As filed with the Securities and Exchange Commission on April 30, 2018

Registration No. 333-224278

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

AMENDMENT NO. 1
TO
FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

Evelo Biosciences, Inc.
(Exact name of registrant as specified in its charter)

Delaware	2834	46-5594527
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)

620 Memorial Drive, Suite 200
Cambridge, Massachusetts 02139
(617) 577-0300
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Balkrishan (Simba) Gill, Ph.D.
President and Chief Executive Officer
Evelo Biosciences, Inc.
620 Memorial Drive, Suite 200
Cambridge, Massachusetts 02139
(617) 577-0300
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Peter N. Handrinos	**Stuart M. Cable**
Wesley C. Holmes	**Edwin M. O'Connor**
Latham & Watkins LLP	**Goodwin Procter LLP**
200 Clarendon Street	**100 Northern Avenue**
Boston, Massachusetts 02116	**Boston, Massachusetts 02210**
(617) 948-6000	**(617) 570-1000**

Approximate date of commencement of proposed sale to the public:
As soon as practicable after this Registration Statement is declared effective.

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

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

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

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

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

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☐
(Do not check if a smaller reporting company)		Emerging growth company	☒

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

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities To Be Registered	Proposed Maximum Aggregate Offering Price (1)	Amount of Registration Fee (2)(3)
Common Stock, $0.001 par value per share	$103,859,375	$12,931

(1) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(o) under the Securities Act of 1933, as amended.

(2) $12,450 of this registration fee was previously paid by the Registrant in connection with the filing of its Registration Statement on Form S-1 on April 13, 2018.

(3) Calculated pursuant to Rule 457(o) based on an estimate of the proposed maximum aggregate offering price.

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

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

PRELIMINARY PROSPECTUS
SUBJECT TO COMPLETION
DATED APRIL 30, 2018

5,312,500 Shares

COMMON STOCK

Evelo Biosciences, Inc. is offering 5,312,500 shares of its common stock. This is our initial public offering and no public market currently exists for our shares. We anticipate that the initial public offering price will be between $15.00 and $17.00 per share.

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

We are an "emerging growth company" as defined under the federal securities laws, and as such, we have elected to comply with certain reduced reporting requirements for this prospectus and may elect to do so in future filings. Investing in our common stock involves risks. Please see "Risk Factors" beginning on page 10.

	Per Share	*Total*
Initial public offering price	*$*	*$*
Underwriting discount and commissions (1)	*$*	*$*
Proceeds, before expenses, to us	*$*	*$*

(1) See the section titled "Underwriting" for a description of the compensation payable to underwriters.

We have granted the underwriters the right to purchase up to 796,875 additional shares of common stock from us to cover over-allotments.

Certain of our existing stockholders, including entities affiliated with certain of our directors, have indicated an interest in purchasing an aggregate of approximately $40.0 million in shares of our common stock in this offering at the initial public offering price. However, because indications of interest are not binding agreements or commitments to purchase, the underwriters may determine to sell more, fewer or no shares in this offering to any or all of these stockholders, or any or all of these stockholders may determine to purchase more, fewer or no shares in this offering. The underwriters will receive the same underwriting discount on any shares purchased by these stockholders as they will on any other shares sold to the public in this offering.

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

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

MORGAN STANLEY *COWEN* *BMO CAPITAL MARKETS*

JMP SECURITIES

The date of this prospectus is , 2018.

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Neither we nor the underwriters have authorized anyone to provide any information or to make any representations other than those contained in this prospectus or in any free writing prospectus prepared by or on behalf of us or to which we have referred you. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. This prospectus is an offer to sell only the shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus or in any applicable free writing prospectus is accurate only as of its date, regardless of its time of delivery or any sale of shares of our common stock. Our business, financial condition, results of operations and prospects may have changed since that date.

Through and including , 2018 (25 days after the date of this prospectus), all dealers effecting transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This delivery requirement is in addition to the obligation of dealers to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

For investors outside the United States: Neither we nor the underwriters have done anything that would permit this offering or possession or distribution of this prospectus in any jurisdiction where action for that purpose is required, other than in the United States. Persons outside the United States who come into possession of this prospectus must inform themselves about, and observe any restrictions relating to, the offering of the shares of common stock and the distribution of this prospectus outside the United States.

Solely for convenience, the trademarks, trade names and service marks may appear in this prospectus with the ® or ™ symbols, but any such references are not intended to indicate, in any way, that we forgo or will not assert, to the fullest extent under applicable law, our rights or the rights of the applicable licensors to these trademarks, trade names and service marks. All trademarks, trade names and service marks appearing in this prospectus are the property of their respective owners.

PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus. This summary does not contain all of the information you should consider before investing in our common stock. You should read this entire prospectus carefully, especially the sections entitled "Risk Factors," "Special Note Regarding Forward-Looking Statements," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and the related notes appearing at the end of this prospectus, before making an investment decision.

As used in this prospectus, unless the context otherwise requires, references to "we," "us," "our," "the Company," "our Company," "Evelo" and "Evelo Biosciences" refer to the consolidated operations of Evelo Biosciences, Inc. and its consolidated subsidiary.

Overview

Evelo Biosciences is discovering and developing potential therapies designed to act on the gut-body network. The action of our therapies is based on our growing understanding of the central role of the gut in controlling immune and biological activity throughout the body. The gut-body network represents the connections of the gut to all organs and tissues, which enables the gut to exert a significant level of control over the body's immune and biological systems. The centrality of the gut-body network to the immune system has only recently become appreciated, and modern medicine and drug discovery have largely overlooked the importance of the gut-body network in fighting disease. We believe that we have the potential to use the unexplored biology of the gut-body network to develop novel therapies that could transform the treatment of many major diseases, potentially driving profound benefits to patients and society.

The gut, or the gastrointestinal tract, is the largest part of the immune system and is a central hub of the body's network of lymphatic vessels. Immune cells from around the body circulate via these lymphatic vessels through tissues of the gut, where they are conditioned by exposure to the many antigens and immunomodulatory agents that continuously pass through the gut. These conditioned immune cells then continue to travel throughout the body and can impact disease and health at all sites of the body. Microbes, in particular, have the ability to condition immune cells in the gut.

We are developing orally-delivered pharmaceutical compositions of specific strains of naturally-occurring microbes derived from a single clone, which we refer to as monoclonal microbials. Our monoclonal microbials are designed to act on the gut-body network. We and our collaborators have observed in preclinical studies that specific monoclonal microbials can downregulate or upregulate immune responses throughout the body by acting on the gut-body network with naturally-evolved pharmacology. We believe that monoclonal microbials exert their effects through interactions with host immune cells as they pass through the gut. Based on our preclinical studies, we believe that our product candidates could significantly improve the treatment of many diseases.

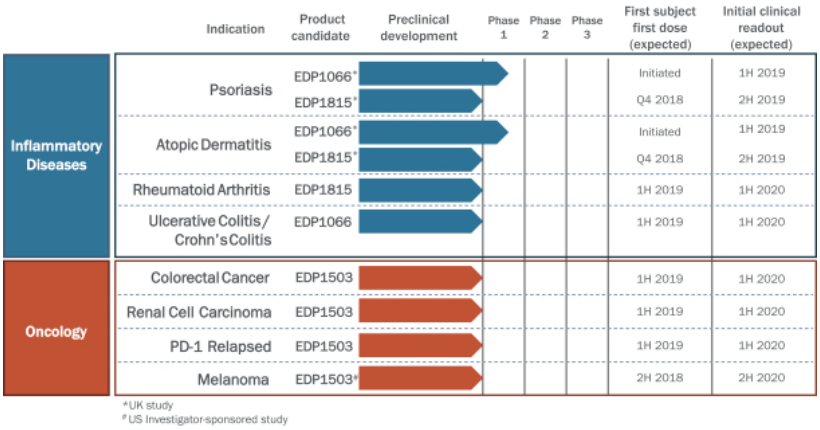
We have built a proprietary platform designed to develop monoclonal microbials as therapeutics. Our platform integrates tools and capabilities necessary to source, select, develop and manufacture monoclonal microbials as therapies. The efficiency of our platform has, in a relatively short period of time, allowed us to produce three product candidates for a range of inflammatory diseases and cancer that we are advancing into clinical trials in 2018, beginning with a trial of EDP1066, in which we dosed our first subject in April 2018.

We believe that monoclonal microbials have the potential to address significant patient need at various stages of disease. We believe this is due to their potentially superior characteristics over current therapies and the advantages of our platform, specifically:

- We have observed activity in preclinical animal models for each of our lead product candidates. Each of our monoclonal microbials acts through multiple naturally-evolved biological pathways. By acting on multiple pathways simultaneously, we believe monoclonal microbials can impact disease in ways that are not addressable with current single-target therapies.
- We believe our monoclonal microbials are likely to be well tolerated given that they are single strains of naturally-evolved human commensal microbes that act on the gut-body network without significant risk of systemic exposure. If we validate this profile in clinical trials, we believe monoclonal microbials have the potential to be used at earlier stages of disease and, by extension, in many more patients than current immunomodulatory drugs.
- Our development of monoclonal microbials has the potential to be more efficient than those other therapeutic classes such as cell therapy, monoclonal antibodies and small molecules. We believe that monoclonal microbials do not require the lengthy target validation and compound discovery requirements of conventional drug discovery. Additionally, we believe the manufacture of monoclonal microbials is meaningfully faster than that of certain other biologics and can further accelerate our path to clinical testing and commercialization.

Our product development strategy is to evaluate a range of monoclonal microbials with different activities in clinical trials across multiple diseases. The initial trials for our product candidates are expected to provide information on safety and biomarkers of immune response at and beyond the site of disease. We believe this biomarker data will enable expansion into a broad range of clinical indications. We dosed the first subject in our clinical trial of our first monoclonal microbial candidate in inflammatory diseases, EDP1066, in April 2018, and expect to initiate a clinical trial for our second candidate in inflammatory diseases, EDP1815, in the fourth quarter of 2018. We expect initial biomarker and clinical data in the first half of 2019 for EDP1066 and the second half of 2019 for EDP1815. We are also developing monoclonal microbial therapies in oncology. The first oncology product candidate is EDP1503, for which we expect to initiate clinical trials in the second half of 2018 and the first half of 2019 and to obtain clinical data in 2020.

Our initial clinical product candidates and intended plan for initial clinical trials are illustrated below.



Beyond our first set of clinical product candidates, we have identified several other potential candidates from our discovery program, and we are continuing to invest in the discovery of additional potential candidates. We believe monoclonal microbials and our platform have broad potential utility beyond our initial therapeutic focus areas of inflammatory diseases and oncology, and we plan to pursue many opportunities in which our platform has the potential to transform medicine.

Our Strategy

Our goal is to create and develop a new class of therapies that has the potential to transform the treatment of a broad range of diseases by focusing on the gut-body network. We have begun to translate this biology to the clinic and intend to fully explore therapeutic applications. Key elements of our strategy to achieve this goal are to:

- realize the full potential of the gut-body network to create an expansive and diversified product portfolio;
- develop best-in-class therapies to improve outcomes across various stages of disease;
- generate early clinical readouts with biomarker driven validation to efficiently advance our product candidates;
- industrialize monoclonal microbials to advance and scale our platform;
- strengthen and expand our intellectual property to protect our platform; and
- collaborate to realize the potential of the gut-body network and monoclonal microbials.

Evelo and Flagship Pioneering

Evelo Biosciences, a Flagship Pioneering company, was founded by the Flagship VentureLabs® unit. Evelo Biosciences emerged from VentureLabs' proprietary innovation and company-origination process, building upon explorations that focused on the interface between microbes and the immune system, ultimately revealing the privileged relationship between the two as well as means to use microbes to control the immune system. The VentureLabs founding team recognized the potential for microbes administered to the gut to drive specific and reproducible immune responses through their direct engagement with the immune system, opening an opportunity for novel therapies that harness natural mechanisms to control immune biology.

Risk Factors

Our business is subject to numerous risks and uncertainties, including those highlighted in the section titled "Risk Factors" immediately following this prospectus summary. Some of these risks are:

- we have a limited operating history, have incurred significant losses since our inception, expect to incur losses for the foreseeable future and may never achieve or maintain profitability;
- even if this offering is successful, we will need additional funding before we can expect to become profitable from the sales of our products, if approved, and if we are unable to raise capital when needed, we could be forced to delay, reduce or discontinue our product development programs or commercialization efforts;
- we are in clinical and preclinical stages of our development efforts and our product candidates, including EDP1066, EDP1815 and EDP1503, may not be successful in clinical trials and, as a result, may never be approved as marketable therapeutics;
- our product candidates are based on monoclonal microbials, which are an unproven approach to therapeutic intervention;
- our product candidates are intended to act on the gut-body network, which may not function in humans the way we have observed in mice, and our product candidates may not reproduce the systemic effects we have seen in preclinical data;
- clinical drug development involves a lengthy and expensive process, with an uncertain outcome, and we may incur additional costs or experience delays in completing, or ultimately be unable to complete, the development and commercialization of our product candidates;
- we rely, and expect to continue to rely, on third parties to conduct our clinical trials, for biological materials, including human samples containing microbes, and to manufacture our product candidates for preclinical and clinical testing, and those third parties may not perform satisfactorily, which could delay our product development activities;
- our existing collaborations are important to our business and future licenses may also be important to us, and if we are unable to maintain any of these collaborations, or if these arrangements are not successful, our business could be adversely affected;
- if we are unable to adequately protect our proprietary technology, or obtain and maintain issued patents that are sufficient to protect our product candidates, others could compete against us more directly, which would have a material adverse impact on our business, results of operations, financial condition and prospects; and
- our future success depends on our ability to retain key executives or to attract, retain and motivate qualified personnel.

Implications of Being an Emerging Growth Company

As a company with less than $1.07 billion in revenue during our last fiscal year, we qualify as an "emerging growth company" as defined in the Jumpstart Our Business Startups Act, or JOBS Act, enacted in April 2012. An "emerging growth company" may take advantage of reduced reporting requirements that are otherwise applicable to public companies. These provisions include, but are not limited to:

- being permitted to present only two years of audited financial statements and only two years of related Management's Discussion and Analysis of Financial Condition and Results of Operations in this prospectus;
- not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002, as amended;
- not being required to comply with any requirement that may be adopted by the Public Company Accounting Oversight Board regarding mandatory audit firm rotation or a supplement to the auditor's report providing additional information about the audit and the financial statements;
- reduced disclosure obligations regarding executive compensation in our periodic reports, proxy statements and registration statements; and
- exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved.

We may take advantage of these provisions until the last day of our fiscal year following the fifth anniversary of the completion of this offering. However, if any of the following events occur prior to the end of such five-year period, (i) our annual gross revenue exceeds $1.07 billion, (ii) we issue more than $1.0 billion of non-convertible debt in any three-year period or (iii) if we become a "large accelerated filer," we will cease to be an emerging growth company prior to the end of such five-year period. We will be deemed to be a "large accelerated filer" at such time that we (a) have an aggregate worldwide market value of common equity securities held by non-affiliates of $700 million or more as of the last business day of our most recently completed second fiscal quarter, (b) have been required to file annual and quarterly reports under the Securities Exchange Act of 1934, as amended, or the Exchange Act, for a period of at least 12 months and (c) have filed at least one annual report pursuant to the Exchange Act.

We have elected to take advantage of certain of the reduced disclosure obligations in the registration statement of which this prospectus is a part and may elect to take advantage of other reduced reporting requirements in future filings. As a result, the information that we provide to our stockholders may be different than you might receive from other public reporting companies in which you hold equity interests.

In addition, the JOBS Act provides that an emerging growth company can take advantage of an extended transition period for complying with new or revised accounting standards. We have elected to use the extended transition period for complying with new or revised accounting standards; and as a result of this election, our financial statements may not be comparable to companies that comply with public company effective dates.

Corporate Information

We were incorporated under the laws of the State of Delaware in May 2014. Our principal executive offices are located at 620 Memorial Drive, Suite 200, Cambridge, Massachusetts 02139 and our telephone number is (617) 577-0300. Our website address is *www.evelobio.com*. The information contained in, or accessible through, our website does not constitute a part of this prospectus. We have included our website address in this prospectus solely as an inactive textual reference.

The Offering

Common stock offered by us	5,312,500 shares
Common stock to be outstanding after this offering	31,870,854 shares (or 32,667,729 shares if the underwriters exercise their over-allotment option to purchase additional shares in full).
Over-allotment option to purchase additional shares	The underwriters have a 30-day option to purchase up to 796,875 additional shares of our common stock.
Use of proceeds	We estimate that we will receive net proceeds from this offering of approximately $75.9 million (or $87.7 million if the underwriters exercise their over-allotment option in full), assuming an initial public offering price of $16.00 per share, which is the midpoint of the price range set forth on the cover page of the prospectus, and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us. We anticipate that we will use the net proceeds of this offering, together with our cash and cash equivalents as of March 31, 2018, to fund proof of concept clinical trials in our inflammatory diseases programs, to fund proof of concept clinical trials in our oncology programs, to invest in our platform and to advance additional preclinical development activities, and the remainder, if any, to fund working capital, capital expenditures and other general corporate purposes. See “Use of Proceeds” beginning on page 57.
Risk factors	See “Risk Factors” beginning on page 10 and the other information included in this prospectus for a discussion of factors you should consider carefully before deciding to invest in our common stock.
Proposed Nasdaq Global Select Market symbol	“EVLO”

Certain of our existing stockholders, including entities affiliated with certain of our directors, have indicated an interest in purchasing an aggregate of approximately $40.0 million in shares of our common stock in this offering at the initial public offering price. However, because indications of interest are not binding agreements or commitments to purchase, the underwriters may determine to sell more, fewer or no shares in this offering to any or all of these stockholders, or any or all of these stockholders may determine to purchase more, fewer or no shares in this offering. The underwriters will receive the same underwriting discount on any shares purchased by these stockholders as they will on any other shares sold to the public in this offering.

The number of shares of our common stock to be outstanding after this offering is based on 4,171,677 shares of our common stock outstanding as of April 18, 2018, which includes 226,319 shares of issued but unvested restricted stock subject to repurchase and excludes:

- 4,451,244 shares of our common stock issuable upon exercise of stock options outstanding as of April 18, 2018, at a weighted-average exercise price of $4.30 per share;

- 56,006 shares of our common stock issuable upon the exercise of warrants to purchase shares of preferred stock that will become warrants to purchase common stock, at a weighted average exercise price of $3.53 per share, upon the closing of this offering;
- 390,777 shares of our common stock issuable upon the exercise of stock options to be granted in connection with this offering under our 2018 Incentive Award Plan, or the 2018 Plan, which will become effective in connection with this offering, to certain of our directors, executive officers and employees, at an exercise price per share equal to the initial public offering price in this offering;
- 953,915 shares of our common stock reserved for future issuance under the 2018 Plan, as well as shares of our common stock that become available pursuant to provisions in the 2018 Plan that automatically increase the share reserve under the 2018 Plan as described in "Executive and Director Compensation—Incentive Plans—2018 Incentive Award Plan"; and
- 336,356 shares of our common stock that will become available for future issuance under our 2018 Employee Stock Purchase Plan, or the 2018 ESPP, which will become effective in connection with this offering, as well as shares of our common stock that become available pursuant to provisions in the 2018 ESPP that automatically increase the share reserve under the 2018 ESPP as described in "Executive and Director Compensation—Incentive Plans—2018 Employee Stock Purchase Plan."

Unless otherwise indicated, this prospectus reflects and assumes the following:

- the sale by us of 25,232,199 shares of Series C preferred stock from February 2018 to March 2018 for gross proceeds of $81.5 million and the automatic conversion of such shares of preferred stock into 6,185,870 shares of common stock upon the closing of this offering;
- the issuance by us of 250,000 shares of Series B preferred stock in January 2018 to a consultant as partial consideration for services rendered and the automatic conversion of such shares of preferred stock into 61,289 shares of common stock upon the closing of this offering;
- a 1-for-4.079 reverse split of our common stock, which became effective on April 27, 2018;
- the automatic conversion of all outstanding shares of our preferred stock at December 31, 2017 into an aggregate of 16,139,518 shares of our common stock upon the closing of this offering;
- the exercise of a warrant to purchase 134 shares of common stock for an aggregate purchase price of $5.49, which occurred on April 9, 2018;
- the outstanding warrants to purchase our preferred stock becoming warrants to purchase an aggregate of 56,006 shares of our common stock upon the closing of this offering;
- no exercise of outstanding options or warrants after April 18, 2018;
- the filing of our restated certificate of incorporation and the adoption of our amended and restated bylaws, which will occur in connection with the closing of this offering; and
- no exercise by the underwriters of their over-allotment option to purchase additional shares of our common stock.

Summary Consolidated Financial Data

You should read the following summary consolidated financial data together with our consolidated financial statements and the related notes appearing at the end of this prospectus and the "Selected Consolidated Financial Data" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections of this prospectus. We have derived the consolidated statement of operations data for the years ended December 31, 2017 and 2016 and the consolidated balance sheet data as of December 31, 2017 from our audited consolidated financial statements appearing at the end of this prospectus. Our historical results are not necessarily indicative of the results that should be expected in the future.

	Year Ended December 31,	
	2017	2016
	(in thousands, except share and per share amounts)	
Statement of Operations Data:		
Operating expenses:		
Research and development	$ 19,957	$ 9,134
General and administrative	7,574	3,891
Total operating expenses	27,531	13,025
Loss from operations	(27,531)	(13,025)
Other (expense) income:		
Interest expense, net	(215)	(287)
Other expenses	(301)	(20)
Other income (expense), net	(516)	(307)
Net loss	(28,047)	(13,332)
Convertible preferred stock dividends	(6,085)	(1,645)
Net loss attributable to common stockholders	$ (34,132)	$ (14,977)
Net loss per share attributable to common stockholders, basic and diluted(1)	$ (9.10)	$ (5.28)
Weighted average number of common shares outstanding, basic and diluted(1)	3,750,790	2,834,733
Pro forma net loss per share attributable to common stockholders, basic and diluted (unaudited)(2)	$ (1.48)	
Pro forma weighted average common shares outstanding, basic and diluted (unaudited)(2)	18,807,993	

(1) See Note 2 to our audited consolidated financial statements appearing at the end of this prospectus for further details on the calculation of basic and diluted net loss per share attributable to common stockholders.

(2) See Note 13 to our audited consolidated financial statements appearing at the end of this prospectus for further details on the calculation of our unaudited basic and diluted pro forma net loss per share attributable to common stockholders.

	As of December 31, 2017		
	Actual	Pro Forma(2)	Pro Forma as Adjusted(3)
Consolidated Balance Sheet Data:			
Cash and cash equivalents	$ 38,246	$ 124,556	$ 200,406
Working capital(1)	34,938	116,956	192,806
Total assets	43,788	130,098	205,948
Long-term debt	9,966	14,851	14,851
Preferred stock warrant liability	424	—	—
Convertible preferred stock	83,702	—	—
Accumulated deficit	(56,411)	(56,411)	(56,411)
Total stockholders' (deficit) equity	(54,723)	111,492	187,342

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

(2) The pro forma consolidated balance sheet data give effect to:

- the sale by us of 25,232,199 shares of Series C preferred stock from February 2018 to March 2018 for gross proceeds of $81.5 million and the automatic conversion of such shares of preferred stock into 6,185,870 shares of common stock upon the closing of this offering;
- the issuance by us of 250,000 shares of Series B preferred stock in January 2018 to a consultant as partial consideration for services rendered and the automatic conversion of such shares of preferred stock into 61,289 shares of common stock upon the closing of this offering;
- the additional drawdown of $5.0 million under our loan and security agreement with Pacific Western Bank on February 7, 2018, including the issuance of a warrant to purchase our preferred stock that will become a warrant to purchase an aggregate of 8,512 shares of our common stock upon the closing of this offering;
- the automatic conversion of all outstanding shares of our preferred stock at December 31, 2017 into an aggregate of 16,139,158 shares of our common stock upon the closing of this offering;
- the exercise of a warrant to purchase 134 shares of common stock for an aggregate purchase price of $5.49, which occurred on April 9, 2018; and
- the outstanding warrants to purchase our shares of preferred stock becoming warrants to purchase an aggregate of 47,494 shares of our common stock upon the closing of this offering.

(3) The pro forma as adjusted consolidated balance sheet data give further effect to the sale by us of shares of our common stock in this offering at an assumed initial public offering price of $16.00 per share, the midpoint of the price range set forth on the cover page of this prospectus, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us. A $1.00 increase or decrease in the assumed initial public offering price of $16.00 per share, the midpoint of the price range set forth on the cover page of this prospectus, would increase or decrease the pro forma as adjusted amount of each of cash and cash equivalents, working capital, total assets, and total stockholders' (deficit) equity by approximately $4.9 million, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us. An increase or decrease of 1.0 million shares in the number of shares offered by us, as set forth on the cover page of this prospectus, would increase or decrease each of cash and cash equivalents, working capital, total assets, and total stockholders' (deficit) equity on a pro forma as adjusted basis by approximately $14.9 million, assuming no change in the assumed initial public offering price per share and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

RISK FACTORS

Investing in our common stock involves a high degree of risk. You should carefully consider the risks described below, as well as the other information in this prospectus, including our consolidated financial statements and the related notes and "Management's Discussion and Analysis of Results of Operations and Financial Condition," before deciding whether to invest in our common stock. 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.

Risks Related to Our Financial Position and Need for Additional Capital

We are a development-stage company and have incurred significant losses since our inception. We expect to incur losses for the foreseeable future and may never achieve or maintain profitability.

Since inception, we have incurred significant operating losses. Our net loss was $28.0 million and $13.3 million for the years ended December 31, 2017 and 2016, respectively. As of December 31, 2017, we had an accumulated deficit of $56.4 million. To date, we have financed our operations through private placements of our preferred stock and borrowings under our loan and security agreement with Pacific Western Bank. We have devoted substantially all of our financial resources and efforts to developing our monoclonal microbial platform, identifying potential product candidates and conducting preclinical studies. We are in the early stages of developing our product candidates, and we have not completed the development of any monoclonal microbial therapies or other drugs or biologics. We expect to continue to incur significant expenses and operating losses for the foreseeable future. We anticipate that our expenses will increase substantially as we:

- seek to enhance our monoclonal microbial platform and discover and develop additional product candidates;
- seek regulatory approvals for any product candidates that successfully complete clinical trials;
- seek to establish a sales, marketing and distribution infrastructure and scale-up manufacturing capabilities to commercialize any products for which we may obtain regulatory approval;
- maintain, expand and protect our intellectual property portfolio; and
- add clinical, scientific, operational, financial and management information systems and personnel, including personnel to support our product development and potential future commercialization efforts and to support our transition to a public company.

In addition, we anticipate that our expenses will increase substantially if we experience any delays or encounter any issues with any of the above, including but not limited to failed studies, complex results, safety issues or other regulatory challenges.

To become and remain profitable, we must succeed in developing and eventually commercializing products that generate significant revenue. This will require us to be successful in a range of challenging activities, including completing preclinical testing and clinical trials of our product candidates, discovering additional product candidates, obtaining regulatory approval for these product candidates and manufacturing, marketing and selling any products for which we may obtain regulatory approval. We are only in the preliminary stages of most of these activities. We may never succeed in these activities and, even if we do, may never generate revenue that is significant enough to achieve profitability.

Because of the numerous risks and uncertainties associated with pharmaceutical product and biological product development, we are unable to accurately predict the timing or amount of increased expenses or when, or if, we will be able to achieve profitability. If we are required by the U.S. Food and Drug Administration, or FDA,

or the European Medicines Agency, or EMA, or other regulatory authorities to perform preclinical or clinical studies in addition to those currently expected, or if there are any delays in completing our preclinical studies or clinical trials or the development of any of our product candidates, our expenses could increase and revenue could be further delayed.

Even if we do achieve profitability, we may not be able to sustain or increase profitability on a quarterly or annual basis. Our failure to become and remain profitable would depress our value and could impair our ability to raise capital, expand our business, maintain our research and development efforts, diversify our product offerings or even continue our operations.

Even if this offering is successful, we will need additional funding in order to complete development of our product candidates and commercialize our products, if approved. If we are unable to raise capital when needed, we could be forced to delay, reduce or discontinue our product development programs or commercialization efforts.

We expect our expenses to increase in connection with our ongoing activities, particularly as we conduct clinical trials, build manufacturing capacity and expand into additional therapeutic areas.

We expect that our cash and cash equivalents as of March 31, 2018, together with anticipated net proceeds from this offering, will enable us to fund our operating expenses and capital expenditure requirements into the second half of 2020. We have based this estimate on assumptions that may prove to be wrong, and we could use our capital resources sooner than we currently expect. Our future capital requirements will depend on many factors, including:

- the progress and results of any future clinical trials;
- the cost of manufacturing clinical supplies of our product candidates, including EDP1066, EDP1815 and EDP1503;
- the scope, progress, results and costs of preclinical development, laboratory testing and clinical trials for any other future product candidates;
- the costs, timing and outcome of regulatory review of our product candidates;
- 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;
- the revenue, if any, received from commercial sales of our product candidates for which we receive marketing approval;
- 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;
- the effect of competing technological and market developments; and
- the extent to which we acquire or invest in businesses, products and technologies, including entering into licensing or collaboration arrangements for product candidates, although we currently have no commitments or agreements to complete any such transactions.

Any additional fundraising efforts may divert our management from their day-to-day activities, which may adversely affect our ability to develop and commercialize our product candidates. In addition, we cannot guarantee that future financing will be available in sufficient amounts or on terms acceptable to us, if at all. Moreover, the terms of any financing may adversely affect the holdings or the rights of our stockholders and the issuance of additional securities, whether equity or debt, by us, or the possibility of such issuance, may cause the market price of our shares to decline. The sale of additional equity or convertible securities would dilute all of our stockholders. The incurrence of indebtedness could result in increased fixed payment obligations and we may

be required to agree to certain 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. We could also be required to seek funds through arrangements with collaborators or others at an earlier stage than otherwise would be desirable and we may be required to relinquish rights to some of our technologies or product candidates or otherwise agree to terms unfavorable to us, any of which may have a material adverse effect on our business, operating results and prospects.

If we are unable to obtain funding on a timely basis, we may be required to significantly curtail, delay, or discontinue one or more of our research or product development programs or the commercialization of any product candidates. In addition, we may be unable to make milestone and royalty payments due under our intellectual property license agreements or other payments under our agreements with contract research organizations, or CROs, and academic research collaborators, or expand our operations or otherwise capitalize on our business opportunities, as desired, which could materially affect our business, financial condition and results of operations.

Our limited operating history may make it difficult to evaluate the success of our business to date and to assess our future viability.

Since our inception in 2014, we have devoted substantially all of our resources to identifying and developing our product candidates, building our intellectual property portfolio, process development and manufacturing function, planning our business, raising capital and providing general and administrative support for these operations. All of our product candidates are in clinical or preclinical development. We dosed the first subjects in our clinical trial of our first monoclonal microbial candidate in our inflammation portfolio, EDP1066, in April 2018 and expect to commence a clinical trial for our second inflammation candidate, EDP1815, in the fourth quarter of 2018, and the first clinical trials of our oncology product candidate, EDP1503, in the second half of 2018 and the first half of 2019, but have not completed any clinical trials for these or any other product candidates. We have not yet demonstrated our ability to successfully complete any non-clinical toxicology study, Phase 1 clinical study, Phase 2 clinical study or any Phase 3 or other 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. Additionally, 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.

Consequently, any predictions about our future success or viability may not be as accurate as they could be if we had a longer operating history.

The terms of our loan and security agreement place restrictions on our operating and financial flexibility. If we raise additional capital through debt financing, the terms of any new debt could further restrict our ability to operate our business.

We have a $15.0 million term loan credit facility with Pacific Western Bank, or the loan and security agreement, that is secured by a lien covering substantially all of our personal property, excluding intellectual property. As of December 31, 2017, the outstanding principal balance under the loan and security agreement was $10.0 million. In February 2018, we drew the additional $5 million under the loan and security agreement. The loan and security agreement contains customary affirmative and negative covenants and events of default applicable to us and our subsidiaries.

The affirmative covenants include, among others, covenants requiring us (and us to cause our subsidiaries) to maintain our legal existence and governmental approvals, deliver certain financial reports and notifications, maintain proper books of record and account, timely file and pay tax returns, maintain inventory and insurance

coverage, maintain cash with Pacific Western Bank (subject to exceptions) and in accounts subject to control agreements (subject to exceptions), and protect material intellectual property. The negative covenants include, among others, restrictions on us and our subsidiaries transferring collateral, changing businesses, dissolving, liquidating, engaging in mergers or acquisitions, adding new offices or locations, making certain organizational changes, incurring additional indebtedness, encumbering assets (including a negative pledge on intellectual property), paying cash dividends or making other distributions, making investments, selling assets, making certain capitalized expenditures, undergoing a change in control, and engaging in certain non-ordinary course material transactions with affiliates, in each case subject to certain exceptions. If we default under the loan and security agreement, Pacific Western Bank may accelerate all of our repayment obligations and take control of our pledged assets, potentially requiring us to renegotiate our agreement on terms less favorable to us or to immediately cease operations. Further, if we are liquidated, the lenders' right to repayment would be senior to the rights of the holders of our common stock to receive any proceeds from the liquidation. Pacific Western Bank could declare a default upon the occurrence of any event that they interpret as a material adverse effect as defined under the loan and security agreement, thereby requiring us to repay the loan immediately or to attempt to reverse the declaration of default through negotiation or litigation. Any declaration by the lenders of an event of default could significantly harm our business and prospects and could cause the price of our common stock to decline. If we raise any additional debt financing, the terms of such additional debt could further restrict our operating and financial flexibility.

Risks Related to the Discovery, Development and Regulatory Approval of Our Product Candidates

We are very early in our development efforts and may not be successful in our efforts to use our platform to build a pipeline of product candidates and develop marketable drugs.

We are using our monoclonal microbial platform, with an initial focus on developing therapies in immunology, specifically inflammatory diseases, and also oncology. While we believe our preclinical studies to date have validated our platform to a degree, we are at an early stage of development and our platform has not yet, and may never lead to, approvable or marketable products. We are developing these product candidates and additional product candidates that we intend to use to treat broader immunological diseases, respiratory diseases, neuro-inflammation and degeneration, liver diseases, type I diabetes, food allergy, neurobehavior, cardiovascular disease and diseases of metabolism. We may have problems applying our technologies to these other areas, and our new product candidates may not demonstrate a comparable ability in treating disease as our initial product candidates. Even if we are successful in identifying additional product candidates, they may not be suitable for clinical development as a result of our inability to manufacture more complex monoclonal microbials, limited efficacy, unacceptable safety profiles or other characteristics that indicate that they are unlikely to be products that will receive marketing approval and achieve market acceptance. The success of our product candidates will depend on several factors, including the following:

- completion of preclinical studies and clinical trials with positive results;
- receipt of marketing approvals from applicable regulatory authorities;
- obtaining and maintaining patent and trade secret protection and regulatory exclusivity for our product candidates;
- making arrangements with third-party manufacturers for, or establishing our own, commercial manufacturing capabilities;
- launching commercial sales of our products, if and when approved, whether alone or in collaboration with others;
- entering into new collaborations throughout the development process as appropriate, from preclinical studies through to commercialization;

- acceptance of our products, if and when approved, by patients, the medical community and third-party payors;
- effectively competing with other therapies;
- obtaining and maintaining coverage and adequate reimbursement by third-party payors, including government payors, for our products, if approved;
- protecting our rights in our intellectual property portfolio;
- operating without infringing or violating the valid and enforceable patents or other intellectual property of third parties;
- maintaining a continued acceptable safety profile of the products following approval; and
- maintaining and growing an organization of scientists and business people who can develop and commercialize our products and technology.

If we do not successfully develop and commercialize product candidates based upon our technological approach, we will not be able to obtain product revenue in future periods, which likely would result in significant harm to our financial position and adversely affect our stock price.

Our product candidates are intended to act on the gut-body network to produce systemic effects with limited systemic exposure. This biological interaction between the gut and the rest of the body may not function in humans the way we have observed in mice and our drugs may not reproduce the systemic effects we have seen in preclinical data.

We believe our product candidates, including EDP1066, EDP1815 and EDP1503, work by modulating the systemic immune response via the gut-body network. This requires our monoclonal microbials, when dosed, to pass safely through the tissues of the gut, where they can interact with the immune cells in the interior of the gut called the lumen. Dosing to achieve sufficient exposure may require an inconvenient dosing regimen. Even with successful formulation and delivery to achieve proper exposure of our microbes to the gut, we may not get sufficient or even any immune activity at the site of disease. This may be because our understanding of the mechanisms of the gut-body network do not work in humans the way we believe they do. Despite there being strong academic literature to support the concept of the gut-body network and our observations in preclinical studies in mice, these principles and the ability to use monoclonal microbials to modulate the immune system through the gut-body network has not yet been proven in humans.

Our product candidates are based on monoclonal microbials, which are an unproven approach to therapeutic intervention.

All of our product candidates are based on monoclonal microbials. We have not, nor to our knowledge has any other company, received regulatory approval for an oral therapeutic based on this approach. We cannot be certain that our approach will lead to the development of approvable or marketable products. In addition, our monoclonal microbial therapies may have different safety profiles and efficacy in various indications. Finally, the FDA or other regulatory agencies may lack experience in evaluating the safety and efficacy of products based on monoclonal microbials, 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.

Our platform relies on third parties for biological materials to expand our microbial library.

Our monoclonal microbial platform relies on third parties for biological materials, including human samples containing bacteria, to expand our microbial library. Some biological materials have not always met our expectations or requirements, and any disruption in the supply of these biological materials could materially adversely affect our business and ability to build our pipeline of product candidates. For example, if any supplied

biological materials are contaminated, we would not be able to use such biological materials. Although we have quality control processes and screening procedures, biological materials are susceptible to damage and contamination. Improper storage of these materials, by us or any third party suppliers, may require us to destroy some of our raw materials or products.

Even if our product candidates do not cause off target adverse events, there may be immunotoxicity associated with the fundamental pharmacology of our product candidates.

Our product candidates, including EDP1066, EDP1815 and EDP1503, are designed to work by modulating the immune system. While we have observed in preclinical studies that our monoclonal microbials have limited systemic exposure, the pharmacological immune effects we induce are systemic. Systemic immunomodulation from taking our monoclonal microbials could lead to immunotoxicity in patients, which may cause us or regulatory authorities to delay, limit or suspend clinical development. Other immunomodulatory agents have shown immunotoxicity. This includes immune suppressive agents, such as HUMIRA or REMICADE, which have shown an increased risk of infection or in rare instances certain types of blood cancer. In the case of immune activating agents, such as YERVOY, induction of adverse auto-immune events has been observed in some patients. Immunotoxicity in one program could cause regulators to view these adverse events as a class effect of our monoclonal microbials which may impact the timing of the development of our pipeline of potential product candidates. Even if the adverse events are manageable, the profile of the drug may be such that it limits or diminishes the possible number of patients who could receive our therapy.

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 marketing approval, if any.

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, EMA or comparable foreign regulatory authorities. Results of our clinical trials could reveal a high and unacceptable severity and prevalence of side effects or unexpected characteristics. For example, some of our product candidates may consist of live biological material that may remain viable in humans, which carries a risk of causing infections in patients. Some infections may require treatment with antibiotics to eliminate the monoclonal microbial. All our product candidates are screened for antibiotic sensitivity but it is possible that if antibiotic therapy does not eliminate the live biological material, a resistant version of our strain could remerge. These events, while unlikely, could cause a delay in our clinical development and/or could increase the regulatory standards for the entire class of monoclonal microbials. In an instance where the infection risk of taking our product candidates is high, this may cause the benefit risk profile of therapy to be non-competitive in the market and may lead to discontinuation of development of the product.

In addition, it is possible that infections from our product candidates could be rare and not frequently observed in our clinical trials. In larger post marketing authorization trials, however, data could show that the infection risk, while small, does exist. If unacceptable side effects arise in the development of our product candidates, we, the FDA, EMA or comparable foreign regulatory authorities, the institutional review boards, or IRBs, at the institutions in which our studies are conducted, or ethics committees, or the data safety monitoring board, or DSMB, could suspend or terminate our clinical trials or the FDA, EMA or comparable foreign regulatory authorities could order us to cease clinical trials or deny approval of our product candidates for any or all targeted indications. Treatment-related side effects could also affect patient recruitment or the ability of enrolled patients to complete the trial or result in potential product liability claims. In addition, these side effects may not be appropriately recognized or managed by the treating medical staff. We expect to have to train medical personnel using our product candidates to understand the side effect profiles for our clinical trials and upon any commercialization of any of our product candidates. Inadequate training in recognizing or managing the potential side effects of our product candidates could result in patient injury or death. Any of these occurrences may harm our business, financial condition and prospects significantly.

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

- regulatory authorities may withdraw their approval of the product;
- we may be required to recall a product or change the way such product is administered to patients;
- additional restrictions may be imposed on the marketing of the particular product or the manufacturing processes for the product or any component thereof;
- we may be required to conduct post-marketing studies or clinical trials;
- regulatory authorities may require the addition of labeling statements, such as a ‘‘black box’’ warning or a contraindication;
- we may be required to implement a risk evaluation and mitigation strategy or create a medication guide outlining the risks of such side effects for distribution to patients;
- we could be sued and held liable for harm caused to patients;
- the product may become less competitive; and
- our reputation may suffer.

Any of the foregoing events could prevent us from achieving or maintaining market acceptance of the particular product candidate, if approved, and result in the loss of significant revenues to us, which would materially and adversely affect our results of operations and business.

Companies with microbiome products or differing microbial products may produce negative clinical data which will adversely affect public perception of monoclonal microbials, and may negatively impact regulatory approval of, or demand for, our potential products.

Our monoclonal microbial product candidates are pharmaceutical compositions of commensal microbes. While we believe our approach is distinct from microbiome therapies, negative data from clinical trials using microbiome-based therapies (*e.g.*, fecal transplant) and other microbial therapies could negatively impact the perception of the therapeutic use of microbial-based products. This could negatively impact our ability to enroll patients in clinical trials. The clinical and commercial success of our potential products will depend in part on the public and clinical communities’ acceptance of the use of monoclonal microbials. Moreover, our success depends upon physicians prescribing, and their patients being willing to receive, treatments that involve the use of product candidates we may develop in lieu of, or in addition to, existing treatments with which they are already familiar and for which greater clinical data may be available.

Adverse events in our preclinical studies or clinical trials or those of our competitors or of academic researchers utilizing monoclonal microbial technologies, even if not ultimately attributable to our product candidates, and the resulting publicity could result in increased governmental regulation, unfavorable public perception, potential regulatory delays in the testing or approval of our potential product candidates, stricter labeling requirements for our product candidates that are approved, if any, and a decrease in demand for any such products.

Catastrophic loss of our master cell banks could significantly impair our ability to manufacture our product candidates.

Our monoclonal microbial product candidates require that we manufacture from master cell banks, or MCBs, of our microbial strains. There is a possibility of a catastrophic failure or destruction of our MCBs. This could make it impossible for us to continue to manufacture a specific product. Recreating and recertifying our MCBs is possible but not certain and could put at risk the supply of our product candidates for preclinical studies or clinical trials or any products, if approved, to our customers.

Clinical drug development involves a lengthy and expensive process, with an uncertain outcome. We may incur additional costs or experience delays in completing, or ultimately be unable to complete, the development and commercialization of our product candidates.

