, and the actual cost to manufacture and process our product candidates could materially and adversely affect the commercial viability of our product candidates. As a result, we may never be able to develop a commercially viable product.

In addition to the factors mentioned above, the overall process of manufacturing cell therapies is extremely susceptible to product loss due to low cell viability, contamination, equipment failure or improper installation or operation of equipment, or vendor or operator error. Even minor deviations from normal manufacturing and distribution processes for any of our product candidates could result in reduced production yields, impact to key product quality attributes and other supply disruptions. Product defects can also occur unexpectedly. These deviations and disruptions could delay our programs. If we are not able to capably manage this complexity and variability, our ability to timely and successfully provide our product candidates to patients could be delayed. In addition, the complexities of utilizing a patient's own cells as the starting material requires that we have suitable cells capable of yielding a viable cell therapy product, which may not be possible for severely immune-compromised or heavily pre-treated patients.

The process of successfully manufacturing products for clinical testing and commercialization may be particularly challenging, even if such products otherwise prove to be safe and effective. The manufacture of these product candidates involves complex processes. Some of these processes require specialized equipment and highly skilled and trained personnel, for which there is significant competition. The loss of such manufacturing personnel, including as a result of the reduction of our workforce that supported the Los Angeles manufacturing facility that we closed in 2025, may result in the loss of institutional knowledge and expertise and delays in our manufacturing processes, which may harm our business and financial condition. We may also incur additional costs and expenses related to the recruitment of replacement personnel.

The process of manufacturing these product candidates will be susceptible to additional risks, given the need to maintain aseptic conditions throughout the manufacturing process. Contamination with microbes, viruses or other pathogens in either the donor material or materials utilized in the manufacturing process or ingress of microbiological material at any point in the process may result in contaminated, unusable product or necessitate the closing of a manufacturing facility for an extended period of time to allow us to investigate and remedy the contamination. These types of contaminations could result in delays in the manufacture of products, which could result in delays in the development of our product candidates. These contaminations could also increase the risk of adverse side effects.

Any adverse developments affecting manufacturing operations for our product candidates may result in lot failures, inventory shortages, shipment delays, product withdrawals or recalls or other interruptions in supply that could delay the development of our product candidates. If we are unable to obtain sufficient supply of our product candidates, whether due to production shortages or other supply interruptions, our clinical trials or regulatory approvals may be delayed. We may also have to write off inventory, incur other charges and expenses for supply of product that fails to meet specifications, undertake costly remediation efforts or seek more costly manufacturing alternatives. In addition, parts of the supply chain may have long lead times or may come from a small number of suppliers. If we are not able to appropriately manage our supply chain, our ability to successfully produce our product candidates could be delayed or harmed. Inability

to meet the demand for our product candidates could damage our reputation and the reputation of our products among physicians, healthcare payors, patients or the medical community that supports our product development efforts, including hospitals and outpatient clinics. Furthermore, the manufacturing facilities in which our product candidates will be made could be adversely affected by earthquakes or fires and other natural disasters, equipment failures, labor shortages, power failures, health epidemics and numerous other factors. If any of these events were to occur and impact our manufacturing facilities, our business would be materially and adversely affected.

Cell-based therapies rely on the availability of specialty raw materials, which may not be available to us on acceptable terms or at all.

Our product candidates require many specialty raw materials. As a result, we may be required to outsource aspects of our manufacturing supply chain. Many of the specialty raw materials may be manufactured by small companies with limited resources and experience to support a commercial product, and the suppliers may not be able to deliver raw materials to our specifications. In such case, identifying and engaging an alternative supplier or manufacturer could result in delay, and we may not be able to find other acceptable suppliers or manufacturers on acceptable terms, or at all. Switching suppliers or manufacturers may involve substantial costs and is likely to result in a delay in our desired clinical and commercial timelines. If we change suppliers or manufacturers for commercial production, applicable regulatory agencies may require us to conduct additional studies or trials. If key suppliers or manufacturers are lost, or if the supply of the materials is diminished or discontinued, we may not be able to develop, manufacture and market our product candidates in a timely and competitive manner, or at all. An inability to continue to source product from any of these suppliers, which could be due to a number of issues, including regulatory actions or requirements affecting the supplier, adverse financial or other strategic developments experienced by a supplier, labor disputes or shortages, unexpected demands or quality issues, could adversely affect our ability to satisfy demand for our product candidates, which could adversely and materially affect our product sales and operating results or our ability to conduct clinical trials, either of which could significantly harm our business.

In addition, those suppliers may not have the capacity to support commercial products manufactured by biopharmaceutical firms. The suppliers may be ill-equipped to support our needs, especially in non-routine circumstances like an FDA or comparable foreign regulatory authority inspection, or medical crises such as widespread contamination. We may not be able to contract with these companies on acceptable terms or at all. Accordingly, we may experience delays in receiving key raw materials to support clinical or commercial manufacturing. In addition, some raw materials are currently available from a single supplier, or a small number of suppliers. We cannot be sure that these suppliers will remain in business, or that they will not be purchased by one of our competitors or another company that is not interested in continuing to produce these materials for our intended purpose. These factors could cause the delay of studies or trials, regulatory submissions, required approvals or commercialization of product candidates that we develop, cause us to incur higher costs and prevent us from commercializing our product candidates successfully.

We currently manufacture drug products for our clinical trials ourselves. Delays in further qualifying or in receiving regulatory approvals for any manufacturing facility or product candidates, or in expanding our manufacturing capacity, could delay our development plans and thereby limit our ability to generate product revenues.

We have built our own manufacturing facility, LyFE, in Bothell, Washington. This facility is designed to support the production of nonclinical and clinical development product candidates and early commercialization of products, and ongoing facility and equipment qualification to support clinical production is required. If we are not able to further qualify our existing facility or the appropriate regulatory approvals for the facility are delayed, or if we are unable to otherwise expand our manufacturing capacity, including for LYL273, which we acquired through an exclusive license in November 2025 and for which we intend to transition manufacturing to LyFE, we may be unable to manufacture sufficient quantities of our product candidates, if at all, which would limit our development activities and our opportunities for growth. If LyFE fails to have sufficient capacity to provide drug supply for our ongoing and planned trials and through potential commercial launch, our business and financial condition may be significantly harmed, and we may incur significant additional costs and delays related to the development of our product candidates. If we fail to adequately transition manufacturing of LYL273 to LyFE or fail to qualify LyFE for additional production, our business and financial condition may be significantly harmed, and we may incur significant additional costs and delays related to the development of LYL273.

In addition, our manufacturing facilities will be subject to ongoing, periodic inspection by the FDA, competent authorities of EU Member States and other comparable regulatory authorities to ensure compliance with cGMPs and current Good Tissue Practices (cGTPs). Our failure to follow and document our adherence to these regulations or other regulatory requirements may lead to significant delays in the availability of products for clinical or, in the future, commercial use. This may result in the modification or termination of or a hold on a clinical trial or may delay or prevent filing or approval of commercial marketing applications for our product candidates. We also may encounter problems with the following:

- achieving adequate or clinical-grade materials that meet regulatory authority standards or specifications with consistent and acceptable production yield and costs;
- maintaining continuity among our key manufacturing-related electronic systems;
- shortages of qualified personnel, raw materials or key contractors; and
- ongoing compliance with cGMP regulations and other requirements of the FDA, the EU or other competent regulatory authorities.

Failure to comply with applicable regulations could also result in sanctions being imposed on us, including fines, injunctions, civil and/or criminal penalties, a requirement to terminate, vary, suspend or put on hold one or more of our clinical trials, failure of regulatory authorities to grant marketing approval of our product candidates, delays, suspension, variation or withdrawal of approvals, license suspension or revocation, labelling restrictions or requirements in an approved label, seizures or recalls of product candidates or approved products, total or partial suspension of production, distribution, manufacturing or clinical trials, operating restrictions and criminal prosecutions, any of which could harm our business.

Developing advanced manufacturing techniques and process controls is required to fully utilize our facilities. Without further investment, advances in manufacturing techniques may render our facilities and equipment inadequate or obsolete. We may also require further investment to build additional manufacturing facilities or expand the capacity of our existing ones.

If our clinical manufacturing facility in Bothell, Washington or any of our potential contract manufacturing organizations is damaged or destroyed or production at these facilities is otherwise interrupted, our business would be negatively affected.

We operate a manufacturing facility in Bothell, Washington and may rely on potential third-party contract manufacturing organizations to meet our current and future manufacturing needs. If our manufacturing facilities or any facility in our manufacturing network, or the equipment in these facilities, is either damaged or destroyed or otherwise adversely affected by earthquakes or fires and other natural disasters, equipment failures, labor shortages, power failures, health epidemics or other factors, we may not be able to quickly or inexpensively replace our manufacturing capacity, if at all, and our business would be materially and adversely affected. In the event of a temporary or protracted loss of a facility or its equipment, we may not be able to transfer manufacturing to a third party in the time required to maintain supply. Even if we are able to transfer manufacturing to a third party, the shift would likely be expensive and time-consuming, particularly since the new facility would need to comply with the necessary regulatory requirements or may require regulatory approval before selling any products manufactured at that facility. Such an event could substantially delay our clinical trials or commercialization of our product candidates.

Currently, we maintain insurance coverage against damage to our properties and to cover business interruption and research and development restoration expenses. However, our insurance coverage may not reimburse us, or may not be sufficient to reimburse us, for any expenses or losses we may suffer. We may be unable to meet our requirements for our product candidates if there were a catastrophic event or failure of our current manufacturing facilities or processes.

We may rely on third parties to manufacture our product candidates, which could subject us to risks and delay or prevent our development and/or commercialization, if approved, of our product candidates.

We may rely on third parties to manufacture our current or future product candidates. We may be unable to identify manufacturers for our product candidates or the materials required to develop the cell therapy on acceptable terms or at all because the number of potential manufacturers is limited. We regularly evaluate third-party manufacturing options as part of an overall CAR T-cell manufacturing strategy to build scale and reduce cost. Utilizing a third-party cGMP manufacturer will require the transfer and testing of manufacturing and analytical methods to demonstrate substantially equivalent processes and performance for regulatory filings and interactions as required. Such potential third-party manufacturers may be unable to timely formulate and manufacture our product or produce the quantity and quality required to meet our clinical and commercial needs, if any.

Furthermore, the facilities used by manufacturers are subject to ongoing periodic unannounced inspections by the FDA and corresponding state agencies and comparable foreign regulatory authorities to ensure strict compliance with government regulations and corresponding foreign standards. Despite our efforts to audit and verify regulatory compliance, third-party manufacturers may be found on regulatory inspection by the FDA or comparable foreign regulatory authorities to be noncompliant with cGMP regulations and requirements in relation to the manufacture of our product candidates. If our contract manufacturers cannot successfully manufacture material that conforms to our specifications and the strict regulatory requirements of the FDA or comparable foreign regulatory authorities, we will not be able to obtain and/or maintain regulatory approval for our product candidates manufactured in these facilities. In addition, we have limited control over the ability of our third-party manufacturers to maintain adequate control, quality assurance and qualified

personnel required to meet our clinical and commercial needs, if any. If the FDA or a comparable foreign regulatory authority does not approve the manufacture of our product candidates at these facilities or if it withdraws any such approval in the future, we may need to find alternative manufacturing facilities, which would significantly impact our ability to develop, obtain regulatory approval for or market our product candidates, if approved. In addition, any failure to achieve and maintain compliance with these laws, regulations and standards could subject us to the risk that we may have to suspend the manufacturing of our product candidates or that any approvals we have obtained could be revoked, which would adversely affect our business and reputation. Moreover, noncompliance with cGMP regulations or requirements may result in shutdown of the third-party vendor or invalidation of drug product lots or processes. In some cases, a product recall may be warranted or required, which would materially affect our ability to supply and market our products.

We may not own, or may have to share, the intellectual property rights to any improvements made by our third-party manufacturers in the manufacturing process for our products. Also, our third-party manufacturers could breach or terminate their agreements with us because of their own financial difficulties or business priorities at a time that is costly or otherwise inconvenient for us. If we were unable to find adequate replacement or another acceptable solution in time, our clinical trials could be delayed or our commercial activities could be harmed.

Risks Related to Our Dependence on Third Parties

We rely on third parties to assist in conducting and monitoring our clinical trials and for some of our research and nonclinical studies for our product candidates, and, if those third parties do not successfully carry out their contractual duties, comply with regulatory requirements or otherwise perform satisfactorily, we may not be able to obtain regulatory approval or commercialize product candidates, or such approval or commercialization may be delayed, and our business may be substantially harmed.

We rely on medical institutions, clinical investigators, contract laboratories and other third parties, such as CROs, to help conduct GCP-compliant clinical trials on our product candidates properly and on time. For example, we are relying on CROs to assist us in conducting our ronde-cel clinical trials, including the PiNACLE trial in the 3L+ setting and the PiNACLE-H2H trial in the 2L setting and in the conduct of the ongoing U.S. Phase 1 clinical trial for LYL273. Negotiating budgets and contracts with CROs and clinical sites may result in delays to our development timelines and increased costs. Switching or adding CROs involves substantial cost and requires management time and focus. In addition, there is a natural transition period when a new CRO commences work. As a result, delays occur, which can materially impact our ability to meet our desired clinical development timelines. There can be no assurance that we will not encounter challenges or delays in the future or that these delays or challenges will not have a material adverse impact on our business, financial condition and prospects.