All of our product candidates are currently in clinical or preclinical development. We dosed the first subject in our first clinical trial of EDP1066 in April 2018 and expect to initiate clinical trials of EDP1815 and EDP1503 in the fourth quarter of 2018 and the second half of 2018, respectively. It is impossible to predict when or if any of our product candidates will prove effective and safe in humans or will receive regulatory approval, and the risk of failure through the product development process is high. Before obtaining marketing approval from regulatory authorities for the sale of any product candidate, we must complete preclinical development and then conduct extensive clinical trials to demonstrate the safety and efficacy of our product candidates in humans. Clinical testing is expensive, difficult to design and implement, can take many years to complete and is uncertain as to outcome. A failed clinical trial can occur at any stage of testing. The outcome of preclinical testing and early clinical trials may not be predictive of the success of later clinical trials, and interim results of a clinical trial do not necessarily predict final results. For example, in our initial clinical trials, drug products will be delivered in a capsule coated for targeted release in the gut. This formulation has not previously been clinically tested, nor are we able to dose mice with a capsule coated for targeted release in the gut. Our ongoing and planned clinical trials will be the first time this formulation is tested and we cannot assure you that the results of this formulation will be consistent with the observations from our preclinical studies. A number of companies in the pharmaceutical and biotechnology industries have suffered significant setbacks in advanced clinical trials due to adverse safety profiles or lack of efficacy, notwithstanding promising results in earlier studies, and we cannot be certain that we will not face similar setbacks.

In addition, we cannot be certain as to the type and number of clinical trials the FDA will require us to conduct before we may successfully gain approval, referred to as licensure in the United States, to market any of our product candidates. Prior to approving a new therapeutic product, the FDA generally requires that efficacy be demonstrated in two adequate and well-controlled clinical trials. In some situations, evidence from a Phase 2 trial and a Phase 3 trial or from a single Phase 3 trial can be sufficient for FDA approval, such as in cases where the trial or trials provide highly reliable and statistically strong evidence of an important clinical benefit. Additionally, the FDA requires that investigation include adequate tests to demonstrate the safety of the new therapeutic product. Additional clinical trials could cause us to incur significant development costs, delay or prevent the commercialization of our products or otherwise adversely affect our business.

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

- regulators, IRBs or ethics committees may not authorize us or our investigators to commence a clinical trial or conduct a clinical trial at a prospective trial site;
- we may experience delays in reaching, or fail to reach, agreement on acceptable clinical trial contracts or clinical trial protocols with prospective trial sites;
- clinical trials of our product candidates may demonstrate undesirable side effects or produce negative or inconclusive results, and we may decide, or regulators may require us, to conduct additional clinical trials or abandon product development programs;
- the number of patients required for clinical trials of our product candidates may be larger than we anticipate, enrollment in these clinical trials may be slower than we anticipate or participants may drop out of these clinical trials at a higher rate than we anticipate;
- our third-party contractors may fail to comply with regulatory requirements or meet their contractual obligations to us in a timely manner, or at all;
- we may have to, or regulators, IRB or ethics committees may require that we or our investigators, suspend or terminate clinical trials of our product candidates for various reasons, including

noncompliance with regulatory requirements or a finding that the participants are being exposed to unacceptable health risks;

- the cost of clinical trials of our product candidates may be greater than we anticipate;
- the supply or quality of our product candidates or other materials necessary to conduct clinical trials of our product candidates may be insufficient or inadequate;
- regulators may revise the requirements for approving our product candidates, or such requirements may not be as we anticipate; and
- regarding trials managed by any future collaborators, our collaborators may face any of the above issues, and may conduct clinical trials in ways they view as advantageous to them but potentially suboptimal for us.

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

- be delayed in obtaining marketing approval for our product candidates;
- lose the support of any future collaborators, requiring us to bear more of the burden of developing certain microbial strains;
- not obtain marketing approval at all;
- obtain marketing approval in some countries and not in others;
- obtain approval for indications or patient populations that are not as broad as we intend or desire;
- obtain approval with labeling that includes significant use or distribution restrictions or safety warnings;
- be subject to additional post-marketing testing requirements; or
- have the product removed from the market after obtaining marketing approval.

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

If we experience delays or difficulties in the enrollment of patients in clinical trials, our receipt of necessary regulatory approvals could be delayed or prevented.

We may not be able to initiate or continue clinical trials for our product candidates if we are unable to locate and enroll a sufficient number of eligible patients to participate in these trials as required by the FDA or similar regulatory authorities outside the United States, such as the EMA. We are developing our product candidates, EDP1066 and EDP1815, to treat inflammatory diseases, beginning with psoriasis and atopic dermatitis, and EDP1503 to treat multiple types of cancer. There are a limited number of patients from which to draw for clinical studies.

Patient enrollment is also affected by other factors including:

- the severity of the disease under investigation;

- the patient eligibility criteria for the study in question;
- the perceived risks and benefits of the product candidate under study;
- the availability of other treatments for the disease under investigation;
- the existence of competing clinical trials;
- the efforts to facilitate timely enrollment in clinical trials;
- our payments for conducting clinical trials;
- the patient referral practices of physicians;
- the ability to monitor patients adequately during and after treatment; and
- the proximity and availability of clinical trial sites for prospective patients.

Our inability to enroll a sufficient number of patients or volunteers for our clinical trials would result in significant delays and could require us to abandon one or more clinical trials altogether. Enrollment delays in our clinical trials may result in increased development costs for our product candidates, which would cause the value of our company to decline and limit our ability to obtain additional financing.

If we are not able to obtain, or if there are delays in obtaining, required regulatory approvals, we will not be able to commercialize our product candidates or will not be able to do so as soon as anticipated, and our ability to generate revenue will be materially impaired.

Our product candidates and the activities associated with their development and commercialization, including their design, testing, manufacture, safety, efficacy, recordkeeping, labeling, storage, approval, advertising, promotion, sale and distribution, are subject to comprehensive regulation by the FDA and other regulatory agencies in the United States and by the EMA and similar regulatory authorities outside the United States. Failure to obtain marketing approval for a product candidate in any jurisdiction will prevent us from commercializing the product candidate in that jurisdiction, and may affect our plans for commercialization in other jurisdictions as well. We have not received approval to market any of our product candidates from regulatory authorities in any jurisdiction. We have only limited experience in filing and supporting the applications necessary to gain marketing approvals and expect to rely on third parties to assist us in this process.

Securing marketing approval requires the submission of extensive preclinical and clinical data and supporting information to regulatory authorities for each therapeutic indication to establish the product candidate's safety and efficacy to such regulatory authorities' satisfaction. Securing marketing approval also requires the submission of information about the product manufacturing process to, and inspection of manufacturing facilities by, the regulatory authorities. Our product candidates may not be effective, may be only moderately effective or may prove to have undesirable or unintended side effects, toxicities or other characteristics that may preclude our obtaining marketing approval or prevent or limit commercial use.

The process of obtaining marketing approvals, both in the United States and abroad, is expensive and may take many years. The scope and amount of clinical data required to obtain marketing approvals can vary substantially from jurisdiction to jurisdiction, and it may be difficult to predict whether a particular regulatory body will require additional or different studies than those conducted by a sponsor, especially for novel product candidates such as our monoclonal microbials. The FDA, EMA or other foreign regulatory authorities may delay, limit, or deny the approval of our product candidates for many reasons, including: our inability to demonstrate that the clinical benefits of our product candidates outweigh any safety or other perceived risks; the regulatory authority's disagreement with the interpretation of data from nonclinical or clinical studies; the regulatory agency's requirement that we conduct additional preclinical studies and clinical trials; changes in marketing approval policies during the development period; changes in or the enactment of additional statutes or regulations, or changes in regulatory review process for each submitted product application; or the regulatory

authority's failure to approve the manufacturing processes or third-party manufacturers with which we contract. Regulatory authorities have substantial discretion in the approval process and may refuse to accept a marketing application as deficient. In addition, varying interpretations of the data obtained from preclinical and clinical testing could delay, limit or prevent marketing approval of a product candidate. Any marketing approval we ultimately obtain may be limited or subject to restrictions or post-approval commitments that render the approved product not commercially viable. Of the large number of drugs in development, only a small percentage successfully complete the FDA, EMA or other regulatory approval processes and are commercialized.

Furthermore, our product candidates may not receive marketing approval even if they achieve their specified endpoints in clinical trials. Clinical data are often susceptible to varying interpretations and many companies that have believed that their products performed satisfactorily in clinical trials have nonetheless failed to obtain FDA, EMA or the applicable foreign regulatory agency approval for their products. The FDA, EMA or foreign regulatory authorities may disagree with our trial design and our interpretation of data from nonclinical and clinical studies. Upon the review of data from any pivotal trial, the FDA, EMA or applicable foreign regulatory agency may request that the sponsor conduct additional analyses of the data and, if it believes the data are not satisfactory, could advise the sponsor to delay filing a marketing application.

Even if we eventually complete clinical testing and receive approval of a biologics license application, or BLA, or foreign marketing authorization for one of our product candidates, the FDA, EMA or applicable foreign regulatory agency may grant approval contingent on the performance of costly additional clinical trials which may be required after approval. The FDA, EMA or the applicable foreign regulatory agency may also approve our products for a more limited indication and/or a narrower patient population than we originally request, and the FDA, EMA or applicable foreign regulatory agency may not approve the labeling that we believe is necessary or desirable for the successful commercialization of our products. Any delay in obtaining, or inability to obtain, applicable regulatory approval would delay or prevent commercialization of our product candidates and would materially adversely impact our business and prospects.

The development of therapeutic products targeting the underlying biology of monoclonal microbials and the gut-body network is an emerging field, and it is possible that the FDA, EMA or other regulatory authorities could issue regulations or new policies in the future affecting our monoclonal microbials that could adversely affect our product candidates.

If we experience delays in obtaining approval or if we fail to obtain approval of our product candidates, the commercial prospects for our product candidates may be harmed and our ability to generate revenues will be materially impaired.

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

Because we have limited financial and managerial resources, we intend to focus on developing product candidates for multiple initial indications that we identify as most likely to succeed, in terms of both regulatory approval and commercialization. As a result, we may forego or delay pursuit of opportunities with other product candidates or for other indications that may 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 research and product development programs and product candidates for specific indications may not yield any commercially viable products. If we do not accurately evaluate the commercial potential or target market for a particular product candidate, we may relinquish valuable rights to that product candidate through collaboration, licensing or other royalty arrangements, in cases in which it would have been more advantageous for us to retain sole development and commercialization rights to such product candidate.

A fast track designation by the FDA may not actually lead to a faster development or regulatory review or approval process.

We may seek fast track designation for some of our product candidates. If a drug or biologic is intended for the treatment of a serious or life-threatening condition and nonclinical or clinical data demonstrate the potential to address unmet medical needs for this condition, the drug or biologic sponsor may apply for FDA fast track designation. Fast track designation provides increased opportunities for sponsor meetings with the FDA during preclinical and clinical development, in addition to the potential for rolling review once a marketing application is filed. The FDA has broad discretion whether or not to grant this designation, and even if we believe a particular product candidate is eligible for this designation, we cannot assure you that the FDA would decide to grant it. Even if we do receive fast track designation, we may not experience a faster development process, review or approval compared to conventional FDA procedures. Fast track designation does not assure ultimate approval by the FDA. The FDA may withdraw fast track designation if it believes that the designation is no longer supported by data from our product development program.

A breakthrough therapy designation by the FDA for our product candidates may not lead to a faster development or regulatory review or approval process, and it does not increase the likelihood that our product candidates will receive marketing approval.

We may seek a breakthrough therapy designation for our product candidates. A breakthrough therapy is defined as a drug or biologic that is intended to treat a serious or life-threatening disease or condition, and preliminary clinical evidence indicates that the drug or biologic may demonstrate substantial improvement over existing therapies on one or more clinically significant endpoints. For drugs that have been designated as breakthrough therapies, interaction and communication between the FDA and the sponsor can help to identify the most efficient path for clinical development. Drugs designated as breakthrough therapies by the FDA may also be eligible for accelerated approval.

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

We may seek orphan drug designation for some of our product candidates, but may not be able to obtain it.

Regulatory authorities in some jurisdictions, including the United States and Europe, may designate drugs and biologics for relatively small patient populations as orphan drugs. In the United States, the FDA may designate a drug or biologic as an orphan drug if it is intended to treat a rare disease or condition, which is defined as a disease or condition that affects fewer than 200,000 individuals in the United States, or if it affects more than 200,000 individuals in the United States, there is no reasonable expectation that the cost of developing and making the product available in the United States for the disease or condition will be recovered from sales of the product.

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

We may seek orphan drug designation and exclusivity for some of our product candidates. However, even if we obtain orphan drug designation for a product candidate, we may not be able to obtain or maintain orphan drug exclusivity for that product candidate. Orphan drug exclusivity may be lost if the FDA or EMA determines that the request for designation was materially defective or if we are unable to assure sufficient quantity of the drug or biologic to meet the needs of patients with the rare disease or condition. We also may not be the first to obtain marketing approval of any product candidate for which we have obtained orphan drug designation for the orphan-designated indication due to the uncertainties associated with developing pharmaceutical products.

In addition, exclusive marketing rights in the United States may be limited if we seek approval for an indication broader than the orphan-designated indication or may be lost if the FDA later determines that the request for designation was materially defective or if we are unable to assure sufficient quantities of the product to meet the needs of patients with the rare disease or condition. Further, even if we obtain orphan drug exclusivity for a product, that exclusivity may not effectively protect the product from competition because different drugs with different active moieties may be approved for the same condition. Even after an orphan drug is approved, the FDA can subsequently approve the same drug with the same active moiety for the same condition if the FDA concludes that the later drug is clinically superior in that it is shown to be safer, more effective or makes a major contribution to patient care or if the manufacturer of the product with orphan exclusivity is unable to maintain sufficient product quantity. Orphan drug designation neither shortens the development time or regulatory review time of a drug nor gives the drug any advantage in the regulatory review or approval process.

Risks Related to our Dependence on Third Parties and Manufacturing

We rely, and expect to continue to rely, on third parties to conduct our clinical trials, and those third parties may not perform satisfactorily, including failing to meet deadlines for the completion of such trials.

We rely, and expect to continue to rely, on third parties, such as contract research organizations, or CROs, clinical data management organizations, medical institutions, clinical investigators and potential pharmaceutical partners, to conduct and manage our clinical trials and investigator-sponsored trials, including our clinical trial of EDP1066, and anticipated clinical trials for EDP1815 and EDP1503.

Our reliance on these third parties for research and development activities will reduce our control over these activities but does not relieve us of our responsibilities. For example, we 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 requires us to comply with regulatory standards, commonly referred to as good clinical practices, 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, safety and welfare of trial participants are protected. Other countries' regulatory agencies also have requirements for clinical trials with which we must comply. We also may be required in certain instances to register ongoing clinical trials and post the results of completed clinical trials on government-sponsored databases, such as *ClinicalTrials.gov*, within specified timeframes. Failure to do so can result in fines, adverse publicity and civil and criminal sanctions.

Furthermore, these third parties may also have relationships with other entities, some of which may be our competitors. If these third parties do not successfully carry out their contractual duties, do not meet expected deadlines, experience work stoppages, terminate their agreements with us or need to be replaced, or do not conduct our clinical trials in accordance with regulatory requirements or our stated protocols, we may need to enter into new arrangements with alternative third parties, which could be difficult, costly or impossible, and our clinical trials may be extended, delayed, or terminated or may need to be repeated. If any of the foregoing occur, we may not be able to obtain, or may be delayed in obtaining, marketing approvals for our product candidates and may not be able to, or may be delayed in our efforts to, successfully commercialize our product candidates.

We also expect to rely on other third parties to store and distribute drug product required by our clinical trials. Any performance failure on the part of our distributors could delay clinical development or marketing

approval of our product candidates or commercialization of our products, producing additional losses and depriving us of potential product revenue.

We rely on third parties for the manufacture of our product candidates for preclinical and clinical testing and expect to continue to do so for the foreseeable future. This reliance on third parties increases the risk that we will not have sufficient quantities of our product candidates or that such quantities may not be available at an acceptable cost, which could delay, prevent or impair our development or commercialization efforts.

We rely, and expect to continue to rely, on third parties for the manufacture of our product candidates for preclinical and clinical testing, as well as for commercial manufacture if any of our product candidates receive marketing approval.

This reliance on third parties increases the risk that we will not have sufficient quantities of our product candidates on a timely basis or at all, or that such quantities will be available at an acceptable cost or quality, which could delay, prevent or impair our development or commercialization efforts.

We may be unable to establish any agreements with third-party manufacturers on acceptable terms or at all. Even if we are able to establish agreements with third-party manufacturers, reliance on third-party manufacturers entails additional risks, including:

- failure of third-party manufacturers to comply with regulatory requirements and maintain quality assurance;
- breach of manufacturing agreements by the third-party manufacturers;
- failure to manufacture our product according to our specifications;
- failure to manufacture our product according to our schedule or at all;
- misappropriation or disclosure of our proprietary information, including our trade secrets and know-how; and
- termination or nonrenewal of agreements by third-party manufacturers at times that are costly or inconvenient for us.

Third-party manufacturers may not be able to comply with current Good Manufacturing Practices, or cGMP, regulations or similar regulatory requirements outside the United States. Our failure, or the failure of our third-party manufacturers, to comply with applicable regulations could result in sanctions being imposed on us, including clinical holds, fines, injunctions, civil penalties, delays, suspension or withdrawal of approvals, license revocations, seizures or recalls of product candidates or products, operating restrictions and criminal prosecutions, any of which could significantly and adversely affect supplies of our products. The contract manufacturers we rely on to produce our product candidates have never produced a FDA-approved therapeutic. If our contract manufacturers are unable to comply with cGMP regulation or if the FDA does not approve their facility upon a pre-approval inspection, our product candidates may not be approved or may be delayed in obtaining approval. In addition, there are a limited number of manufacturers that operate under cGMP regulations and that might be capable of manufacturing our products. Therefore, our product candidates and any future product candidates that we may develop may compete with other products for access to manufacturing facilities. Any failure to gain access to these limited manufacturing facilities could severely impact the clinical development, marketing approval and commercialization of our product candidates.

Any performance failure on the part of our existing or future manufacturers could delay clinical development or marketing approval. We do not currently have arrangements in place for redundant supply or a second source for required raw materials used in the manufacture of our product candidates or for the manufacture of finished product. If our current contract manufacturers cannot perform as agreed, we may be required to replace such manufacturers and we may be unable to replace them on a timely basis or at all. Our current and anticipated future dependence upon others for the manufacture of our product candidates or products could delay, prevent or impair our development and commercialization efforts.

We have no experience manufacturing our product candidates at commercial scale, and if we decide to establish our own manufacturing facility, we cannot assure you that we can manufacture our product candidates in compliance with regulations at a cost or in quantities necessary to make them commercially viable.

We may establish a manufacturing facility for our product candidates for production at a commercial scale. We have no experience in commercial-scale manufacturing of our product candidates. We currently intend to develop our manufacturing capacity in part by expanding our current facility or building additional facilities. This activity will require substantial additional funds and we would need to hire and train a significant number of qualified employees to staff these facilities. We may not be able to develop commercial-scale manufacturing facilities that are adequate to produce materials for additional later-stage clinical trials or commercial use.

The equipment and facilities employed in the manufacture of pharmaceuticals are subject to stringent qualification requirements by regulatory agencies, including validation of facility, equipment, systems, processes and analytics. We may be subject to lengthy delays and expense in conducting validation studies, if we can meet the requirements at all.

Risks Related to Commercialization of Our Product Candidates and Other Legal Compliance Matters

Even if any of our product candidates receives marketing approval, it may fail to achieve the degree of market acceptance by physicians, patients, hospitals, third-party payors and others in the medical community necessary for commercial success.

If any of our product candidates receives marketing approval, it may nonetheless fail to gain sufficient market acceptance by physicians, patients, third-party payors and others in the medical community. For example, current psoriasis treatment involves the use of steroids and biologics that are well established in the medical community, and physicians may continue to rely on these treatments. If our product candidates receive approval but do not achieve an adequate level of acceptance, we may not generate significant product revenue and we may not become profitable. The degree of market acceptance of our approved product candidates, if any, will depend on a number of factors, including:

- their efficacy, safety and other potential advantages compared to alternative treatments;
- the clinical indications for which our products are approved;
- our ability to offer them for sale at competitive prices;
- their convenience and ease of administration compared to alternative treatments;
- the willingness of the target patient population to try new therapies and of physicians to prescribe these therapies;
- the strength of marketing and distribution support;
- the availability of third-party coverage and adequate reimbursement for our product candidates;
- the prevalence and severity of their side effects and their overall safety profiles;
- any restrictions on the use of our products together with other medications;
- interactions of our products with other medicines patients are taking; and
- the inability of certain types of patients to take our product.

We currently have no sales organization. If we are unable to establish effective sales, marketing and distribution capabilities or enter into agreements with third parties with such capabilities, we may not be successful in commercializing our product candidates if and when they are approved.

We do not have a sales or marketing infrastructure and have no experience in the sale, marketing or distribution of our product candidates. To achieve commercial success for any product for which we obtain

marketing approval, we will need to establish a sales and marketing organization or make arrangements with third parties to perform sales and marketing functions and we may not be successful in doing so.

In the future, we expect to build a focused sales and marketing infrastructure to market or promote our product candidates in the United States and potentially elsewhere, if and when they are approved. There are risks involved with establishing our own sales, marketing and distribution capabilities. For example, recruiting and training a sales force is expensive and time consuming and could delay any product launch. If the commercial launch of a product candidate for which we recruit a sales force and establish marketing capabilities is delayed or does not occur for any reason, we would have prematurely or unnecessarily incurred these commercialization expenses. This may be costly, and our investment would be lost if we cannot retain or reposition our sales and marketing personnel.

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

- our inability to recruit, train and retain an adequate number of effective sales and marketing personnel;
- the inability of sales personnel to obtain access to or educate physicians on the benefits of our products;
- the lack of complementary products to be offered by sales personnel, which may put us at a competitive disadvantage relative to companies with more extensive product lines;
- unforeseen costs and expenses associated with creating an independent sales and marketing organization; and
- the inability to obtain sufficient coverage and reimbursement from third-party payors and governmental agencies.

Outside the United States, we may rely on third parties to sell, market and distribute our product candidates. We may not be successful in entering into arrangements with such third parties or may be unable to do so on terms that are favorable to us. In addition, our product revenue and our profitability, if any, may be lower if we rely on third parties for these functions than if we were to market, sell and distribute any products that we develop ourselves. We likely will have little control over such third parties, and any of them may fail to devote the necessary resources and attention to sell and market our products effectively. If we do not establish sales, marketing and distribution capabilities successfully, either on our own or in collaboration with third parties, we will not be successful in commercializing our product candidates.

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

The development and commercialization of new drug and biologic products is highly competitive and is characterized by rapid and substantial technological development and product innovations. We face competition with respect to our current product candidates, and will face competition with respect to product candidates that we may seek to develop or commercialize in the future, from major pharmaceutical companies, specialty pharmaceutical companies and biotechnology companies worldwide. We are aware of a number of large pharmaceutical and biotechnology companies, including AbbVie Inc., Agenus Inc., AstraZeneca plc, Bristol-Myers Squibb, Celgene Corporation, F. Hoffmann-La Roche A.G., Gilead Sciences, Inc., Incyte Corporation, Johnson & Johnson, Merck & Co., Novartis International A.G., Pfizer Inc. and Regeneron Pharmaceuticals, Inc., as well as smaller, early-stage companies, that are pursuing the development of products, including microbial-based therapeutics in some instances, for disease indications we are targeting. Some of these competitive products and therapies are based on scientific approaches that are the same as or similar to our approach, and others may be based on entirely different approaches. Potential competitors also include academic institutions, government agencies and other public and private research organizations.

Many of the companies against which we are competing or against which we may compete in the future have significantly greater financial resources, established presence in the market and expertise in research and

development, manufacturing, preclinical testing, conducting clinical trials, obtaining regulatory approvals and reimbursement and marketing approved products than we do. Mergers and acquisitions in the pharmaceutical and biotechnology industries may result in even more resources being concentrated among a smaller number of our competitors.

These third parties compete with us in recruiting and retaining qualified scientific, sales and marketing and management personnel, establishing clinical trial sites and patient registration for clinical trials, as well as in acquiring technologies complementary to, or necessary for, our programs.

Our commercial opportunity could be reduced or eliminated if our competitors develop and commercialize products that are more effective, have fewer or less severe side effects, are more convenient or are less expensive than any products that we may develop. Our competitors also may obtain FDA or other regulatory approval for their products more rapidly than we may obtain approval for ours, which could result in our competitors establishing a strong market position before we are able to enter the market, especially for any competitor developing a microbial-based therapeutic which will likely share our same regulatory approval requirements. In addition, our ability to compete may be affected in many cases by insurers or other third-party payors seeking to encourage the use of generic or biosimilar products.

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

Our ability to commercialize any product candidates successfully will depend, in part, on the extent to which coverage and reimbursement for these products and related treatments will be available from government health administration authorities, private health insurers and other organizations. Government authorities and third-party payors, such as private health insurers and health maintenance organizations, decide which medications they will pay for and impact reimbursement levels.

Obtaining and maintaining adequate reimbursement for our products may be difficult. We cannot be certain if and when we will obtain an adequate level of reimbursement for our products by third-party payors. Even if we do obtain adequate levels of reimbursement, third-party payors, such as government or private healthcare insurers, carefully review and increasingly question the coverage of, and challenge the prices charged for, drugs. Reimbursement rates from private health insurance companies vary depending on the company, the insurance plan and other factors. A primary trend in the U.S. healthcare industry and elsewhere is cost containment. Government authorities and third-party payors have attempted to control costs by limiting coverage and the amount of reimbursement for particular medications. Increasingly, third-party payors are requiring that drug companies provide them with predetermined discounts from list prices and are challenging the prices charged for drugs. We may also be required to conduct expensive pharmacoeconomic studies to justify coverage and reimbursement or the level of reimbursement relative to other therapies. If coverage and reimbursement are not available or reimbursement is available only to limited levels, we may not be able to successfully commercialize any product candidate for which we obtain marketing approval, and the royalties resulting from the sales of those products may also be adversely impacted.

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

of laws that presently restrict imports of drugs from countries where they may be sold at lower prices than in the United States. Our inability to promptly obtain coverage and adequate reimbursement rates from both government-funded and private payors for any approved products that we develop could have a material adverse effect on our operating results, our ability to raise capital needed to commercialize products and our overall financial condition.

The regulations that govern marketing approvals, pricing, coverage and reimbursement for new drug products vary widely from country to country. Current and future legislation may significantly change the approval requirements in ways that could involve additional costs and cause delays in obtaining approvals. Some countries require approval of the sale price of a drug before it can be reimbursed. In many countries, the pricing review period begins after marketing or product licensing approval is granted. In some foreign markets, prescription drug pricing remains subject to continuing governmental control, including possible price reductions, even after initial approval is granted. As a result, we might obtain marketing approval for a product in a particular country, but then be subject to price regulations that delay our commercial launch of the product, possibly for lengthy time periods, and negatively impact the revenues we are able to generate from the sale of the product in that country. Adverse pricing limitations may hinder our ability to recoup our investment in one or more product candidates, even if our product candidates obtain marketing approval. There can be no assurance that our product candidates, if they are approved for sale in the United States or in other countries, will be considered medically necessary or cost-effective for a specific indication, or that coverage or an adequate level of reimbursement will be available.

Product liability lawsuits against us could cause us to incur substantial liabilities and limit commercialization of any products that we may develop.

We face an inherent risk of product liability exposure related to the testing of our product candidates in clinical trials and will face an even greater risk if we commercially sell any products that we develop. If we cannot successfully defend ourselves against claims that our product candidates or products caused injuries, we will incur substantial liabilities. Regardless of merit or eventual outcome, liability claims may result in:

- regulatory investigations, product recalls or withdrawals, or labeling, marketing or promotional restrictions;
- decreased demand for any product candidates or products that we may develop;
- injury to our reputation and significant negative media attention;
- withdrawal of clinical trial participants;
- significant costs to defend the related litigation;
- substantial monetary awards to trial participants or patients;
- loss of revenue;
- reduced resources of our management to pursue our business strategy; and
- the inability to commercialize any products that we may develop.

Our current product liability insurance coverage and any product liability insurance coverage that we acquire in the future may not be adequate to cover all liabilities that we may incur. We may need to increase our insurance coverage as we expand our clinical trials or if we commence commercialization of our product candidates. Insurance coverage is increasingly expensive. We may not be able to maintain insurance coverage at a reasonable cost or in an amount adequate to satisfy any liability that may arise.

We may face competition from biosimilars, which may have a material adverse impact on the future commercial prospects of our product candidates.

Even if we are successful in achieving regulatory approval to commercialize a product candidate faster than our competitors, we may face competition from biosimilars. In the United States, the Biologics Price

Competition and Innovation Act, or BPCIA, enacted in 2010 as part of the Patient Protection and Affordable Care Act, created an abbreviated approval pathway for biological products that are demonstrated to be "highly similar," or biosimilar, to or "interchangeable" with an FDA-approved biological product. This pathway could allow competitors to reference data from innovative biological products 12 years after the time of approval of the innovative biological product. This data exclusivity does not prevent another company from developing a product that is highly similar to the innovative product, generating its own data and seeking approval. Data exclusivity only assures that another company cannot rely upon the data within the innovator's application to support the biosimilar product's approval. We believe that any of our product candidates approved as a biological product under a BLA should qualify for the 12-year period of exclusivity. However, there is a risk that this exclusivity could be shortened due to Congressional action or otherwise, or that the FDA will not consider our product candidates to be reference products for competing products, potentially creating the opportunity for generic competition sooner than anticipated. It is possible that Congress or the FDA may take these or other measures to reduce or eliminate periods of exclusivity. The BPCIA is complex and continues to be interpreted and implemented by the FDA. As a result, its ultimate impact remains subject to uncertainty, which could have a material adverse effect on the future commercial prospects for our product candidates.

In Europe, the European Commission has granted marketing authorizations for biosimilars pursuant to a set of general and product class-specific guidelines for biosimilar approvals issued over the past few years. In Europe, a competitor may reference data supporting approval of an innovative biological product, but will not be able to get on the market until 10 years after the time of approval of the innovative product. This 10-year marketing exclusivity period will be extended to 11 years if, during the first eight of those 10 years, the marketing authorization holder obtains an approval for one or more new therapeutic indications that bring significant clinical benefits compared with existing therapies. In addition, companies may be developing biosimilars in other countries that could compete with our products. If competitors are able to obtain marketing approval for biosimilars referencing our products, our products may become subject to competition from such biosimilars, with the attendant competitive pressure and consequences.

Failure to obtain marketing approval in international jurisdictions would prevent our product candidates from being marketed abroad.

In order to market and sell our product candidates in the European Union and many other jurisdictions, we or our collaborators must obtain separate marketing approvals and comply with numerous and varying regulatory requirements. The approval procedure varies among countries and can involve additional testing. The time required to obtain approval in foreign countries may differ substantially from that required to obtain FDA, EMA or other applicable regulatory approval. Clinical trials conducted in one country may not be accepted by regulatory authorities in other countries. The regulatory approval process outside the United States generally includes all of the risks associated with obtaining FDA, EMA or other applicable regulatory approval. In addition, in many countries outside the United States, it is required that the product be approved for reimbursement before the product can be approved for sale in that country. We or our collaborators may not obtain approvals for our product candidates from regulatory authorities outside the United States on a timely basis, if at all. Approval by the FDA does not ensure approval by regulatory authorities in other countries or jurisdictions, and approval by one regulatory authority outside the United States does not ensure approval by regulatory authorities in other countries or jurisdictions or by the FDA. However, a failure or delay in obtaining regulatory approval in one country may have a negative effect on the regulatory process in others. We may not be able to file for marketing approvals and may not receive necessary approvals to commercialize our products in any market.

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

Any product candidate for which we obtain marketing approval, along with the manufacturing processes, post-approval clinical data, labeling, advertising and promotional activities for such product, will be subject to the continual requirements of and review by the FDA and other regulatory authorities. These requirements include submissions of safety and other post-marketing information and reports, registration and listing requirements, cGMP requirements relating to manufacturing, quality control, quality assurance and corresponding maintenance of records and documents, requirements regarding the distribution of samples to physicians and recordkeeping. We and our contract manufacturers will also be subject to continual review and periodic inspections to assess compliance with cGMP. Accordingly, we and others with whom we work must continue to expend time, money and effort in all areas of regulatory compliance, including manufacturing, production and quality control.

Even if marketing approval of a product candidate is granted, the approval may be subject to limitations on the indicated uses for which the product may be marketed or to specific conditions of approval, including a requirement to implement a risk evaluation and mitigation strategy, which could include requirements for a medication guide, communication plan, or restricted distribution system. If any of our product candidates receives marketing approval, the accompanying label may limit the approved use of our drug, which could limit sales of the product.

The FDA may also impose requirements for costly post-marketing studies or clinical trials and surveillance to monitor the safety or efficacy of our approved products. The FDA closely regulates the post-approval marketing and promotion of drugs and biologics to ensure they are marketed only for the approved indications and in accordance with the provisions of the approved labeling. The FDA imposes stringent restrictions on manufacturers' communications regarding off-label use, and if we market our products outside of their approved indications, we may be subject to enforcement action for off-label marketing. Violations of the FDA's restrictions relating to the promotion of prescription drugs may also lead to investigations alleging violations of federal and state health care fraud and abuse laws, as well as state consumer protection laws.

In addition, if a regulatory agency or we later discover previously unknown problems with our products, such as adverse events of unanticipated severity or frequency, problems with manufacturers or manufacturing processes, or failure to comply with regulatory requirements, the regulatory agency may impose restrictions on the products or us, including requiring withdrawal of the product from the market. Any failure to comply with applicable regulatory requirements may yield various results, including:

- litigation involving patients taking our products;
- restrictions on such products, manufacturers or manufacturing processes;
- restrictions on the labeling or marketing of a product;
- restrictions on product distribution or use;
- requirements to conduct post-marketing studies or clinical trials;
- warning letters;
- withdrawal of products from the market;
- suspension or termination of ongoing clinical trials;
- refusal to approve pending applications or supplements to approved applications that we submit;
- recall of products;

- fines, restitution or disgorgement of profits or revenues;
- suspension or withdrawal of marketing approvals;
- damage to relationships with potential collaborators;
- unfavorable press coverage and damage to our reputation;
- refusal to permit the import or export of our products;
- product seizure or detention;
- injunctions; or
- imposition of civil or criminal penalties.

Noncompliance with similar European Union requirements regarding safety monitoring or pharmacovigilance can also result in significant financial penalties. Similarly, failure to comply with U.S. and foreign regulatory requirements regarding the development of products for pediatric populations and the protection of personal health information can also lead to significant penalties and sanctions.

Any government investigation of alleged violations of law could require us to expend significant time and resources in response and could generate negative publicity. In addition, the FDA's regulations, policies or guidance may change and new or additional statutes or government regulations may be enacted that could prevent or delay regulatory approval of our product candidates or further restrict or regulate post-approval activities. For example, in December 2016, the 21st Century Cures Act was signed into law, which is intended, among other things, to modernize the regulation of biologics and to spur innovation, though its ultimate implementation remains unclear. Any failure to comply with ongoing regulatory requirements may significantly and adversely affect our ability to commercialize and generate revenues. If regulatory sanctions are applied or if regulatory approval is withheld or withdrawn, the value of our company and our operating results will be adversely affected.

We also cannot predict the likelihood, nature or extent of adverse government regulation that may arise from pending or future legislation or administrative action, either in the United States or abroad. For example, certain policies of the current presidential administration may impact our business and industry. Namely, the current presidential administration has taken several executive actions, including the issuance of a number of Executive Orders, that could impose significant burdens on, or otherwise materially delay, the FDA's ability to engage in routine regulatory and oversight activities such as implementing statutes through rulemaking, issuance of guidance, and review and approval of marketing applications. It is difficult to predict how these requirements will be implemented, and the extent to which they will impact the FDA's ability to exercise its regulatory authority. If these executive actions impose constraints on the FDA's ability to engage in oversight and implementation activities in the normal course, our business may be negatively impacted.

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

Healthcare providers, physicians and third-party payors will play a primary role in the recommendation and prescription of any product candidates for which we obtain marketing approval. Our future arrangements with third-party payors, physicians and customers may expose us to broadly applicable fraud and abuse and other healthcare laws and regulations that may restrict the business or financial arrangements and relationships through which we market, sell and distribute any products for which we obtain marketing approval. Restrictions under applicable federal and state healthcare laws and regulations include the following:

- the federal Anti-Kickback Statute prohibits, among other things, persons from knowingly and willfully soliciting, offering, receiving or providing remuneration, directly or indirectly, in cash or in kind, to

induce or reward, or in return for, either the referral of an individual for, or the purchase, order or recommendation of, any good or service, for which payment may be made under a federal healthcare program, such as Medicare and Medicaid; a person or entity does not need to have actual knowledge of the statute or specific intent to violate the statute to have committed a violation. In addition, the government may assert that a claim including items or services resulting from a violation of the federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the federal False Claims Act (described below);

- the false claims and civil monetary penalties laws, including the federal False Claims Act, which, among other things, impose criminal and civil penalties, including through civil whistleblower or qui tam actions, against individuals or entities for knowingly presenting, or causing to be presented, to the federal government, claims for payment that are false or fraudulent, knowingly making, using or causing to be made or used, a false record or statement material to a false or fraudulent claim or from knowingly or making a false statement to avoid, decrease or conceal an obligation to pay money to the federal government;
- the federal Health Insurance Portability and Accountability Act of 1996, or HIPAA, imposes criminal and civil liability for executing a scheme to defraud any healthcare benefit program or making false statements relating to healthcare matters; similar to the federal Anti-Kickback Statute, a person or entity does not need to have actual knowledge of these statutes or specific intent to violate them to have committed a violation;
- HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act and its implementing regulations, also imposes obligations, including mandatory contractual terms, with respect to safeguarding the privacy, security and transmission of individually identifiable health information;
- the federal Physician Payment Sunshine Act requires applicable manufacturers of covered drugs to report payments and other transfers of value to physicians and teaching hospitals, and ownership and investment interests held by physicians and their immediate family members; manufacturers are required to submit subsequent reports to the government by the 90th day of each calendar year;
- analogous state and foreign laws and regulations, such as state anti-kickback and false claims laws, may apply to our business practices, including but not limited to, research, distribution, sales or marketing arrangements and claims involving healthcare items or services reimbursed by non- governmental third-party payors, including private insurers; state laws that require pharmaceutical companies to comply with the pharmaceutical industry's voluntary compliance guidelines and the relevant compliance guidance promulgated by the federal government and may require drug manufacturers to report information related to payments and other transfers of value to physicians and other healthcare providers, pricing information or marketing expenditures; and
- state and foreign laws that govern the privacy and security of health information in some circumstances, many of which differ from each other in significant ways and often are not preempted by HIPAA, thus complicating compliance efforts.

The risk of our being found in violation of these laws is increased by the fact that many of them have not been fully interpreted by the regulatory authorities or the courts, and their provisions are open to a variety of interpretations. Any action against us for violation of these laws, even if we successfully defend against it, could cause us to incur significant legal expenses and divert our management's attention from the operation of our business. The shifting compliance environment and the need to build and maintain a robust system to comply with multiple jurisdictions with different compliance and reporting requirements increases the possibility that a healthcare company may violate one or more of the requirements.

Efforts to ensure that our business arrangements with third parties will comply with applicable healthcare laws and regulations will involve substantial costs. It is possible that governmental authorities will conclude that our business practices may not comply with current or future statutes, regulations 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 these laws or any other governmental laws and regulations that may apply to us, we may be subject to significant civil, criminal and administrative penalties, damages, fines, imprisonment, exclusion from government funded healthcare programs, such as Medicare and Medicaid, and the curtailment or restructuring of our operations.

Recently enacted and future legislation may increase the difficulty and cost for us to obtain marketing approval for and commercialize our product candidates and affect the prices we may obtain.

In the United States and some foreign jurisdictions, there have been a number of legislative and regulatory changes and proposed changes regarding the healthcare system that could prevent or delay marketing approval of our product candidates, restrict or regulate post-approval activities and affect our ability to profitably sell any product candidates for which we obtain marketing approval.

In the United States, President Obama signed into law the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Affordability Reconciliation Act, or collectively the Affordable Care Act, a sweeping law intended to broaden access to health insurance, reduce or constrain the growth of healthcare spending, enhance remedies against fraud and abuse, add new transparency requirements for the healthcare and health insurance industries, impose new taxes and fees on the health industry and impose additional health policy reforms.

Among the provisions of the Affordable Care Act that are of importance to our potential product candidates are the following:

- establishment of a new pathway for approval of lower-cost biosimilars to compete with biologic products, such as those we are developing;
- an annual, nondeductible fee payable by any entity that manufactures or imports specified branded prescription drugs and biologic agents;
- an increase in the statutory minimum rebates a manufacturer must pay under the Medicaid Drug Rebate Program;
- expansion of healthcare fraud and abuse laws, including the False Claims Act and the Anti-Kickback Statute, new government investigative powers and enhanced penalties for noncompliance;
- a new Medicare Part D coverage gap discount program, in which manufacturers must agree to offer 50% point-of-sale discounts off negotiated prices;
- extension of manufacturers' Medicaid rebate liability;
- expansion of eligibility criteria for Medicaid programs;
- expansion of the entities eligible for discounts under the Public Health Service pharmaceutical pricing program;
- new requirements to report financial arrangements with physicians and teaching hospitals;
- a new requirement to annually report drug samples that manufacturers and distributors provide to physicians; and
- a new Patient-Centered Outcomes Research Institute to oversee, identify priorities in and conduct comparative clinical effectiveness research, along with funding for such research.

There have been judicial and Congressional challenges to certain aspects of the Affordable Care Act, and we expect there will be additional challenges and amendments to the Affordable Care Act in the future, particularly in light of the new presidential administration and U.S. Congress. At this time, the full effect that the Affordable Care Act would have on our business remains unclear.

In addition, other legislative changes have been proposed and adopted since the Affordable Care Act was enacted. In August 2011, the Budget Control Act of 2011, among other things, created measures for spending reductions by Congress. A Joint Select Committee on Deficit Reduction, tasked with recommending a targeted deficit reduction of at least $1.2 trillion for the years 2013 through 2021, was unable to reach required goals, thereby triggering the legislation's automatic reduction to several government programs. This includes aggregate reductions of Medicare payments to providers of 2% per fiscal year, which went into effect on April 1, 2013 and, due to subsequent legislative amendments, will remain in effect through 2025 unless additional Congressional action is taken. On January 2, 2013, President Obama signed into law the American Taxpayer Relief Act of 2012, which, among other things, reduced Medicare payments to several providers, including hospitals, and an increase in the statute of limitations period for the government to recover overpayments to providers from three to five years. These new laws may result in additional reductions in Medicare and other healthcare funding and otherwise affect the prices we may obtain.

We expect that the Affordable Care Act, as well as other healthcare reform measures that may be adopted in the future, may result in additional reductions in Medicare and other healthcare funding, more rigorous coverage criteria, new payment methodologies and in additional downward pressure on the price that we receive for any approved product. Any reduction in reimbursement from Medicare or other government programs may result in a similar reduction in payments from private payors. The implementation of cost containment measures or other healthcare reforms may prevent us from being able to generate revenue, attain profitability, or commercialize our product candidates, if approved.

Moreover, there has recently been heightened governmental scrutiny over the manner in which manufacturers set prices for their marketed products. Individual states in the United States have become increasingly aggressive in implementing regulations designed to contain pharmaceutical and biological product pricing, including price or patient reimbursement constraints, discounts, restrictions on certain product access and marketing cost disclosure and transparency measures. Legally mandated price controls on payment amounts by third-party payors or other restrictions could harm our business, results of operations, financial condition and prospects. In addition, regional healthcare authorities and individual hospitals are increasingly using bidding procedures to determine what pharmaceutical products and which suppliers will be included in their prescription drug and other healthcare programs. This could reduce the ultimate demand for our product candidates, if approved, or put pressure on our product pricing, which could negatively affect our business, results of operations, financial condition and prospects.

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

Governments outside the United States tend to impose strict price controls, which may adversely affect our revenues, if any.

In some countries, particularly the countries of the European Union, the pricing of prescription drugs is subject to governmental control. In these countries, pricing negotiations with governmental authorities can take considerable time after the receipt of marketing approval for a product. In addition, there can be considerable pressure by governments and other stakeholders on prices and reimbursement levels, including as part of cost containment measures. Political, economic and regulatory developments may further complicate pricing negotiations, and pricing negotiations may continue after coverage and reimbursement have been obtained. Reference pricing used by various European Union member states and parallel distribution or arbitrage between low-priced and high-priced member states, can further reduce prices. To obtain reimbursement or pricing

approval in some countries, we may be required to conduct a clinical trial that compares the cost-effectiveness of our product candidate to other available therapies. If coverage and reimbursement of our products are unavailable or limited in scope or amount, or if pricing is set at unsatisfactory levels, our business could be harmed, possibly materially.

If we fail to comply with environmental, health and safety laws and regulations, we could become subject to fines or penalties or incur costs that could harm our business.

We are subject to numerous environmental, health and safety laws and regulations, including those governing laboratory procedures and the handling, use, storage, treatment and disposal of hazardous materials and wastes. Our operations involve the use of hazardous and flammable materials, including chemicals and biological materials such as human stool. Our operations also produce hazardous waste products. We generally contract with third parties for the disposal of these materials and wastes. We cannot eliminate the risk of contamination or injury from these materials. In the event of contamination or injury resulting from our use of hazardous materials, we could be held liable for any resulting damages, and any liability could exceed our resources. We also could incur significant costs associated with civil or criminal fines and penalties for failure to comply with such laws and regulations.

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

In addition, we may incur substantial costs in order to comply with current or future environmental, health and safety laws and regulations. These current or future laws and regulations may impair our research, development or production efforts. Our failure to comply with these laws and regulations also may result in substantial fines, penalties or other sanctions.

Risks Related to Our Intellectual Property

If we are unable to adequately protect our proprietary technology, or obtain and maintain issued patents which are sufficient to protect our product candidates, others could compete against us more directly, which would have a material adverse impact on our business, results of operations, financial condition and prospects.

Our success depends in large part on our ability to obtain and maintain patent and other intellectual property protection in the United States and other countries with respect to our proprietary technology and products. We seek to protect our proprietary position by filing patent applications in the United States and abroad related to our novel technologies and product candidates. We also rely on trade secrets to protect aspects of our business that are not amenable to, or that we do not consider appropriate for, patent protection.

The patent prosecution process is expensive and time-consuming, and we may not be able to file and prosecute all necessary or desirable patent applications at a reasonable cost, in a timely manner, or in all jurisdictions. Prosecution of our patent portfolio is at a very early stage, and we are just beginning to reach the statutory deadlines for deciding whether and where to initiate prosecution in specific foreign jurisdictions by filing national stage applications based on our Patent Cooperation Treaty applications. As those deadlines come due, we will have to decide whether and where to pursue patent protection for the various inventions claimed in our patent portfolio, and we will only have the opportunity to obtain patents in those jurisdictions where we pursue protection. It is also possible that we will fail to identify patentable aspects of our research and development output before it is too late to obtain patent protection. It is possible that defects of form in the preparation or filing of our patents or patent applications may exist, or may arise in the future, such as, with

respect to proper priority claims, inventorship, claim scope or patent term adjustments. If there are material defects in the form or preparation of our patents or patent applications, such patents or applications may be invalid and unenforceable. Moreover, our competitors may independently develop equivalent knowledge, methods and know-how. Any of these outcomes could impair our ability to prevent competition from third parties, which may have an adverse impact on our business, financial condition and operating results.

Pursuant to our current and future license agreements with third parties, in some circumstances, we may not have the right to control the preparation, filing and prosecution of patent applications, or to maintain the patents, covering technology that we license from third parties. We may also require the cooperation of our licensors to enforce any licensed patent rights, and such cooperation may not be provided. Therefore, these patents and applications may not be prosecuted and enforced in a manner consistent with the best interests of our business.

Our patent portfolio is in the early stages of prosecution. We currently have seven issued U.S. patents. Although we have numerous patent applications pending, substantive prosecution has begun in only a small number of those applications. We cannot provide any assurances that any of our pending patent applications will mature into issued patents and, if they do, that such patents or our current patents will include claims with a scope sufficient to protect our product candidates or otherwise provide any competitive advantage. For example, we are pursuing claims to compositions of certain bacterial populations. Any claims that are issued may provide coverage for such compositions and/or their use. However, such claims would not prevent a third party from commercializing alternative compositions that do not include the bacterial populations claimed in pending applications, potential applications or patents that have or may issue. There can be no assurance that any such alternative composition will not be equally effective. These and other factors may provide opportunities for our competitors to design around our patents, should they issue.

Moreover, other parties have developed technologies that may be related or competitive to our approach, and may have filed or may file patent applications and may have received or may receive patents that may overlap or conflict with our patent applications, either by claiming similar methods or by claiming subject matter that could dominate our patent position. In addition, given the early stage of prosecution of our portfolio, it may be some time before we understand how patent offices react to our patent claims and whether they identify prior art of relevance that we have not already considered, which could be an impediment to our patents issuing.

Publications of discoveries in the scientific literature often lag behind the actual discoveries, and patent applications in the United States and other jurisdictions are typically not published until 18 months after filing, or in some cases not at all. Therefore, we cannot know with certainty whether we were the first to make the inventions claimed in any owned patents or pending patent applications, or that we were the first to file for patent protection of such inventions, nor can we know whether those from whom we may license patents were the first to make the inventions claimed or were the first to file. For these and other reasons, the issuance, scope, validity, enforceability and commercial value of our patent rights are subject to a level of uncertainty. Our pending and future patent applications may not result in patents being issued which protect our technology or products, in whole or in part, or which effectively prevent others from commercializing competitive technologies and products. Changes in either the patent laws or interpretation of the patent laws in the United States and other countries may diminish the value of our patents or narrow the scope of our patent protection.

We may be subject to a third-party pre-issuance submission of prior art to the United States Patent and Trademark Office, or USPTO, or become involved in opposition, derivation, reexamination, inter partes review, post-grant review or interference proceedings challenging our patent rights or the patent rights of others. An adverse determination in any such submission, proceeding or litigation could reduce the scope of, or invalidate, our patent rights, allow third parties to commercialize our technology or products and compete directly with us, without payment to us, or result in our inability to manufacture or commercialize products without infringing third- party patent rights. 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. Furthermore, an adverse decision in an interference

proceeding can result in a third party receiving the patent right sought by us, which in turn could affect our ability to develop, market or otherwise commercialize our product candidates. The issuance, scope, validity, enforceability and commercial value of our patents are subject to a level of uncertainty.

The patent position of biotechnology and pharmaceutical companies generally is highly uncertain, involves complex legal and factual questions and has in recent years been the subject of much litigation. Due to legal standards relating to patentability, validity, enforceability and claim scope of patents covering biotechnological and pharmaceutical inventions, our ability to obtain, maintain and enforce patents is uncertain and involves complex legal and factual questions. Even if issued, a patent's validity, inventorship, ownership or enforceability is not conclusive. Accordingly, rights under any existing patent or any patents we might obtain or license may not cover our product candidates, or may not provide us with sufficient protection for our product candidates to afford a commercial advantage against competitive products or processes, including those from branded and generic pharmaceutical companies.

The degree of future protection for our proprietary rights is uncertain, and we cannot ensure that:

- any of our pending patent applications, if issued, will include claims having a scope sufficient to protect our product candidates or any other products or product candidates;
- any of our pending patent applications will issue as patents;
- we will be able to successfully commercialize our product candidates, if approved, before our relevant patents expire;
- we were the first to make the inventions covered by any existing patent and pending patent applications;
- we were the first to file patent applications for these inventions;
- others will not develop similar or alternative technologies that do not infringe or design around our patents;
- others will not use pre-existing technology to effectively compete against us;
- any of our patents, if issued, will be found to ultimately be valid and enforceable;
- third parties will not compete with us in jurisdictions where we do not pursue and obtain patent protection;
- we will be able to obtain and/or maintain necessary or useful licenses on reasonable terms or at all;
- any patents issued to us will provide a basis for an exclusive market for our commercially viable products, will provide us with any competitive advantages or will not be challenged by third parties;
- we will develop additional proprietary technologies or product candidates that are separately patentable; or
- our commercial activities or products will not infringe upon the patents or proprietary rights of others.

Any litigation to enforce or defend our patent rights, even if we were to prevail, could be costly and time-consuming and would divert the attention of our management and key personnel from our business operations. We may not prevail in any lawsuits that we initiate, and the damages or other remedies awarded if we were to prevail may not be commercially meaningful. Even if we are successful, domestic or foreign litigation, or USPTO or foreign patent office proceedings, may result in substantial costs and distraction to our management. We may not be able, alone or with our licensors or potential collaborators, to prevent misappropriation of our proprietary rights, particularly in countries where the laws may not protect such rights as fully as in the United States. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation or other proceedings, there is a risk that some of our confidential information

could be compromised by disclosure during this type of litigation or other proceedings. In addition, during the course of this kind of litigation or proceedings, there could be public announcements of the results of hearings, motions or other interim proceedings or developments or public access to related documents. If investors perceive these results to be negative, the market price for our common stock could be significantly harmed.

If we fail to comply with our obligations in the agreements under which we may license intellectual property rights from third parties or otherwise experience disruptions to our business relationships with our licensors, we could lose rights that are important to our business.

We have entered into, and may be required to enter into in the future, intellectual property license agreements that are important to our business. These license agreements may impose various diligence, milestone payment, royalty and other obligations on us. For example, we have entered into exclusive license agreements with the University of Chicago and Mayo Clinic pursuant to which we are required to use efforts to engage in various development and commercialization activities with respect to licensed products, and are required to satisfy specified milestone and royalty payment obligations. If we fail to comply with any obligations under our agreements with licensors, we may be subject to termination of the license agreement in whole or in part or increased financial obligations to our licensors, in which case our ability to develop or commercialize products covered by the license agreement will be impaired. Further, we may need to outsource and rely on third parties for many aspects of the clinical development, sales and marketing of our products covered under our current and future license agreements. Delay or failure by these third parties could adversely affect the continuation of our license agreements with our licensors.

In addition, disputes may arise regarding intellectual property subject to a license agreement, including:

- the scope of rights granted under the license agreement and other interpretation-related issues;
- the extent to which our technology and processes infringe on intellectual property of the licensor that is not subject to the licensing agreement; and
- our diligence obligations under the license agreement and what activities satisfy those obligations.

If disputes over intellectual property that we have licensed prevent or impair our ability to maintain our current licensing arrangements on acceptable terms, we may be unable to successfully develop and commercialize the affected product candidates.

The intellectual property which we have licensed from the University of Chicago and Mayo Clinic was discovered through government funded programs and thus may be subject to federal regulations such as "march-in" rights, certain reporting requirements, and a preference for U.S. industry. Compliance with such regulations may limit our exclusive rights, subject us to expenditure of resources with respect to reporting requirements, and limit our ability to contract with non-U.S. manufacturers.

We have licensed certain intellectual property from the University of Chicago and Mayo Clinic. These agreements indicate that the rights licensed to us are subject to the obligations to and the rights of the U.S. government, including those set forth in the Bayh-Dole Act of 1980, or the Bayh-Dole Act. As a result, the U.S. government may have certain rights to intellectual property embodied in our current or future therapeutics based on the licensed intellectual property. These U.S. government rights in certain inventions developed under a government-funded program include a non-exclusive, non-transferable, irrevocable worldwide license to use inventions for any governmental purpose. In addition, the U.S. government has the right to require us to grant exclusive, partially exclusive, or nonexclusive 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." While the U.S. government has sparingly used, and to our knowledge never successfully exercised, such march-in rights, any exercise of the march-in rights by

the U.S. government could harm our competitive position, business, financial condition, results of operations, and prospects. If the U.S. government exercises such march-in rights, we may receive compensation that is deemed reasonable by the U.S. government in its sole discretion, which may be less than what we might be able to obtain in the open market. 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 therapeutics embodying any invention generated through the use of U.S. government funding be manufactured substantially in the United States. The manufacturing preference requirement can be waived if the owner of the intellectual property can show that reasonable but unsuccessful efforts have been made to grant licenses on similar terms to potential licensees that would be likely to manufacture substantially in the United States or that under the circumstances domestic manufacture is not commercially feasible. This preference for U.S. manufacturers may limit our ability to contract with non-U.S. therapeutic manufacturers for therapeutics covered by such intellectual property.

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

In addition to seeking patents for some of our technology and product candidates, we also rely on trade secrets, including unpatented know-how, technology and other proprietary information, to maintain our competitive position. We seek to protect these trade secrets, in part, by entering into non-disclosure and confidentiality agreements with parties who have access to them, such as our employees, corporate collaborators, outside scientific collaborators, contract manufacturers, consultants, advisors and other third parties. We also seek to enter into confidentiality and invention or patent assignment agreements with our employees, advisors and consultants. Despite these efforts, any of these parties may breach the agreements and disclose our proprietary information, including our trade secrets, and we may not be able to obtain adequate remedies for such breaches. Our trade secrets may also be obtained by third parties by other means, such as breaches of our physical or computer security systems. Enforcing a claim that a party illegally disclosed or misappropriated a trade secret is difficult, expensive and time-consuming, and the outcome is unpredictable. In addition, some courts inside and outside the United States are less willing or unwilling to protect trade secrets. Moreover, if any of our trade secrets were to be lawfully obtained or independently developed by a competitor, we would have no right to prevent them, or those to whom they communicate, from using that technology or information to compete with us. If any of our trade secrets were to be disclosed to or independently developed by a competitor, our competitive position would be harmed.

Changes in U.S. patent law could diminish the value of patents in general, thereby impairing our ability to protect our products.

As is the case with other biotechnology companies, our success is heavily dependent on intellectual property, particularly patents. Obtaining and enforcing patents in the biotechnology industry involves both technological and legal complexity, and is therefore costly, time-consuming and inherently uncertain. In addition, recent patent reform legislation could further increase the uncertainties and costs surrounding the prosecution of our patent applications and the enforcement or defense of our issued patents. On September 16, 2011, the Leahy-Smith America Invents Act, or the Leahy-Smith Act, was signed into law. The Leahy-Smith Act includes a number of significant changes to U.S. patent law. These include provisions that affect the way patent applications are prosecuted and may also affect patent litigation. The USPTO recently developed new regulations and procedures to govern administration of the Leahy-Smith Act, and many of the substantive changes to patent law associated with the Leahy-Smith Act, in particular the first to file provisions, only became effective on March 16, 2013. A third party that files a patent application in the USPTO after that date but before us could therefore be awarded a patent covering an invention of ours even if we had made the invention before it was made by the third party. This will require us to be cognizant going forward of the time from invention to filing of a patent application. Thus, for our U.S. patent applications containing a priority claim after March 16, 2013, there is a greater level of uncertainty in the patent law.

Moreover, some of the patent applications in our portfolio will be subject to examination under the pre-Leahy-Smith Act law and regulations, while other patents applications in our portfolio will be subject to examination under the law and regulations, as amended by the Leahy-Smith Act. This introduces additional complexities into the prosecution and management of our portfolio.

In addition, the Leahy-Smith Act limits where a patentee may file a patent infringement suit and provides opportunities for third parties to challenge any issued patent in the USPTO. These provisions apply to all of our U.S. patents, even those issued before March 16, 2013. Because of a lower evidentiary standard in USPTO proceedings compared to the evidentiary standard in U.S. federal court necessary to invalidate a patent claim, a third party could potentially provide evidence in a USPTO proceeding sufficient for the USPTO to hold a claim invalid even though the same evidence would be insufficient to invalidate the claim if first presented in a federal court action. Accordingly, a third party may attempt to use the USPTO procedures to invalidate our patent claims because it may be easier for them to do so relative to challenging the patent in a federal court action. It is not clear what, if any, impact the Leahy-Smith Act will have on the operation of our business. However, the Leahy-Smith Act and its implementation could increase the uncertainties and costs surrounding the prosecution of our patent applications and the enforcement or defense of our issued patents, all of which could have a material adverse effect on our business and financial condition.

In addition, recent United States Supreme Court rulings have narrowed the scope of patent protection available in certain circumstances and weakened the rights of patent owners in certain situations. From time to time, the U.S. Supreme Court, other federal courts, the United States Congress, or the USPTO, may change the standards of patentability and any such changes could have a negative impact on our business.

A number of recent cases decided by the Supreme Court have involved questions of when claims reciting abstract ideas, laws of nature, natural phenomena and/or natural products are eligible for a patent, regardless of whether the claimed subject matter is otherwise novel and inventive. These cases include *Association for Molecular Pathology v. Myriad Genetics, Inc.*, 569 U.S. 12-398 (2013) or *Myriad*; *Alice Corp. v. CLS Bank International*, 573 U.S. 13-298 (2014); and *Mayo Collaborative Services v. Prometheus Laboratories, Inc.*, or *Prometheus*, 566 U.S. 10-1150 (2012). In response to these cases, the USPTO has issued guidance to the examining corps.

The full impact of these decisions is not yet known. The *Myriad* decision, issued on June 13, 2013, is the most recent Supreme Court decision to address patent eligibility of natural products. Our current product candidates include natural products, therefore, this decision and its interpretation by the courts and the USPTO may impact prosecution, defense and enforcement of our patent portfolio. In *Myriad*, the Court held that claims to isolated genomic DNA are not patentable, but claims to complementary DNA, or cDNA, molecules, which are not genomic sequences, may be patent eligible because they are not a natural product. The effect of the decision on patents for other isolated natural products is uncertain. However, on March 4, 2014, the USPTO issued a memorandum to patent examiners providing guidance for examining claims that recite laws of nature, natural phenomena or natural products under the *Myriad* and *Prometheus* decisions. The guidance did not limit the application of *Myriad* to DNA but, rather, applied the decision broadly to other natural products, which may include our product candidates. The March 4, 2014 memorandum and the USPTO's interpretation of the cases and announced examination rubric received widespread criticism from stakeholders during a public comment period and was superseded by interim guidance published on December 15, 2014. The USPTO's interpretation of the case law and new guidelines for examination may influence, possibly adversely, prosecution and defense of certain types of claims in our portfolio.

In addition to increasing uncertainty with regard to our ability to obtain future patents, this combination of events has created uncertainty with respect to the value of patents, once obtained. Depending on these and other decisions by Congress, the federal courts and the USPTO, the laws and regulations governing patents could change or be interpreted in unpredictable ways that would weaken our ability to obtain new patents or to enforce any patents that may issue to us in the future. In addition, these events may adversely affect our ability to defend any patents that may issue in procedures in the USPTO or in courts.

Third parties may initiate legal proceedings alleging that we are infringing their intellectual property rights, the outcome of which would be uncertain and could have a material adverse effect on the success of our business.

Our commercial success depends upon our ability, and the ability of our collaborators, to develop, manufacture, market and sell our product candidates and use our proprietary technologies without infringing the proprietary rights of third parties. There is considerable intellectual property litigation in the biotechnology and pharmaceutical industries. While no such litigation has been brought against us and we have not been held by any court to have infringed a third party's intellectual property rights, we cannot guarantee that our technology, products or use of our products do not infringe third-party patents.

Numerous patents and pending applications are owned by third parties in the fields in which we are developing product candidates, both in the United States and elsewhere. It is also possible that we have failed to identify relevant third-party patents or applications. For example, applications filed before November 29, 2000 and certain applications filed after that date that will not be filed outside the United States remain confidential until patents issue. Moreover, it is difficult for industry participants, including us, to identify all third-party patent rights that may be relevant to our product candidates and technologies because patent searching is imperfect due to differences in terminology among patents, incomplete databases and the difficulty in assessing the meaning of patent claims. We may fail to identify relevant patents or patent applications or may identify pending patent applications of potential interest but incorrectly predict the likelihood that such patent applications may issue with claims of relevance to our technology. In addition, we may be unaware of one or more issued patents that would be infringed by the manufacture, sale or use of a current or future product candidate, or we may incorrectly conclude that a third-party patent is invalid, unenforceable or not infringed by our activities. Additionally, pending patent applications that have been published can, subject to certain limitations, be later amended in a manner that could cover our technologies, our products or the use of our products. We are aware of several pending patent applications containing one or more claims that could be construed to cover some of our product candidates or technology, should those claims issue in their original form or in the form presently being pursued. In addition, we are aware of a third-party patent family that includes issued and allowed patents, including in the United States, with claims that, if valid and enforceable, could be construed to cover some of our product candidates or their methods of use.

The biotechnology and pharmaceutical industries are characterized by extensive litigation regarding patents and other intellectual property rights. Other parties may allege that our product candidates or the use of our technologies infringe patent claims or other intellectual property rights held by them or that we are employing their proprietary technology without authorization. We may become party to, or threatened with, future adversarial proceedings or litigation regarding intellectual property rights with respect to our products and technology, including interference or derivation proceedings before the USPTO and similar bodies in other countries. Third parties may assert infringement claims against us based on existing intellectual property rights and intellectual property rights that may be granted in the future. If we were to challenge the validity of an issued U.S. patent in court, such as an issued U.S. patent of potential relevance to some of our product candidates or methods of use, we would need to overcome a statutory presumption of validity that attaches to every U.S. patent. This means that in order to prevail, we would have to present clear and convincing evidence as to the invalidity of the patent's claims. There is no assurance that a court would find in our favor on questions of infringement or validity.

Patent and other types of intellectual property litigation can involve complex factual and legal questions, and their outcome is uncertain. If we are found, or believe there is a risk we may be found, to infringe a third party's intellectual property rights, we could be required or may choose to obtain a license from such third party to continue developing and marketing our products and technology. However, we may not be able to obtain any such license on commercially reasonable terms or at all. Even if we were able to obtain a license, it could be non-exclusive, thereby giving our competitors access to the same technologies licensed to us. We could be forced, including by court order, to cease commercializing the infringing technology or product. In addition, we could be

found liable for monetary damages, including treble damages and attorneys' fees if we are found to have willfully infringed a patent. A finding of infringement could prevent us from commercializing our product candidates or force us to cease some of our business operations, which could materially harm our business. Claims that we have misappropriated the confidential information or trade secrets of third parties could have a similar negative impact on our business.

Even if we are successful in these proceedings, we may incur substantial costs and divert management time and attention in pursuing these proceedings, which could have a material adverse effect on us. If we are unable to avoid infringing the patent rights of others, we may be required to seek a license, defend an infringement action or challenge the validity of the patents in court, or redesign our products. Patent litigation is costly and time-consuming. We may not have sufficient resources to bring these actions to a successful conclusion. In addition, intellectual property litigation or claims could force us to do one or more of the following:

- cease developing, selling or otherwise commercializing our product candidates;
- pay substantial damages for past use of the asserted intellectual property;
- obtain a license from the holder of the asserted intellectual property, which license may not be available on reasonable terms, if at all; and
- in the case of trademark claims, redesign, or rename, some or all of our product candidates or other brands to avoid infringing the intellectual property rights of third parties, which may not be possible and, even if possible, could be costly and time-consuming.

Any of these risks coming to fruition could have a material adverse effect on our business, results of operations, financial condition and prospects.

Issued patents covering our product candidates could be found invalid or unenforceable or could be interpreted narrowly if challenged in court.

Competitors may infringe our intellectual property, including our patents or the patents of our licensors. As a result, we may be required to file infringement claims to stop third-party infringement or unauthorized use. This can be expensive, particularly for a company of our size, and time-consuming. If we initiated legal proceedings against a third party to enforce a patent, if and when issued, covering one of our product candidates, the defendant could counterclaim that the patent covering our product candidate is invalid and/or unenforceable. In patent litigation in the United States, defendant counterclaims alleging invalidity and/or unenforceability are commonplace. Grounds for a validity challenge include alleged failures to meet any of several statutory requirements, including lack of novelty, obviousness or non-enablement, or failure to claim patent eligible subject matter. Grounds for unenforceability assertions include allegations that someone connected with prosecution of the patent withheld relevant information from the USPTO, or made a misleading statement, during prosecution. Third parties may also raise similar claims before administrative bodies in the United States or abroad, even outside the context of litigation. Such mechanisms include re-examination, post grant review and equivalent proceedings in foreign jurisdictions, such as opposition proceedings. Such proceedings could result in revocation or amendment of our patents in such a way that they no longer cover our product candidates or competitive products. The outcome following legal assertions of invalidity and unenforceability is unpredictable. With respect to validity, for example, we cannot be certain that there is no invalidating prior art, of which we and the patent examiner were unaware during prosecution. If a defendant were to prevail on a legal assertion of invalidity and/or unenforceability, we would lose at least part, and perhaps all, of the patent protection on our product candidates. Moreover, even if not found invalid or unenforceable, the claims of our patents could be construed narrowly or in a manner that does not cover the allegedly infringing technology in question. Such a loss of patent protection would have a material adverse impact on our business.

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

Periodic maintenance fees on any issued patent are due to be paid to the USPTO and foreign patent agencies in several stages over the lifetime of the patent and, in some jurisdictions, during the pendency of a patent application. The USPTO and various foreign governmental patent agencies require compliance with a number of procedural, documentary, fee payment and other similar provisions during 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 loss of patent rights in the relevant jurisdiction. Noncompliance events that could result in abandonment or lapse of a patent or patent application include, but are not limited to, failure to respond to official actions within prescribed time limits, non-payment of fees and failure to properly legalize and submit formal documents. In such an event, our competitors might be able to enter the market, which would have a material adverse effect on our business.

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

It is our policy to enter into confidentiality and intellectual property assignment agreements with our employees, consultants, contractors and advisors. These agreements generally provide that inventions conceived by the party in the course of rendering services to us will be our exclusive property. However, these agreements may not be honored and may not effectively assign intellectual property rights to us. For example, even if we have a consulting agreement in place with an academic advisor pursuant to which such academic advisor is required to assign any inventions developed in connection with providing services to us, such academic advisor may not have the right to assign such inventions to us, as it may conflict with his or her obligations to assign all such intellectual property to his or her employing institution.

Litigation may be necessary to defend against these and other claims challenging inventorship or ownership. 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, valuable 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 by third parties asserting that our employees or we have misappropriated their intellectual property, or claiming ownership of what we regard as our own intellectual property.

Many of our employees were previously employed at universities or other biotechnology or pharmaceutical companies, including our competitors or potential competitors. We may also engage advisors and consultants who are concurrently employed at universities or other organizations or who perform services for other entities. Although we try to ensure that our employees, advisors and consultants do not use the proprietary information or know-how of others in their work for us, we may be subject to claims that we or our employees, advisors or consultants have used or disclosed intellectual property, including trade secrets or other proprietary information, of any such party's former or current employer or in violation of an agreement with another party. Although we have no knowledge of any such claims being alleged to date, if such claims were to arise, litigation may be necessary to defend against any such claims.

In addition, while it is our policy to require our employees, consultants, advisors and contractors who may be involved in the development of intellectual property to execute agreements assigning such intellectual property to us, we may be unsuccessful in executing such an agreement with each party who in fact develops intellectual property that we regard as our own. Our and their assignment agreements may not be self-executing or may be breached, and we may be forced to bring claims against third parties, or defend claims they may bring

against us, to determine the ownership of what we regard as our intellectual property. Similarly, we may be subject to claims that an employee, advisor or consultant performed work for us that conflicts with that person's obligations to a third party, such as an employer, and thus, that the third party has an ownership interest in the intellectual property arising out of work performed for us. Litigation may be necessary to defend against these claims. Although we have no knowledge of any such claims being alleged to date, if such claims were to arise, litigation may be necessary to defend against any such claims.

If we fail in prosecuting or defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights or personnel. Even if we are successful in prosecuting or defending against such claims, litigation could result in substantial costs and be a distraction to management.

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

Our registered or unregistered trademarks or trade names may be challenged, infringed, circumvented or declared generic or determined to be infringing on other marks. We may not be able to protect our rights to these trademarks and trade names, which we need to build name recognition among potential collaborators or customers in our markets of interest. At times, competitors may adopt trade names or trademarks similar to ours, thereby impeding our ability to build brand identity and possibly leading to market confusion. In addition, there could be potential trade name or trademark infringement claims brought by owners of other 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 or protect our proprietary rights related to trademarks, trade names, domain names or other intellectual property may be ineffective and could result in substantial costs and diversion of resources and could adversely impact our financial condition or results of operations.

We will not seek to protect our intellectual property rights in all jurisdictions throughout the world and we may not be able to adequately enforce our intellectual property rights even in the jurisdictions where we seek protection.

Filing, prosecuting and defending patents on product candidates in all countries and jurisdictions throughout the world would be prohibitively expensive, and our intellectual property rights in some countries outside the United States could be less extensive than in the United States, assuming that rights are obtained in the United States and assuming that rights are pursued outside the United States. The statutory deadlines for pursuing patent protection in individual foreign jurisdictions are based on the priority date of each of our patent applications. For all of the patent families in our portfolio, including the families that may provide coverage for our lead product candidates, the relevant statutory deadlines have not yet expired. Therefore, for each of the patent families that we believe provide coverage for our lead product candidates, we will need to decide whether and where to pursue protection outside the United States. In addition, the laws of some foreign countries do not protect intellectual property rights to the same extent as federal and state laws in the United States. Consequently, even if we do elect to pursue patent rights outside the United States, we may not be able to obtain relevant claims and/or we may not be able to prevent third parties from practicing our inventions in all countries outside the United States, or from selling or importing products made using our inventions in and into the United States or other jurisdictions.

Competitors may use our technologies in jurisdictions where we do not pursue and obtain patent protection to develop their own products and further, may export otherwise infringing products to territories where we have patent protection, but enforcement is not as strong as that in the United States. These products may compete with our products and our patents or other intellectual property rights may not be effective or sufficient to prevent them from competing.

Even if we pursue and obtain issued patents in particular jurisdictions, our patent claims or other intellectual property rights may not be effective or sufficient to prevent third parties from so competing.

The laws of some foreign countries do not protect intellectual property rights to the same extent as the laws of the United States. Many companies have encountered significant problems in protecting and defending intellectual property rights in certain foreign jurisdictions. The legal systems of some countries, particularly developing countries, do not favor the enforcement of patents and other intellectual property protection, especially those relating to biotechnology. This could make it difficult for us to stop the infringement of our patents, if obtained, or the misappropriation of our other intellectual property rights. For example, many foreign countries have compulsory licensing laws under which a patent owner must grant licenses to third parties. In addition, many countries limit the enforceability of patents against third parties, including government agencies or government contractors. In these countries, patents may provide limited or no benefit. Patent protection must ultimately be sought on a country-by-country basis, which is an expensive and time-consuming process with uncertain outcomes. Accordingly, we may choose not to seek patent protection in certain countries, and we will not have the benefit of patent protection in such countries.

If our ability to obtain and, if obtained, enforce our patents to stop infringing activities is inadequate, third parties may compete with our products, and our patents or other intellectual property rights may not be effective or sufficient to prevent them from competing. Accordingly, our intellectual property rights around the world may be inadequate to obtain a significant commercial advantage from the intellectual property we develop or license.

Risks Related to Employee Matters and Managing Growth and Other Risks Related to Our Business

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

We are highly dependent on Balkrishan (Simba) Gill, our President and Chief Executive Officer, as well as the other principal members of our management, scientific and clinical team. Although we have entered into employment agreements with our executive officers, each of them may terminate their employment with us at any time. We do not maintain “key person” insurance for any of our executives or other employees.

Recruiting and retaining qualified scientific, clinical, manufacturing and sales and marketing personnel will also be critical to our success. The loss of the services of our executive officers or other key employees could impede the achievement of our research, development and commercialization objectives and seriously harm our ability to successfully implement our business strategy. Furthermore, replacing executive officers and key employees may be difficult and may take an extended period of time due to the limited number of individuals in our industry with the breadth of skills and experience required to successfully develop, gain regulatory approval of and commercialize products. Competition to hire from this limited pool is intense, and we may be unable to hire, train, retain or motivate these key personnel on acceptable terms given the competition among numerous pharmaceutical and biotechnology companies for similar personnel. We also experience competition for the hiring of scientific and clinical personnel from universities and research institutions. In addition, we rely on consultants and advisors, including scientific and clinical advisors, to assist us in formulating our research and development and commercialization strategy. Our consultants and advisors may be employed by employers other than us and may have commitments under consulting or advisory contracts with other entities that may limit their availability to us. If we are unable to continue to attract and retain high quality personnel, our ability to pursue our growth strategy will be limited.

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

We expect to experience significant growth in the number of our employees and the scope of our operations, particularly in the areas of product development, regulatory affairs, clinical affairs and manufacturing and, if any

of our product candidates receives marketing approval, sales, marketing and distribution. To manage our anticipated future growth, we must continue to implement and improve our managerial, operational and financial systems, expand our facilities and continue to recruit and train additional qualified personnel. Due to our limited financial resources and the limited experience of our management team in managing a company with such anticipated growth, we may not be able to effectively manage the expansion of our operations or recruit and train additional qualified personnel. The expansion of our operations may lead to significant costs and may divert our management and business development resources. Any inability to manage growth could delay the execution of our business plans or disrupt our operations.

A variety of risks associated with operating internationally could materially adversely affect our business.

We currently have limited international operations, but our business strategy incorporates potentially expanding internationally if any of our product candidates receive regulatory approval. Doing business internationally involves a number of risks, including but not limited to:

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

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

Our business and operations would suffer in the event of information technology and other system failures.

Despite the implementation of security measures, our internal computer systems and those of our current and future contractors and consultants are vulnerable to damage from computer viruses, unauthorized access, natural disasters, terrorism, war and telecommunication and electrical failures. While we are not aware of any such material system failure, accident or security breach to date, if such an event were to occur and cause interruptions in our operations, it could result in a material disruption to our product development programs and

our business operations. For example, the loss of clinical trial data from completed or future clinical trials could result in delays in our regulatory approval efforts and significantly increase our costs to recover or reproduce the data. Likewise, we rely on third parties to manufacture our product candidates and conduct clinical trials, and similar events relating to their computer systems could also have a material adverse effect on our business. To the extent that any disruption or security breach were to result in a loss of, or damage to, our data or applications, or inappropriate disclosure of confidential or proprietary information, we could incur liability and the further development and commercialization of our product candidates could be delayed.

We rely on a set of cloud-based software services and access these services via the Internet for the vast majority of our computing, storage, bandwidth, and other services. Any disruption of or interference with our use of our cloud-based services would negatively affect our operations and could seriously harm our business.

We use several distributed computing infrastructure platforms for business operations, or what is commonly referred to as "cloud" computing services and we access these services via the Internet. Any transition of the cloud services currently provided by an existing vendor to another cloud provider would be difficult to implement and will cause us to incur significant time and expense. Given this, any significant disruption of or interference with our use of these cloud computing services would negatively impact our operations and our business would be seriously harmed. If our employees or partners are not able to access our cloud computing services or encounter difficulties in doing so, we may experience business disruption. The level of service provided by our cloud computing vendors, including the ability to secure our confidential information and the confidential information of third parties that is shared with us, may also impact the perception of our company and could seriously harm our business and reputation and create liability for us. If a cloud computing service that we use experiences interruptions in service regularly or for a prolonged basis, or other similar issues, our business could be seriously harmed.

In addition, a cloud computing service may take actions beyond our control that could seriously harm our business, including:

- discontinuing or limiting our access to its platform;
- increasing pricing terms;
- terminating or seeking to terminate our contractual relationship altogether;
- establishing more favorable relationships with one or more of our competitors; or
- modifying or interpreting its terms of service or other policies in a manner that impacts our ability to run our business and operations.

Our cloud computing services have broad discretion to change and interpret its terms of service and other policies with respect to us, and those actions may be unfavorable to us. Our cloud computing services may also alter how we are able to process data on the platform. If a cloud computing services makes changes or interpretations that are unfavorable to us, our business could be seriously harmed.

Our efforts to protect the information shared with us may be unsuccessful due to the actions of third parties, software bugs, or other technical malfunctions, employee error or malfeasance, or other factors. In addition, third parties may attempt to fraudulently induce employees or users to disclose information to gain access to our data or third-party data entrusted to us. If any of these events occur, our or third-party information could be accessed or disclosed improperly. Some partners or collaborators may store information that we share with them on their own computing system. If these third parties fail to implement adequate data-security practices or fail to comply with our policies, our data may be improperly accessed or disclosed. And even if these third parties take all these steps, their networks may still suffer a breach, which could compromise our data.

Any incidents where our information is accessed without authorization, or is improperly used, or incidents that violate our policies, could damage our reputation and our brand and diminish our competitive position. In

addition, affected parties or government authorities could initiate legal or regulatory action against us over those incidents, which could cause us to incur significant expense and liability or result in orders or consent decrees forcing us to modify our business practices. Concerns over our privacy practices, whether actual or unfounded, could damage our reputation and brand and deter users, advertisers, and partners from using our products and services. Any of these occurrences could seriously harm our business.

We are also subject to many federal, state, and foreign laws and regulations, including those related to privacy, rights of publicity, data protection, content regulation, intellectual property, health and safety, competition, protection of minors, consumer protection, employment, and taxation. These laws and regulations are constantly evolving and may be interpreted, applied, created, or amended in a manner that could seriously harm our business.

Acquisitions or joint ventures could disrupt our business, cause dilution to our stockholders and otherwise harm our business.

We may acquire other businesses, products or technologies as well as pursue strategic alliances, joint ventures, technology licenses or investments in complementary businesses. We have only made one acquisition to date, and our ability to do so successfully is unproven beyond this instance. Any of these transactions could be material to our financial condition and operating results and expose us to many risks, including:

- disruption in our relationships with future customers or with current or future distributors or suppliers as a result of such a transaction;
- unanticipated liabilities related to acquired companies;
- difficulties integrating acquired personnel, technologies and operations into our existing business;
- diversion of management time and focus from operating our business to acquisition integration challenges;
- increases in our expenses and reductions in our cash available for operations and other uses;
- possible write-offs or impairment charges relating to acquired businesses; and
- inability to develop a sales force for any additional product candidates.

Foreign acquisitions involve unique risks in addition to those mentioned above, including those related to integration of operations across different cultures and languages, currency risks and the particular economic, political and regulatory risks associated with specific countries.

Also, the anticipated benefit of any acquisition may not materialize. Future acquisitions or dispositions could result in potentially dilutive issuances of our equity securities, the incurrence of debt, contingent liabilities or amortization expenses or write-offs of goodwill, any of which could harm our financial condition. We cannot predict the number, timing or size of future joint ventures or acquisitions, or the effect that any such transactions might have on our operating results.

Risks Related to Our Common Stock and this Offering

An active trading market for our common stock may not develop.

Prior to this offering, there has been no public market for our common stock. The initial public offering price for our common stock was determined through negotiations with the underwriters. Although we have applied to list our common stock on The Nasdaq Global Select Market, an active trading market for our shares may never develop or be sustained following this offering. If an active market for our common stock does not develop, it may be difficult for you to sell shares you purchase in this offering without depressing the market price for the shares or at all.

The price of our common stock may be volatile and fluctuate substantially, which could result in substantial losses for purchasers of our common stock in this offering, and we could be subject to securities class action litigation as a result.

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

- the success of competitive products or technologies;
- actual or anticipated changes in our growth rate relative to our competitors;
- results of clinical trials of our product candidates or those of our competitors;
- developments related to any future collaborations;
- regulatory or legal developments in the United States and other countries;
- adverse actions taken by regulatory agencies with respect to our preclinical studies or clinical trials, manufacturing or sales and marketing activities;
- any adverse changes to our relationship with third party contractors or manufacturers;
- development of new product candidates that may address our markets and may make our existing product candidates less attractive;
- changes in physician, hospital or healthcare provider practices that may make our product candidates less useful;
- announcements by us, our collaborators or our competitors of significant acquisitions, strategic partnerships, joint ventures, collaborations or capital commitments;
- developments or disputes concerning patent applications, issued patents or other proprietary rights;
- the recruitment or departure of key personnel;
- the level of expenses related to any of our product candidates or product development programs;
- failure to meet or exceed financial estimates and projections of the investment community or that we provide to the public;
- press reports or other negative publicity, whether or not true, about our business;
- the results of our efforts to discover, develop, acquire or in-license additional product candidates or products;
- actual or anticipated changes in estimates as to financial results, development timelines or recommendations by securities analysts;
- variations in our financial results or those of companies that are perceived to be similar to us;
- changes in the structure of healthcare payment systems;
- market conditions in the pharmaceutical and biotechnology sectors;
- general economic, industry and market conditions; and
- the other factors described in this “Risk Factors” section.

Any of these factors may result in large and sudden changes in the volume and trading price of our common stock. In the past, securities class action litigation has often been brought against a company following a decline

in the market price of its securities. This risk is especially relevant for us because biopharmaceutical companies have experienced significant stock price volatility in recent years. If we face such litigation, it could result in substantial costs and a diversion of management's attention and resources, which could harm our business.

After this offering, our executive officers, directors and principal stockholders, if they choose to act together, will continue to have the ability to control or significantly influence all matters submitted to stockholders for approval.

Upon the closing of this offering, based on the number of shares of common stock outstanding as of April 18, 2018, our executive officers, directors and stockholders who owned more than 5% of our outstanding common stock before this offering and their respective affiliates will, in the aggregate, hold shares representing approximately 64% of our outstanding voting stock. As a result, if these stockholders were to choose to act together, they would be able to control or significantly influence all matters submitted to our stockholders for approval, as well as our management and affairs. For example, these persons, if they choose to act together, would control or significantly influence the election of directors and approval of any merger, consolidation or sale of all or substantially all of our assets. They may also have interests that differ from yours and may vote in a way with which you disagree and which may be adverse to your interests. This concentration of ownership control may have the effect of delaying, deferring or preventing a change in control of our company, could deprive our stockholders of an opportunity to receive a premium for their common stock as part of a sale of our company and might ultimately affect the market price of our common stock.

Certain of our existing stockholders, including entities affiliated with certain of our directors, have indicated an interest in purchasing shares of our common stock in this offering at the initial public offering price. However, because indications of interest are not binding agreements or commitments to purchase, the underwriters may determine to sell more, fewer or no shares in this offering to any or all of these stockholders, or any or all of these stockholders may determine to purchase more, fewer or no shares in this offering. The foregoing discussion does not give effect to any potential purchase by these stockholders in this offering.

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

The initial public offering price of our common stock is substantially higher than the net tangible book value per share of our common stock. Therefore, if you purchase shares of our common stock in this offering, you will pay a price per share that substantially exceeds our net tangible book value per share after this offering. To the extent shares subsequently are issued under outstanding options or warrants, you will incur further dilution. Based on an initial public offering price of $16.00 per share, the midpoint of the price range set forth on the cover page of this prospectus, you will experience immediate dilution of $10.07 per share as of December 31, 2017, representing the difference between our pro forma as adjusted net tangible book value per share, which gives effect to this offering, and the initial public offering price. In addition, purchasers of common stock in this offering will have contributed approximately 35% of the aggregate price paid by all purchasers of our stock but will own only approximately 17% of our common stock outstanding after this offering.

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

Our management will have broad discretion in the application of the net proceeds from this offering and could spend the proceeds in ways that do not improve our results of operations or enhance the value of our common stock. We intend to use the net proceeds from this offering to fund proof of concept clinical trials in our inflammatory diseases and oncology programs, to invest in our platform and to advance additional preclinical development activities, and the remainder, if any, to fund working capital and other general corporate purposes. However, our use of these proceeds may differ substantially from our current plans. The failure by our management to apply these funds effectively could result in financial losses that could have a material adverse

effect on our business, cause the price of our common stock to decline and delay the development of our product candidates. Pending their use, we may invest the net proceeds from this offering in a manner that does not produce income or that loses value.