In addition, any third parties conducting our clinical trials or nonclinical studies will not be our employees, and, except for remedies available to us under our agreements with such third parties, we cannot control whether or not they devote sufficient time and resources to our programs. If these third parties do not successfully carry out their contractual duties or obligations or meet expected deadlines, if they need to be replaced or if the quality or accuracy of the clinical data they obtain are compromised due to the failure to adhere to our clinical protocols, regulatory requirements or for other reasons, our clinical trials or nonclinical studies may be extended, delayed or terminated, and we may not be able to obtain regulatory approval or successfully commercialize our product candidates. Consequently, our results of operations and the commercial prospects for our product candidates would be harmed, our costs could increase substantially and our ability to generate revenue could be delayed significantly.

We rely on these parties for execution of our nonclinical studies and clinical trials, and generally do not control their activities. 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 example, we will remain responsible for ensuring that each of our clinical trials is conducted in accordance with the general investigational plan and protocols for the trial. Moreover, the FDA and comparable foreign regulatory authorities require us to comply with standards, commonly referred to as GCPs, for conducting, recording and reporting the results of clinical trials to assure that data and reported results are credible and accurate and that the rights, integrity and confidentiality of trial participants are protected. If we or any of our CROs or other third parties, including our clinical investigators, fail to comply with applicable GCPs, the clinical data generated in our clinical trials may be deemed unreliable, and the FDA or comparable foreign regulatory authorities may require us to perform additional clinical trials before approving our marketing applications. We cannot assure you that upon inspection by a given regulatory authority, such regulatory authority will determine that any of our clinical trials complies with applicable GCPs. In addition, our clinical trials must be conducted with product produced under cGMP conditions. The failure by us or third parties engaged by us to comply with these regulations and requirements may require us to add patients to or repeat clinical trials, which would delay the regulatory approval process. Moreover, our business may be implicated if any of these third parties violates federal, state or foreign fraud and abuse or false claims laws and regulations or healthcare privacy and security laws.

If any of our relationships with the third parties that we currently use or that we may use in the future terminates, we may not be able to enter into arrangements with alternative third parties or do so on commercially reasonable terms. As a result, delays occur, which can materially impact our ability to meet desired research and clinical development timelines.

We depend on the enrollment and retention of patients in our current and planned clinical trials for our product candidates. If we experience delays or difficulties enrolling or retaining patients in our clinical trials, our research and development efforts and business, financial condition, and results of operations could be materially adversely affected.

Successful and timely completion of clinical trials require that we enroll and retain a sufficient number of trial participants. Any clinical trials we conduct may be subject to delays for a variety of reasons, including as a result of patient enrollment taking longer than anticipated, manufacturing failures resulting in patients being unable to be treated, patient withdrawal or adverse events. These types of developments have in the past, and could in the future, cause us to delay a trial or halt further development.

Our clinical trials compete with other clinical trials that are in the same therapeutic areas as our product candidates, and this competition reduces the number and types of patients available to be treated with ronde-cel or LYL273 in our trials, as some patients might choose to enroll in a trial conducted by one of our competitors or, in the case of ronde-cel, to receive treatment with the commercially available CD19 CAR T-cell therapies, liso-cel or axi-cel, outside of our trials. There are currently a number of companies with approved and investigational CAR T-cell therapies and bispecific T-cell engagers in our therapeutic areas, which could further limit the number of potential patients available to us. We may also encounter additional challenges and slower than anticipated enrollment in our clinical trials if more of our competitors obtain FDA approval before us in the same therapeutic areas as our product candidates.

Moreover, enrolling patients in clinical trials for diseases in which there is an approved standard of care is challenging, as patients will first receive the applicable standard of care. Many patients who respond positively to the standard of care do not enroll in clinical trials. This may limit the number of eligible patients able to enroll in our clinical trials who have the potential to benefit from our product candidates and could extend development timelines or increase costs for these programs. Patients who fail to respond positively to the standard of care treatment will be eligible for clinical trials of unapproved drug candidates. However, these prior treatment regimens may render our therapies less effective in clinical trials.

Because the number of qualified clinical investigators and clinical trial sites is limited, we expect to conduct some of our clinical trials at the same clinical trial sites that some of our competitors use, which will reduce the number of patients who are available for our clinical trials at such clinical trial sites.

We may experience delays in enrollment in our current and planned clinical trials due to factors outside our control. For example, some patients may not be able to comply with clinical trial protocols due to lack of healthcare support or potential interruptions of healthcare services. Our ability to recruit and retain patients, principal investigators and site staff may also be hindered, which would adversely affect our trial operations.

Patient enrollment depends on many additional factors, including:

- the size and nature of the patient population;
- the severity of the disease under investigation;
- eligibility criteria for the trial;
- the proximity of patients to clinical sites;
- the design of the clinical protocol;
- the ability to obtain and maintain patient consents;
- perceived risks and benefits of the product candidate under evaluation, including any perceived risks associated with genetically modified product candidates;
- the ability to recruit clinical trial investigators with the appropriate competencies and experience;
- the risk that patients enrolled in clinical trials will drop out of the trials before the administration of our product candidates or trial completion;
- the availability of competing clinical trials;
- the availability of new drugs approved for the indication that the clinical trial is investigating; and
- clinicians' and patients' perceptions as to the potential advantages of the drug being studied in relation to other available approved or investigational therapies.

These factors may make it difficult for us to enroll enough patients to complete our clinical trials in a timely and cost-effective manner. Delays in the completion of any clinical trial of our product candidates will increase our costs, slow down our product candidate development and approval process and delay or potentially jeopardize our ability to commence product sales and generate revenue. In addition, some of the factors that cause, or lead to, a delay in the commencement or completion of clinical trials may also ultimately lead to the denial of regulatory approval of our product candidates.

We do and will continue to or intend to rely on outside scientists and clinical trial investigators and their third-party research institutions for research and development and clinical testing of our product candidates. These scientists, investigators and institutions may have other commitments or conflicts of interest, which could limit our access to their expertise and harm our ability to leverage our technologies.

We rely on our third-party research institution collaborators for some research capabilities. However, the research we are funding constitutes only a small portion of the overall research of each research institution. Other research being conducted by these institutions may at times receive higher priority than research on the programs we are funding. We typically have less control of the research, clinical trial protocols and patient enrollment than we might with activity led by our employees.

The clinical trial investigators and study teams and outside scientists who conduct the research and development upon which portions of our product candidate regulatory submissions depend are not our employees; rather, they serve as either independent contractors or the primary investigators under research collaboration agreements that we have with their sponsoring academic or research institutions. Such investigators, study staff, scientists and collaborators may have other commitments that would limit their availability to us. Although our scientific advisors generally agree not to do competing work, if an actual or potential conflict of interest between their work for us and their work for another entity arises, we may lose their services. These factors could adversely affect the timing of our clinical trials, the timing of receipt and reporting of clinical data, the timing of our U.S. regulatory submissions and comparable foreign applications and our ability to conduct our current and planned clinical trials. It is also possible that some of our valuable proprietary knowledge may become publicly known through these clinical investigators and study staff or scientific advisors if they breach their confidentiality agreements with us, which would cause competitive harm to, and have an adverse effect on, our business.

We have in the past, and we may in the future, form or seek collaborations or strategic alliances or enter into additional licensing arrangements, and we may not realize the benefits of such alliances or licensing arrangements.

We have entered into research and development collaborations in the past, and may in the future, enter into additional license and collaboration arrangements. Any license agreement, collaboration arrangement or strategic alliance that we enter into is subject to numerous risks, which may include the following:

- the collaborator has significant discretion in determining the efforts and resources that they will apply to a program or product candidate under the collaboration;
- the collaborator may not pursue development and commercialization of our product candidates or may elect not to continue or renew development or commercialization programs based on clinical trial results, changes in their strategic focus due to the acquisition of competitive products or other reasons, availability of funding or other external factors, such as a business combination that diverts resources or creates competing priorities;
- the collaborator may delay or halt clinical trials, provide insufficient funding for a clinical trial, preferentially enroll patients on a portion of a clinical trial not testing our product candidates, stop a clinical trial, abandon a product candidate, repeat or conduct new clinical trials, or require a new formulation of a product candidate for clinical testing;
- the collaborator could independently develop, or develop with third parties, products that compete directly or indirectly with our products or product candidates;
- the collaborator may not commit sufficient resources to marketing and distribution of our products;
- the collaborator may not properly maintain or defend our intellectual property rights or may use our intellectual property or proprietary information in a way that gives rise to actual or threatened litigation that could jeopardize or invalidate our intellectual property or proprietary information or expose us to potential liability;
- disputes may arise between us and the collaborator that cause the delay or termination of the research, development or commercialization of our product candidates, or that result in costly litigation or arbitration that diverts management attention and resources;
- the collaboration may be terminated and, if terminated, may result in a need for additional capital to pursue further development or commercialization of the applicable product candidates; and

- the collaborator may own or co-own intellectual property covering our product candidates that results from our collaborating with them, and in such cases, we would not have the exclusive right to commercialize such intellectual property.

In particular, failure by any collaborator to meet its obligations under our collaboration agreements or to apply sufficient efforts at developing and commercializing collaboration products may adversely affect our business, financial condition and our results of operations.

We may form or seek further strategic alliances, create joint ventures or collaborations, or enter into additional licensing arrangements with third parties that we believe will complement or augment our development and commercialization efforts with respect to our product candidates, our research and any future product candidates that we may pursue. Such alliances will be subject to many of the risks set forth above. Moreover, any of these relationships may require us to incur non-recurring and other charges, increase our near and long-term expenditures, issue securities that dilute our existing stockholders or disrupt our management and business. In addition, we face significant competition in seeking appropriate strategic partners and the negotiation process is time-consuming and complex.

As a result of these risks, we may not be able to realize the benefit of our existing collaboration or any future collaborations or licensing agreements we may enter into. Any delays in entering into new collaborations or strategic partnership agreements related to our product candidates could delay the development and commercialization of our product candidates in certain geographies for certain indications, which would harm our business prospects, financial condition and results of operations.

Risks Related to Regulation and Legal Compliance

We are currently in clinical development of our product candidates, and our future success is dependent on the successful development and regulatory approval of our product candidates and any product candidates we acquire.

We currently have no products approved for commercial sale and two product candidates in clinical development. Our lead product candidate, ronde-cel, is under evaluation in two pivotal trials: PiNACLE, a single-arm clinical trial that is a seamless expansion of the 3L+ cohort in the Phase 1/2 trial, evaluating ronde-cel in patients with R/R LBCL receiving treatment in the 3L+ setting; and PiNACLE-H2H, a Phase 3 head-to-head CAR T-cell therapy randomized controlled trial of ronde-cel for LBCL in the 2L setting that has commenced dosing. In addition, LYL273, our novel GCC-targeted CAR T-cell product candidate for the treatment of mCRC, is currently in Phase 1 clinical development. The future success of our business is substantially dependent on our ability to obtain regulatory approval for our product candidates, and any product candidates we acquire, for the indications we seek, and, if approved, to successfully commercialize one or more product candidates in a timely manner. Each of our programs and product candidates will require clinical development, regulatory approval, obtaining manufacturing supply, capacity and expertise, building a commercial organization or successfully outsourcing commercialization, substantial investment and significant marketing efforts before we generate any revenue from product sales. We do not have any products that are approved for commercial sale, and we may never be able to develop or commercialize marketable products.

We cannot commercialize product candidates in the United States without first obtaining regulatory approval for the product from the FDA; similarly, we cannot commercialize product candidates outside of the United States without obtaining regulatory approval from comparable foreign regulatory authorities. Before obtaining regulatory approvals for the commercial sale of any product candidate for a target indication, we must demonstrate with substantial evidence from well-controlled clinical trials, and to the satisfaction of the FDA and comparable foreign regulatory authorities, that the product candidate is safe, pure and potent for use for that target indication and that the manufacturing facilities, processes and controls are adequate with respect to such product candidate to assure safety, purity and potency.

The time required to obtain approval by the FDA and comparable foreign regulatory authorities is unpredictable but typically takes many years following the commencement of nonclinical studies and clinical trials and depends upon numerous factors, including the substantial discretion of the regulatory authorities. In addition, approval policies, regulations or the type and amount of clinical data necessary to gain approval may change during the course of a product candidate's clinical development and may vary among jurisdictions. We have not obtained regulatory approval for any product candidate, and it is possible that none of our existing product candidates or any future product candidates will ever obtain regulatory approval. Furthermore, the regulatory approval process for novel product candidates, such as T-cell product candidates and next-generation T-cell programs, can be more complex and consequently more expensive and take longer than for other, better known or extensively studied pharmaceutical or other product candidates.

Even if a product candidate were to successfully obtain approval from the FDA and comparable foreign regulatory authorities, any approval might contain significant limitations related to use restrictions for specified age groups, warnings, precautions or contraindications, or may be subject to burdensome post-approval study or risk management requirements. If we are unable to obtain regulatory approval for one of our product candidates in one or more jurisdictions, or any

approval contains significant limitations, we may not be able to obtain sufficient funding to continue the development of that product or generate revenues attributable to that product candidate. Also, any regulatory approval of our current or future product candidates, once obtained, may be withdrawn.

Our cell therapy product candidates represent new therapeutic approaches that could result in heightened regulatory scrutiny, delays in clinical development or delays in our ability to achieve regulatory approval, commercialization or payor coverage of our product candidates.

Our future success is dependent on the successful development of our cell therapies in general and our development of product candidates, in particular. Because some of these programs, such as LYL273 in development for mCRC, represent a new approach to the treatment of cancer, developing and, if approved, commercializing our product candidates subject us to a number of challenges. Moreover, we cannot be sure that the manufacturing processes used in connection with our cell therapy product candidates will yield a sufficient supply of satisfactory products that are safe, pure and potent, scalable or profitable.