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

Sales of a substantial number of shares of our common stock in the public market, or the perception in the market that the holders of a large number of shares intend to sell shares, could reduce the market price of our common stock. Immediately upon the completion of this offering, we will have 31,870,854 outstanding shares of common stock, assuming the underwriters do not exercise their over-allotment option to purchase additional shares, based on the number of shares outstanding as of April 18, 2018. This includes the shares that we are selling in this offering, which may be resold in the public market immediately without restriction, unless purchased by our affiliates or existing stockholders. The remaining shares are currently restricted as a result of securities laws or lock-up agreements but will become eligible to be sold 180 days after the date of this offering, unless held by one of our affiliates, in which case the resale of those securities will be subject to volume limitations under Rule 144 of the Securities Act of 1933, as amended, or the Securities Act. Moreover, after this offering, holders of an aggregate of 25,989,390 shares of our common stock, including 56,006 shares issuable upon the exercise of warrants, will have rights, subject to specified conditions, to require us to file registration statements covering their shares or to include their shares in registration statements that we may file for ourselves or other stockholders, including entities affiliated with Flagship Pioneering, until such shares can otherwise be sold without restriction under Rule 144 or until the rights terminate pursuant to the terms of the investors' rights agreement between us and such holders. See "Certain Relationships and Related Person Transactions—Investors' Rights Agreement." We also intend to register all shares of common stock that we may issue under our equity compensation plans. Once we register these shares, they can be freely sold in the public market upon issuance, subject to volume limitations applicable to affiliates and the lock-up agreements described in the "Underwriting" section of this prospectus.

We are an "emerging growth company," and the reduced disclosure requirements applicable to emerging growth companies may make our common stock less attractive to investors.

We are an "emerging growth company" as that term is used in the JOBS Act, and may remain an emerging growth company until the earlier of (1) the last day of the fiscal year (a) following the fifth anniversary of the completion of this offering, (b) in which we have total annual gross revenue of at least $1.07 billion, or (c) in which we are deemed to be a large accelerated filer, which means the market value of our outstanding ordinary shares that are held by non-affiliates exceeds $700 million as of the prior June 30, and (2) the date on which we have issued more than $1.0 billion in non-convertible debt during the prior three year period. For so long as we remain an emerging growth company, we are permitted and intend to rely on exemptions from certain disclosure requirements that are applicable to other public companies that are not emerging growth companies. These exemptions include:

- being permitted to provide only two years of audited financial statements, in addition to any required unaudited interim financial statements, with correspondingly reduced "Management's Discussion and Analysis of Financial Condition and Results of Operations" disclosure in this prospectus;
- not being required to comply with the auditor attestation requirements in the assessment of our internal control over financial reporting;
- not being required to comply with any requirement that may be adopted by the Public Company Accounting Oversight Board regarding mandatory audit firm rotation or a supplement to the auditor's report providing additional information about the audit and the financial statements;
- reduced disclosure obligations regarding executive compensation; and
- exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved.

We have elected to take advantage of certain of the reduced reporting obligations in the registration statement of which this prospectus is a part. In particular, in this prospectus, we have not included all of the executive compensation related information that would be required if we were not an emerging growth company. We cannot predict whether investors will find our common stock less attractive if we rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our stock price may be reduced or more volatile. In addition, the JOBS Act provides that an emerging growth company can take advantage of an extended transition period for complying with new or revised accounting standards. This allows an emerging growth company to delay the adoption of these accounting standards until they would otherwise apply to private companies. We have elected to use the extended transition period for complying with new or revised accounting standards; and as a result of this election, our financial statements may not be comparable to companies that comply with public company effective dates.

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

As a public company, and particularly after we are no longer an emerging growth company, we will incur significant legal, accounting and other expenses that we did not incur as a private company. The Sarbanes-Oxley Act of 2002, the Dodd-Frank Wall Street Reform and Consumer Protection Act, the listing requirements of The Nasdaq Global Select Market and other applicable securities rules and regulations impose various requirements on public companies, including establishment and maintenance of effective disclosure and financial controls and corporate governance practices. Our management and other personnel will need to devote a substantial amount of time to these compliance initiatives.

Moreover, these rules and regulations will increase our legal and financial compliance costs and will make some activities more time consuming and costly. For example, we expect that these rules and regulations may make it more difficult and more expensive for us to obtain director and officer liability insurance, which in turn could make it more difficult for us to attract and retain qualified members of our board of directors.

We are evaluating these rules and regulations, and 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.

Pursuant to Section 404 of the Sarbanes-Oxley Act of 2002, or Section 404, we will be required to furnish a report by our management on our internal control over financial reporting. However, while we remain an emerging growth company, we will not be required to include an attestation report on internal control over financial reporting issued by our independent registered public accounting firm. To achieve compliance with Section 404 within the prescribed period, we will be engaged in a process to document and evaluate our internal control over financial reporting, which is both costly and challenging. In this regard, we will need to continue to dedicate internal resources, potentially engage outside consultants and adopt a detailed work plan to assess and document the adequacy of internal control over financial reporting, continue steps to improve control processes as appropriate, validate through testing that controls are functioning as documented and implement a continuous reporting and improvement process for internal control over financial reporting. Despite our efforts, there is a risk that we will not be able to conclude, within the prescribed timeframe or at all, that our internal control over financial reporting is effective as required by Section 404. If we identify one or more material weaknesses, it could result in an adverse reaction in the financial markets due to a loss of confidence in the reliability of our financial statements.

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

Upon completion of this offering, we will become subject to the periodic reporting requirements of the Exchange Act. Our disclosure controls and procedures are designed to reasonably assure that information

required to be disclosed by us 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. 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.

If securities or industry analysts do not publish research or reports about our business, or if they issue an adverse or misleading opinion regarding our business stock, our stock price and trading volume could decline.

The trading market for our common stock will be influenced by the research and reports that industry or securities analysts publish about us or our business. We do not currently have and may never obtain research coverage by securities and industry analysts. If no or few securities or industry analysts commence coverage of us, the trading price for our stock would be negatively impacted. In the event we obtain securities or industry analyst coverage, if any of the analysts who cover us issue an adverse or misleading opinion regarding us, our business model, our intellectual property or our stock performance, or if our target preclinical studies or clinical studies and/or operating results fail to meet the expectations of analysts, our stock price would likely decline. If one or more of these analysts cease coverage of us or fail to publish reports on us regularly, we could lose visibility in the financial markets, which in turn could cause our stock price or trading volume to decline.

Provisions in our restated certificate of incorporation and amended and restated bylaws to be effective in connection with the closing of this offering and under Delaware law could make an acquisition of our company, which may be beneficial to our stockholders, more difficult and may prevent attempts by our stockholders to replace or remove our current management.

Provisions in our restated certificate of incorporation and our amended and restated bylaws that will become effective in connection with the closing of this offering may discourage, delay or prevent a merger, acquisition or other change in control of our company that stockholders may consider favorable, including transactions in which you might otherwise receive a premium for your shares. These provisions could also limit the price that investors might be willing to pay in the future for shares of our common stock, thereby depressing the market price of our common stock. In addition, because our board of directors is responsible for appointing the members of our management team, these provisions may frustrate or prevent any attempts by our stockholders to replace or remove our current management by making it more difficult for stockholders to replace members of our board of directors. Among other things, these provisions include those establishing:

- a classified board of directors with three-year staggered terms, which may delay the ability of stockholders to change the membership of a majority of our board of directors;
- no cumulative voting in the election of directors, which limits the ability of minority stockholders to elect director candidates;
- the exclusive right of our board of directors to elect a director to fill a vacancy created by the expansion of the board of directors or the resignation, death or removal of a director, which prevents stockholders from filling vacancies on our board of directors;
- the ability of our board of directors to authorize the issuance of shares of preferred stock and to determine the terms of those shares, including preferences and voting rights, without stockholder approval, which could be used to significantly dilute the ownership of a hostile acquirer;
- the ability of our board of directors to alter our bylaws without obtaining stockholder approval;

- the required approval of the holders of at least two-thirds of the shares entitled to vote at an election of directors to adopt, amend or repeal our bylaws or repeal the provisions of our restated certificate of incorporation regarding the election and removal of directors;
- a prohibition on stockholder action by written consent, which forces stockholder action to be taken at an annual or special meeting of our stockholders;
- the requirement that a special meeting of stockholders may be called only by the chairman of the board of directors, the chief executive officer, the president or the board of directors, which may delay the ability of our stockholders to force consideration of a proposal or to take action, including the removal of directors; and
- advance notice procedures that stockholders must comply with in order to nominate candidates to our board of directors or to propose matters to be acted upon at a stockholders' meeting, which may discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or otherwise attempting to obtain control of us.

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

Our restated certificate of incorporation to be effective in connection with the closing of this offering will provide 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 other employees.

Our restated certificate of incorporation that will become effective in connection with the closing of this offering specifies that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware will be the sole and exclusive forum for most legal actions involving any derivative action or proceeding brought on our behalf, any action asserting a claim of breach of fiduciary duty owed by any director, officer, employee or stockholder to us or our stockholders, any action asserting a claim arising pursuant to any provision of the General Corporation Law of the State of Delaware or any action asserting a claim governed by the internal affairs doctrine. We believe these provisions benefit us by providing increased consistency in the application of Delaware law by chancellors particularly experienced in resolving corporate disputes, efficient administration of cases on a more expedited schedule relative to other forums and protection against the burdens of multi-forum litigation. The provision may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes, and may have the effect of discouraging lawsuits, including those against our directors and officers. The enforceability of similar choice of forum provisions in other companies' certificates of incorporation has been challenged in legal proceedings, and it is possible that, in connection with any applicable action brought against us, a court could find the choice of forum provisions contained in our restated certificate of incorporation to be inapplicable or unenforceable in such action. If a court were to find the choice of forum provision contained in our restated certificate of incorporation to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could adversely affect our results of operations and financial condition.

Because we do not anticipate paying any cash dividends on our capital stock in the foreseeable future, capital appreciation, if any, will be your sole source of gain.

We have never declared or paid cash dividends on our capital stock. We currently intend to retain all of our future earnings, if any, to finance the operation and expansion of our business. Therefore, you should not rely on an investment in our common stock as a source for any future dividend income.

Our board of directors has significant discretion as to whether to distribute dividends. Even if our board of directors decides to declare and pay dividends, the timing, amount and form of future dividends, if any, will

depend on, among other things, our future results of operations and cash flow, our capital requirements and surplus, our financial condition, contractual restrictions and other factors deemed relevant by our board of directors. Accordingly, the return on your investment in our common stock will likely depend entirely on any future capital appreciation, if any, of our common stock. There is no guarantee that our common stock will appreciate in value or even maintain the price at which you purchased our common stock. See "Dividend Policy."

Our ability to use net operating losses and research and development credits to offset future taxable income may be subject to certain limitations.

As of December 31, 2017, we had federal and state net operating loss carryforwards of $50.2 million and $41.9 million, respectively, which begin to expire at various dates through 2037. As of December 31, 2017, we also had federal research and development tax credit carryforwards of $0.8 million and state research and development tax credit carryforwards of $0.5 million, which begin to expire in 2030. These net operating loss and tax credit carryforwards could expire unused and be unavailable to offset future income tax liabilities. In addition, in general, under Sections 382 and 383 of the Internal Revenue Code of 1986, as amended, or the Code, a corporation that undergoes an "ownership change" is subject to limitations on its ability to utilize its pre-change net operating losses or tax credits, or NOLs or credits, to offset future taxable income or taxes. For these purposes, an ownership change generally occurs where the aggregate stock ownership of one or more stockholders or groups of stockholders who owns at least 5% of a corporation's stock increases its ownership by more than 50 percentage points over its lowest ownership percentage within a specified testing period. Our existing NOLs or credits may be subject to limitations arising from previous ownership changes, and if we undergo an ownership change in connection with or after this offering, our ability to utilize NOLs or credits could be further limited by Sections 382 and 383 of the Code. In addition, future changes in our stock ownership, many of which are outside of our control, could result in an ownership change under Sections 382 and 383 of the Code. Our NOLs or credits may also be impaired under state law. Accordingly, we may not be able to utilize a material portion of our NOLs or credits. The reduction of the corporate tax rate under the Tax Cuts and Jobs Act of 2017, or the TCJA, may cause a reduction in the economic benefit of our net operating loss carryforwards and other deferred tax assets available to us. Furthermore, under the TCJA, although the treatment of tax losses generated before December 31, 2017 has generally not changed, tax losses generated in calendar year 2018 and beyond will only be able to offset 80% of taxable income. This change may require us to pay federal income taxes in future years despite generating a loss for federal income tax purposes in prior years.

Recent U.S. tax legislation may materially adversely affect our financial condition, results of operations and cash flows.

Recently-enacted U.S. tax legislation has significantly changed the U.S. federal income taxation of U.S. corporations, including by reducing the U.S. corporate income tax rate, limiting interest deductions, modifying or repealing many business deductions and credits (including reducing the business tax credit for certain clinical testing expenses incurred in the testing of certain drugs for rare diseases or conditions generally referred to as "orphan drugs"), adopting elements of a territorial tax system, imposing a one-time transition tax, or repatriation tax, on all undistributed earnings and profits of certain U.S.-owned foreign corporations, revising the rules governing net operating losses and the rules governing foreign tax credits, and introducing new anti-base erosion provisions. Many of these changes are effective immediately, without any transition periods or grandfathering for existing transactions. The legislation is unclear in many respects and could be subject to potential amendments and technical corrections, as well as interpretations and implementing regulations by the Treasury and Internal Revenue Service, or the IRS, any of which could lessen or increase certain adverse impacts of the legislation. In addition, it is unclear how these U.S. federal income tax changes will affect state and local taxation, which often uses federal taxable income as a starting point for computing state and local tax liabilities.

While some of the changes made by the tax legislation may adversely affect us in one or more reporting periods and prospectively, other changes may be beneficial on a going forward basis. We continue to work with our tax advisors and auditors to determine the full impact that the recent tax legislation as a whole will have on us. We urge our investors to consult with their legal and tax advisors with respect to such legislation.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements. All statements other than statements of historical facts contained in this prospectus, including statements regarding our future results of operations and financial position, business strategy, prospective products, product approvals, research and development costs, timing and likelihood of success, plans and objectives of management for future operations and future results of anticipated products, are forward-looking statements. These statements involve known and unknown risks, uncertainties and other important factors that 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,” “expect,” “plan,” “anticipate,” “could,” “intend,” “target,” “project,” “contemplate,” “believe,” “estimate,” “predict,” “potential” or “continue” or the negative of these terms or other similar expressions. The forward-looking statements in this prospectus are only predictions. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our business, financial condition and results of operations. These forward-looking statements speak only as of the date of this prospectus and are subject to a number of risks, uncertainties and assumptions described under the sections in this prospectus entitled “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and elsewhere in this prospectus. These forward-looking statements are subject to numerous risks, including, without limitation, the following:

- our status as a development-stage company and our expectation to incur losses in the future;
- our future capital needs and our need to raise additional funds;
- our ability to build a pipeline of product candidates and develop and commercialize drugs;
- our unproven approach to therapeutic intervention;
- our ability to enroll patients and volunteers in clinical trials, timely and successfully complete those trials and receive necessary regulatory approvals;
- our ability to establish our own manufacturing facilities and to receive or manufacture sufficient quantities of our product candidates;
- our ability to protect and enforce our intellectual property rights;
- federal, state, and foreign regulatory requirements, including FDA regulation of our product candidates;
- the timing of clinical trials and the likelihood of regulatory filings and approvals;
- our ability to obtain and retain key executives and attract and retain qualified personnel; and
- our ability to successfully manage our growth.

Because forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified and some of which are beyond our control, 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 occur or be achieved, and actual results could differ materially from those projected in the forward-looking statements. Moreover, we operate in an evolving environment. New risk factors and uncertainties may emerge from time to time, and it is not possible for management to predict all risk factors and uncertainties. Except as required by applicable law, we do not plan to publicly update or revise any forward-looking statements contained herein, whether as a result of any new information, future events, changed circumstances or otherwise.

You should read this prospectus and the documents that we reference in this prospectus and have filed as exhibits to the registration statement relating to this offering completely and with the understanding that our actual future results may be materially different from what we expect. We qualify all of our forward-looking statements by these cautionary statements.

MARKET INDUSTRY AND OTHER DATA

The prospectus contains estimates, projections and other information concerning our industry, our business and the markets for certain drugs, including data regarding the estimated size of those markets and their projected growth rates. Information that is based on estimates, forecasts, projections or similar methodologies is inherently subject to uncertainties and actual events or circumstances may differ materially from events and circumstances reflected in this information. We obtained the industry, market and competitive position data in this prospectus from our own internal estimates and research as well as from industry and general publications and research, surveys and studies conducted by third parties. Industry publications, studies and surveys generally state that they have been obtained from sources believed to be reliable, although they do not guarantee the accuracy or completeness of such information. While we believe that each of these studies and publications is reliable, we have not independently verified market and industry data from third-party sources. While we believe our internal company research as to such matters is reliable and the market definitions are appropriate, neither such research nor these definitions have been verified by any independent source.

USE OF PROCEEDS

We estimate that the net proceeds from our sale of 5,312,500 shares of our common stock in this offering will be approximately $75.9 million, assuming an initial public offering price of $16.00 per share, which is the midpoint of the price range set forth on the cover page of this prospectus, and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us. If the underwriters' over-allotment option to purchase additional shares from us is exercised in full, we estimate that our net proceeds will be $87.7 million, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

Each $1.00 increase (decrease) in the assumed initial public offering price of $16.00 per share would increase (decrease) the net proceeds to us from this offering by approximately $4.9 million, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us. Each increase (decrease) of 1,000,000 in the number of shares we are offering would increase (decrease) the net proceeds to us from this offering, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us, by approximately $14.9 million, assuming the assumed initial public offering price remains the same.

We currently anticipate that we will use the net proceeds from this offering, together with approximately $114.3 million of cash and cash equivalents as of March 31, 2018, as follows:

- approximately $45.0 million to $50.0 million to fund proof of concept clinical trials in our inflammatory diseases programs;
- approximately $25.0 million to $35.0 million to fund proof of concept clinical trials in our oncology programs;
- approximately $35.0 million to $45.0 million to invest in our platform and to advance additional preclinical development activities; and
- the remainder to fund working capital, capital expenditures and other general corporate purposes.

The expected use of the net proceeds from this offering represents our intentions based upon our current plans and business conditions. As of the date of this prospectus, we cannot predict with certainty all of the particular uses for the net proceeds to be received upon the closing of this offering or the amounts that we will actually spend on the uses set forth above. Predicting the cost necessary to develop product candidates can be difficult and we anticipate that we will need additional funds to complete the development of any product candidates we identify. The amounts and timing of our actual use of proceeds may vary significantly depending on numerous factors. See "Risk Factors—Risks Related to Our Common Stock and this Offering—We have broad discretion in the use of the net proceeds from this offering and may not use them effectively."

We may also use a portion of the net proceeds to in-license, acquire or invest in additional businesses, technologies, products or assets, although currently we have no specific agreements, commitments or understandings in this regard.

Based on our planned use of the net proceeds of this offering and our cash and cash equivalents as of March 31, 2018, we estimate that such funds will be sufficient to enable us to fund our operating expenses and capital expenditure requirements into the second half of 2020, by which time we expect to have received safety, tolerability, biomarker and clinical response data from our ongoing and planned clinical trials for EDP1066, EDP1815 and EDP1503. We have based this estimate on assumptions that may prove to be incorrect, and we could use our available capital resources sooner than we currently expect.

Until such time, if ever, as we can generate substantial product revenues, we expect to finance our cash needs through a combination of equity offerings, debt financings, collaborations, strategic alliances and licensing

arrangements. With the exception of our existing debt arrangement, we do not have any committed external source of funds. To the extent that we raise additional capital through the sale of equity or convertible debt securities, the ownership interests of our existing stockholders may be diluted, and the terms of these securities may include liquidation or other preferences that could adversely affect the rights of our common stockholders. Additional debt financing, if available, may involve agreements that include restrictive covenants that limit our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends, that could adversely impact our ability to conduct our business.

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

Pending our use of the net proceeds from this offering, we intend to invest the net proceeds in a variety of capital preservation investments, including short-term, investment-grade, interest-bearing securities, certificates of deposit or U.S. government securities.

DIVIDEND POLICY

We have never declared or paid any cash dividends on our capital stock. We currently intend to retain future earnings, if any, to finance the operation and expansion of our business and do not anticipate paying any dividends in the foreseeable future. Any future determination related to our dividend policy will be made at the discretion of our board of directors after considering our financial condition, results of operations, capital requirements, business prospects and other factors the board of directors deems relevant, and subject to the restrictions contained in any contractual financing arrangements. In addition, the terms of our existing loan and security agreement with Pacific Western Bank preclude us from paying dividends on our equity securities without Pacific Western Bank's consent.

CAPITALIZATION

The following table sets forth our cash and cash equivalents and capitalization as of December 31, 2017, as follows:

- on an actual basis;
- on a pro forma basis to reflect:
  - the automatic conversion of all outstanding shares of our preferred stock into an aggregate of 16,139,518 shares of common stock upon the closing of this offering;
  - the additional drawdown of $5.0 million under our loan and security agreement with Pacific Western Bank on February 7, 2018 including the issuance of a warrant to purchase our preferred stock that will become a warrant to purchase an aggregate of 8,512 shares of our common stock upon the closing of this offering;
  - the sale by us of 25,232,199 shares of Series C preferred stock from February 2018 to March 2018 for gross proceeds of $81.5 million and the automatic conversion of such shares of preferred stock into 6,185,870 shares of common stock upon the closing of this offering;
  - the issuance by us of 250,000 shares of Series B preferred stock in January 2018 to a consultant as partial consideration for services rendered and the automatic conversion of such shares of preferred stock into 61,289 shares of common stock upon the closing of this offering;
  - the outstanding warrants to purchase shares of our preferred stock becoming warrants to purchase an aggregate of 47,494 shares of our common stock upon the closing of this offering;
  - the exercise of a warrant to purchase 134 shares of common stock for an aggregate purchase price of $5.49, which occurred on April 9, 2018; and
  - the filing and effectiveness of our restated certificate of incorporation, which will occur in connection with the closing of this offering.
- on a pro forma as adjusted basis to give further effect to our issuance and sale of 5,312,500 shares of common stock in this offering at an assumed initial public offering price of $16.00 per share, which is the midpoint of the price range set forth on the cover page of this prospectus, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

Our capitalization following the closing of this offering will be adjusted based on the actual initial public offering price and other terms of this offering determined at pricing. You should read this information in conjunction with our consolidated financial statements and the related notes appearing at the end of this prospectus and the “Management’s Discussion and Analysis of Financial Condition and Results of Operations” section and other financial information contained in this prospectus.

	As of December 31, 2017 (in thousands, except share data)		
	Actual	Pro Forma	Pro Forma as Adjusted(1)
Cash and cash equivalents	$ 38,246	$ 124,556	$ 200,406
Preferred stock warrant liability	$ 424	—	—
Long-term debt	9,966	14,851	14,851
Convertible preferred stock (Series A, A-1, A-2, A-3, B and C), $0.001 par value; 66,311,563 shares authorized, 65,833,096 shares issued and outstanding, actual; no shares authorized, issued or outstanding, pro forma and pro forma as adjusted	83,702	—	—
Stockholders' (deficit) equity:			
Preferred stock, $0.001 par value; no shares authorized, issued or outstanding, actual; no shares authorized and no shares issued or outstanding, pro forma; 10,000,000 shares authorized and no shares issued or outstanding, pro forma as adjusted	—	—	—
Common stock, $0.001 par value; 23,780,338 shares authorized, 4,138,483 shares issued and 3,880,607 outstanding, actual; 200,000,000 shares authorized, pro forma and pro forma as adjusted; 26,525,294 shares issued and 26,267,418 shares outstanding, pro forma; 31,837,794 shares issued and 31,579,918 shares outstanding, pro forma as adjusted	4	26	32
Additional paid-in capital	1,684	167,877	243,721
Accumulated deficit	(56,411)	(56,411)	(56,411)
Total stockholders' (deficit) equity	(54,723)	111,492	187,342
Total capitalization	$ 39,369	$ 126,343	$ 202,193

(1) A $1.00 increase or decrease in the assumed initial public offering price of $16.00 per share, the midpoint of the price range set forth on the cover page of this prospectus, would increase or decrease the pro forma as adjusted amount of each of cash and cash equivalents, additional paid-in capital, total stockholders' (deficit) equity and total capitalization by approximately $4.9 million, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions and estimated expenses payable by us. An increase or decrease of 1.0 million shares in the number of shares offered by us, as set forth on the cover page of this prospectus, would increase or decrease the pro forma as adjusted amount of each of cash and cash equivalents, additional paid-in capital, total stockholders' (deficit) equity and total capitalization by approximately $14.9 million, assuming no change in the assumed initial public offering price per share and after deducting the estimated underwriting discounts and commissions and estimated expenses payable by us.

If the underwriters' over-allotment option to purchase additional shares is exercised in full, pro forma as adjusted amount of each of cash and cash equivalents, additional paid-in capital, total stockholders' (deficit) equity and total capitalization as of December 31, 2017 would be approximately $212.2 million, $255.6 million, $199.2 million and $214.1 million, respectively.

The table above excludes:

- 3,179,536 shares of our common stock issuable upon the exercise of stock options outstanding as of December 31, 2017, at a weighted average exercise price of $1.88 per share;
- 47,494 shares of our common stock issuable upon the exercise of warrants to purchase shares of preferred stock outstanding as of December 31, 2017 that will become warrants to purchase common stock, at a weighted average exercise price of $2.84 per share, upon the closing of this offering;
- 390,777 shares of our common stock issuable upon the exercise of stock options to be granted in connection with this offering under the 2018 Plan, which will become effective in connection with this

offering, to certain of our directors, executive officers and employees, at an exercise price per share equal to the initial public offering price in this offering;

- 953,915 shares of our common stock reserved for future issuance under the 2018 Plan, as well as shares of our common stock that become available pursuant to provisions in the 2018 Plan that automatically increase the share reserve under the 2018 Plan as described in "Executive and Director Compensation—Incentive Plans—2018 Incentive Award Plan"; and
- 336,356 shares of our common stock that will become available for future issuance under the 2018 ESPP, which will become effective in connection with this offering, as well as shares of our common stock that become available pursuant to provisions in the 2018 ESPP that automatically increase the share reserve under the 2018 ESPP as described in "Executive and Director Compensation—Incentive Plans—2018 Employee Stock Purchase Plan."

DILUTION

If you invest in our common stock in this offering, your ownership interest will be immediately diluted to the extent of the difference between the initial public offering price per share and the pro forma as adjusted net tangible book value per share of our common stock after this offering.

As of December 31, 2017, our historical net tangible book value was approximately $(54.7) million, or $(14.10) per share of common stock. Our historical net tangible book value per share represents total tangible assets less total liabilities and less convertible preferred stock, divided by the number of shares of our common stock outstanding as of December 31, 2017.

Our pro forma net tangible book value as of December 31, 2017 was approximately $111.5 million, or $4.25 per share. Pro forma net tangible book value represents the amount of our total tangible assets less total liabilities, after giving effect to (1) the sale by us of 25,232,199 shares of Series C preferred stock from February 2018 to March 2018 for gross proceeds of $81.5 million, and the automatic conversion of such shares of preferred stock into 6,185,870 shares of common stock upon the closing of this offering (2) the automatic conversion of all shares of our preferred stock outstanding as of December 31, 2017 into an aggregate of 16,139,518 shares of our common stock upon the closing of this offering, (3) the exercise of a warrant to purchase 134 shares of common stock for an aggregate purchase price of $5.49, which occurred on April 9, 2018, (4) the outstanding warrants to purchase shares of our preferred stock becoming warrants to purchase an aggregate of 47,494 shares of our common stock upon the closing of this offering; (5) the issuance by us of 250,000 shares of Series B preferred stock in January 2018 to a consultant as partial consideration for services rendered and the automatic conversion of such shares of preferred stock into 61,289 shares of common stock upon the closing of this offering and (6) the additional draw down of $5.0 million under our loan and security agreement with Pacific Western Bank on February 7, 2018 including the issuance of a warrant to purchase our preferred stock that will become a warrant to purchase an aggregate of 8,512 shares of our common stock upon the closing of this offering. Pro forma net tangible book value per share represents our pro forma net tangible book value divided by the total number of shares outstanding as of December 31, 2017, after giving effect to the pro forma adjustment described above.

After giving further effect to the sale of 5,312,500 shares of common stock in this offering at an assumed initial public offering price of $16.00 per share, which is the midpoint of the price range set forth on the cover page of this prospectus, and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us, our pro forma as adjusted net tangible book value as of December 31, 2017 would have been approximately $187.4 million, or $5.93 per share. This amount represents an immediate increase in pro forma net tangible book value of $1.69 per share to our existing stockholders and an immediate dilution of approximately $10.07 per share to new investors participating in this offering. We determine dilution by subtracting the pro forma as adjusted net tangible book value per share after this offering from the amount of cash that a new investor paid for a share of common stock. The following table illustrates this dilution:

Assumed initial public offering price per share		$16.00
Historical net tangible book value per share as of December 31, 2017	$(14.10)	
Increase (decrease) per share attributable to the sale by us of 250,000 shares of Series B preferred stock in January 2018 and 25,232,199 shares of Series C preferred stock from February 2018 to March 2018, the conversion of our preferred stock, the exercise of a warrant to purchase common stock in April 2018 and warrants to purchase preferred stock becoming warrants to purchase common stock upon the closing of this offering	18.35	
Pro forma net tangible book value (deficit) per share as of December 31, 2017	4.25	
Increase in pro forma net tangible book value per share attributable to new investors in this offering	11.75	
Pro forma as adjusted net tangible book value per share after this offering		$ 5.93
Dilution per share to new investors in this offering		$10.07

Each $1.00 increase (decrease) in the assumed initial public offering price of $16.00 per share, which is the midpoint of the price range set forth on the cover page of this prospectus, would increase (decrease) our pro forma as adjusted net tangible book value per share after this offering by $0.16, and dilution in pro forma net tangible book value per share to new investors by approximately $0.16 assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us. Each increase (decrease) of 1.0 million shares in the number of shares offered by us would increase (decrease) our pro forma as adjusted net tangible book value per share after this offering. In the case of an increase, the dilution to new investors by $0.27 per share, and in the case of a decrease, $0.29 per share, assuming that the assumed initial public offering price remains the same, and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

If the underwriters exercise their over-allotment option to purchase additional shares of our common stock in full, the pro forma as adjusted net tangible book value after this offering would be $6.15 per share, the increase in pro forma net tangible book value per share would be $0.22 and the total dilution per share to new investors would be $9.85 per share, in each case assuming an initial public offering price of $16.00 per share, which is the midpoint of the price range set forth on the cover page of this prospectus.

The following table summarizes the pro forma as adjusted basis, as of December 31, 2017, the differences between the number of shares of common stock purchased from us, the total consideration paid to us in cash and the average price per share paid by existing stockholders and new investors. The calculation below is based on an assumed initial public offering price of $16.00 per share, which is the midpoint of the price range set forth on the cover page of this prospectus, before deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

	Shares Purchased		Total Consideration		Average Price Per Share
	Number	Percent	Amount	Percent	
Existing stockholders(1)	26,558,354	83%	$156,900,000	65%	$ 5.91
New investors	5,312,500	17%	$ 85,000,000	35%	$ 16.00
Total	31,870,854	100%	$241,900,000	100%	

(1) Certain of our existing stockholders, including entities affiliated with certain of our directors, have indicated an interest in purchasing an aggregate of approximately $40.0 million in shares of our common stock in this offering at the initial public offering price. The presentation in this table regarding ownership by existing stockholders does not give effect to any purchases in this offering by such stockholders.

A $1.00 increase (decrease) in the assumed initial public offering price of $16.00 per share, the midpoint of the price range set forth on the cover page of this prospectus, would increase (decrease) the total consideration paid to us by investors in this offering by approximately $5.3 million and, in the case of an increase, would increase the percentage of total consideration paid to us by investors in this offering by approximately 1.4 percentage points and, in the case of a decrease, would decrease the percentage of total consideration paid to us by investors in this offering by approximately 4.7 percentage points, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same. An increase (decrease) of 1.0 million shares in the number of shares offered by us, as set forth on the cover page of this prospectus, would increase (decrease) the total consideration paid to us by investors in this offering by approximately $16.0 million and, in the case of an increase, would increase the percentage of total consideration paid to us by investors in this offering by approximately 4.0 percentage points, and in the case of decrease, would decrease the percentage of total consideration paid to us by investors in this offering approximately 4.6 percentage points.

The foregoing tables and calculations are based on the number of shares of our common stock outstanding as of December 31, 2017 (which includes 257,876 shares of issued but unvested restricted stock subject to repurchase), and excludes:

- 3,179,536 shares of common stock issuable upon exercise of stock options outstanding as of December 31, 2017, at a weighted-average exercise price of $1.88 per share;
- 47,494 shares of common stock issuable upon the exercise of warrants to purchase preferred stock that will become warrants to purchase common stock, at a weighted average exercise price of $2.84 per share, upon the closing of this offering;
- 390,777 shares of common stock issuable upon the exercise of stock options to be granted in connection with this offering under the 2018 Plan, which will become effective in connection with this offering, to certain of our directors, executive officers and employees, at an exercise price per share equal to the public offering price in this offering;
- 953,915 shares of our common stock reserved for future issuance under the 2018 Plan, as well as shares of our common stock that become available pursuant to provisions in the 2018 Plan that automatically increase the share reserve under the 2018 Plan as described in "Executive and Director Compensation—Incentive Plans—2018 Incentive Award Plan"; and
- 336,356 shares of our common stock that will become available for future issuance under the 2018 ESPP, which will become effective in connection with this offering, as well as shares of our common stock that become available pursuant to provisions in the 2018 ESPP that automatically increase the share reserve under the 2018 ESPP as described in "Executive and Director Compensation—Incentive Plans—2018 Employee Stock Purchase Plan."

The foregoing discussion and tables also assume no exercise of any options or warrants outstanding as of December 31, 2017. To the extent any of these outstanding options or warrant is exercised, there will be further dilution to new investors. If all of such outstanding options and warrant had been exercised as of December 31, 2017, the pro forma as adjusted net tangible book value per share after this offering would be $5.56, and total dilution per share to new investors would be $10.44.

If the underwriters exercise their over-allotment option to purchase additional shares of our common stock in full:

- the percentage of shares of common stock held by existing stockholders will decrease to approximately 81% of the total number of shares of our common stock outstanding after this offering; and
- the number of shares held by new investors will increase to 6,109,375, or approximately 19% of the total number of shares of our common stock outstanding after this offering.

SELECTED CONSOLIDATED FINANCIAL DATA

You should read the following selected consolidated financial data together with our consolidated financial statements and the related notes appearing at the end of this prospectus and the "Management's Discussion and Analysis of Financial Condition and Results of Operations" section of this prospectus. We have derived the consolidated statement of operations data for the year ended December 31, 2017 and 2016 and the consolidated balance sheet data as of December 31, 2017 and 2016 from our audited consolidated financial statements appearing at the end of this prospectus. Our historical results are not necessarily indicative of the results that should be expected in the future.

	Year Ended December 31,	
	2017	2016
	(in thousands, except share and per share amounts)	
Statement of Operations Data:		
Operating expenses:		
Research and development	$ 19,957	$ 9,134
General and administrative	7,574	3,891
Total operating expenses	27,531	13,025
Loss from operations	(27,531)	(13,025)
Other (expense) income:		
Interest expense, net	(215)	(287)
Other expenses	(301)	(20)
Other income (expense), net	(516)	(307)
Net loss	$ (28,047)	$ (13,332)
Convertible preferred stock dividends	(6,085)	(1,645)
Net loss attributable to common stockholders	$ (34,132)	$ (14,977)
Net loss per share attributable to common stockholders, basic and diluted(1)	$ (9.10)	$ (5.28)
Weighted average number of common shares outstanding, basic and diluted(1)	3,750,790	2,834,733
Pro forma net loss per share attributable to common stockholders, basic and diluted (unaudited)(2)	$ (1.48)	
Pro forma weighted average common shares outstanding, basic and diluted (unaudited)(2)	18,807,993	

	As of December 31, 2017	As of December 31, 2016
	(in thousands)	
Balance Sheet Data:		
Cash and cash equivalents	$ 38,246	$ 15,536
Working capital(3)	34,938	13,472
Total assets	43,788	18,570
Long-term debt	9,966	9,931
Convertible preferred stock	83,702	33,863
Accumulated deficit	(56,411)	(28,341)
Total stockholders' (deficit) equity	(54,723)	(28,337)

(1) See Note 2 to our audited consolidated financial statements appearing at the end of this prospectus for further details on the calculation of basic and diluted net loss per share attributable to common stockholders.

(2) See Note 13 to our audited consolidated financial statements appearing at the end of this prospectus for further details on the calculation of our unaudited basic and diluted pro forma net loss per share attributable to common stockholders.

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

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

You should read the following discussion and analysis of financial condition and results of operations together with the section titled "Selected Consolidated Financial Data" and our consolidated financial statements and related notes included elsewhere in this prospectus. This discussion and other parts of this prospectus contain forward-looking statements that involve risks and uncertainties, such as statements regarding our plans, objectives, expectations, intentions and projections. Our actual results could differ materially from those discussed in these forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed in the "Risk Factors" section of this prospectus.

Overview

Evelo Biosciences is discovering and developing potential therapies designed to act on the gut-body network. The action of our therapies is based on our growing understanding of the central role of the gut in controlling immune and biological activity throughout the body. The gut-body network represents the connections of the gut to all organs and tissues, which enables the gut to exert a significant level of control over the body's immune and biological systems. The centrality of the gut-body network to the immune system has only recently become appreciated, and modern medicine and drug discovery have largely overlooked the importance of the gut-body network in fighting disease. We believe that we have the potential to use the unexplored biology of the gut-body network to develop novel therapies that could transform the treatment of many major diseases, potentially driving profound benefits to patients and society.

The gut, or the gastrointestinal tract, is the largest part of the immune system and is a central hub of the body's network of lymphatic vessels. Immune cells from around the body circulate via these lymphatic vessels through tissues of the gut, where they are conditioned by exposure to many antigens and immunomodulatory agents that continuously pass through the gut. These conditioned immune cells then continue to travel throughout the body and can impact disease and health at all sites of the body. Microbes, in particular, have the ability to condition immune cells in the gut.

We are developing orally-delivered pharmaceutical compositions of specific strains of naturally-occurring microbes derived from a single clone, which we refer to as monoclonal microbials. Our monoclonal microbials are designed to act on the gut-body network. We and our collaborators have observed in preclinical studies that our monoclonal microbials can downregulate or upregulate immune responses throughout the body by acting on the gut-body network with naturally-evolved pharmacology. We believe that monoclonal microbials exert their effects through interactions with host immune cells as they pass through the gut. Based on our preclinical studies, we believe that our product candidates could significantly improve the treatment of many diseases.

We were incorporated and commenced operations in 2014. Since our incorporation, we have devoted substantially all of our resources to developing our clinical and preclinical candidates, building our intellectual property portfolio and process development and manufacturing function, business planning, raising capital and providing general and administrative support for these operations. To date, we have financed our operations primarily with proceeds from sales of our convertible preferred stock to our equity investors and borrowings under a loan and security agreement, as amended, with Pacific Western Bank, or the loan and security agreement. Through December 31, 2017, we had received gross proceeds of $85.4 million from sales of our convertible preferred stock and borrowings under our loan and security agreement. In February 2018, we raised approximately $47.5 million from the sale of our Series C preferred stock and borrowed an additional $5.0 million under our loan and security agreement. In March 2018, we raised approximately $34.0 million from additional sales of our Series C preferred stock.

On June 16, 2016, we acquired Epiva Biosciences, Inc., or Epiva, a privately held research company focused on microbes for inflammatory disease, in order to create synergies and expand the depth of our research platform.

Epiva held intellectual property rights related to microbes affecting inflammatory diseases. The acquisition resulted in the exchange of all shares of Epiva stock for shares of our stock at an exchange rate of 1-for-0.8333 for Epiva preferred stock and 1-for-0.2043 for Epiva common stock. The holders of Epiva common stock and common stock options received shares of the our common stock or options. The holders of Epiva Series A and A-2 Preferred Stock received shares of our Series A-1 and A-3 Preferred Stock, respectively. Both we and Epiva received funding from various investment funds that are managed by the same entity. We assessed the ownership structure of the two companies as well as the investment funds and determined, based on the ownership structure and other rights provided through other relevant arrangements, such as voting rights agreements, limited partnership agreements and general partnership agreements, that the ultimate controlling parent of each of Evelo and Epiva was the same entity both immediately before and immediately after the acquisition. As a result, we and Epiva were considered to be under common control. The net assets received by us as a result of the acquisition were determined to represent an asset and not a business. This conclusion was primarily based on the fact that substantially all of the fair value of the gross assets received, excluding cash acquired, related to Epiva's intellectual property rights. This conclusion considered the nature of Epiva's operations immediately prior to the acquisition as well as Epiva's limited operating history.

We are a development stage company and have not generated any revenue. All of our product candidates are in clinical or preclinical development. Our ability to generate product revenue sufficient to achieve profitability will depend heavily on the successful development and eventual commercialization of one or more of our product candidates. Since our inception, we have incurred significant operating losses. For the year ended December 31, 2017, our net loss was $28.0 million. As of December 31, 2017, we had an accumulated deficit of $56.4 million. We do not expect to generate revenue from sales of any products for the foreseeable future, if at all.

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

- initiate proof of concept clinical trials of EDP1066, EDP1815 and EDP1503;
- advance the clinical development of any additional monoclonal microbial product candidates;
- conduct research and continue preclinical development of potential product candidates;
- make strategic investments in manufacturing capabilities, including potentially planning and building a small-scale commercial manufacturing facility;
- maintain our current intellectual property portfolio and opportunistically acquire complementary intellectual property; and
- seek to obtain regulatory approvals for our product candidates.

In addition, if we obtain marketing approval for any of our product candidates, we expect to incur significant commercialization expenses related to product manufacturing, marketing, sales and distribution. Furthermore, upon the closing of this offering, we expect to incur additional costs associated with operating as a public company.

As a result, we will need additional financing to support our continuing operations. Until such time as we can generate significant revenue from product sales, if ever, we expect to finance our operations through a combination of public or private equity or debt financings or other sources, which may include collaborations with third parties. Adequate additional financing may not be available to us on acceptable terms, or at all. Our inability to raise capital as and when needed would have a negative impact on our financial condition and our ability to pursue our business strategy. We will need to generate significant revenue to achieve profitability, and we may never do so.

Because of the numerous risks and uncertainties associated with drug development, we are unable to predict the timing or amount of increased expenses or when or if we will be able to achieve or maintain profitability.

Even if we are able to generate revenue from product sales, we may not become profitable. If we fail to become profitable or are unable to sustain profitability on a continuing basis, then we may be unable to continue our operations at planned levels and be forced to reduce or terminate our operations.

As of March 31, 2018, our cash and cash equivalents totaled approximately $114.3 million. We expect that our existing cash and cash equivalents together with the anticipated net proceeds from this offering, will enable us to fund our operating expenses and capital expenditure requirements into the second half of 2020. We have based these estimates on assumptions that may prove to be wrong, and we may use our available capital resources sooner than we currently expect. See "—Liquidity and Capital Resources."

Financial Operations Overview

Revenue

We have not generated any revenue since our inception and do not expect to generate any revenue from the sale of products in the near future if at all. If our development efforts for our current product candidates or additional product candidates that we may develop in the future are successful and result in marketing approval or if we enter into collaboration or license agreements with third parties, we may generate revenue in the future from a combination of product sales or payments from such collaboration or license agreements.