In addition to oversight by the FDA and by IRBs under guidelines promulgated by the National Institutes of Health (NIH), clinical trials such as those that evaluate T cells expressing a synthetic CAR are also subject to review and oversight by an Institutional Biosafety Committee (IBC). The IBC assesses the safety of the research and identifies any potential risk to public health or the environment. While the NIH Guidelines are not mandatory unless the research in question is being conducted at or sponsored by institutions receiving NIH funding of recombinant or synthetic nucleic acid molecule research, many companies and other institutions not otherwise subject to the NIH Guidelines voluntarily follow them. Although the FDA decides whether trials of cell therapies that involve genetic engineering may proceed, the review process and determinations of other reviewing bodies can impede or delay the initiation of a clinical trial, even if the FDA has reviewed the trial and approved its initiation.

Actual or perceived safety issues, including adoption of new therapeutics or novel approaches to treatment, may adversely influence the willingness of patients to participate in clinical trials, or if approved by applicable regulatory authorities, of physicians to subscribe to the novel treatment mechanics. The FDA or other comparable foreign regulatory authorities may ask for specific post-marketing requirements, and additional information informing benefits or risks of our products may emerge at any time prior to or after regulatory approval.

The FDA and comparable foreign regulatory approval processes are lengthy, time-consuming and inherently unpredictable. If we are not able to obtain required regulatory approvals of our product candidates, our business will be substantially harmed.

We expect the novel nature of our product candidates to create challenges in obtaining regulatory approval. For example, the FDA has limited experience with commercial development of T-cell therapies for cancer. Accordingly, the regulatory approval pathway for our product candidates may be uncertain, complex, expensive and lengthy, and approval may not be obtained.

Prior to obtaining approval to commercialize any drug product candidate in the United States or abroad, we must demonstrate with substantial evidence from well-controlled clinical trials, and to the satisfaction of the FDA or comparable foreign regulatory authorities, that such product candidates are safe, pure and potent for their intended uses. Results from nonclinical studies and clinical trials can be interpreted in different ways. Even if we believe the nonclinical or clinical data for our product candidates are promising, such data may not be sufficient to support approval by the FDA and other comparable foreign regulatory authorities. The FDA or comparable foreign regulatory authorities may also require us to conduct additional nonclinical studies or clinical trials for our product candidates either prior to or after approval, or it may object to elements of our clinical development programs.

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

- the FDA or comparable foreign regulatory authorities may disagree with the design or implementation of our clinical trials;
- we may be unable to demonstrate to the satisfaction of the FDA or comparable foreign regulatory authorities that a product candidate is safe and effective for its proposed indication;
- the results of clinical trials may not meet the level of statistical significance required by the FDA or comparable foreign regulatory authorities for approval;
- we may be unable to demonstrate that a product candidate’s clinical and other benefits outweigh its safety risks;
- the FDA or comparable foreign regulatory authorities may fail to approve the manufacturing processes or facilities of third-party manufacturers with which we contract for clinical and commercial supplies; and

- the approval policies or regulations of the FDA or comparable foreign regulatory authorities may significantly change in a manner rendering our clinical data insufficient for approval.

Of the large number of products in development, only a small percentage successfully complete the FDA or comparable foreign regulatory approval processes and are commercialized. The lengthy approval and marketing authorization process as well as the unpredictability of clinical trial outcomes may result in our failing to obtain regulatory approval and marketing authorization to market our product candidates, which would significantly harm our business, financial condition, results of operations and prospects.

We could also encounter delays if physicians experience unresolved ethical issues associated with enrolling patients in clinical trials of our product candidates in lieu of prescribing existing treatments that have established safety and efficacy profiles, including treatments offered by our competitors that have obtained, or may obtain in the future, FDA approval before us in the same therapeutic areas as our product candidates. Moreover, principal investigators for our clinical trials may serve as scientific advisors or consultants to us from time to time and receive cash or equity compensation in connection with such services. If these relationships and any related compensation result in perceived or actual conflicts of interest, or a regulatory authority concludes that the financial relationship may have affected the interpretation of the trial, the integrity of the data generated at the applicable clinical trial site may be questioned and the utility of the clinical trial itself may be jeopardized, which could result in the delay or rejection of the marketing application we submit. Any such delay or rejection could prevent or delay us from commercializing our current or future product candidates.

If we experience termination of, or delays in the completion of, any clinical trial of our product candidates, the commercial prospects for our product candidates will be harmed, and our ability to generate product revenue will be delayed. In addition, any delays in completing our clinical trials will increase our costs, slow down our product development and approval process and jeopardize our ability to commence product sales and generate revenue. Many of the factors that cause, or lead to, a delay in the commencement or completion of clinical trials may ultimately lead to the denial of regulatory approval of our product candidates.

Even if our product candidates obtain regulatory approval, we will be subject to ongoing obligations and continued regulatory review, which may result in significant additional expense. Additionally, our product candidates, if approved, could be subject to labeling and other restrictions and market withdrawal, and we may be subject to penalties if we fail to comply with regulatory requirements or experience unanticipated problems with our products.

If the FDA or a comparable foreign regulatory authority approves any of our product candidates, the manufacturing processes, testing, labeling, packaging, distribution, import, export, adverse event reporting, storage, advertising, promotion and recordkeeping for the product will be subject to extensive and ongoing regulatory requirements. These requirements include submissions of safety and other post-marketing information and reports, registration, as well as continued compliance with cGMPs for any clinical trials that we conduct post-approval, all of which may result in significant expense and limit our ability to commercialize such products. In addition, any regulatory approvals that we receive for our product candidates may also be subject to limitations on the approved indicated uses for which the product may be marketed or to the conditions of approval, or contain requirements for potentially costly post-marketing testing, including Phase 4 clinical trials, and surveillance to monitor the safety and efficacy of the product if approved.

Manufacturers and manufacturers' facilities are required to comply with extensive FDA and comparable foreign regulatory authority requirements, including ensuring that quality control and manufacturing procedures conform to cGMP regulations and requirements, as well as, for the manufacture of certain of our product candidates, the FDA's cGTPs for the use of human cellular and tissue products to prevent the introduction, transmission or spread of communicable diseases. As such, we and our contract manufacturers will be subject to continual review and inspections to assess compliance with cGMPs, cGTPs and adherence to commitments made in any approved marketing application. Accordingly, we and others with whom we work must continue to expend time, money and effort in all areas of regulatory compliance, including manufacturing, quality control and distribution.

If there are changes in the application of legislation or regulatory policies, or if problems are discovered with a product or our manufacture of a product, or if we or one of our distributors, licensees or co-marketers fails to comply with regulatory requirements, the regulators could take various actions. These include issuing warning letters or untitled letters, imposing fines on us, imposing restrictions on the product or its manufacture and requiring us to recall or remove the product from the market. The regulators could also suspend or withdraw our marketing authorizations, requiring us to conduct additional clinical trials, change our product labeling or submit additional applications for marketing authorization. If any of these events occurs, our ability to sell such product may be impaired, and we may incur substantial additional expense to comply with regulatory requirements, which could materially adversely affect our business, financial condition and results of operations.

In addition, if we have any product candidate approved, our product labeling, advertising and promotion will be subject to regulatory requirements and continuing regulatory review. In the United States, the FDA and the Federal Trade Commission (FTC) strictly regulate the promotional claims that may be made about pharmaceutical products to ensure that any claims about such products are consistent with regulatory approvals, not misleading or false in any particular way and adequately substantiated by clinical data. The promotion of a drug product in a manner that is false, misleading, unsubstantiated or for unapproved (or off-label) uses may result in enforcement letters, inquiries and investigations and civil and criminal sanctions by the FDA, FTC and other regulatory authorities. In particular, a product may not be promoted for uses that are not approved by the FDA as reflected in the product's approved labeling. If we receive marketing approval for a product candidate, physicians may nevertheless prescribe it to their patients in a manner that is inconsistent with the approved label. If we are found to have promoted such off-label uses, we may become subject to significant liability. The FDA and other agencies and comparable foreign regulatory authorities actively enforce the laws and regulations prohibiting the promotion of off-label uses, and a company that is found to have improperly promoted off-label uses may be subject to significant sanctions and may result in false claims litigation under federal and state statutes, which can lead to consent decrees, civil monetary penalties, restitution, criminal fines and imprisonment, and exclusion from participation in Medicare, Medicaid and other federal and state healthcare programs. The federal government has levied large civil and criminal fines against companies for alleged improper promotion and has enjoined several companies from engaging in off-label promotion. The government has also required that companies enter into consent decrees and/or imposed permanent injunctions under which specified promotional conduct is changed or curtailed. Equivalent requirements and penalties are provided in the EU both at the EU level and at the national level in individual EU Member States.

If a regulatory authority discovers previously unknown problems with a product, such as adverse events of unanticipated severity or frequency, or problems with the facility where the product is manufactured, or disagrees with the promotion, marketing or labeling of a product, such regulatory authority may impose restrictions on that product or us, including requiring withdrawal of the product from the market. If we fail to comply with applicable regulatory requirements, a regulatory authority or enforcement authority may, among other things:

- issue warning letters;
- issue, or require us to issue, safety-related communications, such as safety alerts, field alerts, "Dear Doctor" letters to healthcare professionals, or import alerts;
- impose civil or criminal penalties;
- suspend, limit, vary or withdraw regulatory approval;
- suspend, vary or terminate any of our nonclinical studies and clinical trials;
- refuse to approve pending applications or supplements to approved applications submitted by us;
- impose restrictions on our operations, including closing our and our contract manufacturers' facilities; or
- seize or detain products, refuse to permit the import or export of products, or require us to conduct a product recall.

Any government investigation of alleged violations of law could require us to expend significant time and resources in response and could generate negative publicity. Any failure to comply with ongoing regulatory requirements may significantly and adversely affect our ability to commercialize and generate revenue from our products, if approved. If regulatory sanctions are applied or if regulatory approval is withdrawn, the value of our company and our operating results will be adversely affected.

Moreover, the policies of the FDA and of comparable foreign regulatory authorities may change and additional government regulations may be enacted that could prevent, limit or delay regulatory approval of our product candidates. We cannot predict the likelihood, nature or extent of government regulation that may arise from future legislation or administrative or executive action, either in the United States or abroad. Further, the U.S. Supreme Court's June 2024 decision in *Loper Bright Enterprises v. Raimondo* (Loper) overturned the longstanding *Chevron* doctrine, under which courts were required to give deference to regulatory agencies' reasonable interpretations of ambiguous federal statutes. The *Loper* decision could result in additional legal challenges to regulations and guidance issued by federal agencies, including the FDA, on which we rely. Any such legal challenges, if successful, could have a material impact on our business. Additionally, the *Loper* decision may result in increased regulatory uncertainty, inconsistent judicial interpretations and other impacts to the agency rulemaking process, any of which could adversely impact our business and operations. We cannot predict the likelihood, nature or extent of government regulation that may arise from future legislation or administrative action or as a result of legal challenges, either in the United States or abroad.

If we are slow or unable to adapt to changes in existing requirements or the adoption of new requirements or policies, or if we are not able to maintain regulatory compliance, we may lose any marketing approval that we may have obtained and we may not achieve or sustain profitability.

Ronde-cel has received Fast Track and RMAT designations, and LYL273 has received Fast Track designation, from the FDA, but receipt of such designations or any other designation may not actually lead to a faster development, regulatory review or approval process, and does not assure ultimate FDA approval.

The FDA has granted Fast Track and RMAT designations to ronde-cel for the treatment of relapsed/refractory aggressive B-cell lymphoma in the 3L+ settings, RMAT designation to ronde-cel for the treatment of LBCL in the 2L setting and granted Fast Track designation to LYL273 for the treatment of mCRC. We may seek additional designations for our product candidates or for ronde-cel or LYL273 in other indications.

The FDA has broad discretion whether or not to grant such special designations, so even if we believe a particular product candidate is eligible or meets the criteria for a particular special designation, we cannot assure you that the FDA would decide to grant it. Even though we have received Fast Track and RMAT designations to develop ronde-cel for the treatment of relapsed/refractory aggressive B-cell lymphoma in the 3L+ settings, RMAT designation to ronde-cel for the treatment of LBCL in the 2L setting and Fast Track designation to LYL273 for the treatment of mCRC, and even if we receive Fast Track or RMAT designation for other product candidates or indications, we may not experience a faster development process, review or approval compared to conventional FDA procedures, and such designation does not assure ultimate approval by the FDA. In addition, the FDA may withdraw Fast Track and/or RMAT designations if it believes that the designation is no longer supported by data from our clinical development program. Many product candidates that have received special FDA designations have ultimately failed to obtain approval.

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

The availability and adequacy of coverage and reimbursement by governmental healthcare programs such as Medicare and Medicaid, private health insurers and other third-party payors are essential for most patients to be able to afford prescription medications such as our product candidates, assuming FDA approval. Our ability to achieve acceptable levels of coverage and reimbursement for products by governmental authorities, private health insurers and other organizations will have an effect on our ability to successfully commercialize our product candidates. Our cell therapies are novel and may require additional education and support to achieve reimbursement, if at all.