Operating Expenses

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

Research and Development Expenses

Research and development expenses consist primarily of costs incurred for our research activities, including our discovery efforts, and the development of our product candidates, which include:

- expenses incurred under agreements with third parties, including contract research organizations, or CROs, that conduct research, preclinical activities and clinical trials on our behalf as well as contract manufacturing organizations, or CMOs, that manufacture drug substance and drug product for use in our preclinical and any future clinical trials;
- expenses to acquire technologies to be used in research and development;
- salaries, benefits and other related costs, including stock-based compensation expense, for personnel in our research and development functions;
- costs of outside consultants, including their fees, stock-based compensation and related travel expenses;
- the cost of laboratory supplies and acquiring, developing and manufacturing preclinical study and clinical trial materials;
- costs related to compliance with regulatory requirements; and
- facility-related expenses, which include direct depreciation costs and allocated expenses for rent and maintenance of facilities and other operating costs.

We expense research and development costs as incurred. We recognize external development costs based on an evaluation of the progress to completion of specific tasks using information provided to us by our vendors and our clinical investigative sites. Payments for these activities are based on the terms of the individual agreements, which may differ from the pattern of costs incurred, and are reflected in our financial statements as prepaid or accrued research and development expenses. Nonrefundable advance payments for goods or services to be

received in the future for use in research and development activities are deferred and capitalized, even when there is no alternative future use for the research and development. The capitalized amounts are expensed as the related goods are delivered or the services are performed.

Our primary focus of research and development since inception has been building a platform to enable us to develop medicines based on an understanding of the gut-body network and to show potential clinical utility. Our platform and program expenses consist principally of costs, such as preclinical research, preclinical manufacturing activity costs, licensing expense as well as an allocation of certain indirect costs, facility costs and depreciation expense. We do not allocate personnel costs, which include salaries, discretionary bonus and stock-based compensation costs, as such costs are separately classified as research and development personnel costs.

The table below summarizes our research and development expenses incurred on our platform and by product development program (in thousands):

	Year Ended December 31,	
	2017	2016
Gut-body network platform expenses	$ 3,806	$ 2,064
Inflammation programs	4,284	—
Oncology programs	3,706	2,581
Other program expenses	566	393
Research and development personnel costs (including stock-based compensation)	7,595	4,096
Total research and development expenses	$ 19,957	$ 9,134

Research and development activities are central to our business model. Product candidates in later stages of clinical development generally have higher development costs than those in earlier stages of clinical development, primarily due to the increased size and duration of later-stage clinical trials. We expect that our research and development expenses will continue to increase in the foreseeable future as we initiate clinical trials for certain product candidates, including EDP1066, EDP1815 and EDP1503, and continue to discover and develop additional product candidates, build manufacturing capabilities and expand into additional therapeutic areas.

At this time, we cannot reasonably estimate or know the nature, timing and estimated costs of the efforts that will be necessary to complete the development of, and obtain regulatory approval for, any of our product candidates. We are also unable to predict when, if ever, material net cash inflows will commence from sales or licensing of our product candidates. This is due to the numerous risks and uncertainties associated with drug development, including the uncertainty of:

- our ability to add and retain key research and development personnel;
- our ability to establish an appropriate safety profile with Investigational New Drug-enabling toxicology studies;
- our ability to successfully develop, obtain regulatory approval for, and then successfully commercialize, our product candidates;
- our successful enrollment in and completion of clinical trials;
- the costs associated with the development of any additional product candidates we identify in-house or acquire through collaborations;
- our ability to discover, develop and utilize biomarkers to demonstrate target engagement, pathway engagement and the impact on disease progression of our product candidates;
- our ability to establish and maintain agreements with third-party manufacturers for clinical supply for our clinical trials and commercial manufacturing, if our product candidates are approved;

- the terms and timing of any collaboration, license or other arrangement, including the terms and timing of any milestone payments thereunder;
- our ability to obtain and maintain patent, trade secret and other intellectual property protection and regulatory exclusivity for our product candidates if and when approved;
- our receipt of marketing approvals from applicable regulatory authorities;
- our ability to commercialize products, if and when approved, whether alone or in collaboration with others; and
- the continued acceptable safety profiles of the product candidates following approval.

A change in any of these variables with respect to the development of any of our product candidates would significantly change the costs, timing and viability associated with the development of that product candidate. We expect our research and development expenses to increase at least over the next several years as we continue to implement our business strategy, advance our current programs, expand our research and development efforts, seek regulatory approvals for any product candidates that successfully complete clinical trials, identify and develop additional product candidates and incur expenses associated with hiring additional personnel to support our research and development efforts.

General and Administrative Expenses

General and administrative expenses consist primarily of salaries and other related costs, including stock-based compensation, for personnel in our executive, finance, corporate and business development, and administrative functions. General and administrative expenses also include legal fees relating to patent and corporate matters; professional fees for accounting, auditing, tax and administrative consulting services; insurance costs; administrative travel expenses; and facility-related expenses, which include direct depreciation costs and allocated expenses for rent and maintenance of facilities and other operating costs.

We anticipate that our general and administrative expenses will increase in the future as we increase our headcount to support the expected growth in our research and development activities and the potential commercialization of our product candidates. We also expect to incur increased expenses associated with being a public company, including increased costs of 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.

Interest Expense, Net

Interest expense, net consists of interest expense incurred on our debt, net of interest earned on our cash and cash equivalents. During the years ended December 31, 2017 and 2016, interest expense, net consisted primarily of interest at the stated rate on borrowings under our loan and security agreement, amortization of deferred financing costs and interest expense related to the accretion of debt discount associated with the loan and security agreement.

Other Expenses

Other expenses primarily consists of non-cash changes in the fair value of warrants issued in connection with our loan and security agreement, after which it will no longer be remeasured at fair value.

Income Taxes

Since our inception in 2014, we have not recorded any U.S. federal or state income tax benefits for the net losses we have incurred in each year or our earned research and development tax credits, due to our uncertainty

of realizing a benefit from those items. As of December 31, 2017, we had federal and state net operating loss carryforwards of $50.2 million and $41.9 million, respectively, both of which expire at various dates through 2037. As of December 31, 2017, we also had federal and state research and development tax credit carryforwards of $0.8 million and $0.5 million, respectively, each of which begin to expire in 2030.

Results of Operations

Comparison of Years Ended December 31, 2017 and 2016

The following table summarizes our results of operations for the years ended December 31, 2017 and 2016 (in thousands):

	Year Ended December 31, 2017	2016	Increase/(Decrease)
Operating expenses:			
Research and development	$ 19,957	$ 9,134	$ 10,823
General and administrative	7,574	3,891	3,683
Total operating expenses	27,531	13,025	14,506
Loss from operations	(27,531)	(13,025)	14,506
Other (expense) income:			
Interest expense, net	(215)	(287)	(72)
Other expense	(301)	(20)	281
Other income (expense), net	(516)	(307)	209
Net loss	$ (28,047)	$ (13,332)	$ 14,715

Research and Development Expenses (in thousands):

	Year Ended December 31, 2017	2016	Increase/(Decrease)
Gut-body network platform expenses	$ 3,806	$ 2,064	$ 1,742
Inflammation programs	4,284	—	4,284
Oncology programs	3,706	2,581	1,125
Other program expenses	566	393	173
Research and development personnel costs (including stock-based compensation)	7,595	4,096	3,499
Total research and development expenses	$ 19,957	$ 9,134	$ 10,823

Research and development expenses were $20.0 million for the year ended December 31, 2017, compared to $9.1 million for the year ended December 31, 2016. The increase of $10.8 million was due primarily to an increase of $4.3 million in costs for our inflammation programs, including the external preclinical research, preclinical manufacturing activity costs and licensing expense, an increase of $1.7 million in platform expense due to the overall growth of the research and development departments in-line with our growth, an increase of $1.1 million in costs for the oncology programs, primarily due to increases in external preclinical research and preclinical manufacturing activity in 2017, and an increase of $3.5 million in personnel costs, including increases in salaries and bonus of $2.4 million and increases in other headcount expenses to support research and development activity. We expect that our research and development expenses will continue to increase in the foreseeable future as we anticipate the initiation of clinical trials for certain product candidates, including EDP1066, EDP1815 and EDP1503, and continue discovery and development efforts for additional product candidates, seek to increase manufacturing capabilities and possibly expand into additional therapeutic areas.

General and Administrative Expenses (in thousands):

	Year Ended December 31,		
	2017	2016	Increase/(Decrease)
General and administrative personnel costs (including stock-based compensation)	$ 3,237	$ 2,035	$ 1,202
Professional fees	2,758	826	1,932
Facility costs, office expense and other	1,579	1,030	549
Total general and administrative expenses	$ 7,574	$ 3,891	$ 3,683

General and administrative expenses were $7.6 million for the year ended December 31, 2017, compared to $3.9 million for the year ended December 31, 2016. The increase of $3.7 million was primarily due to an increase of $1.9 million in professional fees, including legal, patent and other professional consulting fees related to business development and an increase of $1.2 million in personnel costs, including an increase of $0.5 million in stock-based compensation expense and $0.4 million in salaries and bonus. The remaining increase was related to recruiting, benefits and other various expenses.

Other Income (Expense), Net

Other income (expense), net for the year ended December 31, 2017 was an expense of $(0.5) million, compared to an expense of $(0.3) million for the year ended December 31, 2016. This overall increase was driven by a $0.3 million increase in other expense as a result of an increase in the fair value of the warrants as well as an increase in interest paid on long-term debt, which payments began during August 2016. This was partially offset by an increase in interest income of $0.1 million from the larger cash balance in 2017.

Liquidity and Capital Resources

To date, we have financed our operations primarily with proceeds from sales of our convertible preferred stock to our equity investors and borrowings under the loan and security agreement. From our inception through December 31, 2017, we had received gross proceeds of $85.4 million from such transactions, including $10.0 million borrowed under the loan and security agreement. As of December 31, 2017, we had cash and cash equivalents of $38.2 million and an accumulated deficit of $56.4 million. Our cash and cash equivalents totaled approximately $114.3 million as of March 31, 2018.

In connection with the acquisition of Epiva, we assumed Epiva's credit facility and the related $3.0 million of outstanding debt. In August 2016, we amended the loan and security agreement to allow us to borrow up to $15.0 million, including the $3.0 million that was outstanding on the modification date, and extending the maturity date to August 15, 2020. During 2016, we borrowed an additional $7.0 million, bringing the total amounts outstanding as of December 31, 2016 and 2017 to $10.0 million. Under the terms of the loan and security agreement, we are required to make interest only payments through August 15, 2018. Upon the expiration of the interest only period, amounts borrowed will be repaid over 24 equal monthly payments of principal plus interest accrued through August 15, 2020. As of December 31, 2017, the amounts outstanding under the loan and security agreement had an interest rate of the higher of (i) prime plus 0.25% or (ii) 3.75% per annum. The loan is secured by a lien on all of our assets, excluding intellectual property.

In February 2018, we borrowed the additional $5.0 million available under the loan and security agreement. This resulted in an increase to the interest rate to the higher of (i) prime plus 0.25% or (ii) 4.50% per annum. The interest only payment period was extended to August 15, 2019. Upon the expiration of the interest only period, amounts borrowed will be repaid over 24 equal monthly payments of principal plus interest accrued through August 15, 2021. We may prepay the outstanding loan at its option with a prepayment fee of 2% of principal amount if prepayment is made before August 15, 2018 or 0.5% if the prepayment is made between August 15, 2018 and August 15, 2019.

There are no financial covenants associated with the agreement. The agreement contains negative covenants restricting our activities, including limitations on cash deposits, dispositions, mergers or acquisitions, incurring indebtedness or liens, paying dividends or making investments and certain other business transactions. The obligations under the agreement are subject to acceleration upon the occurrence of specified events of default, including a material adverse change in our business, operations or financial or other condition.

In connection with entering into the prior loan and security agreement, in November 2015, we issued Comerica Bank a warrant to purchase 100,000 shares of our Series A preferred stock at an exercise price of $0.60 per share. In connection with entering into the loan and security agreement, in August 2016, we issued Pacific Western Bank a warrant to purchase 62,497 shares of Series A-1 preferred stock at an exercise price of $0.60 per share and a warrant to purchase 31,248 shares of Series A-3 preferred stock at an exercise price of $1.20 per share. In connection with the execution of the third amendment to the loan and security agreement, in February 2018, we issued Pacific Western Bank a warrant to purchase 34,722 shares of Series B preferred stock at an exercise price of $1.80 per share. Upon the closing of this offering, these warrants will automatically be converted to warrants to purchase an aggregate of 56,006 shares of common stock at a weighted average exercise price of $3.53 per share.

From February 2018 to March 2018, we received gross proceeds of $81.5 million from sales of our Series C preferred stock.

Cash Flows

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

	Year Ended December 31,	
	2017	2016
Cash used in operating activities	$ (23,265)	$ (12,314)
Cash (used in)/provided by investing activities	(1,742)	9,263
Cash provided by financing activities	48,967	15,742
Net increase in cash, cash equivalents and restricted cash	$ 23,960	$ 12,691

Operating Activities

Net cash used in operating activities for the year ended December 31, 2017, was $23.3 million primarily due to our net loss of $28.0 million. This was partially offset by non-cash charges, including stock-based compensation expense of $1.5 million, depreciation expense of $0.8 million, change in fair value of warrant liability of $0.3 million and change in working capital of $2.2 million.

Net cash used in operating activities for the year ended December 31, 2016, was $12.3 million, primarily due to our net loss of $13.3 million. This was partially offset by non-cash charges, including stock-based compensation expense of $0.4 million, depreciation of $0.5 million and change in working capital of $0.1 million.

Investing Activities

Net cash used in investing activities for the year ended December 31, 2017, was $1.7 million, primarily due to the purchase of capital equipment during the period.

Net cash provided by investing activities for the year ended December 31, 2016, was $9.2 million, which consisted of $10.5 million of cash received in the acquisition of Epiva, slightly offset by the purchase of capital equipment of $1.3 million.

Financing Activities

Net cash provided by financing activities for the year ended December 31, 2017 was $49.0 million, primarily consisting of net proceeds of $48.9 million from the issuance of our Series B Preferred Stock.

Net cash provided by financing activities for the year ended December 31, 2016, was $15.7 million, primarily consisted of net proceeds of $7.5 million from the issuance of Series A Preferred Stock and Series A-2 Preferred Stock, gross proceeds of $11.0 million from the issuance of long-term debt, $1.0 million received as shareholders' payable for Series B Preferred Stock issued in 2017 and $0.2 million from the exercise of stock options. These were offset by repayment of long-term debt of $4.0 million.

Funding Requirements

We expect our expenses to increase substantially in connection with our ongoing development activities related to the initiation of clinical studies and preclinical work on additional monoclonal microbial product candidates, which are still in development, and our follow-on therapeutics and other programs. In addition, upon the closing of this offering, we expect to incur additional costs associated with operating as a public company. We anticipate that our expenses will increase substantially if and as we:

- initiate or continue proof of concept clinical trials of EDP1066, EDP1815 and EDP1503;
- advance the clinical development of any additional monoclonal microbial product candidates;
- conduct research and continue preclinical development of potential product candidates;
- make strategic investments in manufacturing capabilities, including potentially planning and building a small-scale commercial manufacturing facility;
- maintain our current intellectual property portfolio and opportunistically acquire complementary intellectual property; and
- seek to obtain regulatory approvals for our product candidates.
- potentially establish a sales, marketing and distribution infrastructure and scale-up manufacturing capabilities to commercialize any products for which we may obtain regulatory approval;
- add clinical, scientific, operational, financial and management information systems and personnel, including personnel to support our product development and potential future commercialization efforts and to support our transition to a public company; and
- experience any delays or encounter any issues with any of the above, including but not limited to failed studies, complex results, safety issues or other regulatory challenges.

We expect that our cash and cash equivalents as of March 31, 2018, together with the anticipated net proceeds from this offering, will enable us to fund our operating expenses and capital expenditure requirements into the second half of 2020. We have based this estimate on assumptions that may prove to be wrong, and we may use our available capital resources sooner than we currently expect. Because of the numerous risks and uncertainties associated with the development of EDP1066, EDP1815 and EDP1503, any additional monocolonal microbial product candidates or any follow-on programs and because the extent to which we may enter into collaborations with third parties for development of these product candidates is unknown, we are unable to estimate the amounts of increased capital outlays and operating expenses associated with completing the research and development of our product candidates. Our future capital requirements for our technology platform or our other programs will depend on many factors, including:

- the progress and results of our proof of concept clinical studies of EDP1066, EDP1815 and EDP1503;
- the cost of manufacturing clinical supplies of our product candidates;

- the scope, progress, results and costs of preclinical development, laboratory testing for any other potential product candidates;
- the costs, timing and outcome of regulatory review of our product candidates;
- 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;
- the revenue, if any, received from commercial sales of our product candidates for which we receive marketing approval;
- 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;
- the effect of competing technological and market developments; and
- the extent to which we acquire or invest in businesses, products and technologies, including entering into licensing or collaboration arrangements for product candidates, although we currently have no commitments or agreements to complete any such acquisitions or investments in businesses.

Identifying potential product candidates and conducting preclinical testing and clinical trials is a time consuming, expensive and uncertain process that takes years to complete, and we may never generate the necessary data or results required to obtain marketing approval and achieve product sales. In addition, our product candidates, if approved, may not achieve commercial success. Our commercial revenues, if any, will be derived from sales of products that we do not expect to be commercially available for many years, if ever. Accordingly, we will need to obtain substantial additional funds to achieve our business objectives.

Adequate additional funds may not be available to us on acceptable terms, or at all. We do not currently have any committed external source of funds. To the extent that we raise additional capital through the sale of equity or convertible debt securities, your ownership interest will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect your rights as a common stockholder. Additional debt financing and preferred equity financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends and may require the issuance of warrants, which could potentially dilute your ownership interest. The terms of our existing loan and security agreement with Pacific Western Bank preclude us from paying dividends on our equity securities without Pacific Western Bank's consent.

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

Contractual Obligations and Commitments

The following table summarizes our contractual obligations at December 31, 2017 and the effect such obligations are expected to have on our liquidity and cash flows in future periods (in thousands):

	Payments Due by Period				
	Total	Less Than 1 Year	1 – 3 Years	4 – 5 Years	More Than 5 Years
Operating lease commitments(1)	$ 2,952	$ 997	$1,855	$ 100	$ —
Debt obligations(2)	11,248	475	7,608	3,165	—
Total	$14,200	$ 1,472	$9,463	$3,265	$ —

(1) Amounts in the table reflect payments due for our laboratory and office space in Cambridge, Massachusetts under two operating lease agreements that are scheduled to expire in 2020 and 2021.
(2) Reflects the contractually required principal and interest payments payable pursuant to our loan and security agreement, which was subsequently amended in February 2018.

We enter into contracts in the normal course of business with CROs for clinical trials, preclinical research studies and testing, manufacturing and other services and products for operating purposes. These contracts generally provide for termination upon notice, and therefore we believe that our non-cancelable obligations under these agreements are not material.

Off-Balance Sheet Arrangements

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

Critical Accounting Policies and Use of Estimates

Our consolidated financial statements are prepared in accordance with generally accepted accounting principles, or GAAP, in the United States of America. The preparation of our consolidated financial statements and related disclosures requires us to make estimates and assumptions that affect the reported amount of assets, liabilities, revenue, costs and expenses, and related disclosures. We believe that the estimates and assumptions involved in the accounting policies described below may have the greatest potential impact on our consolidated financial statements and, therefore, consider these to be our critical accounting policies. We evaluate our estimates and assumptions on an ongoing basis. Our actual results may differ from these estimates under different assumptions and conditions.

Accrued Research and Development Expenses

As part of the process of preparing our consolidated financial statements, we are required to estimate our accrued research and development expenses. This process involves reviewing open contracts and purchase orders, communicating with our personnel to identify services that have been performed on our behalf and estimating the level of service performed and the associated costs incurred for the services when we have not yet been invoiced or otherwise notified of the actual costs. The majority of our service providers invoice us in arrears for services performed, on a pre-determined schedule or when contractual milestones are met; however, some require advanced payments. We make estimates of our accrued expenses as of each balance sheet date in our financial statements based on facts and circumstances known to us at that time. Examples of estimated accrued research and development expenses include fees paid to:

- CROs in connection with performing research services on our behalf and preclinical studies and any clinical trials;
- investigative sites or other providers in connection with preclinical studies and any clinical trials;
- vendors in connection with preclinical and clinical development activities; and
- vendors related to product manufacturing, development and distribution of preclinical and clinical supplies.

We base our expenses related to preclinical studies and clinical trials on our estimates of the services received and efforts expended pursuant to quotes and contracts with multiple CROs that conduct and manage preclinical studies and clinical trials on our behalf. The financial terms of these agreements are subject to negotiation, vary from contract to contract and may result in uneven payment flows. There may be instances in which payments made to our vendors will exceed the level of services provided and result in a prepayment of the

clinical expense. Payments under some of these contracts depend on factors such as the successful enrollment of patients and the completion of milestones. In accruing service fees, we estimate the time period over which services will be performed, enrollment of patients, number of sites activated and the level of effort to be expended in each period. If the actual timing of the performance of services or the level of effort varies from our estimate, we adjust the accrual or amount of prepaid expense accordingly. Although we do not expect our estimates to be materially different from amounts actually incurred, our understanding of the status and timing of services performed relative to the actual status and timing of services performed may vary and may result in us reporting amounts that are too high or too low in any particular period. To date, we have not made any material adjustments to our prior estimates of accrued research and development expenses.

Stock-Based Compensation

We measure stock options and other stock-based awards granted to employees and directors based on the fair value on the date of grant and recognize the corresponding compensation expense of those awards, net of estimated forfeitures, over the requisite service period, which is generally the vesting period of the respective award. Generally, we issue stock options and restricted stock awards with only service-based vesting conditions and record the expense for these awards using the straight-line method. We measure stock-based awards granted to consultants and non-employees based on the fair value of the award on the date at which the related service is complete. Compensation expense is recognized over the period during which services are rendered by such consultants and non-employees until completed. At the end of each financial reporting period prior to completion of the service, the fair value of these awards is remeasured using the then-current fair value of our common stock and updated assumption inputs in the Black-Scholes option-pricing model.

We estimate the fair value of each stock option grant using the Black-Scholes option-pricing model. Use of this model requires that we make assumptions as to the volatility of our common stock, the expected term of our stock options, the risk-free interest rate for a period that approximates the expected term of our stock options, and our expected dividend yield. Because we are currently a private company and lack company-specific historical and implied volatility information, we estimate our expected volatility based on the historical volatility of a group of publicly traded peer companies. We expect to continue to do so until such time as we have adequate historical data regarding the volatility of our traded stock price. We use the simplified method prescribed by SEC Staff Accounting Bulletin No. 107, *Share-Based Payment*, to calculate the expected term of options granted to employees and directors. We base the expected term of options granted to consultants and non-employees on the contractual term of the options. We determine the risk-free interest rate by reference to the U.S. Treasury yield curve in effect at the time of grant of the award for time periods approximately equal to the expected term of the award. Expected dividend yield is based on the fact that we have never paid cash dividends and do not expect to pay any cash dividends in the foreseeable future.

The assumptions we used to determine the fair value of stock options granted to employees and directors are as follows, presented on a weighted average basis:

	Year Ended December 31,	
	2017	2016
Risk-free interest rate	2.03%	1.33%
Expected term (in years)	6.18	5.66
Expected volatility	79.5%	87.2%
Expected dividend yield	0.00%	0.00%
Fair value of common stock	$2.49 – 8.12	$0.49 - 2.49

The assumptions we used to determine the fair value of stock options granted to consultants and non-employees are as follows, presented on a weighted average basis:

	Year Ended December 31,	
	2017	2016
Risk-free interest rate	2.30%	2.35%
Expected term (in years)	9.43	9.51
Expected volatility	78.9%	89.0%
Expected dividend yield	0.00%	0.00%
Fair value of common stock	$2.49 – 8.12	$0.49 - 2.49

These assumptions represented our best estimates, but the estimates involve inherent uncertainties and the application of our judgment.

We recognize compensation expense for only the portion of awards that are expected to vest. In developing a forfeiture rate estimate for pre-vesting forfeitures, we have considered our historical experience of actual forfeitures.

The following table summarizes the classification of our stock-based compensation expenses recognized in our consolidated statements of operations (in thousands):

	Year Ended December 31,	
	2017	2016
Research and development	$ 849	$ 205
General and administrative	693	214
Total	$ 1,542	$ 419

Determination of the Fair Value of Common Stock

We are a privately held company with no active public market of our common stock. Therefore, our board of directors has estimated the fair value of our common stock at various dates, with input from management, considering our most recently available third-party valuations of common stock and our board of directors' assessment of additional objective and subjective factors that it believed were relevant and which may have changed from the date of the most recent valuation through the date of the grant.

In the absence of a public trading market for our common stock, our determination of the fair value of our common stock was performed using methodologies, approaches and assumptions consistent with the American Institute of Certified Public Accountants' Accounting and Valuation Guide, *Valuation of Privately-Held-Company Equity Securities Issued as Compensation*.

For financial statement purposes, we performed common stock valuations, with the assistance of a third-party specialist, at various dates, which resulted in valuations of our common stock of $2.49 per share as of January 15, 2017, $3.06 per share as of March 31, 2017, $4.53 per share as of June 30, 2017, $6.32 per share as of September 30, 2017 and $8.12 per share as of December 31, 2017. In addition to these valuations, we considered various objective and subjective factors to determine the fair value of our common stock as of each grant date, including:

- the prices at which we sold shares of preferred stock and the preferential rights and preferences of the preferred stock relative to our common stock at the time of each grant;
- the progress of our research and development programs, including the status of preclinical studies for our product candidates;
- our stage of development and our business strategy;

- external market conditions affecting the biotechnology and pharmaceutical industries;
- trends within the biotechnology and pharmaceutical industries;
- our financial position, including cash and cash equivalents on hand, and our historical and forecasted performance and operating results;
- the lack of an active public market for our common stock and our preferred stock;
- the likelihood of achieving a liquidity event, such as an initial public offering ("IPO"), or sale of our company in light of prevailing market conditions; and
- the analysis of IPOs and the market performance of similar companies in the biotechnology and pharmaceutical industries.

There are significant judgments and estimates inherent in these valuations. These judgments and estimates include assumptions regarding our future operating performance, the stage of development of our product candidates, the timing of a potential IPO or other liquidity event and the determination of the appropriate valuation methodology at each valuation date. If we had made different assumptions, our stock-based compensation expense, net loss attributable to common stockholders and net loss per share attributable to common stockholders could have been significantly different.

Once a public trading market for our common stock has been established in connection with the closing of this offering, it will no longer be necessary for our board of directors to estimate the fair value of our common stock in connection with our accounting for granted stock options and restricted stock, as the fair value of our common stock will be determined based on its trading price on The Nasdaq Global Select Market.

Valuation Methodologies

Our common stock valuations were prepared in accordance with the guidelines in the Practice Aid, which prescribes several valuation approaches for determining the value of an enterprise, such as the cost, market and income approaches, and various methodologies for allocating the value of an enterprise to its capital structure and specifically the common stock

Our common stock valuation of January 15, 2017 was prepared using the back-solve method to calculate the total equity value and the option-pricing method, or OPM, to allocate the total equity value. The back-solve method derives the implied equity value for one type of equity security from a contemporaneous transaction involving another type of security. We used the back-solve method to calculate the total equity value of our company in the January 15, 2017 valuation as we had recently completed convertible preferred stock financings that should be considered in estimating the fair value of our equity per the Practice Aid. Our remaining common stock valuations were performed using the OPM, or a hybrid of the probability-weighted expected return method, or PWERM, and the OPM, which we refer to as the hybrid method. The method selected was based on the availability and the quality of information to develop the assumptions for the methodology.

OPM. The OPM treats common stock and preferred stock as call options on the total equity value of a company, with exercise prices based on the value thresholds at which the allocation among the various holders of a company's securities changes. Under this method, the common stock has value only if the funds available for distribution to stockholders exceed the value of the liquidation preferences at the time of a liquidity event, such as a strategic sale or merger. A discount for lack of marketability of the common stock is then applied to arrive at an indication of value for the common stock.

The OPM uses the Black-Scholes option-pricing model to price the call options. This model defines the fair values of securities as functions of the current fair value of a company and uses assumptions such as the anticipated timing of a potential liquidity event and the estimated volatility of the equity securities.

PWERM. Under the PWERM methodology, the fair value of common stock is estimated based upon an analysis of future values for the company, assuming various outcomes. The common stock value is based on the probability-weighted present value of expected future investment returns considering each of the possible outcomes available as well as the rights of each class of stock. The future value of the common stock under each outcome is discounted back to the valuation date at an appropriate risk-adjusted discount rate and probability weighted to arrive at an indication of value for the common stock.

Hybrid Method. The hybrid method is a PWERM where the equity value in one of the scenarios is calculated using an OPM. In the hybrid method used by us, two types of future-event scenarios were considered: an IPO and a M&A scenario. The enterprise value for the IPO scenario was determined using a market approach. The enterprise value for the remaining private scenario was determined using the M&A back-solve approach for the March 31, 2017, February 7, 2018 and March 30, 2018 valuations as we had recently completed a round of financing in our equity securities. The June 30, 2017, September 30, 2017 and December 31, 2017 valuations utilized the guideline IPO method for the IPO scenario and the guideline transactions method under the merger and acquisition, or M&A, scenario to determine the value of the Company. In the IPO scenario, we allocated the value to the various share classes using the direct waterfall approach and under the M&A scenario, we utilized the OPM to allocate the value to the respective share classes. The relative probability of each type of future-event scenario was determined by our board of directors based on an analysis of market conditions at the time, including then-current IPO valuations of similarly situated companies, and expectations as to the timing and likely prospects of the future-event scenarios.

Option Grants

The following table summarizes by grant date the number of shares subject to options granted since January 24, 2017, the per share exercise price of the options, the fair value of common stock underlying the options on the date of grant and the per share estimated fair value of the options:

Grant Date	Number of Shares Subject to Options Granted	Per Share Exercise Price of Options[1]	Fair Value of Common Stock per Share on Date of Option Grant	Per Share Estimated Fair Value of Options[2][3]
January 24, 2017	21,054	$ 2.49	$ 2.49	$ 1.75
April 12, 2017	161,067	$ 2.49	$ 3.06[4]	$ 2.24
June 15, 2017	404,508	$ 2.49	$ 4.53[4]	$ 3.55
September 19, 2017	329,874	$ 2.49	$ 6.32[4]	$ 5.18
October 18, 2017	4,658	$ 2.49	$ 6.32[4]	$ 5.18
December 15, 2017	491,782	$ 3.96	$ 8.12[5]	$ 6.40
December 27, 2017	28,830	$ 3.96	$ 8.12[5]	$ 6.40
January 25, 2018	82,367	$ 3.96	$ 9.67[6]	$ 7.91
April 4, 2018	1,226,814	$ 10.48	$ 10.48[7]	$ 7.22

(1) The Per Share Exercise Price of Options represents the fair value of our common stock on the date of grant, as determined by our board of directors, after taking into account our most recently available contemporaneous valuation of our common stock as well as additional factors that may have changed since the date of such contemporaneous valuation through the date of grant.

(2) The Per Share Estimated Fair Value of Options reflects the weighted average fair value of options granted on each grant date, determined using the Black-Scholes option-pricing model.

(3) For purposes of recording stock-based compensation for grants of options to non-employees, we measure the fair value of the award on the service completion date (vesting date). At the end of each reporting period prior to completion of the services, we remeasure the value of any unvested portion of the option based on the then-current fair value of the option and adjust the expense accordingly. The weighted average fair value amounts presented in this column for grants to employees, directors and consultants and non-employees

reflect only the grant-date fair value of options granted to consultants and non-employees and not any subsequently remeasured fair value of those options.

(4) At the time of the options granted on April 12, 2017, June 15, 2017, September 19, 2017 and October 18, 2017, our board of directors determined that the fair value of our common stock of $2.49 per share calculated in the contemporaneous valuation as of January 5, 2017 reasonably reflected the per share fair value of our common stock as of the grant dates. However, as described below, the fair value of the common stock at the date of these grants was adjusted to $3.06, $4.53, $6.32 and $6.32 per share, respectively, in connection with a retrospective fair value assessment for financial reporting purposes.

(5) At the time of the options granted on December 15, 2017 and December 27, 2017, our board of directors determined that the fair value of our common stock of $3.96 per share calculated in the contemporaneous valuation as of December 1, 2017 reasonably reflected the per share fair value of our common stock as of the grant dates. However, as described below, the fair value of the common stock at the date of these grants was adjusted to $8.12 per share in connection with a retrospective fair value assessment for financial reporting purposes.

(6) At the time of the options granted on January 25, 2018, our board of directors determined that the fair value of our common stock of $3.96 per share calculated in the contemporaneous valuation as of February 7, 2018 reasonably reflected the per share fair value of our common stock as of the grant date. However, as described below, the fair value of the common stock at the date of these grants was adjusted to $9.67 per share in connection with a retrospective fair value assessment for financial reporting purposes.

(7) At the time of the options granted on April 4, 2018, our board of directors determined that the fair value of our common stock of $10.48 per share calculated in the contemporaneous valuation as of March 30, 2018 reasonably reflected the per share fair value of our common stock as of the grant date.

Valuation of Warrants to Purchase Convertible Preferred Stock

We classify warrants to purchase shares of our Series A, Series A-1, and Series A-3 and Series B convertible preferred stock as a liability on our balance sheets as these warrants are free-standing financial instruments exercisable into contingently redeemable shares. The warrants were initially recorded at fair value on the date of grant, and were subsequently remeasured to fair value at each balance sheet date. Changes in fair value of these warrants are recognized as a component of other income (expense), net in our consolidated statement of operations. We will continue to adjust the liability for changes in fair value until the earlier of the exercise or expiration of the applicable warrant.

We use the Black-Scholes option-pricing model, which incorporates assumptions and estimates, to value the preferred stock warrants. We assess these assumptions and estimates on a quarterly basis as additional information impacting the assumptions is obtained. Estimates and assumptions impacting the fair value measurement include the fair value per share of the underlying convertible preferred stock, the remaining contractual term of the warrant, risk-free interest rate, expected dividend yield and expected volatility of the price of the underlying preferred stock. We determine the fair value per share of the underlying preferred stock by taking into consideration our most recent sales of our convertible preferred stock, results obtained from third-party valuations and additional factors that we deem relevant. We have historically been a private company and lack company-specific historical and implied volatility information of our stock. Therefore, we estimate expected stock volatility based on the historical volatility of publicly traded peer companies for a term equal to the remaining contractual term of the applicable warrant. The risk-free interest rate is determined by reference to the U.S. Treasury yield curve for time periods approximately equal to the remaining contractual term of the applicable warrant. We have estimated a 0% dividend yield based on the expected dividend yield and the fact that we have never paid or declared dividends. Significant changes to the fair value of the underlying stock would have resulted in a significant change in the fair value measurements.

In connection with this offering, the underlying convertible preferred stock will be converted to common stock, the preferred stock warrants will become exercisable for common stock instead of preferred stock and the fair value of the warrant liability at that time will be reclassified to additional paid-in capital, after which they will no longer be remeasured at fair value.

Emerging Growth Company Status

We are an "emerging growth company," as defined in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act, and we may take advantage of reduced reporting requirements that are otherwise applicable to public companies. We may take advantage of these exemptions until we are no longer an emerging growth company. Section 107 of the JOBS Act provides that an emerging growth company can take advantage of the extended transition period afforded by the JOBS Act for the implementation of new or revised accounting standards. We have elected to use the extended transition period for complying with new or revised accounting standards; and as a result of this election, our financial statements may not be comparable to companies that comply with public company effective dates. We may take advantage of these exemptions up until the last day of the fiscal year following the fifth anniversary of this offering or such earlier time that we are no longer an emerging growth company. We would cease to be an emerging growth company if we have more than $1.07 billion in annual revenue, we have more than $700.0 million in market value of our stock held by non-affiliates (and we have been a public company for at least 12 months and have filed one annual report on Form 10-K), or we issue more than $1.0 billion of non-convertible debt securities over a three-year period.

Recently Adopted Accounting Pronouncements

From time to time, new accounting pronouncements are issued by the Financial Accounting Standards Board, or FASB, or other standard setting bodies and adopted by us as of the specified effective date. Unless otherwise discussed, we believe that the impact of recently issued standards that are not yet effective will not have a material impact on its financial position or results of operations upon adoption.

In November 2015, the FASB issued ASU 2015-17, *Balance Sheet Classification of Deferred Taxes*, or ASU 2015-17. The guidance requires that all deferred tax assets and liabilities, along with any related valuation allowance, be classified as noncurrent on the balance sheet. This guidance was effective in the first annual period ended after December 15, 2016, and interim periods thereafter, for public entities. For all entities other than public business entities, the guidance becomes effective for financial statements issued for annual periods beginning after December 15, 2017, and interim periods within annual periods beginning after December 15, 2018. Early adoption is permitted for all entities as of the beginning of an interim or annual reporting period. We adopted ASU 2015- 17 as of January 1, 2016. The adoption of ASU 2015-17 had no material impact on our consolidated financial statements and related disclosures.

In November 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows (Topic 230)*, Restricted Cash, or ASU 2016-18. The amendments of ASU 2016-18 were issued to address the diversity in classification and presentation of changes in restricted cash and restricted cash equivalents on the statement of cash flows which is currently not addressed under Topic 230. ASU 2016-18 would require an entity to include amounts generally described as restricted cash and restricted cash equivalents with cash and cash equivalents when reconciling the beginning of period and end of period total amounts on the statement of cash flows. This guidance is effective for annual reporting periods, and interim periods within those years, beginning after December 15, 2017, for both public entities and no later than for annual reporting periods beginning after December 15, 2018, for non-public entities. Early adoption is permitted and the standard must be applied retrospectively. We adopted this standard as of January 1, 2017 retrospectively for all periods presented.

In January 2017, the FASB issued ASU 2017-01, *Business Combinations (Topic 805): Clarifying the Definition of a Business*, or ASU 2017-01. This new standard clarifies the definition of a business and provides a screen to determine when an integrated set of assets and activities is not a business. The screen requires that when substantially all of the fair value of the gross assets acquired (or disposed of) is concentrated in a single identifiable asset or a group of similar identifiable assets, the set is not a business. Early adoption was permitted. We adopted the requirements of ASU 2017-01 as of January 1, 2016 and applied the screen when evaluating the nature of the assets received in connection with the acquisition of Epiva in 2016. As a result of applying this screen we concluded that Epiva was not a business.

Accounting Pronouncements Issued and Not Adopted as of December 31, 2017

In May 2014, the FASB issued Accounting Standards Update ASU, 2014-09—Revenue from Contracts with Customers (Topic 606), or ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, and further updated through ASU 2016-12, or ASU 2016-12, which amends the existing accounting standards for revenue recognition. ASU 2014-09 is based on principles that govern the recognition of revenue at an amount to which an entity expects to be entitled when products are transferred to customers. This guidance is effective for annual reporting periods, and interim periods within those years, beginning after December 15, 2017, for public entities and no later than for annual reporting periods beginning after December 15, 2018, for non-public entities. The new revenue standard may be applied retrospectively to each prior period presented or retrospectively with the cumulative effect recognized as of the date of adoption. While we continue to assess all potential impacts under ASU 2014-09, we do not believe adopting the new revenue recognition standard will have a material impact on our consolidated financial statements as we are not yet generating revenue.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, or ASU 2016-02, which supersedes the guidance in ASC 840, Leases. The new standard requires lessees to apply a dual approach, classifying leases as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase by the lessee. This classification will determine whether lease expense is recognized based on an effective interest method or on a straight-line basis over the term of the lease. A lessee is also required to record a right-of-use asset and a lease liability for all leases with a term of greater than 12 months regardless of their classification. Leases with a term of 12 months or less will be accounted for similar to existing guidance for operating leases today. This guidance is effective for annual reporting periods, and interim periods within those years, beginning after December 15, 2018 for public entities and no later than for annual reporting periods beginning after December 15, 2019, and interim period within fiscal years beginning after December 15, 2010 for non-public entities. ASU 2016-02 is expected to impact our consolidated financial statements as we have certain operating lease arrangements for which we are the lessee. We are currently evaluating the impact the adoption of ASU 2016-02 will have on our consolidated financial statements and related disclosures.

In March 2016, the FASB issued ASU 2016-09, *Improvements to Employee Share-based Payment Accounting*, or ASU 2016-09. ASU 2016-09 simplifies several aspects of the accounting for share-based payment transactions, including the income tax consequences, classification of awards as either equity or liabilities, and classification on the statement of cash flows. Some of the areas of simplification apply only to non-public companies. This guidance was effective on December 31, 2016 for public entities. For entities other than public business entities, the amendments are effective for annual periods beginning after December 15, 2017, and interim periods within annual periods beginning after December 15, 2018. Early adoption is permitted for an entity in any interim or annual period for which financial statements have not been issued or made available for issuance. An entity that elects early adoption must adopt all amendments in the same period. We have not early adopted ASU 2016-09. We are currently evaluating the impact the adoption of ASU 2016-09 will have on our consolidated financial statements and related disclosures.

In May 2017, the FASB issued ASU 2017-09, *Compensation—Stock Compensation (Topic 718): Scope of Modification Accounting*, or ASU 2017-09, which clarifies when to account for a change to the terms or conditions of a share-based payment award as a modification. Under the new guidance, modification accounting is required only if the fair value, the vesting conditions, or the classification of the award (as equity or liability) changes as a result of the change in terms or conditions. This guidance is effective for annual reporting periods, and interim periods within those years, beginning after December 15, 2017, for both public entities and non-public entities. Early adoption is permitted. We are currently evaluating the impact of adopting this standard on our consolidated financial statements and related disclosures but do not expect it to have a significant impact.

Quantitative and Qualitative Disclosure about Market Risk

Interest Rate Fluctuation Risk

We are exposed to market risk related to changes in interest rates. As of December 31, 2017, our cash and cash equivalents consisted of cash and money market accounts. Our primary exposure to market risk is interest income sensitivity, which is affected by changes in the general level of U.S. interest rates. However, because of the short-term nature of the instruments in our portfolio, an immediate 10% change in market interest rates would not have a material impact on the fair market value of our investment portfolio or on our financial position or results of operations.

As of December 31, 2017, we had $10.0 million of borrowings outstanding under term loans pursuant to our loan and security agreement with Pacific Western Bank. These term loans bear interest at a variable annual rate equal to the greater of (a) 0.25% above the Prime Rate or (b) 3.75%, thereby exposing us to interest rate risk. In February 2018, we borrowed an additional $5.0 million under the loan and security agreement. This resulted in an increase to the interest rate to the higher of (i) prime plus 0.25% or (ii) 4.50% per annum. Based on the $10.0 million of principal outstanding as of December 31, 2017, an immediate 10% change in the Prime Rate would not have a material impact on our debt-related obligations, financial position or results of operation.

Foreign Currency Fluctuation Risk

We 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 foreign vendors that are located in Europe. Our operations may be subject to fluctuations in foreign currency exchange rates in the future.

Inflation Fluctuation Risk

Inflation generally affects us by increasing our cost of labor and clinical trial costs. We do not believe that inflation had a material effect on our business, financial condition or results of operations during the years ended December 31, 2017 and 2016.

BUSINESS

Overview

Evelo Biosciences is discovering and developing potential therapies designed to act on the gut-body network. The action of our therapies is based on our growing understanding of the central role of the gut in controlling immune and biological activity throughout the body. The gut-body network represents the connections of the gut to all organs and tissues, which enables the gut to exert a significant level of control over the body's immune and biological systems. The centrality of the gut-body network to the immune system has only recently become appreciated, and modern medicine and drug discovery have largely overlooked the importance of the gut-body network in fighting disease. We believe that we have the potential to use the unexplored biology of the gut-body network to develop novel therapies that could transform the treatment of many major diseases, potentially driving profound benefits to patients and society.