Third-party payors often rely upon Medicare coverage policy and payment limitations in setting their own coverage and reimbursement policies. However, decisions regarding the extent of coverage and amount of reimbursement to be provided are made on a payor-by-payor basis. Reimbursement by a third-party payor may depend upon a number of factors, including the third-party payor's determination that a procedure is safe, effective and medically necessary; appropriate for the specific patient; cost effective; supported by peer-reviewed medical journals; included in clinical practice guidelines; and neither cosmetic, experimental, nor investigational. Assuming we obtain coverage for our product candidates by a third-party payor, the resulting reimbursement payment rates may not be adequate or may require co-payments that patients find unacceptably high. We cannot be sure that coverage and reimbursement in the United States, the EU or elsewhere will be available for our product candidates or any product that we may develop, and any reimbursement that may become available may be decreased or eliminated in the future. Additionally, we or our collaborators may develop companion diagnostic tests for use with our product candidates. We or our collaborators will be required to fulfill applicable regulatory requirements for companion diagnostic testing and to obtain coverage and reimbursement for these tests separate and apart from the coverage and reimbursement we may seek for our product candidates.

Similarly, a significant trend in the healthcare industry is cost containment. Governmental authorities have announced initiatives to control the cost of prescription drugs and third-party payors have attempted to control costs by limiting coverage and the amount of reimbursement for particular medications. In addition, the Department of Health and Human Services (HHS) has been empowered to negotiate the price of certain single-source biologics that have been on the market for at least 11 years covered under Medicare as part of the Medicare Drug Price Negotiation Program. Each year, up to 20 products will be selected by HHS for the Medicare Drug Price Negotiation Program. Products subject to the Medicare Drug Price Negotiation Program are expected to experience a significant reduction in reimbursement from the Medicare program on a per unit basis. In addition, HHS imposes rebates on many Medicare Part B and Medicare Part D products to penalize price increases that outpace inflation on an annual basis. If coverage and adequate reimbursement are not available, or are available only to limited levels, we may not be able to successfully commercialize our current and any future product candidates that we develop, which could have an adverse effect on our operating results and our overall

financial condition. For additional detail on healthcare reform that may affect our business, see "Healthcare Reform" in Part I, Item 1 of our 2025 Annual Report. As such, cost containment reform efforts may result in an adverse effect on our operations. Obtaining coverage and adequate reimbursement for our product candidates may be particularly difficult because of the higher prices often associated with drugs administered under the supervision of a physician. Similarly, because our product candidates will be physician-administered, separate reimbursement for the product itself may or may not be available. Instead, the administering physician may or may not be reimbursed for providing the treatment or procedure in which our product is used.

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

The ability of the FDA to review and approve new products can be affected by a variety of factors, including, as applicable, government budget and funding levels, statutory, regulatory and policy changes, workforce reductions, the authority's ability to hire, train and retain key personnel and accept the payment of user fees and other events that may otherwise affect the authority's ability to perform routine functions. Average review times at the FDA have fluctuated in recent years as a result. In addition, government funding of the FDA and other government agencies that fund research and development activities is subject to the political process, which is inherently fluid and unpredictable. Disruptions at the FDA and other agencies and authorities, such as the recent large-scale government workforce reductions, may also slow the time necessary for new biologics or modifications to be cleared or approved biologics to be reviewed and/or approved, which would adversely affect our business. Additionally, over the last several years, the U.S. government has shut down several times, and certain regulatory agencies, such as the FDA, have had to furlough FDA employees and stop critical activities.

If a prolonged government shutdown occurs, or if the FDA or other regulatory authorities are prevented from conducting their regular inspections, reviews or other regulatory activities for any reason, including due to workforce reductions, it could significantly impact the ability of the FDA or other regulatory authorities to timely review and process our regulatory submissions, which could have a material adverse effect on our business.

We may be subject to applicable fraud and abuse, including anti-kickback and false claims, transparency, health information privacy and security and other healthcare laws. Failure to comply with such laws may result in substantial penalties.

We may be subject to broadly applicable healthcare laws and regulations that may constrain the business or financial arrangements and relationships through which we conduct research, market, sell and distribute any product candidates for which we obtain marketing approval. The healthcare laws that may affect us include: the federal fraud and abuse laws, including the federal anti-kickback, and false claims and civil monetary penalties laws; federal data privacy and security laws, including the Health Insurance Portability and Accountability Act, as amended (HIPAA); and federal transparency laws related to ownership and investment interests and payments and/or other transfers of value made to or held by physicians (including doctors, dentists, optometrists, podiatrists and chiropractors), other healthcare professionals (such as physician assistants and nurse practitioners) and teaching hospitals, as well as information regarding ownership and investment interests held by physicians and their immediate family members. In addition, many states have similar laws and regulations that may differ from each other and federal law in significant ways, thus complicating compliance efforts. Moreover, several states require biopharmaceutical companies to comply with the biopharmaceutical industry's voluntary compliance guidelines and the relevant compliance guidance promulgated by the federal government and may require drug manufacturers to report information related to payments and other transfers of value to physicians and other healthcare providers or marketing expenditures. Additionally, some state and local laws require certain regulatory licenses to manufacture or distribute our products in clinical trials or commercially and/or the registration of biopharmaceutical sales representatives in the jurisdiction. Similar requirements are applicable in foreign countries. Outside the United States, interactions between pharmaceutical companies and healthcare professionals are also governed by strict laws, such as national anti-bribery laws of European countries, national sunshine rules, regulations, industry self-regulation codes of conduct and physicians' codes of professional conduct.

Ensuring that our operations and future business arrangements with third parties comply with applicable healthcare laws and regulations will involve substantial costs. It is possible that governmental authorities will conclude that our business practices, including our relationships with physicians and other healthcare providers, some of whom were compensated in the form of stock options for consulting services provided, may not comply with current or future statutes, regulations, agency guidance or case law involving applicable fraud and abuse or other healthcare laws and regulations. If our operations are found to be in violation of any of the laws described above or any other governmental laws and regulations that may apply to us, we may be subject to significant civil, criminal and administrative penalties, damages,

disgorgement, fines, imprisonment, exclusion of products from government funded healthcare programs, such as Medicare and Medicaid or comparable foreign programs, additional reporting requirements and/or oversight if a corporate integrity agreement or similar agreement is executed to resolve allegations of non-compliance with these laws and the curtailment or restructuring of operations. In addition, violations may also result in reputational harm, diminished profits and lower future earnings. For additional detail on healthcare laws that may affect our business, see the section entitled "Other Laws" in Part I, Item 1 of our 2025 Annual Report.

We are subject to U.S. and certain foreign anti-corruption laws and regulations, export and import controls, sanctions and embargoes. We could face liability and other serious consequences for violations, which can harm our business.

We are subject to anti-corruption laws and regulations, including the Foreign Corrupt Practices Act (FCPA), the U.S. domestic bribery statute contained in 18 U.S.C. § 201, the U.S. Travel Act and other state and national anti-bribery laws in the countries in which we may conduct activities in the future. Anti-corruption laws are interpreted broadly and generally prohibit companies and their employees, agents, contractors and other third-party collaborators from offering, promising, giving or authorizing others to give anything of value, either directly or indirectly through third parties, to any person in the public or private sector to obtain or retain business. The FCPA also requires public companies to make and keep books and records that accurately and fairly reflect the transactions of the corporation and to devise and maintain an adequate system of internal accounting controls. We may engage third parties to develop or commercialize our product candidates or to obtain necessary permits, licenses, patent registrations and other regulatory approvals outside the United States. We can be held liable for the corrupt or other illegal activities of our employees, agents, contractors and other partners, even if we do not explicitly authorize or have actual knowledge of such activities. Any violation of the laws and regulations described above may result in substantial civil and criminal fines and penalties, imprisonment, the loss of export or import privileges, debarment, tax reassessments, breach of contract and fraud litigation, reputational harm and other consequences.

We are also subject to export control and import laws and regulations, including the U.S. Export Administration Regulations, U.S. Customs regulations and various economic and trade sanctions regulations administered by the U.S. Treasury Department's Office of Foreign Assets Controls. Compliance with applicable regulatory requirements regarding the export of our products may create delays in the introduction of our products in international markets or, in some cases, prevent the export of our products to some countries altogether. Furthermore, U.S. export control laws and economic sanctions prohibit the provision of certain products and services to countries, governments and persons targeted by U.S. sanctions.

There is no certainty that all of our employees, agents, partners, vendors, contractors or collaborators will comply with all applicable anti-corruption, export and import control and sanctions laws and regulations. Violations of these laws and regulations could result in fines, criminal sanctions against us, our officers or our employees, the closing down of facilities, including those of our suppliers and manufacturers, requirements to obtain export licenses, cessation of business activities in sanctioned countries, implementation of compliance programs and prohibitions on the conduct of our business. Any such violations could include prohibitions on our ability to develop or commercialize our product candidates in one or more countries as well as difficulties in manufacturing or continuing to develop our product candidates, and could materially damage our reputation, any international expansion efforts, our ability to attract and retain employees and our business, prospects, operating results and financial condition.

Changes in healthcare policies, laws and regulations may impact our ability to obtain approval for, or commercialize our product candidates, if approved.*

In the United States and some foreign jurisdictions there have been, and continue to be, several legislative and regulatory changes and proposed reforms of the healthcare system in an effort to contain costs, improve quality and expand access to care. In the United States, there have been and continue to be a number of healthcare-related legislative initiatives, as well as executive, judicial and Congressional challenges and amendments to existing healthcare laws that have significantly affected, and could continue to significantly affect, the healthcare industry. For example, there have been efforts to repeal, substantially modify or invalidate some or all of the provisions of the ACA, some of which have been successful. For example, on July 4, 2025, the One Big Beautiful Bill Act (OBBBA) was signed into law that narrowed access to ACA marketplace exchange enrollment and declined to extend the ACA enhanced advanced premium tax credits that expired at the end of 2025, which, among other provisions in the law, are anticipated to reduce the number of Americans with health insurance. OBBBA also is expected to reduce Medicaid spending and enrollment by implementing work requirements for some beneficiaries, capping state-directed payments, reducing federal funding and limiting provider taxes used to fund the program. Congress is also considering proposed legislation intended to further reduce healthcare costs with alternatives to replace the expired ACA subsidies.

Additional health reform measures may continue and affect our business in unknown ways, particularly given the change in administration. The current administration is pursuing policies to reduce regulations and expenditures across

government, including at HHS, the FDA, the Centers for Medicare & Medicaid Services and related agencies. These actions, presently directed by executive orders or memoranda from the Office of Management and Budget, may propose policy changes that create additional uncertainty for our business. For example, the current administration has announced agreements with certain pharmaceutical companies that require the drug manufacturers to offer, through a direct to consumer platform (TrumpRx), U.S. patients and Medicaid programs prescription drug Most Favored Nation pricing equal to or lower than those paid in other developed nations, with additional mandates for direct-to-patient discounts and repatriation of foreign revenues. These actions and proposals include, for example: (1) reducing agency workforces; (2) directing HHS and other agencies to lower prescription drug costs through a variety of initiatives, including by improving upon the Medicare Drug Price Negotiation Program and establishing Most-Favored-Nation pricing for pharmaceutical products; (3) imposing tariffs on certain imported pharmaceutical products; and (4) as part of the Make America Healthy Again (MAHA) Commission's Strategy Report released in September 2025, working across government agencies to increase enforcement on direct-to-consumer pharmaceutical advertising. Additionally, the current administration recently called on Congress to enact "The Great Healthcare Plan," to codify and expand Most Favored Nation pricing, lower government subsidies to private insurance companies, increase healthcare price transparency, expand pharmaceutical drugs available for over-the-counter purchase and enact restrictions on pharmacy benefit manager payment methodologies, among others. As noted above, the *Loper* decision could result in other legal challenges to current regulations and guidance issued by federal agencies applicable to our operations, including those issued by the FDA. Congress may introduce and ultimately pass health care-related legislation that could impact the drug approval process.

We expect that additional U.S. federal healthcare reform measures will be adopted in the future, any of which could limit the amounts that the U.S. federal government will pay for healthcare products and services, which could result in reduced demand for our product candidates or additional pricing pressures. For additional detail on healthcare reform that may affect our business, see the section entitled "Healthcare Reform" in Part I, Item 1 of our 2025 Annual Report.

We, and our partners and vendors, are subject to stringent and evolving United States and foreign laws, regulations and rules, contractual obligations, industry standards, policies and other obligations related to data privacy and security. The actual or perceived failure to comply with such obligations by us (or the partners and vendors with whom we work) could lead to regulatory investigations or actions, litigation (including class action claims) and mass arbitration demands, fines and penalties, disruptions of our business operations, reputational harm, loss of revenue or profits and other adverse business consequences.

We, and our partners and vendors, including CROs, collect, receive, store, process, generate, use, transfer, disclose, make accessible, protect, secure, dispose of, transmit and share (collectively, process) personal de-identified data and other sensitive information (collectively, sensitive data) in connection with the operations of our business, such as storage or otherwise processing sensitive data to support the conduct of our clinical trials. These processing activities subject us, and our partners and vendors, to various federal, state, local and foreign data privacy and security laws, regulations, guidance and industry standards and we (or the partners and vendors with whom we work) are or may become subject to external and internal privacy and security policies, contractual requirements and other obligations relating to data privacy and security. If we fail to comply with applicable requirements for processing sensitive data, including in connection with the development of our product candidates or otherwise, or if a partner or vendor fails to comply with the same or misuses sensitive data we provide to it, we may be subject to litigation, regulatory investigations, enforcement actions, fines and criminal or civil penalties, mass arbitration demands, additional reporting requirements and/or oversight, bans on processing personal data and orders to destroy or not use personal data, as well as negative publicity, reputational harm and other adverse business consequences.

In the United States, our and our partners' and vendors' operations are subject to numerous federal and state laws and regulations, including state data breach notification laws and federal and state data privacy laws and regulations that govern the collection, use, disclosure and protection of health information and other personal data, including information of our employees. For example, HIPAA imposes specific requirements relating to the privacy, security and transmission of individually identifiable protected health information, and we could potentially face substantial criminal or civil penalties if we knowingly receive protected health information from a HIPAA-covered healthcare provider or research institution that has not satisfied HIPAA's requirements for disclosure of such health information, or otherwise violate applicable HIPAA requirements related to the protection of such information. Even when HIPAA does not apply, failure to take appropriate steps to keep consumers' personal data secure may constitute a violation of the Federal Trade Commission Act and other similar laws (e.g., wiretapping laws).

Numerous U.S. states have enacted comprehensive data privacy and security laws that impose certain obligations on covered businesses, including providing specific disclosures in privacy notices and affording residents with certain rights concerning their personal data. As applicable, such rights include the right to access, correct or delete certain personal data and to opt-out of certain data processing activities, such as targeted advertising, profiling and automated decision-making. The exercise of these rights may impact our business and ability to advance our product candidates

effectively. Certain states also impose more stringent requirements for processing certain personal data, including sensitive information, such as conducting data privacy impact assessments. These state laws allow for statutory fines for noncompliance. For example, the California Consumer Privacy Act (CCPA) applies to personal data of consumers, business representatives and employees who are California residents and requires businesses to provide specific disclosures in privacy notices and honor requests of such individuals to exercise certain privacy rights. The CCPA provides for fines and allows private litigants affected by certain data breaches to recover significant statutory damages. Although the CCPA exempts some data processed in the context of clinical trials, the CCPA increases compliance costs and potential liability.

Similar laws are being considered in several other states, as well as at the federal and local levels, and we expect more states to pass similar laws in the future. These state laws may be more stringent or broader in scope, or offer greater individual rights, with respect to confidential, sensitive and personal data than federal, international or other state laws, and such laws may differ from each other and have potentially conflicting requirements that would make compliance challenging, require us to expend significant resources to achieve compliance and restrict our ability to process certain sensitive and personal data. Additionally, the U.S. Department of Justice issued a rule entitled Preventing Access to U.S. Sensitive Personal Data and Government-Related Data by Countries of Concern or Covered Persons, which places additional restrictions on certain data transactions involving countries of concern (e.g., China, Russia, Iran) and covered individuals (i.e., individuals and entities located in or controlled by individuals or entities located in those jurisdictions) that may impact certain business activities such as vendor engagements, employment of certain individuals and investor agreements. Violations of the rule could lead to significant civil and criminal fines and penalties. The rule applies regardless of whether data is anonymized, key-coded, pseudonymized, de-identified or encrypted.

Outside the United States, an increasing number of laws, regulations and industry standards may govern data privacy and security. For example, the EU's General Data Protection Regulation 2016/679 (EU GDPR), the EU GDPR as it forms part of United Kingdom (UK) law by virtue of section 3 of the European Union (Withdrawal) Act 2018 (UK GDPR), Australia's Privacy Act and Canada's Personal Information Protection and Electronic Documents Act impose strict requirements for processing personal data.

Any clinical trial programs, including related regulatory filings, and research collaborations that we engage in outside the United States in the future may implicate international laws and regulations concerning data privacy and security, including those governing various aspects of clinical research in the EU and the UK.

In addition to data privacy and security laws, we are or may become contractually subject to industry standards adopted by industry groups. We are also bound by other contractual obligations related to data privacy and security, and our efforts to comply with such obligations may not be successful. Our employees and personnel use AI technologies to perform their work, and the disclosure and use of personal data in AI technologies is subject to various data privacy laws and other privacy obligations. Governments have passed and are likely to pass additional laws regulating AI. Our use of this technology could result in additional compliance costs, regulatory investigations and actions and lawsuits. If we are unable to use AI, it could make our business less efficient and result in competitive disadvantages. We may use AI outputs to inform certain decisions. If the recommendations, forecasts or analyses that AI applications, including AI agents, produce or assist in producing are deficient, or inaccurate, offensive, illegal, biased or discriminatory, or otherwise harmful, we could be subject to competitive harm and potential legal liability under existing and/or future legislation or regulations, including in the United States and the EU. For example, due to inaccuracies or flaws in the inputs, outputs or logic of the AI technologies, the model could be biased and could result in decisions, or lead us to make decisions, that could bias certain individuals (or classes of individuals) and adversely impact them, such as adversely impacting their ability to obtain certain pricing, products, services or benefits.

Data privacy and security laws are quickly evolving, becoming increasingly stringent and creating uncertainty. Additionally, these laws may be subject to differing applications and interpretations, which may be inconsistent or conflict among jurisdictions. We expect that we will need to expend significant capital and other resources to ensure ongoing compliance with applicable data privacy and security laws. Claims that we have violated individuals' privacy rights or breached our contractual obligations related to data privacy and security, even if we are not found liable, could be expensive and time-consuming to defend and could result in negative publicity that could harm our business. Moreover, even if we take all necessary action to comply with legal and regulatory requirements, we or our partners or vendors could fail or be perceived to have failed to comply with such obligations, which could subject us to fines and penalties, as well as litigation and reputational damage. In particular, plaintiffs have become increasingly more active in bringing privacy-related claims against companies, including class action claims and mass arbitration demands. Some of these claims allow for the recovery of statutory damages on a per violation basis and, if viable, carry the potential for monumental statutory damages, depending on the volume of data and the number of violations. Any of these events could have a material adverse effect on our reputation, business or financial condition, including but not limited to delays in the development of our product candidates due to inability to process personal data or to operate in certain jurisdictions, limited ability to develop or commercialize our products, expenditure of time and resources to defend any claim or inquiry, adverse publicity or

substantial changes to our planned candidate pipeline development and business operations. If we fail to keep apprised of and comply with applicable foreign, federal, state or local regulatory requirements and changes thereto, we could be subject to a range of regulatory actions that could affect our or any vendors' or partners' ability to seek to commercialize our product candidates. Any threatened or actual government enforcement action, or litigation when private rights of action are available, could also generate negative publicity, damage our reputation, result in liabilities, fines and adverse business consequences and require that we devote substantial resources that could otherwise be used in support of other aspects of our business.

International expansion of our business would expose us to business, regulatory, political, operational, financial and economic risks associated with doing business outside of the United States.

As part of our long-term business strategy, we may pursue international expansion, including partnering with academic and commercial testing laboratories and introducing our technology outside the United States. Doing business internationally involves a number of risks, including:

- multiple, conflicting and changing laws and regulations such as tax laws, export and import restrictions, employment laws, regulatory requirements and other governmental approvals, permits and licenses;
- failure by us or our distributors to obtain regulatory approvals for the sale or use of ronde-cel, LYL273 or any other product candidates we may develop or acquire in various countries;
- difficulties in managing foreign operations;
- complexities associated with managing government payor systems, multiple payor-reimbursement regimes or self-pay systems;
- logistics and regulations associated with shipping blood samples, including infrastructure conditions and transportation delays;
- limits on our ability to penetrate international markets if our current products or any other product candidates we may develop or acquire cannot be processed by an appropriately qualified local laboratory;
- financial risks, such as longer payment cycles, difficulty enforcing contracts and collecting accounts receivable and exposure to foreign currency exchange rate fluctuations;
- reduced protection for intellectual property rights, or lack of them in certain jurisdictions, forcing more reliance on our trade secrets, if available;
- natural disasters, political and economic instability, including wars, invasions, other military actions, terrorism and political unrest, outbreak of disease, boycotts, curtailment of trade and other business restrictions; and
- failure to comply with the FCPA, including its books and records provisions and its anti-bribery provisions, by maintaining accurate information and control over sales activities and distributors' activities.

Further, the sale of pharmaceutical products overseas at lower prices than in the United States could adversely impact our U.S. pricing strategy and financial condition if the U.S. federal health care program adopts a Most-Favored-Nation pricing structure. As a result of such policy, we may elect not to expand our business to certain foreign countries, which would limit our market opportunity. Any of these risks, if encountered, could significantly harm our international expansion and operations and, consequently, could have a material adverse effect on our financial condition and results of operations and could adversely affect our ability to successfully implement our business strategy.

Risks Relating to Our Intellectual Property

If we are unable to obtain and maintain sufficient intellectual property protection for our product candidates, or if the scope of the intellectual property protection is not sufficiently broad, our ability to commercialize our product candidates successfully and to compete effectively may be adversely affected.

We rely upon a combination of patents, trademarks, trade secrets and confidentiality agreements to protect the intellectual property related to our technologies and product candidates. We own or possess certain intellectual property and in-license other intellectual property owned or possessed by our partners. When we refer to "our" technologies, inventions, patents, patent applications or other intellectual property rights, we are referring to both the rights that we own or possess as well as those that we in-license, many of which are critical to our intellectual property protection and our business. If the intellectual property that we rely on is not adequate, competitors may be able to use our technologies and erode or negate any competitive advantage we may have.

The patentability of inventions and the validity, enforceability and scope of patents in the biopharmaceutical industry is uncertain because it involves complex legal, scientific and factual considerations, and it has in recent years been

the subject of significant litigation. Moreover, the standards applied by the U.S. Patent and Trademark Office (USPTO) and non-U.S. patent offices in granting patents are not always applied uniformly or predictably. There is also no assurance that all potentially relevant prior art relating to our patents and patent applications is known to us or has been found in the instances where searching was done. We may be unaware of prior art that could be used to invalidate an issued patent or prevent a pending patent application from issuing as a patent. There also may be prior art of which we are aware, but which we do not believe affects the validity, enforceability or patentability of a claim of one of our patents or patent applications, which may, nonetheless, ultimately be found to affect the validity, enforceability or patentability of such claim. As a consequence of these and other factors, our patent applications may fail to result in issued patents with claims that cover our product candidates in the United States or in other countries.

Even if patents have issued or do successfully issue from patent applications, and even if these patents cover our product candidates, third parties may challenge the validity, enforceability or scope thereof, which may result in these patents being narrowed, invalidated or held to be unenforceable. No assurance can be given that if challenged, our patents would be declared by a court to be valid or enforceable. Even if unchallenged, our patents and patent applications or other intellectual property rights may not adequately protect our intellectual property, provide exclusivity for our product candidates or prevent others from designing around our claims. The possibility exists that others will develop products on an independent basis which have the same effect as our product candidates and which do not infringe our patents or other intellectual property rights, or that others will design around the claims of patents that we have had issued that cover our product candidates. If the breadth or strength of protection provided by our patents and patent applications with respect to our product candidates is threatened, it could jeopardize our ability to commercialize our product candidates and it could dissuade companies from collaborating with us.

We may also desire to seek licenses from third parties who own or have rights to intellectual property that may be useful for providing exclusivity for our product candidates, or for providing the ability to develop and commercialize a product candidate in an unrestricted manner. There is no guarantee that we will be able to obtain such licenses from third parties on commercially reasonable terms, or at all.

In addition, the USPTO and various foreign governmental or inter-governmental patent agencies require compliance with a number of procedural, documentary, fee payment and other similar provisions during and after the patent application process. While an inadvertent lapse can in many cases be cured by payment of a late fee or by other means in accordance with the applicable rules, there are situations in which noncompliance can result in abandonment or lapse of the patent or patent application, resulting in partial or complete, irreversible loss of patent rights in the relevant jurisdiction. In such an event, our competitors might be able to enter the market, which could have a material adverse effect on our business.

United States patent applications containing or that at any time contained a claim not entitled to a priority date before March 16, 2013 are subject to the “first to file” system implemented by the America Invents Act (2011). The first to file system requires us to be cognizant of the time from invention to filing of a patent application. Because 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 or our partners were the first to file any patent application related to a product candidate.

In addition, our registered or unregistered trademarks or trade names may be challenged, infringed or declared generic or determined to be infringing on other marks. We may not be able to protect our rights to these trademarks and trade names, which we view as valuable to building name recognition among potential partners and customers in our markets of interest. At times, competitors or other third parties have adopted or may adopt trade names or trademarks similar to ours, thereby impeding our ability to build brand identity and possibly leading to market confusion and/or litigation. In addition, there could be potential trade name or trademark infringement claims brought by owners of other registered trademarks or trademarks that incorporate variations of our registered or unregistered trademarks or trade names. Over the long term, if we are unable to establish name recognition based on our trademarks and trade names, then we may not be able to compete effectively, and our business may be adversely affected. Our efforts to enforce, protect or defend our proprietary rights related to trademarks may be ineffective and could result in substantial costs and diversion of resources and could adversely affect our business, financial condition, results of operations and prospects.

The lifespans of our patents may not be sufficient to effectively protect our products and business.

Patents have a limited lifespan. In the United States, the natural expiration of a patent is generally 20 years after its first nonprovisional effective filing date. Although various extensions may be available, the life of a patent, and the protection it affords, is limited. Even if patents covering our product candidates are obtained, once the patent life has expired for a product, we may be open to competition from biosimilar or generic medications. In addition, although upon issuance in the United States a patent’s life can be increased based on certain delays caused by the USPTO, this increase can be reduced or eliminated based on certain delays caused by the patent applicant during patent prosecution. While the

patent term of certain patents can also be extended with respect to a specific product to recapture time lost in clinical trials and regulatory review by the FDA, a patent's life also can be shortened by a terminal disclaimer over an earlier filed patent or patent application. If we do not have sufficient patent life to protect our products, our business and results of operations will be adversely affected.