The gut, or the gastrointestinal tract, is the largest part of the immune system and is a central hub of the body's network of lymphatic vessels. Immune cells from around the body circulate via these lymphatic vessels through tissues of the gut, where they are conditioned by exposure to the many antigens and immunomodulatory agents that continuously pass through the gut. These conditioned immune cells then continue to travel throughout the body and can impact disease and health at all sites of the body. Microbes, in particular, have the ability to condition immune cells in the gut.

We are developing orally-delivered pharmaceutical compositions of specific strains of naturally-occurring microbes derived from a single clone which we refer to as monoclonal microbials. Our monoclonal microbials are designed to act on the gut-body network. We and our collaborators have observed in preclinical studies that specific monoclonal microbials can downregulate or upregulate immune responses throughout the body by acting on the gut-body network with naturally-evolved pharmacology. We believe that monoclonal microbials exert their effects through interactions with host immune cells as they pass through the gut, which we believe suggests that monoclonal microbials may have limited systemic off-target effects and adverse events. Based on our preclinical studies, we believe that our product candidates could significantly improve the treatment of many diseases.

We have built a proprietary platform designed to develop monoclonal microbials as therapeutics. Our platform integrates tools and capabilities necessary to source, select, develop and manufacture monoclonal microbials as therapies. The efficiency of our platform has, in a relatively short period of time, allowed us to produce three product candidates for a range of inflammatory diseases and cancer that we are advancing into clinical trials in 2018, beginning with a trial of EDP 1066, for which we dosed the first subject in April 2018.

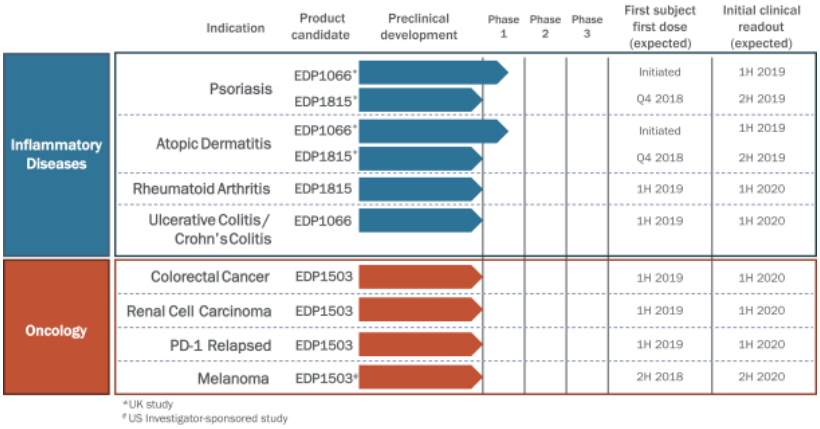
We believe that monoclonal microbials have the potential to address significant patient need at various stages of disease. We believe this is due to their potentially superior characteristics over current therapies and the advantages of our platform, specifically:

- We have observed activity in preclinical animal models for each of our lead product candidates. Each of our monoclonal microbials acts through multiple naturally-evolved biological pathways. By acting on multiple pathways simultaneously, we believe monoclonal microbials can impact disease in ways that are not addressable with current single-target therapies.
- We believe our monoclonal microbials are likely to be well tolerated given that they are single strains of naturally-evolved human commensal microbes that act on the gut-body network without significant risk of systemic exposure. If we validate this profile in clinical trials, we believe monoclonal microbials have the potential to be used at earlier stages of disease and, by extension, in many more patients than current immunomodulatory drugs.
- Our development of monoclonal microbials has the potential to be more efficient than those of other therapeutic classes such as cell therapy, monoclonal antibodies and small molecules. We believe that

monoclonal microbials do not require the lengthy target validation and compound discovery requirements of conventional drug discovery. Additionally, we believe the manufacture of monoclonal microbials is meaningfully faster than that of certain other biologics and can further accelerate our path to clinical testing and commercialization.

Our product development strategy is to evaluate a range of monoclonal microbials with different activities in clinical trials across multiple diseases. The initial trials for our product candidates are expected to provide information on safety and biomarkers of immune response at and beyond the site of disease. We believe this biomarker data will enable expansion into a broad range of clinical indications. We dosed the first subject in our clinical trial of our first monoclonal microbial candidate in inflammatory diseases, EDP1066, in April 2018, and expect to initiate a clinical trial for our second inflammation candidate, EDP1815, in the fourth quarter of 2018. We expect initial biomarker and clinical data in the first half of 2019 for EDP1066 and the second half of 2019 for EDP1815. We are also developing monoclonal microbial therapies in oncology. The first oncology product candidate is EDP1503, for which we expect to initiate clinical trials in the second half of 2018 and the first half of 2019 and to obtain initial clinical data during 2020.

Our initial product candidates and intended plan for initial clinical trials are illustrated below.



Beyond our first set of product candidates, we have identified several other potential candidates from our discovery program, and we are continuing to invest in the discovery of additional potential candidates. We believe monoclonal microbials and our platform have broad potential utility beyond our initial therapeutic focus areas of inflammatory diseases and oncology, and we plan to pursue many opportunities in which our platform has the potential to transform medicine.

Our Strategy

Our goal is to create and develop a new class of therapies that have the potential to transform the treatment of a broad range of diseases by focusing on the gut-body network. We intend to translate this biology to the clinic and fully explore therapeutic applications.

Key elements of our strategy to achieve this goal are to:

- ***Realize the full potential of the gut-body network to create an expansive and diversified product portfolio.*** We believe the gut-body network has applicability across a range of disease areas and we are committed to pursuing the many opportunities in which our platform has the potential to transform medicine. Our initial focus is on inflammatory diseases and oncology, and we intend to expand into other disease areas, such as autoimmune diseases, respiratory diseases, neuro-inflammation and degeneration, liver diseases, type I diabetes, food allergy, neurobehavior, cardiovascular disease and diseases of metabolism.
- ***Develop best-in-class therapies to improve outcomes across various stages of disease.*** We intend to develop best-in-class orally-delivered therapies and intend to explore the potential of monoclonal microbials across various stages of disease, not only in patients with severe or advanced disease. We intend to pursue what we believe to be the inherent advantages of monoclonal microbials to enable use in earlier stages of disease and to develop and provide treatments for a wide range of patients in multiple geographies.
- ***Generate early clinical readouts with biomarker driven validation to efficiently advance our product candidates.*** We have prioritized indications with ease of accessibility to biopsies for biomarker analysis. We intend to use these biomarkers to clinically validate the immunological activity and dose of our monoclonal microbials and to guide subsequent clinical expansion and patient selection.
- ***Industrialize monoclonal microbials to advance and scale our platform.*** We plan to continue to invest in our platform, which integrates microbiology, immunology and computational biology capabilities. We intend to expand the diversity of our monoclonal microbial library and enhance our proprietary *in vitro* and *in vivo* models to optimize selection of our future product candidates. Our manufacturing processes are designed to ensure the quality and scalability of our products. We plan to continue to invest in novel methods for process development, manufacturing and formulation for our monoclonal microbials. Future plans include investment in commercial scale manufacturing. We plan to leverage the efficiency of our integrated capabilities to accelerate the clinical development of many product candidates.
- ***Strengthen and expand our intellectual property to protect our platform.*** We have exclusive rights to our technologies including issued composition of matter and method of use patents in the United States for our product candidates. We intend to diligently pursue patent protection for our scientific innovations and to maintain a strong and broad estate of patents and trade secrets in the United States and other geographies.
- ***Collaborate to realize the potential of the gut-body network and monoclonal microbials.*** We intend to continue to seek collaborations with academic groups, biotech and pharmaceutical companies to realize the value of our broad platform and extend the range of our development activities and disease areas in a timely and cost-effective manner. We plan to commercialize products in multiple geographies both on our own and with collaborators.

Evelo Biosciences and Flagship Pioneering

Evelo Biosciences was founded by Flagship Pioneering to commercialize insights, inventions and innovations developed by the VentureLabs founding team across two primary explorations. A first exploration focused on the interface between microbes and cancers. The VentureLabs founding team identified means by which various microbes could be used to drive anti-cancer effects. A second exploration focused on the interface between the microbes in the gut and the immune system. The VentureLabs founding team identified unique mechanisms by which microbes shape and interact with the immune system. The exploration identified specific mechanisms by which microbes could induce tolerance, immune class shifting, cytokine production and beyond, identifying opportunities across autoimmune disease, allergy, etc. These insights formed the basis of a VentureLabs-developed patent estate directed at microbes that potentially could be administered to treat cancer and inflammatory diseases through immune, metabolic and other mechanisms. Flagship Pioneering provided initial and ongoing capital needed

to form, launch and grow Evelo Biosciences so that the company could seek to unlock the potential for single, orally administered microbes to drive immune-associated biology through the gut.

The Immune System and the Use of Immunotherapy in Disease

Immunology and Current Immunotherapy

The immune system consists of many different cell types that act together as a coordinated system to constantly scan for, identify and respond to both human and microbial signals. Immune cells, including different types of T-cells, circulate throughout the body via the lymphatic system searching for signs of disease or infection. When this immune surveillance is functioning correctly, immune cells recognize and destroy both pathogens and cancer cells. However, when the immune system responds excessively, diseases such as psoriasis, rheumatoid arthritis, asthma, inflammatory bowel disease and multiple sclerosis can result. Conversely, an inadequate immune system response may allow various types of cancer to progress unchecked.

Advances in our understanding of how the immune system affects a broad spectrum of disease has resulted in the development of immunotherapies, which are medicines that reduce, suppress, elicit or amplify specific immune responses. Antibody-based immunotherapies for inflammatory diseases and oncology have fundamentally changed the treatment landscape for patients. For example, anti-TNFa antibodies are widely used to treat moderate to severe stages of many inflammatory diseases. In 2017, three of the five top selling drugs worldwide were anti-TNFa antibodies, with HUMIRA alone generating worldwide annual net sales of $18.4 billion. In oncology, checkpoint inhibitor antibodies, including those targeting the programmed cell death protein/ligand 1, or PD-1/PD-L1 pathways, block the tumor's ability to suppress the immune response. They have significantly improved the treatment of many cancers and are expected as a class to reach peak annual net sales of $30 billion by 2025. While existing immunotherapies have been successful in treating inflammatory diseases and oncology, there remains a significant unmet need for a majority of patients.

Emergence of a New Paradigm in Immunotherapy

Until recently, immunotherapeutic approaches have largely ignored one of the body's naturally-evolved routine immunological processes and its associated immune organ—the gut. Immunomodulation through the gut has the potential to address certain limitations of current immunotherapies by acting on multiple naturally-evolved pathways. We believe this novel approach presents significant advantages, including potentially minimizing adverse events, enhancing patient convenience and targeting multiple immune pathways simultaneously. We believe that a novel class of therapeutics with these attributes has the potential to be transformative in treating a broad range of immune-mediated diseases. Furthermore, we believe this approach could also expand the use of immunotherapies for the treatment of patients with earlier stages of disease.

The Gut-Body Network is Central to Human Biology and Immunology

The gut is the largest part of the immune system. The gut is networked to almost all parts of the body by the lymphatic and nervous systems. As part of this connected network, which we call the gut-body network, the body's immune cells regularly traffic through the gut. The natural biology of the gut acts as an important regulator of the human immune system. Specific types of immune cells, including antigen-presenting cells such as dendritic cells and macrophages, traffic through lymphoid tissues of the gut, where they sample specific contents in the interior of the gut, which is called the lumen. These antigen-presenting cells then circulate to lymph nodes where they condition important immune cells, including T-cells. These conditioned T-cells then travel throughout the body via the lymphatic system to impact disease. We believe the gut-body network provides an opportunity for gut-mediated immunomodulation throughout the body after oral delivery of products that remain physically restricted to the lymphoid tissues of the gut and lumen. As such, immunomodulation on the gut-body network may represent an underappreciated opportunity to condition T-cells to drive therapeutically relevant immune responses throughout the body.

The Gut-Body Network and Microbes

Microbes are single-cell organisms that have co-evolved with humans and their immune systems for millennia. Many human immune cells are programmed to sense and respond to microbes that they contact in the gut. Research in mucosal immunology has revealed that microbial interactions in the gut can drive activity on the gut-body network.

Multiple mechanisms for direct interactions between microbes and immune cells in the gut have been demonstrated. We believe that dendritic cells and macrophages in the lymphoid tissues of the gut are key target cells of immunomodulatory microbes. Dendritic cells are a specialized type of immune cell that survey the body's tissues and present antigens to T-cells. Macrophages can take on many functional forms depending on the conditioning of their environment in the body, and are important for both anti-inflammatory and anti-tumor immunity. Antigen-presenting cells, such as dendritic cells and macrophages, can extend protrusions through junctions between epithelial cells of the gut lining. These protrusions come into direct contact with and sample the microbial contents of the gut lumen. These antigen-presenting cells then drain to mesenteric lymph nodes where they come into contact with T-cells. Dendritic cells and macrophages that have been primed by exposure to microbes in the gut condition T-cells and push them towards inflammatory or immunoregulatory activities depending on the specific strain of the original microbe. Conditioned T-cells continue to move through the body via the lymphatic system to other parts of the body where they may act in local tissue to modulate an immune response.

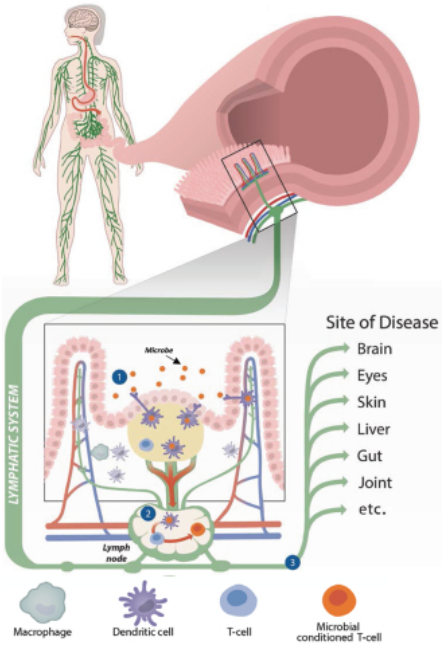


Figure 1: The gut-body network and microbes. The gut-body network is pictured in the upper portion of the figure. The gut is connected to many other parts of the body via the lymphatic system in green. The cross-section of the small intestine depicts (1)

sampling of microbes in the gut by dendritic cells and macrophages, (2) conditioning of T-cells by dendritic cells and macrophages in the lymph node, and (3) migration of conditioned T-cells to other areas of the body.

Several of our academic collaborators have explored the functional consequences of the interactions between immune cells and single strains of microbes in the gut. Veena Taneja, Ph.D. and Joseph Murray M.D. of Mayo Clinic showed that an orally-administered strain of *Prevotella histicola* modulated immune function in mouse models of rheumatoid arthritis and multiple sclerosis. In the field of immuno-oncology, Thomas Gajewski, M.D., Ph.D. and his group at the University of Chicago conducted an experiment in which a single strain of orally-administered *Bifidobacterium* had equivalent activity to an anti-PD-L1 antibody and additive activity in combination in a mouse model of melanoma. We believe these and other examples from the academic literature support our theory that single strains of microbes act on the gut-body network to suppress or activate immune responses throughout the body.

Monoclonal Microbials as a Potential New Class of Therapies

We were formed to discover and develop therapies that act on the gut-body network. We aim to develop therapies based on our recent understanding of the central role of the gut in modulating immune activity throughout the body and the equally important role of microbes as key modulators of the gut-body network.

We believe that now is an opportune time to translate observations from the naturally-evolved gut-body network into immunotherapies to treat many diseases. While microbes have evolved with humans for millennia, until recently, the scientific community lacked the necessary tools to deconstruct and analyze the complex interactions between microbes, the immune system, and the gut-body network. Advances in next-generation sequencing, immunology and computational analyses of large microbial datasets have led to a better understanding of the microbes that live on and inside humans and have provided critical insights into their specific functions and mechanisms. In turn, these insights have allowed us to develop the tools necessary to isolate, select, and develop specific microbes that have historically been difficult to culture. This extends from the initial stages of microbial isolation to the final stages of monoclonal microbial manufacturing. We have developed proprietary insights and tools that enhance our ability to produce pharmaceutical compositions of monoclonal microbials at scale. This allows us to deliver potentially therapeutic doses of our appropriately formulated select strain.

We are developing monoclonal microbials to act on the gut-body network to either downregulate or upregulate immune responses for the treatment of disease. Monoclonal microbials are single strains of naturally-occurring microbes. Our product candidates are pharmaceutical compositions of specific monoclonal microbials that we believe can interact with and modulate the human immune system.

We believe key features and advantages of our monoclonal microbial product candidates are:

- ***Single strain*.** Our product candidates are pharmaceutical compositions of single strain monoclonal microbials that we have selected for their specific pharmacology. Our preclinical data suggests that various strains of microbes within the same genus or species can have vastly different immunomodulatory properties. We extensively characterize the ability of our product candidates to elicit a desired immunomodulatory effect. We also believe single strain microbes have manufacturing advantages over biologics and consortia of microbes.
- ***Orally-administered formulation*.** We intend to deliver our initial product candidates to patients at pharmacological doses as dry, white powder inside capsules coated for targeted release in the gut. Patients typically prefer oral administration to intravenous infusion and subcutaneous injection, which we believe will facilitate the adoption of our product candidates, if approved.
- ***Limited systemic exposure*.** In preclinical studies, we observed that monoclonal microbials had limited systemic exposure, that they cleared from the gut within 24 to 48 hours and that colonization was not required for beneficial activity. We believe that these factors suggest that monoclonal microbials may have limited systemic off-target effects and adverse events.

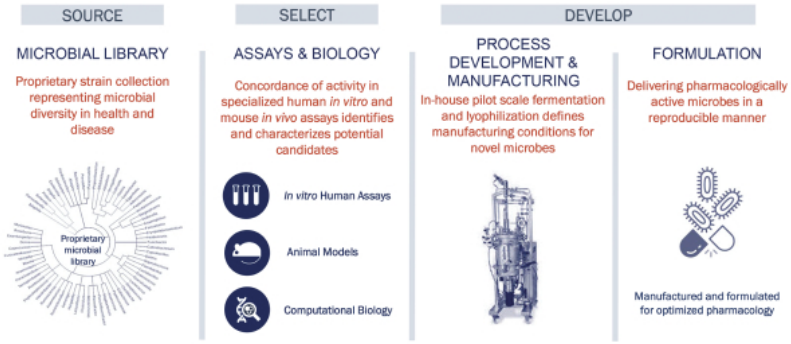
- ***Multiple naturally-evolved pathways.*** Our preclinical data has shown that monoclonal microbials may act simultaneously on multiple naturally-evolved biological pathways. The diseases we intend to treat are multifactorial, and we believe that our potential therapies will be advantageous over single-target treatments.
- ***Manufacturing capabilities.*** Although manufacturing of monoclonal microbials is complex, we believe that we have developed capabilities that will accelerate the process from strain identification to clinical supply. Unlike the lengthy timelines associated with current Good Manufacturing Practices, or cGMP, manufacturing of antibodies, we have been able to manufacture monoclonal microbials in a shorter timeframe, which we believe may accelerate our speed into the clinic. Additionally, we believe that we may be able to cost-effectively manufacture monoclonal microbials.

Given these expected features, we believe that monoclonal microbial therapies may have a number of advantages in comparison to other immunotherapies such as antibodies, cell therapies and small molecules.

Our Monoclonal Microbial Platform

We have developed an integrated platform designed to identify individual strains of microbes capable of modulating the immune system by acting on the gut-body network when administered at pharmacologically active doses. We use the process development and formulation capabilities of our platform to develop selected microbes as product candidates.

Our proprietary monoclonal microbial platform is comprised of the following four key areas:



Monoclonal microbial library. We have developed a proprietary library of diverse strains of microbes. Microbes in our library are isolated from natural sources, including samples from healthy and diseased humans, in order to benefit from the co-evolution of microbes and the human immune system. To increase our probability of finding microbes with potent immunomodulatory activity, we sample from body sites where microbes interact with the immune system, such as gut tissues. We also have bolstered and continue to add to our library through selective licensing agreements and collaborations with academic partners.

Assays and biology. The proprietary tools within our platform are designed to efficiently identify and extensively characterize our monoclonal microbials through a series of *in vitro, in vivo* and *ex vivo* assays. We have constructed our proprietary *in vitro* assays to simulate the complex interactions between microbes and the human immune system, allowing us to evaluate the immunological activity of each microbe in a relevant

experimental system. Our *in vitro* assays are capable of screening hundreds of microbes in parallel and producing more than 150 data points per strain, including levels of pro-inflammatory and anti-inflammatory cytokines and chemokines. This assists our comprehensive selection process to identify select candidates for testing in disease-relevant animal models. By conducting our *in vitro* assays in both mouse and human immune cells, we add to our mechanistic understanding. We believe this increases the probability of translation of preclinical *in vivo* results to the clinic.

Process development and manufacturing. Process development and manufacturing are critical for the translation of monoclonal microbials into therapies. Our expertise and investments in pilot scale manufacturing have allowed us to surmount challenges inherent to monoclonal microbial manufacturing at clinical scale. Major challenges include: limited understanding and characterization of novel microbes; strict anaerobic growth conditions required by certain microbes, many of which have never before been fermented; and temperature and oxygen sensitivities that affect downstream processing. We believe that our approach to these challenges may enable us to accelerate the process from strain identification to clinical supply.

Process development is integrated into our research activities, combining discovery and downstream development. We have achieved significant control of quality, identity, purity, and potency throughout the process of strain selection, fermentation, formulation, and pharmacology, with high yield. Importantly, our manufacturing processes enable us to produce a drug substance that is pharmacologically active in the form of a lyophilized powder, which is suitable for cGMP production. For each of our three initial product candidates, we have observed therapeutic activity in lyophilized powder form in relevant preclinical mouse models.

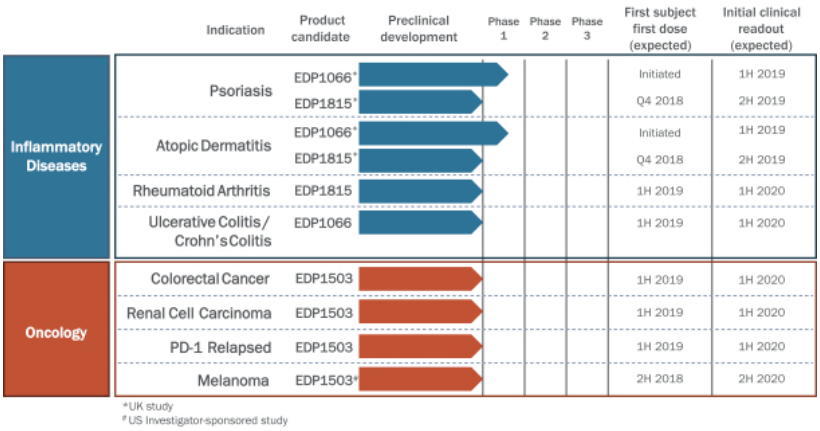
Formulation. We plan to formulate our first clinical product candidates as capsules containing lyophilized powder, with targeted release in the gut. We aim to provide patients with optimally formulated and conveniently delivered oral therapies with limited off-target effects that preserve the therapeutic activity observed in preclinical studies. We continuously invest in formulation to evaluate optimal delivery of our product candidates and enhance their ability to act on the gut-body network.

Product Development Strategy and Portfolio

We are advancing monoclonal microbials to potentially treat a spectrum of immune-mediated diseases with an initial focus on inflammatory diseases and oncology. We expect our initial clinical trials for our product candidates to provide information on safety and biomarkers of immune response in multiple indications with different pathologies and sites of disease. This may allow for expansion into a broad range of clinical indications, which could enable us to capture the breadth of clinical value.

Beyond our first wave of product candidates in inflammatory diseases and oncology, we are continuing to invest in the discovery of new candidates to build a deep pipeline across a wide range of diseases and tissue types to leverage the broad potential of our platform. We also intend to opportunistically collaborate to expand indications and accelerate development of programs where collaborators can contribute further disease-specific expertise to our platform.

Our initial product candidates and intended plan for initial clinical trials are illustrated below.



Inflammatory Diseases Portfolio

We are advancing two monoclonal microbials, EDP1066 and EDP1815, into the clinic for treatment of inflammatory diseases. We dosed the first subject in our first clinical trial for EDP1066 in April 2018 and expect to initiate a clinical trial for EDP1815 in the fourth quarter of 2018. Several other potential product candidates have been identified in our discovery program.

Our first-in-human studies for EDP1066 and EDP1815 will evaluate safety and tolerability in healthy volunteers and dose and biomarker signals relative to placebo in patients with psoriasis and atopic dermatitis. EDP1066-001 is a dose-escalating safety and tolerability clinical study of EDP1066 in 36 healthy volunteers and in 60 patients with psoriasis or atopic dermatitis. It will test a range of daily doses in healthy volunteers over 14 days and in patients over 28 days. We will evaluate safety as a primary endpoint, as well as a variety of pharmacodynamic markers, including biomarker signals from paired biopsies of affected skin in patients, as secondary endpoints. We dosed the first subject in April 2018. We expect that study results will be available in the first half of 2019 and will include safety and tolerability, as well as biomarker and clinical efficacy observations in patients. We intend to initiate a similar safety and tolerability study for EDP1815 in the fourth quarter of 2018 and the first half of 2019. Based on feedback from the MHRA, the United Kingdom regulatory authority, and our strong relationships with principal investigators who we would expect to be able to enroll healthy volunteers as well as psoriasis and atopic dermatitis patients under a single study, we intend to conduct both of these studies in the United Kingdom. We expect that data from these initial studies in the United Kingdom will be accepted by regulatory agencies in major regions, including the United States, according to guidance from the International Conference on Harmonisation of Technical Requirements for Registration of Pharmaceuticals for Human Use, or ICH. We intend to initiate future additional trials in the United States and other countries.

We selected mild-to-moderate psoriasis and atopic dermatitis as indications for first-in-human studies primarily based upon need in large patient populations, the ease of access to patient tissue for biomarker analysis and the speed of clinical data readout. Patients with mild-to-moderate disease represent between 80% and 90% of the patient population, which in the United States represents more than 25 million people. We believe these

patients are underserved by current treatments, including steroids, which either inadequately control inflammation or are not safe for long-term use. The majority of novel therapies, including next generation biologics targeting IL-17 and IL-23, are only approved for patients with moderate-to-severe disease. A large proportion of these eligible patients do not receive biologics, instead opting for topicals or oral systemic therapies. These factors suggest a need for a novel therapeutic option that is safe, effective and convenient.

We believe the potential profiles of our monoclonal microbial product candidates may be better suited to treat pediatric patients as well as patients at earlier stages of inflammatory diseases than current therapies. Particularly in atopic dermatitis, many patients are infants or young children who have fewer therapy options than adult patients. If our product candidates demonstrate tolerability and limited adverse events in clinical trials, they could open up a larger market than the one currently treated by biologics. If proof-of-concept in mild-to-moderate patients is established, we also intend to broaden our studies to treat patients with moderate-to-severe inflammation, potentially expanding this market opportunity further.

If we successfully demonstrate the safety of EDP1066 and EDP1815 at planned therapeutic doses in first-in-human studies, we plan to initiate additional studies of EDP1815 in rheumatoid arthritis and EDP1066 in inflammatory bowel disease, or IBD. These initial four indications are driven by differentiated combinations of Th1, Th2 and Th17 biologies. The results from these trials are intended to guide clinical expansion to additional indications with related biology. For example, early proof-of-concept in atopic dermatitis could support expansion to other atopies and Th2-driven diseases, including asthma and food allergy.

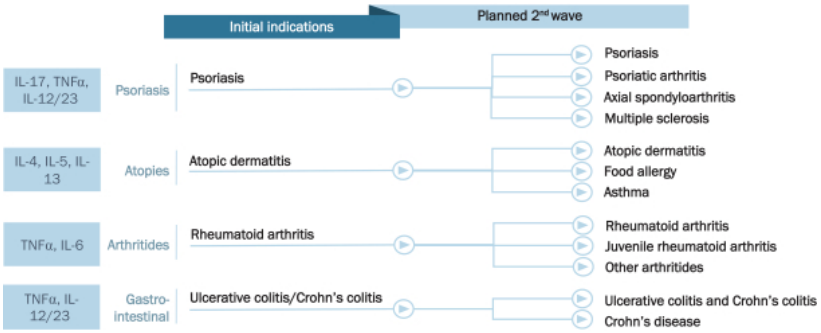


Figure 2: Biomarker data from initial clinical studies in inflammatory diseases may allow for rational expansion to mechanistically similar inflammatory diseases. Cytokines associated with disease clusters are shown at the left of the figure.

In preclinical mouse models, our inflammatory disease product candidates reduced systemic inflammation with equal or better activity than current standard of care therapies. We believe that this observation may translate to broad activity across a variety of inflammatory diseases. We have produced preclinical data in distinct mouse models that are representative of different biologies, suggesting that single monoclonal microbials may impact multiple immune pathways.

T-cells of the Th1 or Th17 type are implicated in psoriasis, joint inflammatory diseases and neuroinflammation, while T-cells of the Th2 type are more important for atopies and allergic diseases. With current cytokine-directed therapies, agents are targeted towards a specific cytokine to influence one or more of these pathways. For instance, Th1-driven inflammation can be controlled by TNFa inhibition, Th17-driven inflammation can be controlled by IL-17 inhibition, and Th-2 driven inflammation can be controlled by IL-4 or IL-13 inhibition.

Each of our monoclonal microbial candidates have demonstrated the ability to simultaneously impact multiple of these pathways and associated cytokines in preclinical assays, suggesting that they may have broader applicability than individual cytokine-directed therapies. Separately, there are additional anti-inflammatory cytokines such as IL-10 and IL-27 that can inhibit the production of certain pro-inflammatory cytokines. Certain of our product candidates enabled increased production of IL-10 and IL-27 in preclinical assays.

EDP1066

EDP1066 is a monoclonal microbial product candidate being developed to treat inflammatory diseases. We selected EDP1066 for its *in vitro* profile in human immune cell assays combined with its anti-inflammatory activity in a range of mouse inflammation models. In preclinical studies, orally-administered EDP1066 acted on the gut-body network to modulate systemic immune responses in multiple mechanistically and anatomically varied *in vivo* models, including the Th1-mediated delayed type hypersensitivity, or DTH, model, which measures skin inflammation after antigen challenge, the Th2-mediated 2,4-dinitrofluorobenzene, or DNFB, skin inflammation model, and the dextran-sodium sulfate, or DSS, model of immune-cell mediated gut inflammation.

In Vitro Assays

Our *in vitro* assays measure the effects of individual strains of bacteria on human immune cells and test several dozen immunomodulatory characteristics. A representative example of a human *in vitro* assay data for EDP1066 is shown in Figure 3. Plotted to show IL-10 and IL-27 cytokines produced, each circle on the plot represents a different individual strain from our microbial library. The size of each circle represents the magnitude of pro-inflammatory chemokine CXCL10. Each strain was co-cultured with human macrophages, an immune cell type that is abundant in the gut and is a known controller of inflammation. In the assay, EDP1066 was a high inducer of anti-inflammatory cytokines, IL-10 and IL-27. Conversely, EDP1066 did not significantly induce CXCL10, a pro-inflammatory mediator, in the assay. We believe these characteristics could be suitable for an anti-inflammatory agent.

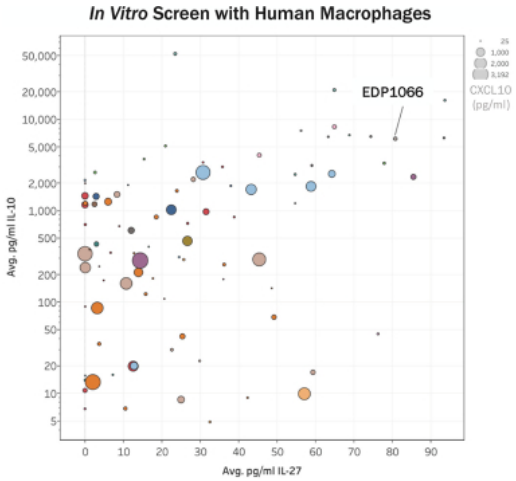


Figure 3: Production of cytokines by human macrophages after co-culture with monoclonal microbials. Macrophages purified from human peripheral blood mononuclear cells were co-cultured with 95 individual monoclonal microbials (each represented by a circle). Cytokines produced

by macrophages were measured. EDP1066 induced higher levels of IL-10 and IL-27, relative to other monoclonal microbials screened. EDP1066 also induced relatively lower levels of pro-inflammatory chemokine, CXCL10 (represented by the size of the circle).

Preclinical DTH Mouse Models

DTH in a mouse is a well-established model of Th1-driven inflammation resulting from pro-inflammatory antigen-specific T-cells. In the mouse model depicted in Figure 4, daily oral administration of EDP1066 reduced skin inflammation in response to antigen challenge. In the model, immunomodulation by EDP1066 on the gut-body network was as active as a therapeutic dose of the steroid, dexamethasone. The DTH model also suggests that individual monoclonal microbials may exert differentiated effects on the immune system. For example, a control monoclonal microbial, from the same species as EDP1066 did not reduce inflammation. In the model, orally-delivered and gut-restricted EDP1066 was able to induce certain systemic effects in a mouse as depicted below. We believe this data supports our development of EDP1066 in human diseases with Th1-driven systemic inflammation, starting with psoriasis and arthritides.

P-value is a conventional statistical method for measuring the statistical significance of experimental results. A p-value of less than 0.05 is generally considered to represent statistical significance, meaning that there is a less than five percent likelihood that the observed results occurred by chance. In the figure below and all subsequent figures where p-values are included, a p-value of less than 0.05 is represented by "*". P-values of less than 0.01 or less than 0.001 are represented by "**" or "***," respectively, and are considered to have higher statistical significance. Unless otherwise specified, the p-values shown represent a comparison of each treatment group to the vehicle or control group.

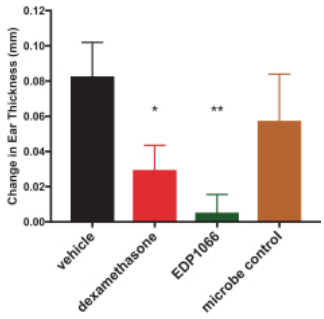


Figure 4: EDP1066 reduced skin inflammation in a DTH mouse model. Mice were sensitized with a foreign antigen, chicken ovalbumin, and Complete Freund's Adjuvant subcutaneously at day zero. Mice were orally-dosed for 10 days from sensitization on day zero with either vehicle, dexamethasone (1 mg/kg), EDP1066, or a microbe control. Eight days after sensitization, mice were given an intradermal ear challenge with ovalbumin. Change in ear thickness, a measure of skin inflammation, was evaluated 48 hours post-challenge. Treatment with EDP1066 resulted in greater reduction in inflammation relative to all other groups. (Significance relative to vehicle: ** = p<0.01, * = p<0.05, ns = not significant)

In a separate preclinical DTH study, we dosed mice with EDP1066 across a range of doses. In this experiment, the activity of EDP1066 was dose-dependent within a 100-fold dose range. Ascending doses varied by a factor of 10. At the two higher doses, change in ear thickness, a measure of skin inflammation, was comparable to treatment with dexamethasone. Because therapeutic activity is not further increased between these two higher doses, we believe that we are at a dose plateau indicative of maximum therapeutic activity in mice. We have used this information to determine the dosing range for our first-in-human clinical study.

Preclinical DNFB Mouse Model

We assessed the therapeutic activity of EDP1066 in an *in vivo* mouse model using DNFB skin challenge. DNFB causes a chronic T-cell and cytokine-dependent skin inflammation resembling atopic dermatitis in human patients. This model is dependent on the Th2 class of T-cells, which is associated with atopic and allergic conditions. In the study, we compared daily oral administration of EDP1066 to daily topical administration of clobetasol, a highly potent steroid cream applied to the skin in patients with atopic dermatitis and psoriasis. In the model, we observed no inflammation in the EDP1066 group eight days after the DNFB challenge, whereas there was not a significant difference between clobetasol and the control. At day 15, inflammation scores for clobetasol and EDP1066 were similar. We believe this activity supports our plan to target Th2-mediated diseases with initial clinical testing in atopic dermatitis.

Preclinical DSS Mouse Model

We also tested EDP1066 in a mouse model of gut inflammation. Dextran sodium sulfate, or DSS, was administered in the drinking water of mice, resulting in immune-mediated gut inflammation and significant weight loss. Anti-IL-12/23 antibodies are often used as a positive control in this model. Daily oral administration of EDP1066 reduced weight loss and signs of inflammation in this model, as shown in Figure 5. Additionally, EDP1066 was more active than anti-IL-12/23, which is a mouse analog that acts on the same pathway as ustekinumab (STELARA), an approved therapy for inflammatory bowel disease. A closely related strain from the same species as EDP1066 was used as a microbe control and demonstrated no therapeutic benefit in this model. We believe the data observed in this model suggests the potential role of EDP1066 in controlling gut inflammation, which is important for IBD.

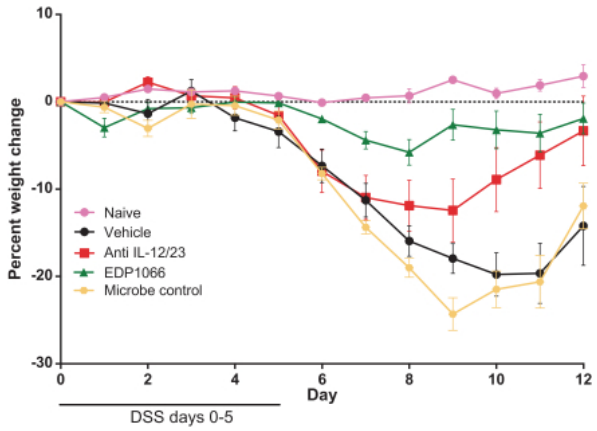


Figure 5: EDP1066 reduced weight loss in a mouse model of colitis. Dextran sodium sulfate (DSS) was administered to mice in drinking water from days 0-5. Mice were dosed daily with oral vehicle, oral EDP1066, oral microbe control, or anti-IL-12/23 (twice weekly intra-peritoneally). Mice treated with EDP1066 exhibited less weight loss compared to mice in vehicle, anti-IL-12/23 and microbe control groups.

First-in-Human Study

We are conducting the first-in-human clinical study of EDP1066-001 in the United Kingdom, and we dosed the first healthy volunteer in April 2018. We expect initial safety, biomarker and clinical data in the first half of 2019.

EDP1815

EDP1815 is our second monoclonal microbial product candidate that is being developed to treat inflammatory diseases. In preclinical testing, EDP1815 has exhibited a different set of biological activities than EDP1066. In preclinical studies, EDP1815 has shown immunomodulatory activity on human immune cells and anti-inflammatory activity in many discrete tissues, including skin, joints, gut and the central nervous system after oral delivery in mouse models.

In Vitro Assays

Data from a representative example of a human *in vitro* assay for EDP1815 are shown in Figure 6. In the *in vitro* assay, human macrophages were pre-conditioned with lipopolysaccharide, or LPS, and interferon gamma, or IFNg, for 24 hours to put them into a strongly pro-inflammatory state. These pre-conditioned human macrophages were then co-cultured with various microbes for another 24 hours to determine their effects on macrophage inflammatory activity. EDP1815 induced production of the anti-inflammatory cytokine IL-10.

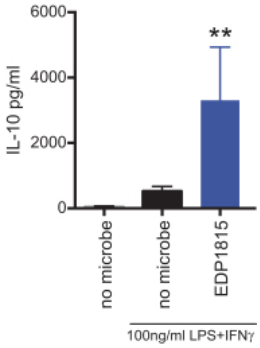


Figure 6: EDP1815 stimulated IL-10 production by human macrophages. Human macrophages were purified from peripheral blood mononuclear cells and pre-conditioned to a pro-inflammatory state with LPS and IFNg. Pre-conditioned macrophages co-cultured with EDP1815 produced significantly higher levels of IL-10 compared to a pre-conditioned control alone (= p<0.01).**

Preclinical DTH Mouse Model

We also tested EDP1815 in a DTH mouse model of Th1-driven skin inflammation relative to dexamethasone, a steroid, and fingolimod (GILENYA), a potent inhibitor of T-cell trafficking which is an approved therapy for multiple sclerosis. Results of the study, represented in Figure 7, show that suppression of inflammation by EDP1815 was comparable to dexamethasone and fingolimod. The dose of fingolimod used in this study was higher than the equivalent dose level in humans that would be used for treatment. Moreover, doses of EDP1815 within a 10-fold range were comparable to fingolimod. Because higher doses of EDP1815 did not further increase therapeutic effect, we believe we achieved a dose plateau for maximum therapeutic activity in

mice. We plan to use this information to calculate the dosing range for our first-in-human clinical study. We believe the data from this preclinical study may be supportive of development efforts in human diseases with Th1-driven inflammation, starting with psoriasis and arthritides.

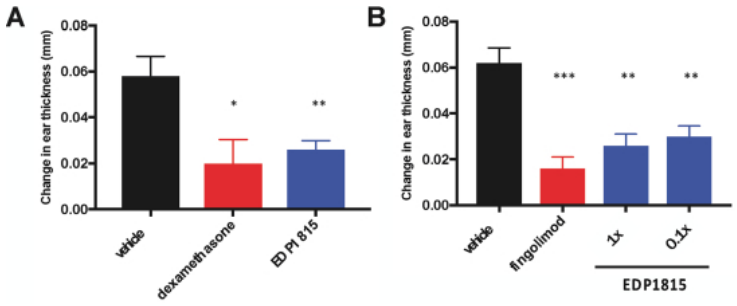


Figure 7: EDP1815 reduced skin inflammation in DTH mouse models. Mice were sensitized with a foreign antigen, keyhole lympet hemocyanin, and Complete Freund's Adjuvant subcutaneously at day zero. Mice were orally-dosed for 10 days from sensitization on day zero with (A) vehicle, dexamethasone (one mg/kg), or EDP1815, or (B) vehicle, fingolimod (supratherapeutic. dose of three mg/kg), or doses of EDP1815 within a 10-fold range. Eight days after sensitization, mice were given an intradermal ear challenge with KLH. Change in ear thickness, a measure of skin inflammation, was evaluated 24 hours post-challenge. Treatment with EDP1815 resulted in greater reduction in inflammation relative to all other groups. (Significance relative to vehicle: *** = p<0.001, ** = p<0.01, * = p<0.05)

Preclinical CIA Mouse Model

Our collaborators at Mayo Clinic observed therapeutic activity of EDP1815 in a mouse model of collagen-induced arthritis, or CIA, which is driven by a Th17 inflammatory response. In this model, CIA mice were conditioned to have autoimmune responses to their own collagen. This is intended to result in the destruction of the joints and mimic human arthritides, including rheumatoid arthritis. In the study, both therapeutic and prophylactic oral administration of EDP1815 significantly reduced disease incidence and severity, as shown in Figure 8 from our collaborators at Mayo Clinic.

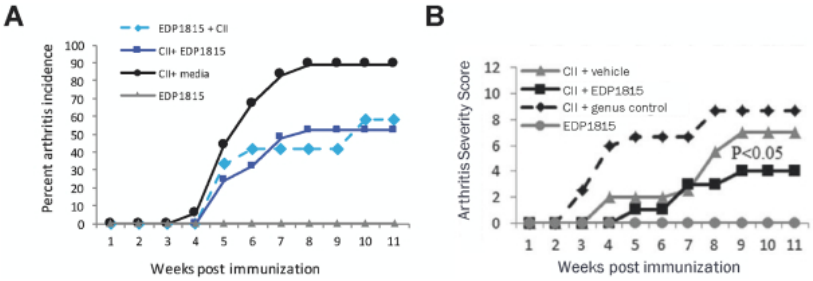


Figure 8: EDP1815 reduced arthritis incidence and severity in a mouse model of rheumatoid arthritis. Inflammatory arthritis was induced in DQ8 mice by immunization with type II collagen, or CII. Mice were treated with 100 microliters of EDP1815 every other day either before or after arthritis induction. Treatment was initiated either 10 days prior (EDP1815 + CII – prophylactic) or

two weeks after CIA induction (CII + EDP1815 – therapeutic), and continued for six weeks post-immunization. (A) Both prophylactic and therapeutic dosing of EDP1815 resulted in a lower percentage of arthritis incidence compared to treatment with vehicle. A control using EDP1815 alone, without immunization with CII, showed no arthritis. (B) Arthritis severity score was also measured over time. Therapeutic treatment with EDP1815 (CII + EDP1815) significantly reduced ($p<0.05$) arthritis severity score relative to control (CII + vehicle). A separate control with a microbe from the same genus as EDP1815 was used (CII + genus control) and did not improve arthritis severity score. Reprinted from Marietta et al. 2016. Arthritis and Rheumatology 68(12): 2878-2888 with permission from Wiley.