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

Filing, prosecuting, enforcing and defending patents on all of our product candidates in all countries throughout the world would be prohibitively expensive. Our intellectual property rights in certain countries outside the United States may be less extensive than those in the United States. In addition, the laws of certain foreign countries do not protect intellectual property rights to the same extent as laws in the United States. Consequently, we and our partners may not be able to prevent third parties from practicing our inventions in countries outside the United States, or from selling or importing infringing products made using our inventions in other jurisdictions. Competitors may use our technologies in jurisdictions where we have not obtained patent protection or where we do not have exclusive rights under the relevant patents to develop their own products and, further, may export otherwise-infringing products to territories where we and our partners have patent protection but where enforcement is not as strong as that in the United States. These infringing products may compete with our product candidates in jurisdictions where we or our partners have no issued patents or where we do not have exclusive rights under the relevant patents, or our patent claims and other intellectual property rights may not be effective or sufficient to prevent them from so competing.

Many companies have encountered significant problems in protecting and defending intellectual property 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 biopharmaceuticals, which could make it difficult for us and our partners to stop the infringement of our patents or marketing of competing products in violation of our intellectual property rights generally. Proceedings to enforce our patent rights in foreign jurisdictions could result in substantial costs and divert our 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 and could provoke third parties to assert claims against us or our partners. We or our partners may not prevail in any lawsuits that we or our licensors initiate, and even if we or our licensors are successful, the damages or other remedies awarded, if any, may not be commercially meaningful.

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

We may not be successful in obtaining or maintaining necessary rights to product components and processes for our development pipeline through acquisitions and in-licenses and to operate without infringing on the valid and enforceable patents and other proprietary rights of third parties.

Presently we have rights to the intellectual property, through licenses from third parties and under patent applications that we own or will own, to develop our product candidates. Because our programs may involve additional product candidates that may require the use of proprietary rights held by third parties, the growth of our business will likely depend in part on our ability to acquire, in-license or use these proprietary rights.

Our product candidates may also require specific formulations, manufacturing methods or technologies to work effectively and efficiently, and these rights may be held by others. We may be unable to acquire or in-license any compositions, methods of use, processes or other third-party intellectual property rights from third parties that we identify. We may fail to obtain any of these licenses at a reasonable cost or on reasonable terms; such failure would harm our business. Even if we are able to obtain a license, it may be non-exclusive, thereby giving our competitors access to the same technologies licensed to us. In that event, we may be required to expend significant time and resources to develop or license replacement technology. We may need to cease use of the compositions or methods covered by such third-party intellectual property rights.

The licensing and acquisition of third-party intellectual property rights is a competitive area, and companies that may be more established or have greater resources than we do may also be pursuing strategies to license or acquire third-party intellectual property rights that we may consider necessary or attractive in order to commercialize our product candidates and to operate without infringing on the valid and enforceable patents and other proprietary rights of third parties. More established companies may have a competitive advantage over us due to their size, cash resources and greater clinical development and commercialization capabilities.

If we are unable to protect the confidentiality of our trade secrets and other proprietary information, the value of our technology could be adversely affected and our business could be harmed.

In addition to seeking 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 other elements of our technology, discovery and development processes that involve proprietary know-how, information or technology that is not covered by patents. Any disclosure to or misappropriation by third parties of our confidential proprietary information could enable competitors to quickly duplicate or surpass our technological achievements, including by enabling them to develop and commercialize products substantially similar to or competitive with our product candidates, thus eroding our competitive position in the market.

Trade secrets can be difficult to protect. We seek to protect our proprietary, confidential technology and processes, in part, by entering into confidentiality agreements and invention assignment agreements with our employees, consultants and outside scientific advisors, contractors and collaborators. These agreements are designed to protect our proprietary information. Although we use reasonable efforts to protect our trade secrets, our employees, consultants, contractors, or outside scientific advisors might intentionally or inadvertently disclose our trade secrets or confidential, proprietary information to competitors. In addition, competitors may otherwise gain access to our trade secrets or independently develop substantially equivalent information and techniques. If any of our confidential proprietary information were to be lawfully obtained or independently developed by a competitor, we would have no right to prevent such competitor from using that technology or information to compete with us, which could harm our competitive position.

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, the laws of certain foreign countries do not protect proprietary rights such as trade secrets to the same extent or in the same manner as the laws of the U.S. Misappropriation or unauthorized disclosure of our trade secrets to third parties could impair our competitive advantage in the market and could adversely affect our business, results of operations and financial condition.

If we are sued for infringing the intellectual property rights of third parties, the resulting litigation could be costly and time-consuming and could prevent or delay our development and commercialization efforts.

Our commercial success depends, in part, on us and our partners not infringing the patents and proprietary rights of third parties. There is a substantial amount of litigation and other adversarial proceedings, both within and outside the United States, involving patent and other intellectual property rights in the biopharmaceutical industry, including patent infringement lawsuits, interference or derivation proceedings, oppositions, and inter partes and post-grant review proceedings before the USPTO and non-U.S. patent offices. Numerous U.S. and non-U.S. issued patents and pending patent applications owned by third parties exist in the fields in which we are developing, and may develop, product candidates. As the biopharmaceutical industry expands and more patents are issued, the risk increases that our product candidates may be subject to claims of infringement of third parties' patent rights, as it may not always be clear to industry participants, including us, which patents cover various types of products, methods of making or methods of use. The coverage of patents is subject to interpretation by the courts, and the interpretation is not always uniform or predictable.

Third parties may assert infringement claims against us based on existing or future intellectual property rights, alleging that we are employing their proprietary technology without authorization. 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 manufacturing of our product candidates that we failed to identify. For example, patent applications covering our product candidates could have been filed by others without our knowledge, since these applications generally remain confidential for some period of time after their filing date. Even pending patent applications that have been published, including some of which we are aware, could be later amended in a manner that could cover our product candidates or their use or manufacture. In addition, we may have analyzed patents or patent applications of third parties that we believe are relevant to our activities and believe that we are free to operate in relation to any of our product candidates, but our competitors may obtain issued claims, including in patents we consider to be unrelated, which may block our efforts or potentially result in any of our product candidates or our activities infringing their claims.

If we or our partners are sued for patent infringement, we would need to demonstrate that our product candidates, products and methods either do not infringe the patent claims of the relevant patent or that the patent claims are invalid or unenforceable, and we may not be able to do this. Proving that a patent is invalid is difficult and even if we are successful in the relevant proceedings, we may incur substantial costs, and the time and attention of our management and scientific personnel could be diverted from other activities. If one or more claims of any issued third-party patents were held by a court of competent jurisdiction to cover aspects of our materials, formulations, methods of manufacture or methods for treatment, we may have to pay substantial damages, including enhanced damages and attorneys' fees if we are found to have willfully infringed a patent. Further, we could be forced, including by court order, to cease developing, manufacturing or commercializing the relevant product candidate until the relevant patent expired. Alternatively, we may desire or be

required to obtain a license from such third party in order to use the infringing technology and to continue developing, manufacturing or marketing the infringing product candidate. However, we may not be able to obtain any required license on commercially reasonably terms, or 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 licensed to us. If we are unable to obtain a necessary license on commercially reasonable terms, or at all, our ability to commercialize our product candidates may be impaired or delayed, which could in turn significantly harm our business.

We may face claims that we misappropriated the confidential information or trade secrets of a third party. If we are found to have misappropriated a third party's trade secrets, we may be prevented from further using these trade secrets, which could limit our ability to develop our product candidates.

We employ individuals who were previously employed at other biopharmaceutical companies. We may be subject to claims that we or our employees, consultants or independent contractors have inadvertently or otherwise used or disclosed confidential information of third parties or such individuals' former employers. Defending against intellectual property claims, regardless of their merit, could be costly and time consuming, regardless of the outcome. Thus, even if we were to ultimately prevail, or to settle before a final judgment, any 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. During the course of any intellectual property litigation, there could be public announcements of the results of hearings, rulings on motions and other interim proceedings in the litigation and these announcements may have negative impact on the perceived value of our product candidates, programs or intellectual property. In the event of a successful intellectual property claim against us, we may have to pay substantial damages, including enhanced damages and attorneys' fees if we are found to have willfully misappropriated third-party intellectual property. In addition to paying monetary damages, we may lose sole ownership of valuable intellectual property rights or may lose personnel, and the parties making claims against us may obtain injunctive or other equitable relief, which could impose limitations on the conduct of our business. As a result of all of the foregoing, any actual or threatened intellectual property claim could prevent us from developing or commercializing a product candidate or force us to cease some aspect of our business operations.

We have in-licensed a portion of our intellectual property from our partners and other third parties. If we breach any of our license agreements with these licensors, we could potentially lose the ability to continue the development and potential commercialization of one or more of our product candidates.

We hold rights under license agreements with our partners and other third parties. Our discovery and development technologies are built, in part, around intellectual property rights in-licensed from these licensors. Under our existing license agreements, such as the UCLA License Agreement related to our CD19/CD20 program that we assumed in connection with our acquisition of ImmPACT, and our exclusive license agreement with ICT for LYL273, we are subject to various obligations, which may include diligence obligations with respect to development and commercialization activities, payment obligations upon achievement of certain milestones and royalties on product sales. If there is any conflict, dispute, disagreement or issue of nonperformance between us and our counterparties regarding our rights or obligations under these license agreements, including any conflict, dispute or disagreement arising from our failure to satisfy diligence or payment obligations, we may be liable to pay damages and our counterparties may have a right to terminate the affected license. The termination of any license agreement with one of our licensors could adversely affect our ability to utilize the intellectual property that is subject to that license agreement in our discovery and development efforts, our ability to enter into future collaboration, licensing and/or marketing agreements for one or more affected product candidates and our ability to commercialize the affected product candidates. Furthermore, disagreements under any of these license agreements may arise, including those related to:

- the scope of rights granted under the license agreement and other interpretation-related issues;
- whether and the extent to which our technology and processes may infringe on intellectual property of the licensor that is not subject to the licensing agreement;
- our right to sublicense patent and other rights to third parties under collaborative development relationships; and
- the ownership of inventions and know-how resulting from the joint creation or use of intellectual property by our licensors and us and our partners.

These disagreements may harm our relationship with the partner or other licensor, which could have negative impacts on other aspects of our business.

We may become involved in lawsuits to protect or enforce our intellectual property, which could be expensive, time-consuming and unsuccessful and have an adverse effect on the success of our business.

Third parties may infringe our patents or misappropriate or otherwise violate our intellectual property rights. Our patent applications cannot be enforced against third parties practicing the technology claimed in these applications unless and until a patent issues from the applications, and then only to the extent the issued claims cover the technology. In the future, we or our partners may elect to initiate legal proceedings to enforce or defend our or our partners' intellectual property rights, to protect our or our partners' trade secrets or to determine the validity or scope of our intellectual property rights. Any claims that we or our partners assert against perceived infringers could also provoke these parties to assert counterclaims against us or our partners alleging that we or our partners infringe their intellectual property rights or that our intellectual property rights are invalid. In patent litigation in the United States, defendant counterclaims alleging noninfringement, invalidity and/or unenforceability are commonplace, and there are numerous grounds upon which a third party can assert noninfringement, invalidity or unenforceability of a patent. The outcome following legal assertions of noninfringement, unpatentability, invalidity and unenforceability is unpredictable. With respect to the validity of patent rights, for example, we cannot be certain that there is no invalidating prior art, of which we, our patent counsel and the patent examiner were unaware during prosecution. If a defendant were to prevail on a legal assertion of unpatentability, invalidity and/or unenforceability, we would lose at least part, and perhaps all, of the patent protection on our product candidates. Such a loss of patent protection could have a material adverse impact on our business.

Interference, derivation or opposition proceedings provoked by third parties, brought by us or our partners, or brought by the USPTO or any non-U.S. patent authority may be necessary to determine the priority of inventions or matters of inventorship with respect to our patents or patent applications. We or our partners may also become involved in other proceedings, such as reexamination or opposition proceedings, inter partes review, post-grant review or other pre-issuance or post-grant proceedings in the USPTO or its foreign counterparts relating to our intellectual property or the intellectual property of others. Such proceedings could result in revocation or amendment to our patents in such a way that they no longer cover and protect our product candidates. An unfavorable outcome in any of these proceedings could require us or our partners to cease using the related technology and commercializing our product candidates, or to attempt to license rights to it from the prevailing party. Our business could be harmed if the prevailing party does not offer us or our partners a license on commercially reasonable terms if any license is offered at all. Even if we or our licensors obtain a license, it may be non-exclusive, thereby giving our competitors access to the same technologies licensed to us or our licensors. In addition, if the breadth or strength of protection provided by our patents and patent applications is threatened, it could dissuade companies from collaborating with us to license, develop or commercialize current or future product candidates.

Any intellectual property proceedings can be expensive and time-consuming. Our or our partners' adversaries in these proceedings may have the ability to dedicate substantially greater resources to prosecuting these legal actions than we or our partners can. Accordingly, despite our or our partners' efforts, we or our partners may not be able to prevent third parties from infringing upon or misappropriating our intellectual property rights, particularly in countries where the laws may not protect our rights as fully as the laws in the United States. Even if we are successful in the relevant proceedings, we may incur substantial costs, and the time and attention of our management and scientific personnel could be diverted from other activities. In addition, in an infringement proceeding, a court may decide that one or more of our patents is invalid or unenforceable, in whole or in part, 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 and/or may require us to pay the other party attorneys' fees. An adverse result in any litigation 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, there is a risk that some of our confidential information could be compromised by disclosure during this type of litigation. In addition, there could be public announcements of the results of hearings, motions or other interim proceedings or developments.

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

We may in the future be subject to claims that former employees, collaborators or other third parties have an interest in our patents or other intellectual property as an inventor or co-inventor. For example, we may have inventorship disputes arise from conflicting obligations of consultants or others who are involved in developing our product candidates. Litigation may be necessary to defend against these and other claims challenging inventorship. If we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights, such as exclusive ownership of, or right to use, intellectual property. Such an outcome could have a material adverse effect on our business. Even if we are successful in defending against such claims, litigation could result in substantial costs and be a distraction to management and other employees.

We may be subject to claims that our employees, consultants or independent contractors have breached non-compete or non-solicit obligations.

We employ individuals who were previously employed at other biopharmaceutical companies. We may be subject to claims that we or our employees, consultants or independent contractors have inadvertently or otherwise breached non-compete or non-solicit obligations with respect to such individuals' prior employers. Dealing with such claims and negotiating with potential claimants could result in substantial cost and be a distraction to our management and employees. In addition, litigation may be necessary to defend against these claims, and even if we are successful in defending against these claims, such litigation could result in further costs to us and distraction to our management and employees.

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

We have acquired or licensed, or may require in the future, intellectual property rights that have been generated through the use of U.S. government funding or grant. Pursuant to the Bayh-Dole Act, the U.S. government has certain rights in inventions developed with government funding. These U.S. government rights include a non-exclusive, non-transferable, irrevocable worldwide license to use inventions for any governmental purpose. In addition, the U.S. government has the right, under certain limited circumstances, to require us to grant exclusive, partially exclusive or non-exclusive licenses to any of these inventions to a third party if it determines that: (i) adequate steps have not been taken to commercialize the invention; (ii) government action is necessary to meet public health or safety needs; or (iii) government action is necessary to meet requirements for public use under federal regulations (also referred to as "march-in rights"). For example, on December 7, 2023, the Biden administration announced an initiative to control the price of prescription drugs through the use of march-in rights under the Bayh-Dole Act. On December 8, 2023, the National Institute of Standards and Technology published for comment a Draft Interagency Guidance Framework for Considering the Exercise of March-In Rights, which for the first time includes the price of a product as one factor an agency can use when deciding to exercise march-in rights. While march-in rights have not previously been exercised, it is uncertain if that will continue under the new framework. The U.S. government also has the right to take title to these inventions if the grant recipient fails to disclose the invention to the government or fails to file an application to register the intellectual property within specified time limits. Intellectual property generated under a government funded program is also subject to certain reporting requirements, compliance with which may require us to expend substantial resources. In addition, the U.S. government requires that any products embodying any of these inventions or produced through the use of any of these inventions be manufactured substantially in the United States. This preference for U.S. industry may be waived by the federal agency that provided the funding if the owner or assignee of the intellectual property can show that reasonable but unsuccessful efforts have been made to grant licenses on similar terms to potential licensees that would be likely to manufacture substantially in the United States or that under the circumstances domestic manufacture is not commercially feasible. This preference for U.S. industry may limit our ability to contract with non-U.S. product manufacturers for products covered by such intellectual property.

Risks Related to Ownership of Our Common Stock

The market price of our common stock has been, and may continue to be, volatile, which could result in substantial losses for investors.

The market price of our common stock has been, and may continue to be, volatile and may fluctuate substantially as a result of a variety of factors, many of which are beyond our control. Some of the factors that may cause the market price of our common stock to fluctuate are listed below and other factors described in this "Risk Factors" section:

- the timing and results of nonclinical studies and clinical trials for our product candidates;
- failure or discontinuation of any of our product development and research programs;
- the success of existing or new competitive product candidates or technologies;
- results of clinical trials or regulatory approvals of our competitors;
- commencement or termination of collaborations, licenses, product acquisitions or other strategic transactions relating to our product development and research programs;
- our ability to successfully manufacture our product candidates at LyFE;
- any future acquisitions, strategic investments, partnerships or alliances and the related financial terms and obligations;
- regulatory or legal developments in the United States and other countries;

- the recruitment or departure of key personnel;
- developments or disputes including those concerning patent applications, issued patents or other proprietary rights;
- labor discord or disruption, geopolitical events and tensions, social unrest, war, armed conflicts and turmoil, terrorism, political instability, acts of public violence, boycotts, hostilities and social unrest and health pandemics;
- the level of expenses related to, or changes in prioritization or the discontinuation of, any of our research programs or clinical development programs;
- actual or anticipated changes in our estimates as to our financial results or development timelines;
- whether our financial results, forecasts and development timelines meet the expectations of securities analysts or investors;
- announcement or expectation of additional financing efforts;
- sales of our common stock by us, our insiders or other stockholders;
- the volume of trading in our common stock, with lower volume making our stock more susceptible to volatility;
- changes in estimates or recommendations by securities analysts, if any, that cover our stock;
- market conditions in the biopharmaceutical industry; and
- general economic, industry and market conditions beyond our control, such as inflationary pressures, the interest rate environment, labor shortages and supply chain constraints, instability in the banking industry and other macroeconomic factors and associated economic downturn.

In recent years, stock markets in general, and the market for biopharmaceutical companies in particular, have experienced significant price and volume fluctuations that have often been unrelated or disproportionate to changes in the operating performance of the companies whose stock is experiencing those price and volume fluctuations. Broad market and industry factors have affected and may seriously affect the market price of our common stock, regardless of our actual operating performance. Following periods of such volatility in the market price of a company's securities, securities class action litigation has often been brought against that company. Because of the potential volatility of our stock price, we may become the target of securities litigation in the future. Securities litigation could result in substantial costs and divert management's attention and resources from our business.

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

We may seek additional capital through a combination of public and private equity offerings, debt financings, strategic partnerships and alliances and licensing arrangements. We, and indirectly, our stockholders, will bear the cost of issuing and servicing securities issued in any such transactions. Because our decision to issue debt or equity securities in any future offering will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing or nature of any future offerings. In February 2024, we entered into the Sales Agreement pursuant to which we may offer and sell, from time to time, up to $150.0 million in shares of our common stock. As of June 30, 2026, we have sold 65,092 shares of our common stock under the Sales Agreement. In October 2024, in connection with the acquisition of ImmPACT, we issued 1,875,000 shares of our common stock at closing (shares reflecting the effect of the 1-for-20 reverse stock split we effected in May 2025 (the Reverse Stock Split)), as adjusted for cash payments made in lieu of fractional shares, and, in July 2025, we issued an additional 625,000 shares of our common stock in connection with the achievement of certain clinical milestones, to certain pre-closing stockholders of ImmPACT. In July 2025, we entered into the SPA, pursuant to which in July 2025, we issued 3,753,752 shares of our common stock in the initial closing and, in March 2026, we issued an additional 1,952,360 shares of our common stock in a subsequent closing. In November 2025 we entered into the exclusive license agreement with ICT pursuant to which we issued 1,900,000 shares of our common stock at closing, 1,100,000 shares of common stock in July 2026 in connection with the achievement of a clinical milestone and may issue up to an additional 750,000 shares of our common stock in the future pursuant to the terms specified in the agreement. See Note 9, *Stockholders' Equity*, in the accompanying notes to the unaudited condensed consolidated financial statements included in Part I, Item 1, of this Quarterly Report on Form 10-Q, for additional details regarding the terms under which we may issue additional securities pursuant to the exclusive license agreement with ICT. To the extent that we raise additional capital through the sale of equity or debt securities, including pursuant to the Sales Agreement or exclusive license agreement with ICT, your ownership interest may be diluted, and the terms may include liquidation or other preferences that adversely affect your rights as a stockholder. Any such future issuance of capital stock may result in further dilution of your ownership.

The incurrence of indebtedness would result in increased fixed payment obligations and could involve restrictive covenants, such as limitations on our ability to incur additional debt, limitations on our ability to acquire, sell or license intellectual property rights and other operating restrictions that could adversely impact our ability to conduct our business. Additionally, any future collaborations we enter into with third parties may provide capital in the near term but limit our potential cash flow and revenue in the future. If we raise additional funds through strategic partnerships, alliances or licensing arrangements with third parties, we may have to relinquish valuable rights to our technologies or our products, or grant licenses on terms unfavorable to us. Certain of the foregoing transactions may require us to obtain stockholder approval, which we may not be able to obtain.

Future acquisitions, strategic investments, partnerships or alliances could be difficult to identify and integrate, divert the attention of management, disrupt our business, dilute stockholder value and adversely affect our operating results and financial condition.

In the future, we may seek to acquire or invest in additional businesses, products or technologies that we believe could complement or expand our technologies, enhance our technical capabilities or otherwise offer growth opportunities, such as our November 2025 acquisition of the exclusive license to LYL273 from ICT. The pursuit of potential acquisitions or strategic investments may divert the attention of management and cause us to incur various expenses in identifying, investigating and pursuing suitable acquisitions or investments, whether or not such transactions are completed. In addition, we have only limited experience in acquiring or investing in other businesses, and we may not successfully identify desirable targets. Once we acquire additional businesses, we may not be able to integrate them effectively following the acquisition. Acquisitions of companies or exclusive licenses of third-party intellectual property could also result in the incurrence of debt or dilutive issuances of equity securities, as we had done in connection with the acquisition of ImmPACT and the exclusive license with ICT, as well as unfavorable accounting treatment and exposure to claims and disputes by third parties, including intellectual property claims. We also may not generate sufficient financial returns to offset the costs and expenses related to any acquisitions. In addition, if an acquired business fails to meet our expectations, our business, operating results and financial condition may suffer.

Sales of a substantial number of shares of our common stock by our existing stockholders could cause the price of our common stock to decline.*

At any time, sales of a substantial number of shares of our common stock in the public market could occur, or there could be a perception in the market that the holders of a large number of shares of common stock intend to sell shares, and any such event could reduce the market price of our common stock. Substantially all of the shares of our common stock outstanding and shares issued upon the exercise of stock options outstanding under our equity incentive plans, subject to applicable securities law restrictions, may be able to be sold in the public market.

Moreover, certain holders of shares of our common stock have rights, subject to conditions, to require us to file or maintain registration statements with the SEC covering their shares or to include their shares in registration statements that we may file for ourselves or other stockholders. For example, in connection with the acquisition of ImmPACT, in October 2024 we issued 1,875,000 shares of our common stock at closing (shares reflecting the effect of the Reverse Stock Split), as adjusted for cash payments made in lieu of fractional shares, and, in July 2025, we issued an additional 625,000 shares of our common stock in connection with the achievement of certain clinical milestones, to certain pre-closing stockholders of ImmPACT. Additionally, in connection with the ICT License Agreement, we issued to ICT 1,900,000 shares of our common stock in November 2025 at closing and 1,100,000 shares of our common stock in July 2026 upon the achievement of a clinical milestone. Holders of such shares of our common stock have rights, subject to conditions, to require us to file registration statements covering their shares for public sale within certain timeframes following the closing of the acquisition and the achievement of milestones, as applicable. In addition, the investors under the SPA have rights to require us to file and maintain one or more registration statements covering the shares issued or issuable to them in the private placement for public sale within certain timeframes. 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.

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

The trading market for our common stock relies in part on the research and reports that industry or securities analysts publish about us or our business. If one or more of the analysts covering our business initiate coverage with a neutral or sell rating or downgrade their evaluations of our stock, the price of our stock could decline. If one or more of these analysts cease to cover our stock, we could lose visibility in the market for our stock, which in turn could cause our stock price to decline.

The requirements of being a public company require our management to devote substantial time to compliance initiatives and corporate governance practices and could divert management's attention and strain our resources.

As a public company, we incur and will continue to incur significant legal, accounting and other expenses that we did not incur as a private company. Section 404, the Dodd-Frank Wall Street Reform and Consumer Protection Act, the rules and regulations of the SEC, the listing requirements and rules of The Nasdaq Stock Market LLC and other applicable U.S. rules and regulations impose various requirements on public companies, including establishment and maintenance of effective disclosure and financial controls and corporate governance practices. In October 2024, we acquired ImmPACT, a privately-owned clinical stage biotechnology company that was not previously subject to these requirements. In connection with our efforts to comply with the requirements of being a public company, our management and our accounting, finance and other personnel will continue to need to devote a substantial amount of time towards maintaining compliance with these requirements. These requirements have and will increase our legal and financial compliance costs and will make some activities more time-consuming and costly. For example, the rules and regulations applicable to us as a public company have made it more expensive for us to obtain director and officer liability insurance. We cannot predict or estimate the amount of additional costs we may incur or the timing of such costs. These rules and regulations are often subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices.

If we fail to maintain proper and effective internal controls over financial reporting or identify additional material weaknesses in the future, we may not be able to accurately or timely report our financial condition or results of operations, which may significantly harm our business and the value of our common stock.

As a public company, we are required to maintain internal control over financial reporting and to report any material weaknesses in such internal control. Section 404 of the Sarbanes-Oxley Act (Section 404) requires that we evaluate and determine the effectiveness of our internal control over financial reporting. The rules governing the standards that must be met for management to assess our internal control over financial reporting are complex and require significant documentation, testing and possible remediation. We and our independent auditors have previously identified a material weakness in our internal control over financial reporting, and we cannot assure you that we will not identify other material weaknesses in the future. A material weakness is a deficiency or combination of deficiencies in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our consolidated financial statements will not be prevented or detected on a timely basis.

We may not have identified all material weaknesses, and our current controls and any new controls that we develop may become inadequate because of changes in personnel or conditions in our business or otherwise. Accordingly, we cannot assure you that any future material weaknesses will not result in a material misstatement of our consolidated financial statements and/or our failure to meet our public reporting obligations. In addition, if we and/or our independent registered public accounting firm are unable to conclude that our internal control over financial reporting is effective in the future, investor confidence in the accuracy and completeness of our consolidated financial statements would be adversely affected, which could significantly harm our business and the value of our common stock. Failure to remedy any material weakness in our internal control over financial reporting, or to implement or maintain other effective control systems required of public companies, could also restrict our future access to the capital markets.