Although EDP1815 remained physically restricted to the gut and associated lymphoid tissue in our biodistribution studies, our collaborators at Mayo Clinic observed its immunomodulatory activity throughout the body in mouse models. Blood samples were taken from CIA mice to determine the effects of treatment on circulating levels of immune biomarkers. As shown in Figure 9 from our collaborators at Mayo Clinic, cytokine profiling from serum of treated mice revealed that oral administration of EDP1815 resulted in reduced levels of IL-13 and IL-17, which are relevant to diseases of Th2 and Th17 inflammation, respectively. We believe the data suggests that EDP1815 may be able to treat inflammatory diseases driven by both of these pathways.

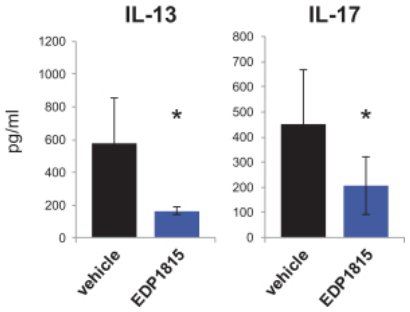


Figure 9: Oral administration of EDP1815 reduced levels of inflammatory serum cytokines. Levels of serum cytokines were evaluated in DQ8 mice immunized with type II collagen and treated with either EDP1815 or with vehicle. IL-13 and IL-17 cytokine levels were significantly reduced in the serum of EDP1815-treated mice compared to mice treated with vehicle. (Significance relevant to vehicle: * = $p<0.05$) Reprinted from Marietta et al. 2016. Arthritis and Rheumatology 68(12): 2878-2888 with permission from Wiley.

Preclinical EAE Mouse Model

In addition, our collaborators at Mayo Clinic tested EDP1815 in a mouse model of experimental autoimmune encephalomyelitis, or EAE. This is a model of antigen-specific Th17-driven neuro-inflammation. In the study, mice were immunized with myelin peptide. Clinical inflammation was then monitored and scored for a 30-day period. The data from the EAE model in Figure 10 from our collaborators at Mayo Clinic show that oral administration of EDP1815 significantly suppressed disease scores, which is the standard measurement for severity of paralysis in this model. These results were strain dependent—a genus control and two Gram-negative bacterial controls did not result in lower clinical disease scores.

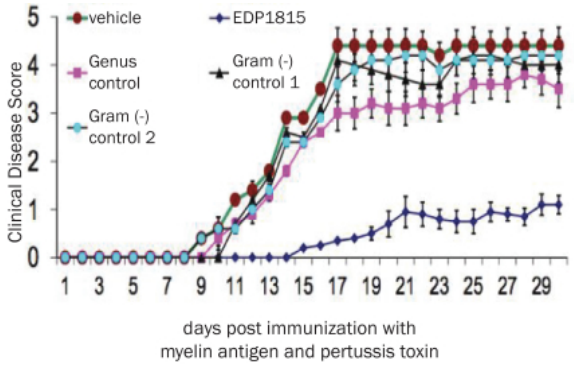


Figure 10: EDP1815 reduced disease scores in a mouse model of experimental autoimmune encephalomyelitis, or EAE. HLA-DR3.DQ8 mice were immunized with myelin peptide PLP91-110 at day zero and were orally-dosed with either vehicle, EDP1815, or other microbe controls starting on day seven. Treatment was continued every other day for a total of seven doses. EDP1815-treated mice exhibited lower daily mean clinical scores compared with mice treated with vehicle or microbe controls.

We believe that data in the above model suggests that EDP1815 anti-inflammatory activity is mediated through the Th17 pathway. Spleen cells were extracted from animals in the study and restimulated *ex vivo* with myelin to recapitulate the inflammatory response that causes disease. The results shown in Figure 11 from our collaborators at Mayo Clinic suggest that EDP1815 treatment induced an anti-inflammatory response in immune cells outside the gut, marked by downregulated IL-17 and IFNg and upregulated IL-10. We believe this further substantiates the potential role of EDP1815 in controlling Th17-driven neuroinflammation, which is relevant to multiple sclerosis. We believe this ability to impact systemic inflammation and inhibit IL-17 outside of the gut may be relevant to other Th17-driven human diseases, such as psoriasis.

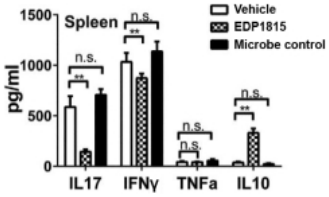


Figure 11: Splenocytes from EAE mice treated with EDP1815 produced an anti-inflammatory cytokine profile. Splenocytes from EDP1815-treated HLA-DR3.DQ8 EAE mice re-stimulated with PLP91-110 had reduced levels of inflammatory cytokines IL-17 and

IFNg and increased levels of anti-inflammatory cytokine IL-10, compared with splenocytes from medium-treated mice. Similar observations were noted when compared to mice treated with a microbe control (*E. coli*). (Significance relative to medium: ** = p<0.01, ns = not significant) Reprinted from Mangalam et al. 2017. Cell Reports 20: 1269-1277 with permission from Elsevier.

Preclinical DSS Mouse Model

We also tested EDP1815 in the DSS model of gut inflammation. In this preclinical study, we observed better activity of EDP1815 compared to anti-IL-12/23 with respect to weight loss, as well as bloody stool score and tissue damage as measured by endoscopy. Anti-IL-12/23 is a mouse analog that acts through the same pathway as ustekinumab (STELARA), an approved therapy for inflammatory bowel disease. A microbe control demonstrated no therapeutic benefit in this model. We believe that the observed activity of EDP1815 in this model suggests the potential role of EDP1815 in IBD.

Planned First-in-Human Study

The manufacturing process for EDP1815 has been established and transferred to our cGMP CMO partner and manufacturing is in progress. We plan to initiate clinical studies of EDP1815 in psoriasis and atopic dermatitis in the fourth quarter of 2018.

Oncology Portfolio

We are developing monoclonal microbials intended for the treatment of cancer. We expect to initiate clinical testing for our first oncology product candidate, EDP1503, in the second half of 2018. We are actively evaluating and expect to select additional oncology clinical candidates through our discovery program.

We expect to conduct the first-in-human study for EDP1503, EDP1503-001, in metastatic melanoma and to evaluate EDP1503 in combination with a PD-1 inhibitor. Both PD-1-naïve and PD-1-relapsed melanoma patients will be recruited into the study. The University of Chicago will conduct this investigator-sponsored study. Patients will receive a 2-week run with a single dose of EDP1503 monotherapy, administered daily, prior to receiving the combination. We will be evaluating paired biopsies taken before and at the conclusion of this 2-week run in. We expect that the study will enroll between 55 and 70 patients, with full clinical readouts for safety, tolerability and efficacy expected in the second half of 2020.

We expect to initiate additional oncology combination studies with EDP1503 in the first half of 2019. We plan to enroll patients with colorectal cancer and renal cell carcinoma, as well as patients who have relapsed on prior PD-1/L1 inhibitor treatment across multiple tumor types.

The rationale for these clinical studies is based on our preclinical data, which suggests that EDP1503 is active through different immune mechanisms beyond those targeted by checkpoint inhibitors, such as PD-1/PD-L1, or cytotoxic T-lymphocyte associated protein 4, or CTLA-4, inhibitors. Research suggests that checkpoint inhibition prevents the downregulation of the immune system induced by tumors. In preclinical models, we observed that EDP1503 stimulated upregulation of the immune response to tumors. Oral administration of EDP1503 in preclinical mouse models appeared to delay tumor progression to a similar extent as checkpoint inhibitors using different immune mechanisms. In mouse models, EDP1503 had additive effects when combined with a checkpoint inhibitor.

Multiple clinical studies have demonstrated that checkpoint inhibitor activity is dependent on underlying T-cell infiltration and tumor mutational burden. Consequently, checkpoint inhibitors alone are typically ineffective in tumors without sufficient immune cell infiltration. Furthermore, resistance to checkpoint inhibitors can arise through multiple pathways of immune escape, including downregulation of antigen-presentation pathways (*e.g.*, MHC I, TAP, LMP2, LMP7 proteins), loss of tumor antigens recognized by effector T-cells, upregulation of immunosuppressive cytokines and increased resistance of tumor cells to apoptosis.

We believe that our existing and potential monoclonal microbial product candidates have the potential to broaden the base of cancer immunotherapy. The preclinical data of EDP1503 suggests a variety of effects in mouse tumor models, including upregulation of CD8+ T-cell infiltration, increased intratumoral pro-inflammatory chemokines, upregulation of MHC Class I expression and augmentation of NK cell infiltration. We believe that the ability of a monoclonal microbial to induce these effects across multiple pathways makes it an attractive combination candidate for checkpoint inhibitors relative to other immunotherapies in development that target a single pathway.

Checkpoint inhibitors are projected to generate $30 billion in revenue by 2025. However, efficacy of these therapies has thus far been limited to a subset of patients within select indications. Even in melanoma, where checkpoint inhibition is considered the frontline standard of care, almost half of the patients do not respond to PD-1 + CTLA-4 inhibitor combination and at least a third of responders relapse within two years. Given few additional therapy options, we believe there is high unmet need for the growing population of patients who relapse on PD-1/L1 inhibitors. In approved indications other than melanoma, the majority of patients do not benefit, with response rates ranging from only 10% to 30%. In renal cell carcinoma, PD-1 + CTLA-4 inhibitor combination only demonstrated benefit in a subset of frontline patients with poor to intermediate risk. Lastly, several other tumor types are not responsive to checkpoint inhibition alone. For example, in colorectal cancer, generic chemotherapy continues to be standard-of-care and PD-1 inhibitors have only shown benefit in a small proportion of late-line patients with high microsatellite instability or those who are mismatch repair-deficient. Approximately 95% of colorectal cancer patients are microsatellite stable and do not benefit from checkpoint inhibition alone. These factors suggest a substantial need for non-cytotoxic therapy options.

In all these indications, agents with differentiated immune mechanisms of action may be complementary to checkpoint inhibitors by both augmenting existing effects and testing alternative pathways of immunotherapy in checkpoint inhibitor non-responsive tumor types and patients. However, some combination approaches in oncology have been limited by the toxicity caused by dosing multiple agents concurrently. Because monoclonal microbials may work through differentiated pathways to modulate systemic immune responses without systemic exposure, we believe they may be well-suited for combination with immuno-oncology agents or other standard-of-care therapies.

EDP1503

EDP1503 is a product candidate being developed to treat cancer. We selected EDP1503 based on its observed *in vitro* profile in human immune cell assays, as well as its anti-tumor activity in a range of preclinical mouse tumor models.

In Vitro Assay

Macrophages play an important role in cancer immunity, through both direct and indirect effects on other cells, including T-cells, in the tumor microenvironment. There are two broad classes of macrophages: (1) M1, which are pro-inflammatory and have anti-tumor effects; and (2) M2, which primarily have a tissue repair function and tend to block inflammation and promote tumor growth. Data from an *in vitro* screening assay, depicted in Figure 12, shows the result of co-culture of 37 distinct microbe strains with human macrophages. We assessed the strains based on their ability to polarize macrophages to an M1 or M2 type. We created an M1 control by pre-conditioning macrophages with LPS and IFNg, putting them into a strongly pro-inflammatory state. We created an M2 control by pre-conditioning macrophages with IL-4 and IL-13, inducing an anti-inflammatory, pro-repair state. The aggregate production of pro-inflammatory cytokines, which are characteristic of M1 macrophages, is mapped on the y-axis. EDP1503 is the most M1-polarizing strain in this figure, suggesting that it has the strongest pro-inflammatory properties of the strains evaluated, which we believe is a favorable attribute of an oncology candidate.

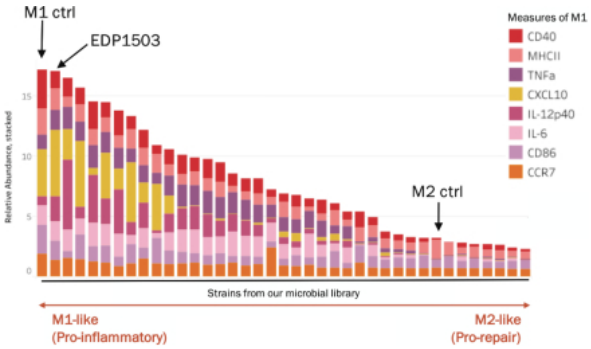


Figure 12: Induction of human macrophage inflammatory responses by EDP1503. Monoclonal microbials candidates and controls were co-cultured with macrophages purified from human peripheral blood mononuclear cells for 24 hours. Controls included LPS and IFNg to push macrophages into a strongly pro-inflammatory state (M1 ctrl) and IL-4 and IL-13 to induce an anti-inflammatory state (M2 ctrl). Cytokine levels were evaluated at the end of the co-culture period. Of all monoclonal microbials tested, EDP1503 induced the highest aggregate level of pro-inflammatory cytokines.

We also tested these strains for their ability to drive antigen-dependent activation of human T-cells. In a separate *in vitro* assay, we co-cultured human dendritic cells with different microbes from our library for 24 hours. We then removed the microbes and tested the ability of respective microbe-conditioned dendritic cells to enhance the inflammatory response of human CD8 T-cells. T-cell response was evaluated through production of IFNg by human CD8 T-cells stimulated by a MHC Class I peptide pool, a marker of T-cell activation. EDP1503 was one of the highest inducers of antigen-specific CD8 T-cell IFNg responses, which we believe suggests it may have the ability to significantly enhance inflammatory T-cell responses in humans.

Preclinical Melanoma and Colon Cancer Mouse Models

We also tested EDP1503 in mouse models of melanoma and colon cancer, as shown in Figure 13. In a melanoma model, we administered EDP1503 daily beginning eight days after tumor implantation in mice, as depicted in Figure 13A below. Reduction in tumor volume was similar to that observed with an anti-PD-L1 antibody, a mouse analog of the current standard of care in melanoma. Furthermore, EDP1503 showed an

additive effect with an anti-PD-L1 antibody, further reducing tumor volume. We observed similar results in a colon cancer model shown in Figure 13B. EDP1503 activity was comparable to an anti-PD-1 antibody and showed additive activity in combination with an anti-PD-1 antibody. We believe these models suggest that orally-delivered EDP1503 is able to induce systemic anti-tumor effects in mice, which may support clinical development in a range of solid tumors. Multiple experiments conducted by a variety of contract research organizations reproduced these results, suggesting that the results were not dependent on specific experimental conditions or on the background microbiota of the mice.

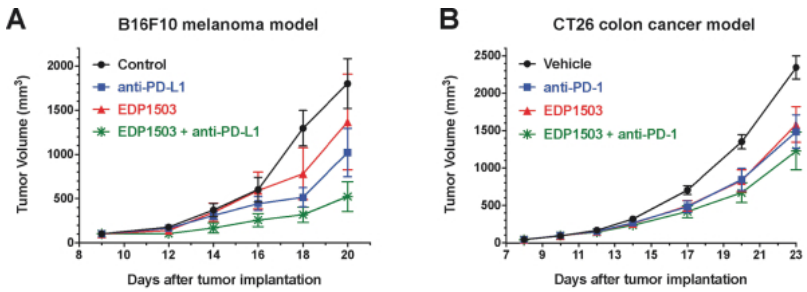


Figure 13: EDP1503 slowed progression of tumors in syngeneic tumor models. (A) B16.F10 melanoma cells were implanted subcutaneously in mice. Treatment was initiated at day nine when tumors reached a volume of 100 mm3. (B) CT26 colon cancer cells were implanted subcutaneously in mice. Treatment was initiated at day seven when tumors reached a volume of 100 mm3. In both models, vehicle and EDP1503 were given orally daily and anti-PD-1/L1 antibodies were administered intra-peritoneally every four days. Mean tumor volumes were recorded at multiple timepoints. EDP1503 demonstrated anti-tumor activity as a monotherapy and in combination with anti-PD-1/L1 antibodies in both tumor models.

Additional testing in the colon cancer model suggested that the anti-tumor activity of EDP1503 was dose-dependent over a 100-fold range. Ascending doses varied by a factor of 10. When we assessed mean tumor volume 12 days post-treatment, activity at higher doses of EDP1503 was comparable to an anti-PD-1 antibody. By showing that the highest dose we evaluated did not significantly increase therapeutic effect over a slightly lower dose, we gained a better understanding of the maximum therapeutic activity in mice. We used this information to calculate the dose for our first-in-human clinical study.

Ex Vivo Analyses of Colon Cancer Mouse Model

Research suggests that T-cell infiltration into tumors is important for immunotherapeutic responses in oncology patients. In an *ex vivo* analysis of a CT26 mouse tumor study, we used a CD3 cell surface marker on dissected tumor sections to identify all T-cells as shown on the left in Figure 14 below. The graphs depicted on the right in Figure 14 plot the total number of CD3 positive T-cells in a defined microscopic view of tumors, treated with EDP1503 or vehicle, respectively. The tumors in mice treated with EDP1503 had increased T-cell infiltration relative to vehicle-treated mice. The increases correlated with therapeutic activity on tumor growth. We have observed in separate preclinical experiments that the majority of these infiltrating T-cells are positive for the T-cell marker CD8, which identifies T-cells thought to be particularly important for killing tumor cells in patients.

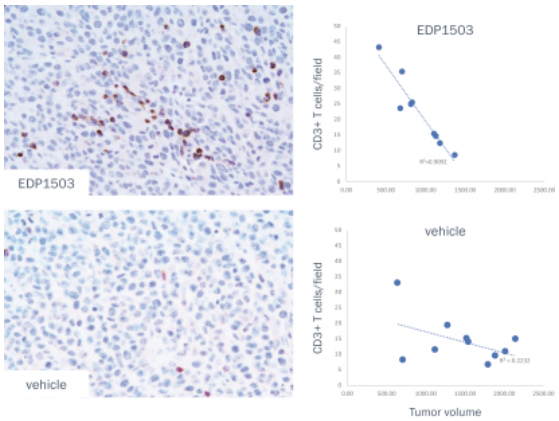


Figure 14: EDP1503 induced T-cell infiltration into tumors. Microscopy images show CD3+ T-cell infiltration in defined microscopic fields of CT26 mouse tumors treated with EDP1503 or vehicle (left). Quantitation of CD3+ T-cell infiltration was plotted against tumor volume. EDP1503 treated mice show greater T-cell infiltration in tumors, with the extent of infiltration being greater in smaller tumors (right).

CXCL10 is a protein hormone of the immune system, or a chemokine, which is produced in response to IFNg. CXCL9 is also produced under similar conditions. Clinical research has demonstrated that melanoma patients that have a high concentration of CXCL10 in their tumors have a significantly better prognosis.

As depicted in Figure 15, we removed colon tumor tissue from a mouse model following treatment with vehicle, anti-PD-1 antibody, EDP1503 or a combination of EDP1503 and anti-PD-1 antibody, and then extracted lymphocytes that had infiltrated the treated tumor. We then tested these lymphocytes for their ability to produce CXCL9 and CXCL10. Lymphocytes from EDP1503-treated tumors induced CXCL9, while those from anti-PD-1 antibody-treated tumors did not. However, we did observe a synergistic effect in combination treated tumors. Lymphocytes from EDP1503-treated tumors more highly induced CXCL10 than those treated with anti-PD-1 antibody and the effect of EDP1503 was greater when used in combination with anti-PD-1.

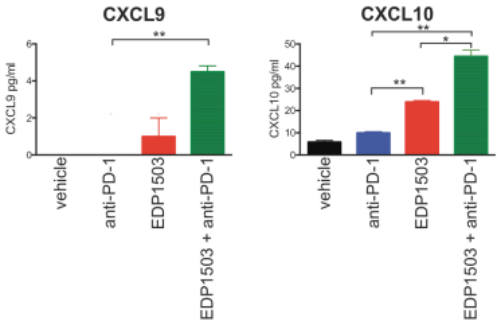


Figure 15: EDP1503 induced production of CXCL9 and CXCL10 in tumors. Secretion of pro-inflammatory chemokines, CXCL9 and CXCL10, by CD8+ T-cells recovered from explanted CT26 tumors in mice treated with anti-PD-1 antibody, EDP1503, or the combination. Compared to anti-PD-1 antibody alone, both EDP1503 monotherapy and combination resulted in greater CXCL9 and CXCL10 secretion by tumor infiltrating lymphocytes. (Significance relative to EDP1503 or anti-PD-1 antibody: ** = p<0.01; * = p<0.05)

In other *ex vivo* analyses of CT26 mouse tumor studies, we have observed that treatment with EDP1503 upregulates MHC Class I expression and augments NK cell infiltration, which are both understood to correlate with improved immune response in cancer patients. Lower MHC Class I expression reduces antigen presentation to immune cells and has been observed in patients with either primary or acquired resistance to checkpoint inhibitors. We believe these data suggest that the action of EDP1503 on the gut-body network enables different immune mechanisms that match the anti-tumor effect of and are potentially complementary to checkpoint inhibitors. We believe this profile offers a range of potential opportunities for improved immuno-oncology treatments.

Biodistribution and Pharmacokinetics

We have used two techniques to determine the pharmacokinetics and biodistribution of EDP1503 *in vivo* in mice: fluorescence microscopy and strain-specific PCR primers.

First, using fluorescence microscopy, we have shown in Figure 16 that labeled EDP1503 reaches the gut epithelium, which we believe is the site of action of the gut-body network.

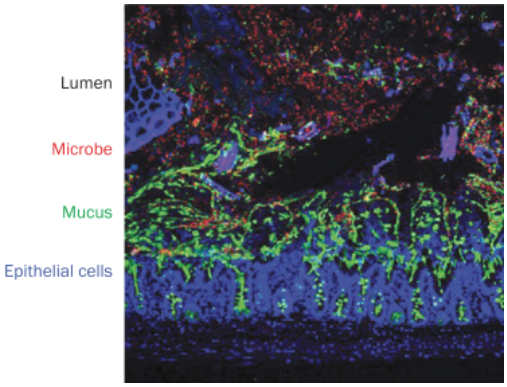


Figure 16: Fluorescence microscopy showing distribution of EDP1503 in the small intestine of a mouse. Mice were treated with a single oral administration of EDP1503, which was covalently labeled with DIBAC-Cy5 (red). A section of small intestine was stained with anti-MUC2 (green), which stains mucus, and DNA-containing epithelial cells were stained with DAPI (blue). EDP1503 (red) is found both free within the lumen, as well as penetrating the mucus layer to the cells of the gut epithelium where it interacts with the gut-body network.

We believe that EDP1503 has an ability to engage with target immune cells *in vivo*. In the experiment plotted in Figure 17, we gave mice oral doses of 10^8 or 10^9 fluorescently labeled EDP1503. After three hours, we removed mesenteric lymph nodes. Mesenteric lymph nodes are the lymph nodes that monitor immune activity in the gut. We broke down the lymph nodes into single cells and then assayed them on a fluorescence activated cell analyzer to determine the level of physical engagement between EDP1503 and antigen-presenting cells, or APCs, such as macrophages (CX3CR1+) and dendritic cells (CD103+). Our observations suggest a dose-dependent association of EDP1503 with the target immune cells above the background of vehicle control. We believe this is consistent with the proposed mechanism of action of EDP1503 and its dose-dependent activity in a colon cancer model.

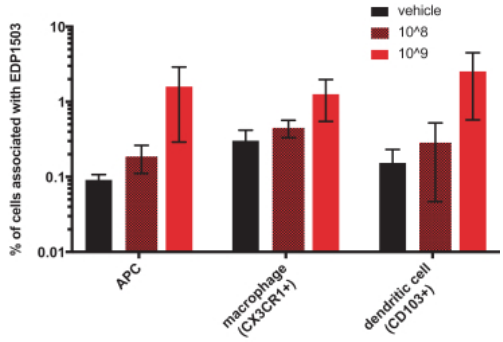


Figure 17: EDP1503 associated with antigen-presenting cells, or APCs, in the mesenteric lymph nodes. Mice were treated with vehicle or 10^8 or 10^9 DIBAC-Cy5 labeled EDP1503. Mesenteric lymph nodes were collected and sorted by flow cytometry, with the proportion of Cy5+ events recorded for each cell type. Increasing proportions of macrophages and dendritic cells show association with EDP1503 with increasing oral dose.

Second, we also used PCR primer pairs specific for EDP1503 to track the passage of EDP1503 through the gut of mice and detected its presence in other tissues. After a single oral dose, EDP1503 cleared from the small intestine within 16 hours and from the colon and stool within 24 to 48 hours. There was no evidence of persistence or colonization either in this model or in the longer-term multi-dose tumor models. The exposure of EDP1503 in other body sites was negligible.

Planned First-in-Human Study

We expect that the first-in-human clinical study EDP1503-001 will be conducted at the University of Chicago and that the first patient will be dosed in the second half of 2018. Clinical EDP1503 cGMP drug substance has been manufactured and drug product is currently being manufactured. We met with the FDA in a pre-Investigational New Drug meeting in November 2017 and in April 2018 an IND application was submitted for the study to be conducted by The University of Chicago.

New Candidate Discovery

Our *in vitro* and *in vivo* assays continue to identify novel monoclonal microbial strains that have the potential to become product candidates. As an example, we identified ES1114 from our monoclonal microbial library as a potential candidate. We have tested ES1114 in the same two mouse tumor models as EDP1503. As

depicted in the charts in Figure 18, it had comparable activity to anti-PD-1 antibody in a colon cancer model and showed additive activity to anti-PD-L1 antibody in a melanoma model.

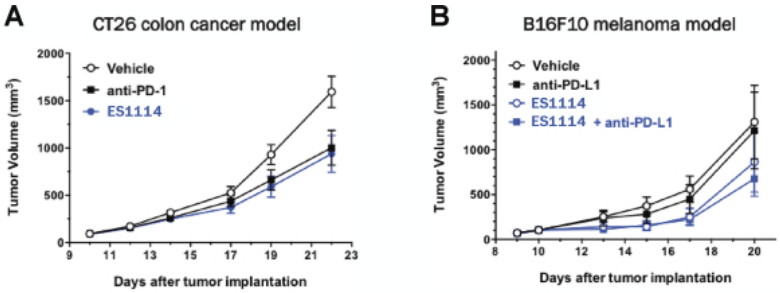


Figure 18: ES1114 slowed progression of tumors in syngeneic tumor models. (A) Mice were implanted subcutaneously with CT26 cells. Treatment was initiated at day 10 when tumors reached a volume of 100 mm3. (B) Mice were implanted subcutaneously with B16F10 melanoma cells. Treatment was initiated at day nine when tumors reached a volume of 100 mm3. In both models, vehicle and ES1114 were given orally daily, and anti-PD-1/L1 antibodies were administered intra-peritoneally every four days. Mean tumor volumes were recorded at multiple timepoints. ES1114 demonstrated anti-tumor activity as monotherapy and in combination with anti-PD-L1 antibody in the B16F10 melanoma model.

Additional *in vitro* and *in vivo* studies, as well as feasibility for manufacturing process development, are underway with ES1114 and other leads for potential additional oncology product candidates.

Manufacturing

We have developed proprietary methods for the manufacture of pharmacologically active monoclonal microbials that are scalable and transferable to cGMP manufacturing facilities. Monoclonal microbials are isolated, proliferated and purified in a manner analogous to the manufacture of pharmaceutical drugs. Monoclonal microbials maintain activity through the manufacturing process, which produces drug substance in a powder form that makes our candidates suitable for oral administration in the form of a capsule. Additionally, we have established robust analytical methods to assess the identity, strength and purity of monoclonal microbials. We expect that these controlled manufacturing processes and analytical methods will allow us to produce and release cGMP batches of material with consistent quality.

Our internal manufacturing capabilities include production of non-GMP materials for *in vitro* and *in vivo* preclinical assessment of product candidates. We currently rely on third-party manufacturers for the production of materials for clinical studies. Our internal personnel have extensive cGMP manufacturing experience to ensure efficient technology transfer and oversee the development and manufacturing activities conducted by third-party manufacturers. Our agreements with third-party manufacturers include confidentiality and intellectual property provisions to protect our proprietary rights to our monoclonal microbial candidates.

We expect our third-party manufacturers will be able to meet manufacturing requirements and drug supply required by our clinical studies. In some instances, we have reserved resources from third-party manufacturers for the development and manufacture of our monoclonal microbial candidates for near-term clinical programs. We believe that these relationships are integral to ensuring reliable, high-quality drug supply for clinical development.

While we do not have a current need for commercial manufacturing capacity, we intend to evaluate both building internal capabilities and contracting with third-party manufacturers at the appropriate time.

Process development and manufacturing are critical for translation of monoclonal microbials. We believe our internal expertise and external partnerships have allowed us to address unique challenges associated with monoclonal microbial manufacturing. Some of these major challenges include: limited prior know-how in the field for novel microbes; strict anaerobic growth conditions required by many commensal microbes; and temperature and oxygen sensitivities that affect downstream processing.

Our proprietary methods for the manufacture of pharmacologically active monoclonal microbials address these three major challenges. Many human commensals are strict anaerobes with no prior development precedent. Process development of commensal microbes requires strong technical expertise in microbiology and anaerobic fermentation. We are pioneering strict anaerobic bioprocessing technologies that allow for rapid development of reproducible manufacturing processes. We continue to optimize our processes across a wide range of parameters including media, temperature, pH, and harvest conditions. By modifying these parameters, we were able to develop a fermentation process for EDP1815, which is an anaerobic microbe with sensitive growth requirements. As depicted in Figure 19, our proprietary fermentation process increased yield, or production of EDP1815 biomass, by 10,000-fold compared to production of EDP1815 biomass produced from an industry standard fermentation process.

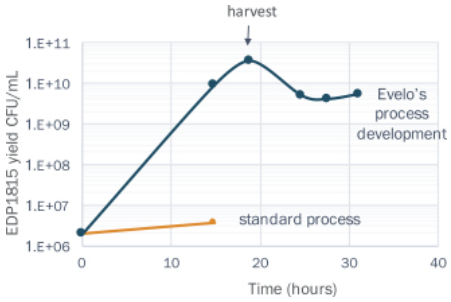


Figure 19. Our process development defines fermentation parameters for EDP1815. Fermentation profile for EDP1815 when grown according to an industry standard fermentation process (orange) and our proprietary process (blue).

Our monoclonal microbial manufacturing processes consist of drug substance and drug product manufacturing. We have established expertise across all aspects of drug substance manufacturing unit operations including cell banking, fermentation, cell separation and lyophilization. We have also advanced knowledge related to drug product manufacturing and our drug product has demonstrated stability under long-term storage conditions. We will continue to advance novel formulation technologies for enhanced delivery and activity in future trials.

Sales and Marketing

Given the current developmental stage of our product candidates and platform, we have not yet established a commercial organization. We intend to commercialize our products globally and in multiple disease areas. We intend to do this both through selectively building our own sales and marketing team and partnering or collaborating with third parties.

Intellectual Property

We strive to protect the proprietary technology that we believe is important to our business, including seeking and maintaining patents intended to cover both our broad platform and individual product candidates.

We seek to obtain domestic and international patent protection, and endeavor to promptly file patent applications for new commercially valuable inventions. We also rely on trade secrets to protect aspects of our business that are not amenable to, or that we do not consider appropriate for, patent protection.

We plan to continue to expand our intellectual property estate by filing patent applications directed to pharmaceutical compositions, methods of treatment, methods of manufacture, methods for patient selection created or identified from our ongoing development of our product candidates, as well as discovery based on our proprietary platform. Our success will depend on our ability to obtain and maintain patent and other proprietary protection for commercially important technology, inventions and know-how related to our business, defend and enforce any patents that we may obtain, preserve the confidentiality of our trade secrets and operate without infringing the valid and enforceable patents and proprietary rights of third parties. We also rely on know-how and continuing technological innovation to develop and maintain our proprietary position and, in the future, may rely on or leverage in-licensing opportunities.

The patent positions of biopharmaceutical companies like us are generally uncertain and involve complex legal, scientific and factual questions. In addition, the coverage claimed in a patent may be challenged in courts after issuance. Moreover, many jurisdictions permit third parties to challenge issued patents in administrative proceedings, which may result in further narrowing or even cancellation of patent claims. We cannot predict whether the patent applications we are currently pursuing will issue as patents in any particular jurisdiction or at all, whether the claims of any patent applications, should they issue, will cover our product candidates, or whether the claims of any issued patents will provide sufficient protection from competitors or otherwise provide any competitive advantage.

Because patent applications in the United States and certain other jurisdictions are maintained in secrecy for 18 months or potentially even longer, and because publication of discoveries in the scientific or patent literature often lags behind actual discoveries and patent application filings, we cannot be certain of the priority of inventions covered by pending patent applications. Accordingly, we may not have been the first to invent the subject matter disclosed in some of our patent applications or the first to file patent applications covering such subject matter, and we may have to participate in interference proceedings or derivation proceedings declared by the United States Patent and Trademark Office, or USPTO, to determine priority of invention.

Patent Portfolio

Our patent portfolio includes patent applications in varying stages of prosecution in the United States and selected jurisdictions outside of the United States. As of April 27, 2018, our patent portfolio consisted of seven issued patents and 68 pending applications, which include compositions, methods of use, and manufacturing process claims. Of the patents in our portfolio, two are owned by us, four are exclusively licensed from Mayo Clinic and one is exclusively licensed from the University of Chicago. Of the pending applications in our portfolio, 44 are owned by us, 23 are exclusively licensed to us from the University of Chicago and one is exclusively licensed to us from Mayo Clinic. The patent portfolio includes patents and applications covering the following:

- An oral oncology platform exclusively licensed from the University of Chicago, consisting of one issued patent and 23 pending applications. Patents in this family are expected to expire in 2036.
- A translational *in vitro* assay platform developed by us, consisting of one pending provisional application. Any applications claiming priority to this provisional application that issue as a patent are expected to expire in 2038.
- A formulation platform consisting of one pending provisional application. Any applications claiming priority to this provisional application that issue as a patent are expected to expire in 2038.
- A modality platform consisting of two pending provisional applications. Any applications claiming priority to these provisional applications that issue as a patent are expected to expire in 2038.

- Inflammation portfolio:
  - EDP1815, consisting of four issued patents in-licensed from Mayo Clinic, covering compositions and methods of use, one pending application in-licensed from Mayo Clinic (the patents and application from Mayo Clinic expected to expire in 2030) and two Evelo-owned pending provisional applications directed to compositions and methods of use. Any applications claiming priority to these provisional applications that issue as a patent are expected to expire in 2038; and
  - EDP1066, consisting of three pending provisional applications directed to compositions and methods of use. Any applications claiming priority to these provisional applications that issue as a patent are expected to expire in 2038.
- Oncology portfolio:
  - EDP1503, consisting of protection under the oral oncology platform exclusively licensed from the University of Chicago covering methods of use and one Evelo-owned pending provisional application directed to compositions and methods of use. Any applications claiming priority to this provisional application that issue as a patent are expected to expire in 2038; and
  - ES1114, consisting of two Evelo-owned pending provisional applications directed to compositions and methods of use. Any applications claiming priority to these provisional applications that issue as a patent are expected to expire in 2038.

Patent Term

The base term of a U.S. patent is 20 years from the filing date of the earliest-filed non-provisional, patent application from which the patent claims priority. The term of a U.S. patent can be lengthened by patent term adjustment, which compensates the owner of the patent for administrative delays at the USPTO. In some cases, the term of a U.S. patent is shortened by terminal disclaimer that reduces its term to that of an earlier-expiring patent.

The term of a U.S. patent may be eligible for patent term extension under the Drug Price Competition and Patent Term Restoration Act of 1984, referred to as the Hatch-Waxman Act, to account for at least some of the time the drug is under development and regulatory review after the patent is granted. With regard to a drug for which FDA approval is the first permitted marketing of the active ingredient, the Hatch-Waxman Act allows for extension of the term of one U.S. patent that includes at least one claim covering the composition of matter of such an FDA-approved drug, an FDA-approved method of treatment using the drug and/or a method of manufacturing the FDA-approved drug. The extended patent term cannot exceed the shorter of five years beyond the non-extended expiration of the patent or fourteen years from the date of the FDA approval of the drug, and a patent cannot be extended more than once or for more than a single product. During the period of extension, if granted, the scope of exclusivity is limited to the approved product for approved uses. Some foreign jurisdictions, including Europe and Japan, have analogous patent term extension provisions, which allow for extension of the term of a patent that covers a drug approved by the applicable foreign regulatory agency. In the future, if and when our product candidates receive FDA approval, we expect to apply, if appropriate, for patent term extension on patents covering those product candidates, their methods of use and/or methods of manufacture.

Trade Secrets

In addition to patents, we rely on trade secrets and know-how to develop and maintain our competitive position. We typically rely on trade secrets to protect aspects of our business that are not amenable to, or that we do not consider appropriate for, patent protection. We protect trade secrets and know-how by establishing confidentiality agreements and invention assignment agreements with our employees, consultants, scientific advisors, contractors and collaborators. These agreements provide that all confidential information developed or made known during the course of an individual or entities' relationship with us must be kept confidential during

and after the relationship. These agreements also provide that all inventions resulting from work performed for us or relating to our business and conceived or completed during the period of employment or assignment, as applicable, shall be our exclusive property. In addition, we take other appropriate precautions, such as physical and technological security measures, to guard against misappropriation of our proprietary information by third parties.

License and Manufacturing Agreements

We are a party to several license agreements under which we license patents, patent applications and other intellectual property. The licensed intellectual property includes composition of matter and methods of using monoclonal microbials. In some cases, licenses cover physical material in the form of microbial strains. Certain diligence and financial obligations are tied to these agreements. Additionally, we are a party to a manufacturing agreement for committed resources and exclusivity. We consider the following agreements to be material to our business.

University of Chicago License Agreement

In March 2016, we entered into an exclusive license agreement with the University of Chicago. This agreement gives us an exclusive, worldwide, sublicensable license to patent rights related to administration of microbes to treat cancer. Under this agreement, we may make, have made, use, import, have sold, offer to sell, and sell microbial products to treat cancer in combination with checkpoint inhibitors. Many microbial genera are covered by these patent rights, including *Bifidobacterium*, which encompasses our lead oncology candidate, EDP1503. In addition, we have a non-exclusive, worldwide license to use technical information disclosed to us by the University of Chicago for the development and commercialization of microbial products to treat cancer in combination with checkpoint inhibitors. Under this agreement, we must use commercially reasonable efforts to develop and market licensed products. Commercially reasonable efforts can be demonstrated by achieving specific milestones by specific dates.

Pursuant to the terms of the license agreement, we paid the University of Chicago an upfront fee of an amount less than $500,000 and are required to make low five-digit license maintenance fees on an annual basis, creditable against royalties owed in that given year. In addition, we may owe the University of Chicago future milestone payments totaling an aggregate of approximately $60.9 million upon achievement of specific milestones, the vast majority of which are associated with specific regulatory and commercial milestones.

The University of Chicago is entitled to receive low single-digit percentage royalties on annual net sales of products that fall under the licensed patent rights on a country-by-country and product-by-product basis. The royalty percentage depends on the amount of annual net sales and whether the product is covered by valid patent claims, un-published technical information, or published technical information. Our valid claims royalty obligations to the University of Chicago will expire upon the later of (a) expiration of the last-to-expire valid claim covering the product, or (b) the expirations of regulatory exclusivity of a product covered by the patent rights. Technical information royalty obligations will expire upon the earlier of (a) fifteen years from first commercial sale of the applicable product, or (b) until a substantially similar product comes onto the market.

Under the license agreement, we have the right to sublicense licensed rights to third parties, provided that the sublicense agreement is consistent with the terms of the original license and that we hold any sublicensees compliant. Should we enter a sublicense under these patent rights, we are required to pay the University of Chicago a percentage of our sublicense revenue. The University of Chicago is entitled to percentages of sublicense revenue in the low- to mid-teens depending on the stage of development of licensed products at the time the sublicense is entered.

The University of Chicago maintains control of patent prosecution, defense and maintenance on their patent rights. We are responsible for reimbursing the University of Chicago for patent costs incurred. If we cease

payment for patent prosecution, our patent rights will terminate and revert to the University of Chicago. We have the first right, but not obligation, to control any post grant proceedings and to take action in the prosecution or prevention of any infringement by a third party to patent rights.

The license granted by the University of Chicago is subject to any retained rights of the U.S. government in the patent rights and to retained rights of the University of Chicago to use the patent rights for non-commercial research purposes. The license agreement will expire on a country-by-country and product-by-product basis on the later of (a) expiration date of the last to expire licensed patents, or (b) a set number of years in the mid-teens from first commercial sale of a licensed product. Prior to the expiration date, we may terminate the license with written notification to the University of Chicago. Prior to the expiration date, the University of Chicago may terminate the agreement in whole or in part if we fail to make payments within thirty days of receiving a written notice of missed payment, if we breach any material obligation of the agreement and do not cure such breach within thirty days, if we become bankrupt or insolvent, or if we are dissolved or liquidated. The University of Chicago may also terminate the license if we fail to show commercially reasonable efforts in meeting diligence milestones.

License Agreement with Mayo Clinic

In August 2017, we entered into an agreement with the Mayo Foundation for Medical Education and Research, an affiliate of Mayo Clinic, or Mayo Clinic, to license intellectual property and microbial strains. This agreement gives us an exclusive, worldwide, sublicensable license to patent rights related to compositions of matter and methods of using microbes from a specific species to treat autoimmune and inflammatory diseases. In addition to patent rights, this agreement also includes an exclusive, worldwide, sublicensable license to an immuno-modulatory microbial strain isolated from a human small intestinal sample by Mayo Clinic. Under the licensed patent rights and/or using the licensed microbial strain, we may make, have made, use, offer for sale, sell, and import products containing microbes of a specific species to treat autoimmune and inflammatory diseases. In addition, we have a non-exclusive, worldwide license to use know-how disclosed to us by Mayo Clinic related to the development and commercialization of products containing microbes of a specific species to treat autoimmune and inflammatory diseases. The licensed patents include four issued U.S. patents and one pending U.S. patent application. Issued claims cover compositions containing microbes from a specified species and methods of using these compositions to treat all autoimmune and inflammatory diseases. EDP1815, one of our lead candidates in the inflammation program, contains the microbial strain licensed from Mayo Clinic and is covered by these patent rights. Under this agreement, we must use commercially reasonable efforts to bring licensed products to the market.

In consideration for the licenses, we paid Mayo Clinic an upfront payment of $225,000. Beginning on the second anniversary of the effective date, we will owe Mayo Clinic escalating annual license maintenance fees in the low- to mid–five digits. Annual license maintenance fees count towards milestones and royalties owed in a given year. Mayo Clinic is entitled to future clinical, approval and sales milestones. We agreed to pay Mayo Clinic future milestone payments totaling a maximum of $960,000 upon achievement of specific development milestones and $55 million upon achievement of specific regulatory and commercial milestones.

Mayo Clinic will receive low single-digit percentage royalties on annual net sales of products that fall under the licensed patent rights or contain the licensed microbial strain on a country-by-country and product-by-product basis. The royalty percentage depends on the amount of annual net sales and whether the product is covered by valid patent claims or contains the licensed microbial strain. Royalties on products containing the licensed microbial strain will only be due in countries where licensed products are not covered by valid claims. Our valid claims royalty obligations to Mayo Clinic will terminate on expiration of the last-to-expire valid claim covering the product. Royalty obligations on products containing the licensed microbial strain will expire 15 years from the first commercial sale of the licensed product.