We are a non-accelerated filer. For so long as we remain a non-accelerated filer, our independent registered public accounting firm will not be required to attest to the effectiveness of our internal control over financial reporting pursuant to Section 404. An independent assessment of the effectiveness of our internal control over financial reporting could detect problems that our management's assessment might not. Undetected material weaknesses in our internal control over financial reporting could lead to financial statement restatements and require us to incur the expense of remediation.

Our disclosure controls and procedures may not prevent or detect all errors or acts of fraud.

We are subject to the periodic reporting requirements of the Exchange Act, and we must maintain disclosure controls and procedures designed to reasonably assure that information we must disclose in reports we file or submit under the Exchange Act is accumulated and communicated to management and recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC. We believe that any disclosure controls and procedures or internal controls and procedures, no matter how well-conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. For example, our directors or executive officers could inadvertently fail to disclose a new relationship or arrangement, causing us to fail to make a required related party transaction disclosure or identify a potential conflict of interest. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by an unauthorized override of

the controls. Accordingly, because of the inherent limitations in our control system, misstatements due to error or fraud may occur and not be detected.

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

Provisions in our amended and restated certificate of incorporation and bylaws may discourage, delay, or prevent a merger, acquisition, or other change in control that stockholders may consider favorable, including transactions in which you might otherwise receive a premium for your shares of our common stock. These provisions may also prevent or frustrate attempts by our stockholders to replace or remove our management. Therefore, these provisions could adversely affect the price of our common stock. Among other things, our organizational documents:

- establish that our board of directors is divided into three classes, Class I, Class II and Class III, with each class serving staggered three-year terms;
- provide that our directors may be removed only for cause;
- 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;
- eliminate cumulative voting in the election of directors;
- authorize our board of directors to issue shares of preferred stock and determine the price and other terms of those shares, including preferences and voting rights, without stockholder approval;
- permit stockholders to take actions only at a duly called annual or special meeting and not by unanimous written consent;
- prohibit stockholders from calling a special meeting of stockholders;
- require that stockholders give advance notice to nominate directors or submit proposals for consideration at stockholder meetings;
- authorize our board of directors, by a majority vote, to amend certain provisions of the bylaws; and
- require the affirmative vote of at least 66 2/3% or more of the outstanding shares of common stock to amend many of the provisions described above.

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

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

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

Our amended and restated certificate of incorporation provides that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware will be the exclusive forum for the following types of actions or proceedings under Delaware statutory or common law:

- any derivative action or proceeding brought on our behalf;
- any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers or other employees, or stockholders to us or our stockholders;
- any action asserting a claim arising pursuant to any provision of the DGCL or our amended and restated certificate of incorporation and bylaws; and
- any action asserting a claim governed by the internal affairs doctrine.

Furthermore, to prevent having to litigate claims in multiple jurisdictions and the threat of inconsistent or contrary rulings by different courts, among other considerations, our amended and restated certificate of incorporation also provides that unless we consent in writing to the selection of an alternative forum, the federal district courts of the United States will be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act. However, these provisions would not apply to suits brought to enforce a duty or liability created by the Exchange Act or any other claim for which the federal courts have exclusive jurisdiction. Any person purchasing or otherwise acquiring or holding any interest in shares of our capital stock is deemed to have received notice of and consented to the foregoing provisions. These choice of forum provisions may limit a stockholder's ability to bring a claim in a judicial forum that it finds more favorable for disputes with us or with our directors, officers, other employees or agents or our other stockholders, which may discourage such lawsuits against us and such other persons, or may result in additional expense to a stockholder seeking to bring a claim against us. Alternatively, if a court were to find this choice of forum provision 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, results of operations and financial condition.

General Risk Factors

Changes in tax laws or regulations, including those that are applied adversely to us or our customers, may have a material adverse effect on our business, cash flow, financial condition, results of operations, effective tax rate or compliance costs.

New income, sales, use or other tax laws, statutes, rules, regulations or ordinances could be enacted at any time (including in connection with reforms under consideration or being implemented at an international level by the Organisation for Economic Co-Operation and Development (the OECD)), which could adversely affect our business operations and financial performance. Further, existing tax laws, statutes, rules, regulations or ordinances could be interpreted, changed, modified or applied adversely to us, and tax authorities may disagree with tax positions that we have taken, which could, in each case, result in increased tax liabilities. For example, the Tax Act, the CARES Act and the Inflation Reduction Act of 2022 made many significant changes to the U.S. tax laws. For example, the Tax Act made broad and complex changes to the U.S. tax code, including, among other things, reducing the federal corporate tax rate. Additionally, beginning in 2022, the Tax Act required the capitalization of research and experimentation expenses (R&E expenses) with amortization periods over five and fifteen years pursuant to Section 174 of the Code. The OBBBA restored the deductibility of domestic R&E expenses in the year incurred for tax years beginning after December 31, 2024, but retained the capitalization and amortization requirement for foreign R&E expenses. Future guidance from the U.S. Internal Revenue Service and other tax authorities with respect to any such tax legislation may affect us, and certain aspects of prior tax legislation could be repealed or modified in future legislation. Changes in corporate tax rates, the realization of net deferred tax assets relating to our U.S. operations and the deductibility of expenses under current tax law or future tax reform legislation could have a material impact on the value of our deferred tax assets, could result in significant one-time charges in the current or future taxable years and could increase our future U.S. tax expense. The foregoing items, as well as any other future changes in tax laws (whether at the initiative of the U.S. government or international bodies, such as the OECD), could have a material adverse effect on our business, cash flow, financial condition, results of operations, effective tax rate or compliance costs.

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

The global credit and financial markets have experienced extreme volatility and disruptions (including as a result of tariffs and recession concerns), which included severely diminished liquidity and credit availability, elevated inflationary pressures and interest rate volatility, declines in consumer confidence, slower economic growth, uncertainty about economic stability and swings in unemployment rates. The financial markets and the global economy may also be adversely affected by the impact of tariffs, supply chain disruptions, labor shortages, fluctuations in currency exchange rates, changes in interest rates, military conflict, acts of terrorism or other geopolitical events. Sanctions imposed, and other actions taken, by the United States and other countries in geopolitical conflicts may also adversely impact the financial markets and the global economy, and any economic countermeasures by the affected countries or others could exacerbate market and economic instability. Deterioration in credit and financial markets and confidence in economic conditions may occur. Our general business strategy may be adversely affected by any such economic downturn, volatile business environment or continued unpredictable and unstable market conditions, including disruption to enrollment within our ongoing or planned trials and our ability to purchase necessary supplies on acceptable terms, if at all. If the current equity and credit markets deteriorate, it may make any necessary debt or equity financing more difficult, more costly and more dilutive. Failure to secure any necessary financing in a timely manner and on favorable terms could have a material adverse effect on our growth strategy, financial performance and stock price and could require us to delay or abandon clinical development plans. In addition, there is a risk that one or more of our current service providers, manufacturers and other

partners may not survive an economic downturn or rising inflation, which could directly affect our ability to attain our operating goals on schedule and on budget.

Other international and geopolitical events could also have a serious adverse impact on our business. While we cannot predict the broader consequences, these conflicts and retaliatory and counter-retaliatory actions could materially adversely affect global trade, currency exchange rates, inflation, regional economies and the global economy, which in turn may increase our costs, disrupt our supply chain, impair our ability to raise or access additional capital when needed on acceptable terms, if at all, or otherwise adversely affect our business, financial condition and results of operations.

Adverse developments affecting the financial services industry could adversely affect our current and projected business operations and our financial condition and results of operations.

Adverse developments that affect financial institutions, such as events involving liquidity that are rumored or actual, have in the past and may in the future lead to bank failures and market-wide liquidity problems. For example, in March 2023, Silicon Valley Bank (SVB) was closed by the California Department of Financial Protection and Innovation, which appointed the Federal Deposit Insurance Corporation (FDIC) as receiver. Similarly, later in March 2023, Signature Bank and Silvergate Capital Corp. were each swept into receivership. In addition, on May 1, 2023, the FDIC seized First Republic Bank and sold its assets to JPMorgan Chase & Co. While the U.S. Department of Treasury, FDIC and Federal Reserve Board have implemented a program to provide up to $25 billion of loans to financial institutions secured by certain of such government securities held by financial institutions to mitigate the risk of potential losses on the sale of such instruments, widespread demands for customer withdrawals or other liquidity needs of financial institutions for immediate liquidity may exceed the capacity of such program, and there is no guarantee that such programs will be sufficient. Additionally, it is uncertain whether the U.S. Department of Treasury, FDIC and Federal Reserve Board will provide access to uninsured funds in the future in the event of the closure of other banks or financial institutions, or that they would do so in a timely fashion.

While we have not experienced any adverse impact to our liquidity or to our current and projected business operations, financial condition or results of operations as a result of the matters relating to SVB, Signature Bank, Silvergate Capital Corp and First Republic Bank, uncertainty remains over liquidity concerns in the broader financial services industry, and our business, our business partners or industry as a whole may be adversely impacted in ways that we cannot predict at this time.

Although we assess our banking relationships as we believe necessary or appropriate, our access to cash in amounts adequate to finance or capitalize our current and projected future business operations could be significantly impaired by factors that affect the financial institutions with which we have banking relationships and, in turn, us. These factors could include, among others, events such as liquidity constraints or failures, the ability to perform obligations under various types of financial, credit or liquidity agreements or arrangements, disruptions or instability in the financial services industry or financial markets, or concerns or negative expectations about the prospects for companies in the financial services industry. These factors could also include factors involving financial markets or the financial services industry generally. The results of events or concerns that involve one or more of these factors could include a variety of material and adverse impacts on our current and projected business operations and our financial condition and results of operations. These could include, but may not be limited to, delayed access to deposits or other financial assets or the uninsured loss of deposits or other financial assets; or termination of cash management arrangements and/or delays in accessing or actual loss of funds subject to cash management arrangements.

In addition, widespread investor concerns regarding the U.S. or international financial systems could result in less favorable commercial financing terms, including higher interest rates or costs and tighter financial and operating covenants, or systemic limitations on access to credit and liquidity sources, thereby making it more difficult for us to acquire financing on acceptable terms or at all. Any decline in available funding or access to our cash and liquidity resources could, among other risks, adversely impact our ability to meet our operating expenses, financial obligations or fulfill our other obligations, result in breaches of our financial and/or contractual obligations or result in violations of federal or state wage and hour laws. Any of these impacts, or any other impacts resulting from the factors described above or other related or similar factors not described above, could have material adverse impacts on our liquidity and our current and/or projected business operations and financial condition and results of operations.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

None.

Item 3. Defaults Upon Senior Securities.

Not applicable.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

Rule 10b5-1 Trading Plans

During the second quarter of 2026, none of our officers (as defined in Rule 16a-1(f) under the Exchange Act) or directors adopted or terminated a Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement as defined in Item 408(a) and (c) of Regulation S-K, respectively.

Item 6. Exhibits.

Exhibit Number	Description	Form	File Number	Exhibit/ Appendix Reference	Filing Date	Filed Herewith
2.1	Agreement and Plan of Merger, dated as of October 24, 2024, by and among the Registrant, ImmPACT Bio USA Inc., Inspire Merger Sub Inc. and WT Representative LLC, solely in its capacity as the Representative.	8-K	001-40502	2.1	10/24/2024	
3.1	Amended and Restated Certificate of Incorporation.	S-8	333-257249	4.1	06/21/2021	
3.2	Certificate of Amendment of the Amended and Restated Certificate of Incorporation of Lyell Immunopharma, Inc.	8-K	001-40502	3.1	05/28/2025	
3.3	Amended and Restated Bylaws.	8-K	001-40502	3.1	12/05/2025	
4.1	Form of Common Stock Certificate.	10-Q	001-40502	4.1	08/12/2025	
31.1	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a).					X
31.2	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a).					X
32.1«	Certification of Principal Executive Officer and Principal Financial Officer Pursuant to 18 U.S.C. Section 1350.					X
101.INS	XBRL Instance Document.	The XBRL instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.				
101.SCH	Inline XBRL Taxonomy Extension Schema Document					X
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document					X
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document					X
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document					X
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document					X
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)					X

« The certification attached as Exhibit 32.1 that accompanies 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.

SIGNATURE

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.

Lyell Immunopharma, Inc.

Date: August 6, 2026

By: /s/ SMITAL SHAH

Smital Shah

Chief Financial and Business Officer
(Principal Financial Officer)

Exhibit 31.1

CERTIFICATION 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

I, Lynn Seely, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Lyell Immunopharma, 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.

By:

Date: August 6, 2026 /s/ LYNN SEELY

Lynn Seely, M.D.

President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION 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

I, Smital Shah, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Lyell Immunopharma, 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.

Date: August 6, 2026

By: /s/ SMITAL SHAH

Smital Shah

Chief Financial and Business 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

Pursuant to the requirement set forth in Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended, (the "Exchange Act") and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. §1350), each of the undersigned hereby certifies in her capacity as an officer of Lyell Immunopharma, Inc. (the "Company"), that, to the best of her knowledge:

(1) The Company's Quarterly Report on Form 10-Q for the period ended June 30, 2026, to which this Certification is attached as Exhibit 32.1 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d) of the Exchange Act; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 6, 2026

By: /s/ LYNN SEELY

Lynn Seely, M.D.

President and Chief Executive Officer
(Principal Executive Officer)

Date: August 6, 2026

By: /s/ SMITAL SHAH

Smital Shah

Chief Financial and Business Officer
(Principal Financial Officer)