Under the license agreement, we have the right to sublicense licensed patent rights and the licensed microbial strain to third parties through multiple tiers, provided that the sublicense agreement is on substantially

the same terms as the original license and that we are responsible for the performance of its sublicensees. We must obtain Mayo Clinic's permission to grant any fully paid-up, royalty-free or exclusive sublicenses. We have no financial obligations to Mayo Clinic related to sublicenses.

Mayo Clinic has the responsibility to prepare, file, prosecute or abandon its patent rights. We may provide prior comment and advice to Mayo Clinic and we are responsible for reimbursing Mayo Clinic for past and future patent costs. If we cease payment for patent preparation, filing or prosecution, our patent rights will terminate and revert to Mayo Clinic. We have the first right, but not obligation, to control any post grant proceedings and to take action in the prosecution or prevention of any infringement by a third party to patent rights.

The license granted by Mayo Clinic is subject to any retained rights of the US government in the patent rights and to retained rights of Mayo Clinic to use the patent rights and licensed microbial strain for non-commercial research purposes, which excludes human use. The license to patent rights will expire on a country-by-country and product-by-product basis upon the expiration date of the last to expire licensed patents. The license to Mayo Clinic's microbial strain will expire 15 years from first commercial sale of a product containing the licensed microbial strain. Prior to the expiration date, Mayo Clinic may terminate the license if we fail to make payments within thirty days of receiving a written notice of missed payment, if we breach any material obligation of the agreement and do not cure such breach within thirty days, if we become bankrupt or insolvent, or if we or any sublicensee directly or indirectly brings suit against Mayo Clinic. Upon early termination of our license, any sublicensee that is not in material breach of the agreement will have the right to retain its sublicense to the patent rights and microbial strain. We do not have the right to terminate the agreement prior to the expiration date.

Biose Committed Resource and Exclusivity Agreement

Effective February 2018, we entered into an exclusivity and commitment agreement with Biose Industrie, or Biose. Under this agreement, Biose reserves sufficient manufacturing resources for the manufacture of our drug substance according to a specified schedule of manufacturing runs over a three-year period. We are required to pay Biose fees in the high five digits to low six digits for each run depending on the type of run being conducted. If we do not use committed manufacturing resources, we are required to pay Biose for these resources unless Biose is able to re-sell unused runs.

In addition to manufacturing resources, this agreement includes exclusivity provisions, which ensure that we are Biose's exclusive customer for the manufacture of certain microbial biotherapeutic products. We are required to pay annual fees in the mid six digits to Biose in consideration for these exclusivity provisions.

The term of the agreement is three years from the effective date. We may terminate at any time with prior notice within a specified period to Biose, or if there is a change of control of Biose that may adversely affect our interest. In the event that we terminate at will, we are obligated to pay Biose a mid-range percentage of the committed manufacturing resource fees for a specified period less than one year following the effective date of termination. In addition, both parties may terminate if the other party materially breaches the agreement and does not cure such breach within a specified period or if either party becomes bankrupt or insolvent, or is dissolved or liquidated.

Competition

The biotechnology and pharmaceutical industries are characterized by rapid growth and a dynamic landscape of proprietary therapeutic candidates. While we believe that our monoclonal microbial platform and candidates, coupled with our resources and industry expertise, give us a competitive advantage in the field, we face competition from a variety of institutions, including larger pharmaceutical companies with more resources. Specialty biotechnology companies, academic research institutions, governmental agencies, as well as public and private institutions are also potential sources of competitive products and technologies.

In both inflammatory diseases and oncology, we anticipate intensifying competition as new therapies are approved and advanced technologies become available. Many of our competitors, either alone or with strategic partners, have considerably greater financial, technical, and human resources than we do. Competitors may also have more experience developing, obtaining approval for, and marketing novel treatments in the indications we are pursuing. These factors could give our competitors an advantage over us in recruiting and retaining qualified personnel, completing clinical development, and commercializing their products. Competitors that are able to obtain FDA or other regulatory approval for their products more rapidly than we can for our products may also establish a stronger market position, diminishing our commercial opportunity. Key considerations that would impact our capacity to effectively compete include the efficacy, safety, ease of use, as well as pricing and reimbursement of our products.

Significant competition exists in the immuno-oncology field, where we are developing our first product candidates in oncology. Although our monoclonal microbial approach is unique from most other existing or investigational therapies in immuno-oncology, we will need to compete with all currently or imminently available therapies within the indications where our development is focused. Although there is a wide range of potentially competitive mechanisms, possible synergies between these and monoclonal microbials will also be evaluated.

The main classes of immunotherapy that are available or are being evaluated by our competitors include:

- ***Checkpoint inhibitors***: Agenus Inc., AstraZeneca plc, Bristol-Myers Squibb, F. Hoffmann-La Roche A.G., Incyte Corporation, Merck & Co., Pfizer Inc.; and
- ***Cell therapy***: Celgene Corporation, Gilead Sciences, Inc., Juno Therapeutics Inc. and Novartis International A.G.

In autoimmune or inflammatory diseases, there is also a wide range of competitors that we will be challenged by. In later stages of disease, the majority of competition will stem from companies marketing or developing biologics and novel small molecule therapies, such as AbbVie Inc., Johnson & Johnson, Pfizer Inc, Novartis International A.G., Regeneron Pharmaceuticals, Inc. and Sanofi S.A. Potentially competing mechanisms of action include TNF, IL-4, IL-17, and JAK inhibitors. Novel delivery of biologics, particularly via oral administration, and the entry of biosimilars will also add to competition within the therapeutic area.

Government Regulation

The FDA and other regulatory authorities at federal, state and local levels, as well as in foreign countries, extensively regulate, among other things, the research, development, testing, manufacture, quality control, import, export, safety, effectiveness, labeling, packaging, storage, distribution, record keeping, approval, advertising, promotion, marketing, post-approval monitoring and post-approval reporting of drugs and biologics such as those we are developing. We, along with our contract manufacturers, will be required to navigate the various preclinical, clinical and commercial approval requirements of the governing regulatory agencies of the countries in which we wish to conduct studies or seek approval for our product candidates. The process of obtaining regulatory approvals and ensuring subsequent compliance with appropriate federal, state, local and foreign statutes and regulations requires the expenditure of substantial time and financial resources.

In the United States, the FDA regulates drug and biologic products under the Federal Food, Drug and Cosmetic Act, its implementing regulations and other laws, including, in the case of biologics, the Public Health Service Act. Our product candidates are subject to regulation by the FDA as biologics. Biologics require the submission of a biologics license application, or BLA, and licensure, which constitutes approval, by the FDA before being marketed in the United States. None of our product candidates has been approved by the FDA for marketing in the United States, and we currently have no BLAs pending. If we fail to comply with applicable FDA or other requirements at any time during product development, clinical testing, the approval process or after approval, we may become subject to administrative or judicial sanctions. These sanctions could include the

FDA's refusal to approve pending applications, suspension or revocation of approved applications, warning letters, product recalls, product seizures, total or partial suspensions of manufacturing or distribution, injunctions, fines, civil penalties or criminal prosecution. Any FDA enforcement action could have a material adverse effect on us.

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

- completion of preclinical laboratory tests and animal studies performed in accordance with the FDA's good laboratory practice, or GLP, regulations;
- submission to the FDA of an IND, which must become effective before clinical trials in the United States may begin;
- performance of adequate and well-controlled human clinical trials to establish the safety and efficacy of the product candidate for each proposed indication, conducted in accordance with the FDA's good clinical practice, or GCP, regulations;
- submission to the FDA of a BLA;
- satisfactory completion of an FDA inspection of the manufacturing facility or facilities at which the product is produced to assess compliance with cGMP regulations; and
- FDA review and approval of the BLA prior to any commercial marketing, sale or shipment of the product.

The testing and approval process requires substantial time, effort and financial resources, and we cannot be certain that any approvals for our product candidates will be granted on a timely basis, if at all.

Preclinical and Clinical Trials

Once a product candidate is identified for development, it enters the preclinical testing stage. Preclinical studies include laboratory evaluations of drug chemistry, formulation and stability, as well as studies to evaluate toxicity in animals, which must be conducted in accordance with GLP requirements. The results of the preclinical studies, together with manufacturing information and analytical data, are submitted to the FDA as part of an IND. The IND automatically becomes effective 30 days after receipt by the FDA, unless the FDA, within the 30-day time period, raises concerns or questions about the conduct of the clinical trial, including concerns that human research subjects will be exposed to unreasonable health risks, and imposes a clinical hold. In such a case, the IND sponsor and the FDA must resolve any outstanding concerns before the clinical trial can begin. Submission of an IND may result in the FDA not allowing clinical trials to commence or not allowing clinical trials to commence on the terms originally specified in the IND. A separate submission to an existing IND must also be made for each successive clinical trial conducted during product development, and the FDA must grant permission, either explicitly or implicitly by not objecting, before each clinical trial can begin.

Clinical trials involve the administration of the product candidate to human subjects under the supervision of qualified investigators. Clinical trials are conducted under protocols detailing, among other things, the objectives of the clinical trial and the parameters and criteria to be used in monitoring safety and evaluating effectiveness. Each protocol must be submitted to the FDA as part of the IND. An independent institutional review board, or IRB, for each investigator site proposing to participate in a clinical trial must also review and approve the clinical trial before it can begin at that site, and the IRB must monitor the clinical trial until it is completed. The FDA, the IRB, or the sponsor may suspend or discontinue a clinical trial at any time on various grounds, including a finding that the subjects are being exposed to an unacceptable health risk. Clinical testing also must satisfy extensive GCP requirements, including requirements for informed consent.

For purposes of BLA approval, clinical trials are typically conducted in three sequential phases, which may overlap or be combined.

- *Phase 1*—Phase 1 clinical trials involve initial introduction of the investigational product into healthy human subjects or patients with the target disease or condition. These studies are typically designed to test the safety, dosage tolerance, absorption, metabolism and distribution of the investigational product in humans, the side effects associated with increasing doses, and, if possible, to gain early evidence of effectiveness.

- *Phase 2*—Phase 2 clinical trials typically involve administration of the investigational product to a limited patient population with a specified disease or condition to evaluate the preliminary efficacy, optimal dosages and dosing schedule and to identify possible adverse side effects and safety risks.

- *Phase 3*—Phase 3 clinical trials typically involve administration of the investigational product to an expanded patient population to further evaluate dosage, to provide statistically significant evidence of clinical efficacy and to further test for safety, generally at multiple geographically dispersed clinical trial sites. These clinical trials are intended to establish the overall risk/benefit ratio of the investigational product and to provide an adequate basis for product approval and physician labeling.

In some cases, the FDA may condition approval of a BLA on the sponsor's agreement to conduct additional clinical trials to further assess the biologic's safety and effectiveness after BLA approval. Such post-approval clinical trials are typically referred to as Phase 4 clinical trials.

Although most clinical research performed in the United States in support of a BLA must be authorized in advance by the FDA, under the IND regulations and procedures described above, there are certain circumstances under which clinical trials can be conducted without submission of an IND. For example, a sponsor who wishes to conduct a clinical trial outside the United States may, but need not, obtain FDA authorization to conduct the clinical trial under an IND.

Progress reports detailing the results of the clinical trials, among other information, must be submitted at least annually to the FDA and written IND safety reports must be submitted to the FDA and the investigators for serious and unexpected suspected adverse events, findings from other studies or animal or *in vitro* testing that suggest a significant risk for human subjects and any clinically important increase in the rate of a serious suspected adverse reaction over that listed in the protocol or investigator brochure.

Concurrent with clinical trials, companies usually complete additional animal studies and must also develop additional information about the chemistry and physical characteristics of the biologic and finalize a process for manufacturing the biologic in commercial quantities in accordance with cGMP requirements. The manufacturing process must be capable of consistently producing quality batches of the product candidate and manufacturers must develop, among other things, methods for testing the identity, strength, quality and purity of the final biological product. Additionally, appropriate packaging must be selected and tested and stability studies must be conducted to demonstrate that the product candidate does not undergo unacceptable deterioration over its shelf life.

BLA Submission and FDA Review

The results of preclinical studies and clinical trials, together with other detailed information, including extensive manufacturing information and information on the composition of the biologic, are submitted to the FDA in the form of a BLA requesting approval to market the biologic for one or more specified indications. The submission of a BLA requires payment of a substantial user fee unless a waiver is granted. Each BLA submitted to the FDA is reviewed for administrative completeness and reviewability within 60 days of the FDA's receipt of the application. If the BLA is found to be complete, the FDA will file the BLA, triggering a full substantive review of the application. The FDA may refuse to file any BLA that it deems incomplete or not properly reviewable at the time of submission.

Once a BLA has been accepted for filing, by law the FDA has 180 days to review the application and respond to the applicant. However, the review process is often significantly extended by FDA requests for additional information or clarification. Under the Prescription Drug User Fee Act, the FDA has a goal of reviewing BLAs within ten months of the 60-day filing date for standard review or six months for priority review, but the overall timeframe is often extended by FDA requests for additional information or clarification. The FDA reviews a BLA to determine, among other things, whether the biological product is safe, pure and potent and whether the facility or facilities in which it is manufactured meet standards designed to assure the product's continued safety, purity and potency. The FDA may refer the application to an advisory committee for review, evaluation and recommendation as to whether the application should be approved. The FDA is not bound by the recommendation of an advisory committee, but it generally follows such recommendations.

Before approving a BLA, the FDA will inspect the facility or the facilities at which the biologic product is manufactured, and will not license the product unless cGMP compliance is satisfactory. The FDA may also inspect the sites at which the clinical trials were conducted to assess their compliance with GCP requirements, and will not license the biologic unless compliance with such requirements is satisfactory.

The FDA may deny approval of a BLA if the applicable statutory and regulatory criteria are not satisfied, or it may require additional preclinical or clinical data. Even if such data are submitted, the FDA may ultimately decide that the BLA does not satisfy the criteria for approval. Data from clinical trials are not always conclusive and the FDA may interpret data differently than sponsors. Once the FDA approves a BLA, such approval defines the indicated uses for which the biologic may be marketed. The FDA may also require implementation of a Risk Evaluation and Mitigation Strategy, or REMS, which can include a medication guide, communication plan, or elements to assure safe use, such as restricted distribution methods, physician training, patient registries and other risk minimization tools. The FDA also may condition approval on, among other things, changes to proposed labeling claims or the development of adequate controls and specifications. Once approved, the FDA may withdraw the product approval if compliance with pre- and post-marketing regulatory standards is not maintained or if problems occur after the product reaches the market. The FDA may require one or more Phase 4 post-market studies and surveillance to further assess and monitor the product's safety and effectiveness after commercialization, and may limit further marketing based on the results of these post-marketing studies. After approval, certain changes to the approved biologic, such as adding new indications, manufacturing changes or additional labeling claims, are subject to further FDA review and approval. Depending on the nature of the change proposed, a BLA supplement must be filed and approved before the change may be implemented.

Expedited Development and Review Programs

The FDA maintains several programs intended to facilitate and expedite development and review of new drugs and biologics to address unmet medical needs in the treatment of serious or life- threatening diseases or conditions. These programs include Fast Track designation, Breakthrough Therapy designation, Priority Review designation and Accelerated Approval, and the purpose of these programs is to provide important new drugs to patients earlier than under standard FDA review procedures.

A new drug or biologic is eligible for fast track designation if it is intended to treat a serious or life- threatening disease or condition and demonstrates the potential to address unmet medical needs for such disease or condition. Fast Track designation provides increased opportunities for sponsor meetings with the FDA during preclinical and clinical development, in addition to the potential for rolling review once a marketing application is filed, meaning that the agency may review portions of the marketing application before the sponsor submits the complete application, as well as Priority Review, discussed below. In addition, a new drug or biologic may be eligible for breakthrough therapy designation if it is intended to treat a serious or life-threatening disease or condition and preliminary clinical evidence indicates that the drug may demonstrate substantial improvement over existing therapies on one or more clinically significant endpoints, such as substantial treatment effects observed early in clinical development. Breakthrough Therapy designation provides all the features of Fast Track designation in addition to intensive guidance on an efficient drug development program beginning as early as

Phase 1, and FDA organizational commitment to expedited development, including involvement of senior managers and experienced review staff in a cross-disciplinary review, where appropriate.

Any product submitted to the FDA for approval, including a product with Fast Track or Breakthrough Therapy designation, may also be eligible for additional FDA programs intended to expedite the review process, including Priority Review designation and accelerated approval. A product is eligible for Priority Review if it has the potential to provide a significant improvement in safety or effectiveness in the treatment, diagnosis or prevention of a serious disease or condition. Additionally, products are eligible for accelerated approval if they can be shown to have an effect on a surrogate endpoint that is reasonably likely to predict clinical benefit, or an effect on a clinical endpoint that can be measured earlier than an effect on irreversible morbidity or mortality which is reasonably likely to predict an effect on irreversible morbidity or mortality or other clinical benefit, taking into account the severity, rarity, or prevalence of the condition and the availability or lack of alternative treatments. Accelerated approval is usually contingent on a sponsor's agreement to conduct additional post-approval studies to verify and describe the product's clinical benefit. In addition, unless otherwise informed by the FDA, the FDA currently requires, as a condition for accelerated approval, that all advertising and promotional materials that are intended for dissemination or publication within 120 days following marketing approval be submitted to the agency for review during the pre-approval review period, and that after 120 days following marketing approval, all advertising and promotional materials must be submitted at least 30 days prior to the intended time of initial dissemination or publication.

Fast Track designation, Breakthrough Therapy designation, Priority Review designation and Accelerated Approval do not change the standards for approval but may expedite the development or review process.

Post-Approval Requirements

Licensed biologics that are manufactured or distributed in the United States are subject to pervasive and continuing regulation by the FDA, including, among other things, requirements relating to recordkeeping, periodic reporting, product distribution, advertising and promotion and reporting of adverse experiences with the product. There is also a continuing, annual prescription drug product program user fee.

Any biologics manufactured or distributed by us or our contract manufactures pursuant to FDA approvals would be subject to continuing regulation by the FDA, including recordkeeping requirements and reporting of adverse experiences associated with the product. Manufacturers and their subcontractors are required to register their establishments with the FDA and certain state agencies, and are subject to periodic unannounced inspections by the FDA and certain state agencies for compliance with ongoing regulatory requirements, including cGMP, which impose certain procedural and documentation requirements upon us and our contract manufacturers. Failure to comply with statutory and regulatory requirements can subject a manufacturer to possible legal or regulatory action, such as warning letters, suspension of manufacturing, product seizures, injunctions, civil penalties or criminal prosecution.

Later discovery of previously unknown problems with a product, including adverse events of unanticipated severity or frequency, or with manufacturing processes, or failure to comply with regulatory requirements, may result in revisions to the approved labeling to add new safety information, requirements for post-market studies or clinical trials to assess new safety risks, or imposition of distribution or other restrictions under a REMS. Other potential consequences include, among other things:

- restrictions on the marketing or manufacturing of the product, complete withdrawal of the product from the market or product recalls;
- fines, warning letters or holds on post-approval clinical trials;
- refusal of the FDA to approve applications or supplements to approved applications, or suspension or revocation of product approvals;

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

The FDA closely regulates the post-approval marketing and promotion of biologics, including standards and regulations for direct-to-consumer advertising, off-label promotion, industry-sponsored scientific and educational activities, and promotional activities involving the internet and social media. A company can make only those claims relating to safety and efficacy that are approved by the FDA. Physicians may prescribe legally available biologics for uses that are not described in the product's labeling and that differ from those tested by us and approved by the FDA. The FDA does not regulate the behavior of physicians in their choice of treatments. The FDA does, however, impose stringent restrictions on manufacturers' communications regarding off-label use. Failure to comply with these requirements can result in adverse publicity, warning letters, corrective advertising and potential civil and criminal penalties.

Biosimilars and Regulatory Exclusivity

As part of the Patient Protection and Affordable Care Act enacted in 2010, as amended by the Health Care and Education Reconciliation Act of 2010, collectively the Affordable Care Act, the Biologics Price Competition and Innovation Act, or BPCIA established an abbreviated pathway for the approval of biosimilar and interchangeable biological products. The abbreviated regulatory pathway provides legal authority for the FDA to review and approve biosimilar biologics based on their similarity to an existing brand product, referred to as a reference product, including the possible designation of a biosimilar as interchangeable with a brand product. Under the BPCIA the approval of a biosimilar product may not be made effective by the FDA until 12 years from the date on which the reference product was first licensed. Moreover, the extent to which a biosimilar, once approved, will be substituted for any one of our reference products in a way that is similar to traditional generic substitution for non-biological drug products is not yet clear, and will depend on a number of marketplace and regulatory factors that are still developing. The BPCIA is complex and continues to be interpreted and implemented by the FDA. As a result, its ultimate impact, implementation and meaning are subject to uncertainty. In addition, the period of exclusivity provided by the BPCIA only operates against third parties seeking approval via the abbreviated pathway, but would not prevent third parties from pursuing approval via the traditional approval pathway. In addition, foreign regulatory authorities may also provide for exclusivity periods for approved biological products. For example, biological products in the EU may be eligible for at least a ten-year period of exclusivity.

Orphan Drug Designation

Under the Orphan Drug Act, the FDA may grant orphan designation to a drug or biologic intended to treat a rare disease or condition, which is a disease or condition that affects fewer than 200,000 individuals in the United States, or if it affects more than 200,000 individuals in the United States, there is no reasonable expectation that the cost of developing and making the product available in the United States for the disease or condition will be recovered from sales of the product. Orphan designation must be requested before submitting a BLA. Orphan designation does not convey any advantage in or shorten the duration of the regulatory review and approval process, though companies developing orphan products are eligible for certain incentives, including tax credits for qualified clinical testing and waiver of application fees.

If a product that has orphan designation subsequently receives the first FDA approval for the disease or condition for which it has such designation, the product is entitled to a seven-year period of marketing exclusivity during which the FDA may not approve any other applications to market the same therapeutic agent for the same indication, except in limited circumstances, such as a subsequent product's showing of clinical superiority over the product with orphan exclusivity or where the original applicant cannot produce sufficient quantities of product. Competitors, however, may receive approval of different therapeutic agents for the indication for which the orphan product has exclusivity or obtain approval for the same therapeutic agent for a

different indication than that for which the orphan product has exclusivity. Orphan product exclusivity could block the approval of one of our products for seven years if a competitor obtains approval for the same therapeutic agent for the same indication before we do, unless we are able to demonstrate that our product is clinically superior. Furthermore, if a designated orphan product receives marketing approval for an indication broader than the rare disease or condition for which it received orphan designation, it may not be entitled to orphan exclusivity.

Government Regulation Outside of the United States

To market any product outside of the United States, we would need to comply with numerous and varying regulatory requirements of other countries regarding safety and efficacy and governing, among other things, clinical trials, marketing authorization, manufacturing, commercial sales and distribution of our products. For instance, in the EEA (comprised of the 28 EU Member States plus Iceland, Liechtenstein and Norway) medicinal products must be authorized for marketing by using either the centralized authorization procedure or national authorization procedures.

Centralized procedure—Under the centralized procedure, following the opining of the EMA's Committee for Medicinal Products for Human Use, or, CHMP, the European Commission issues a single marketing authorization valid across the EEA. The centralized procedure is compulsory for human medicines derived from biotechnology processes or advanced therapy medicinal products (such as gene therapy, somatic cell therapy and tissue engineered products), products that contain a new active substance indicated for the treatment of certain diseases, such as HIV/AIDS, cancer, neurodegenerative disorders, diabetes, autoimmune diseases and other immune dysfunctions, viral diseases, and officially designated orphan medicines. For medicines that do not fall within these categories, an applicant has the option of submitting an application for a centralized marketing authorization to the EMA, as long as the medicine concerned contains a new active substance not yet authorized in the EEA, is a significant therapeutic, scientific or technical innovation, or if its authorization would be in the interest of public health in the EEA. Under the centralized procedure the maximum timeframe for the evaluation of an MAA by the EMA is 210 days, excluding clock stops, when additional written or oral information is to be provided by the applicant in response to questions asked by the CHMP. Accelerated assessment might be granted by the CHMP in exceptional cases, when a medicinal product is expected to be of a major public health interest, particularly from the point of view of therapeutic innovation. The timeframe for the evaluation of an MAA under the accelerated assessment procedure is 150 days, excluding clock stops.

National authorization procedures—There are also two other possible routes to authorize medicinal products in several countries, which are available for products that fall outside the scope of the centralized procedure:

- *Decentralized procedure.* Using the decentralized procedure, an applicant may apply for simultaneous authorization in more than one EU country of medicinal products that have not yet been authorized in any EU country and that do not fall within the mandatory scope of the centralized procedure.
- *Mutual recognition procedure.* In the mutual recognition procedure, a medicine is first authorized in one EU Member State, in accordance with the national procedures of that country. Following this, additional marketing authorizations can be sought from other EU countries in a procedure whereby the countries concerned recognize the validity of the original, national marketing authorization.

In the EEA, new products authorized for marketing (i.e., reference products) qualify for eight years of data exclusivity and an additional two years of market exclusivity upon marketing authorization. The data exclusivity period prevents generic or biosimilar applicants from relying on the preclinical and clinical trial data contained in the dossier of the reference product when applying for a generic or biosimilar marketing authorization in the EU during a period of eight years from the date on which the reference product was first authorized in the EU. The market exclusivity period prevents a successful generic or biosimilar applicant from commercializing its product in the EU until ten years have elapsed from the initial authorization of the reference product in the EU. The

ten-year market exclusivity period can be extended to a maximum of eleven years if, during the first eight years of those ten years, the marketing authorization holder obtains an authorization for one or more new therapeutic indications which, during the scientific evaluation prior to their authorization, are held to bring a significant clinical benefit in comparison with existing therapies.

The criteria for designating an "orphan medicinal product" in the EEA are similar in principle to those in the United States. In the EEA a medicinal product may be designated as orphan if (1) it is intended for the diagnosis, prevention or treatment of a life-threatening or chronically debilitating condition; (2) either (a) such condition affects no more than five in 10,000 persons in the EU when the application is made, or (b) the product, without the benefits derived from orphan status, would not generate sufficient return in the EU to justify investment; and (3) there exists no satisfactory method of diagnosis, prevention or treatment of such condition authorized for marketing in the EU, or if such a method exists, the product will be of significant benefit to those affected by the condition. Orphan medicinal products are eligible for financial incentives such as reduction of fees or fee waivers and are, upon grant of a marketing authorization, entitled to ten years of market exclusivity for the approved therapeutic indication. During this ten year orphan market exclusivity period, no marketing authorization application shall be accepted and no marketing authorization shall be granted for a similar medicinal product for the same indication. An orphan product can also obtain an additional two years of market exclusivity in the EU for pediatric studies. The ten year market exclusivity may be reduced to six years if, at the end of the fifth year, it is established that the product no longer meets the criteria for orphan designation, for example, if the product is sufficiently profitable not to justify maintenance of market exclusivity. Additionally, marketing authorization may be granted to a similar product for the same indication at any time if (i) the second applicant can establish that its product, although similar, is safer, more effective or otherwise clinically superior; (ii) the applicant consents to a second orphan medicinal product application; or (iii) the applicant cannot supply enough orphan medicinal product.

Similar to the United States, the various phases of non-clinical and clinical research in the European Union are subject to significant regulatory controls.

The Clinical Trials Directive 2001/20/EC, the Directive 2005/28/EC on Good Clinical Practice, or GCP, and the related national implementing provisions of the individual EU Member States govern the system for the approval of clinical trials in the European Union. Under this system, an applicant must obtain prior approval from the competent national authority of the EU Member States in which the clinical trial is to be conducted. Furthermore, the applicant may only start a clinical trial at a specific study site after the competent ethics committee has issued a favorable opinion. The clinical trial application must be accompanied by, among other documents, an investigational medicinal product dossier (the Common Technical Document) with supporting information prescribed by Directive 2001/20/EC, Directive 2005/28/EC, where relevant the implementing national provisions of the individual EU Member States and further detailed in applicable guidance documents.

In April 2014, the new Clinical Trials Regulation, (EU) No 536/2014 (Clinical Trials Regulation) was adopted. The Regulation is anticipated to come into application in 2019. The Clinical Trials Regulation will be directly applicable in all the EU Member States, repealing the current Clinical Trials Directive 2001/20/EC. Conduct of all clinical trials performed in the European Union will continue to be bound by currently applicable provisions until the new Clinical Trials Regulation becomes applicable. The extent to which ongoing clinical trials will be governed by the Clinical Trials Regulation will depend on when the Clinical Trials Regulation becomes applicable and on the duration of the individual clinical trial. If a clinical trial continues for more than three years from the day on which the Clinical Trials Regulation becomes applicable the Clinical Trials Regulation will at that time begin to apply to the clinical trial. The new Clinical Trials Regulation aims to simplify and streamline the approval of clinical trials in the European Union. The main characteristics of the regulation include: a streamlined application procedure via a single entry point, the "EU portal"; a single set of documents to be prepared and submitted for the application as well as simplified reporting procedures for clinical trial sponsors; and a harmonized procedure for the assessment of applications for clinical trials, which is divided in two parts. Part I is assessed by the competent authorities of all EU Member States in which an application for

authorization of a clinical trial has been submitted (Member States concerned). Part II is assessed separately by each Member State concerned. Strict deadlines have been established for the assessment of clinical trial applications. The role of the relevant ethics committees in the assessment procedure will continue to be governed by the national law of the concerned EU Member State. However, overall related timelines will be defined by the Clinical Trials Regulation.

Coverage and Reimbursement

Significant uncertainty exists as to the coverage and reimbursement status of any product candidates for which we obtain regulatory approval. In the United States and markets in other countries, sales of any products for which we receive regulatory approval for commercial sale will depend, in part, on the extent to that third-party payors provide coverage, and establish adequate reimbursement levels for such products.

In the United States, third-party payors include federal and state healthcare programs, private managed care providers, health insurers and other organizations. The process for determining whether a third-party payor will provide coverage for a product may be separate from the process for setting the price of a product or for establishing the reimbursement rate that such a payor will pay for the product. Third-party payors may limit coverage to specific products on an approved list, also known as a formulary, which might not include all of the FDA-approved products for a particular indication. Third-party payors are increasingly challenging the price, examining the medical necessity and reviewing the cost-effectiveness of medical products, therapies and services, in addition to questioning their safety and efficacy. We may need to conduct expensive pharmaco-economic studies in order to demonstrate the medical necessity and cost-effectiveness of our products, in addition to the costs required to obtain the FDA approvals. Our product candidates may not be considered medically necessary or cost-effective. A payor's decision to provide coverage for a product does not imply that an adequate reimbursement rate will be approved. Furthermore, one payor's determination to provide coverage for a product does not assure that other payors will also provide coverage for the product. Adequate third-party reimbursement may not be available to enable us to maintain price levels sufficient to realize an appropriate return on our investment in product development.

Different pricing and reimbursement schemes exist in other countries. In the EU, governments influence the price of pharmaceutical products through their pricing and reimbursement rules and control of national health care systems that fund a large part of the cost of those products to consumers. Some jurisdictions operate positive and negative list systems under which products may only be marketed once a reimbursement price has been agreed. To obtain reimbursement or pricing approval, some of these countries may require the completion of clinical trials that compare the cost-effectiveness of a particular product candidate to currently available therapies. Other member states allow companies to fix their own prices for medicines, but monitor and control company profits. The downward pressure on health care costs has become very intense. As a result, increasingly high barriers are being erected to the entry of new products. In addition, in some countries, cross-border imports from low-priced markets exert a commercial pressure on pricing within a country.

The marketability of any product candidates for which we receive regulatory approval for commercial sale may suffer if the government and third-party payors fail to provide adequate coverage and reimbursement. In addition, emphasis on managed care in the United States has increased and we expect will continue to increase the pressure on healthcare pricing. Coverage policies and third-party reimbursement rates may change at any time. Even if favorable coverage and reimbursement status is attained for one or more products for which we receive regulatory approval, less favorable coverage policies and reimbursement rates may be implemented in the future.

Employees

As of April 18, 2018, we had 59 full-time employees, including 27 with M.D. or Ph.D. degrees. Of those full-time employees, 43 are engaged in research and development. None of our employees is represented by a

labor union or covered by a collective bargaining agreement. We consider our relationship with our employees to be good.

Facilities

Our corporate headquarters are located in Cambridge, Massachusetts, where we currently lease 9,132 square feet of office and laboratory space that expires in June 2018. We also lease 6,437 square feet of office and laboratory space that expires in May 2020 and sublease 40,765 square feet of office and laboratory space that expires in September 2025, both in Cambridge, Massachusetts. We believe that our facilities are sufficient to meet the current needs of the company and that suitable space will be available as and when needed.

Legal Proceedings

We are not subject to any material legal proceedings.

MANAGEMENT

Executive Officers and Directors

The following table sets forth the name, age and position of each of our executive officers and directors as of April 18, 2018.

Name	Age	Position
Executive Officers		
Balkrishan (Simba) Gill, Ph.D.	53	President, Chief Executive Officer and Director
Mark Bodmer, Ph.D.	60	Chief Scientific Officer and President of Research and Development
Duncan McHale, M.D., Ph.D.	51	Chief Medical Officer
Jonathan Poole	43	Chief Financial Officer, Secretary and Treasurer
Directors		
Noubar B. Afeyan, Ph.D.(2)(3)	55	Chairman of the Board of Directors
Lord Ara Darzi(1)	57	Director
David R. Epstein(2)(3)	56	Director
Theodose Melas-Kyriazi(1)(2)	58	Director
David P. Perry(3)	50	Director
Nancy A. Simonian, M.D.(1)	57	Director

(1) Member of the audit committee.
(2) Member of the compensation committee.
(3) Member of the nominating and corporate governance committee.

Executive Officers

Balkrishan (Simba) Gill, Ph.D. has served as our President, Chief Executive Officer and member of our board of directors since September 2015. Dr. Gill has also served on the board of directors of Realm Therapeutics PLC since 2016, and as a Venture Partner at Flagship Pioneering, a life sciences innovation enterprise, since 2015. From 2006 to 2015, Dr. Gill served as the President and Chief Executive Officer of moksha8 Pharmaceuticals, Inc., a pharmaceutical company. Dr. Gill received his Ph.D. from King's College, London and his M.B.A. from INSEAD. We believe Dr. Gill's knowledge and experience in the venture capital and pharmaceutical industries qualify him to serve on our board of directors.

Mark Bodmer, Ph.D. has served as our Chief Scientific Officer and President of Research and Development since April 2016. From April 2015 to April 2016, Dr. Bodmer served on the board of directors of BioIndustry Association, a biotechnology trade association. From January 2012 to April 2016, Dr. Bodmer served as the Vice President of New Medicines Therapeutics at UCB S.A., a biopharmaceutical company. Dr. Bodmer received his Ph.D. from Cambridge University.

Duncan McHale, M.D., Ph.D. has served as our Chief Medical Officer since February 2018. Dr. McHale has also served as director and Chief Executive Officer at Weatherden, Ltd., a clinical development firm, since April 2017, and as a director at Excite Ventures. From September 2011 to May 2017, Dr. McHale served as the Head of Global Exploratory Development at UCB S.A., a biopharmaceutical company. Dr. McHale received his M.B.B.S. from Newcastle University and his Ph.D. in clinical genetics from the University of Leeds.

Jonathan Poole has served as our Chief Financial Officer since March 2018. Mr. Poole was Chief Financial Officer of Genocea Biosciences Inc., a biotechnology company developing neoantigen cancer vaccines, from

April 2014 to March 2018. From December 2006 to March 2014, Mr. Poole worked for Shire plc, a global biopharmaceutical company, where he was a Senior Vice President and held a number of senior roles in finance and strategic planning and portfolio management, including as leader of the finance teams supporting Shire's global business development, R&D and technical operations activities and divisional CFO and head of strategic planning and portfolio management of Shire HGT, its rare disease division. Mr. Poole received his M.B.A. from London Business School.

Directors

Noubar B. Afeyan, Ph.D. is a co-founder and has served as chairman of our board of directors since May 2014. Dr. Afeyan has served as the Chief Executive Officer of Flagship Pioneering, a life sciences innovation enterprise, since 1999. Dr. Afeyan has also served on the board of directors of Seres Therapeutics, Inc. since 2012. Dr. Afeyan has previously served on the board of directors of BG Medicine, Inc., Eleven Biotherapeutics, Inc. and BIND Therapeutics, Inc. He currently serves on several private biotechnology company boards including Moderna Therapeutics, Inc. and Rubius Therapeutics, Inc. Dr. Afeyan is a member of the corporation (board of trustees) of the Massachusetts Institute of Technology and a member of the board of overseers of the Boston Symphony Orchestra. Dr. Afeyan received his B.S. in Chemical Engineering from McGill University and his Ph.D. in Biochemical Engineering from the Massachusetts Institute of Technology. We believe that Dr. Afeyan is qualified to serve on our board of directors because of his extensive experience as an entrepreneur in the life sciences industry and his service on the boards of directors of other life sciences companies.

Professor the Lord Ara Darzi of Denham has served as a member of our board of directors since February 2018. Lord Darzi also currently serves on the board of directors of HQI Holdings Limited, Health Quality Improvement LLC, Ara Darzi Qatar Limited, SQI Limited and SPI Investments Limited. He also currently serves as the Vice Chair of the Board of Governors of Sidra Medical and Research Center, Qatar, a Council Member at the Engineering and Physical Sciences Research Council, the Executive Chair of the World Innovation Summit for Health, as the Chair of Surgery at Imperial College London and as Professor of Surgery at the Institute of Cancer Research. From 2013 to 2015, Lord Darzi served as the Vice-Dean of Health Policy and Engagement at the Imperial College of London. Lord Darzi received his Medical Degree from Trinity College. We believe Lord Darzi's extensive business experience in the biotechnology and healthcare industries qualifies him to serve on our board of directors.

David R. Epstein has served as a member of our board of directors since March 2017. Mr. Epstein also currently serves as an Executive Partner at Flagship Pioneering, a life sciences innovation enterprise, and as a director at International Flavors & Fragrances, Inc. From January 2010 to July 2016, Mr. Epstein served as Chief Executive Officer of Novartis Pharmaceuticals, a Division of Novartis AG, a pharmaceutical company. Mr. Epstein received his M.B.A. from Columbia University Graduate School of Business. We believe Mr. Epstein's extensive business experience in the biotechnology and biopharmaceutical industries qualifies him to serve on our board of directors.

Theodose Melas-Kyriazi has served as a member of our board of directors since February 2017. Mr. Melas-Kyriazi has also served as Chief Financial Officer of Levitronix Technologies LLC, a biotechnology company, since 2006. From 2003 to 2016, Mr. Melas-Kyriazi served as a director at Valeant Pharmaceuticals International, Inc. Mr. Melas-Kyriazi received his M.B.A. from Harvard Business School. We believe Mr. Melas-Kyriazi is able to make a valuable contribution to our board of directors due to his vast experience as a finance professional in the biomedical and pharmaceutical industries.

David P. Perry has served as a member of our board of directors since June 2016. Mr. Perry has also served as Chief Executive Officer, President and Director of Indigo Agriculture, Inc., a plant microbiome company, since January 2015. From March 2002 to March 2014, Mr. Perry served as a director and Chief Executive Officer of Anacor Pharmaceuticals, Inc., a pharmaceutical company. Mr. Perry received his M.B.A. from Harvard Business School. We believe Mr. Perry's extensive business experience in the biotechnology and biopharmaceutical industries qualifies him to serve on our board of directors.

Nancy A. Simonian, M.D. has served as a member of our board of directors since April 2018. Dr. Simonian has also served as President and Chief Executive Officer of Syros Pharmaceuticals, Inc., a biotechnology company, since November 2012. She has also served on the boards of directors of Syros Pharmaceuticals, Inc. since 2013 and Seattle Genetics, Inc. since March 2012. From 2001 to 2011, Dr. Simonian served as the Chief Medical Officer at Takeda Pharmaceutical Company, formerly Millennium Pharmaceuticals, Inc., a pharmaceutical company. Dr. Simonian received her M.D. from the University of Pennsylvania Medical School. We believe Dr. Simonian's extensive business experience in the biotechnology and biopharmaceutical industries qualifies her to serve on our board of directors.

Board Composition and Election of Directors

Director Independence

Our board of directors currently consists of seven members. Our board of directors has determined that, of our seven directors, Noubar B. Afeyan, Ph.D., Lord Ara Darzi, David R. Epstein, Theodose Melas-Kyriazi, David P. Perry and Nancy A. Simonian, M.D. do not have a relationship that would interfere with the exercise of independent judgement in carrying out the responsibilities of a director and that each of these directors is "independent" as that term is defined under the rules of The Nasdaq Stock Market LLC, or the Nasdaq rules. There are no family relationships among any of our directors or executive officers.

Classified Board of Directors

In accordance with our restated certificate of incorporation that will go into effect in connection with the closing of this offering, our board of directors will be divided into three classes with staggered, three-year terms. At each annual meeting of stockholders, the successors to directors whose terms then expire will be elected to serve from the time of election and qualification until the third annual meeting following election. In connection with the closing of this offering, our directors will be divided among the three classes as follows:

- the Class I directors will be Theodose Melas-Kyriazi, David P. Perry and Nancy A. Simonian, M.D., and their terms will expire at our first annual meeting of stockholders following this offering;
- the Class II directors will be Lord Ara Darzi and David R. Epstein, and their terms will expire at our second annual meeting of stockholders following this offering; and
- the Class III directors will be Noubar B. Afeyan, Ph.D. and Balkrishan (Simba) Gill, Ph.D., and their terms will expire at the third annual meeting of stockholders following this offering.

Our restated certificate of incorporation that will go into effect in connection with the closing of this offering will provide that the authorized number of directors may be changed only by resolution of the board of directors. Any additional directorships resulting from an increase in the number of directors will be distributed among the three classes so that, as nearly as possible, each class will consist of one-third of the directors. The division of our board of directors into three classes with staggered three-year terms may delay or prevent a change of our management or a change in control of our company. Our directors may be removed only for cause by the affirmative vote of the holders of at least two-thirds of our outstanding voting stock entitled to vote in the election of directors.

Board Leadership Structure

Our board of directors is currently chaired by Noubar B. Afeyan, Ph.D. Our corporate governance guidelines provide that, if the chairman of the board is a member of management or does not otherwise qualify as independent, the independent directors of the board may elect a lead director. The lead director's responsibilities would include, but would not be limited to: presiding over all meetings of the board of directors at which the chairman is not present, including any executive sessions of the independent directors; approving board meeting schedules and agendas; and acting as the liaison between the independent directors and the chief executive officer and chairman of the board. Our corporate governance guidelines further provide the flexibility for our board of directors to modify our leadership structure in the future as it deems appropriate.

Role of the Board in Risk Oversight

One of the key functions of our board of directors is informed oversight of our risk management process. Our board of directors does not have a standing risk management committee, but rather administers this oversight function directly through our board of directors as a whole, as well as through various standing committees of our board of directors that address risks inherent in their respective areas of oversight. In particular, our board of directors is responsible for monitoring and assessing strategic risk exposure and our audit committee has the responsibility to consider and discuss our major financial risk exposures and the steps our management has taken to monitor and control these exposures, including guidelines and policies to govern the process by which risk assessment and management is undertaken. Our audit committee also monitors compliance with legal and regulatory requirements. Our nominating and corporate governance committee monitors the effectiveness of our corporate governance practices, including whether they are successful in preventing illegal or improper liability-creating conduct. Our compensation committee assesses and monitors whether any of our compensation policies and programs has the potential to encourage excessive risk-taking. While each committee is responsible for evaluating certain risks and overseeing the management of such risks, our entire board of directors is regularly informed through committee reports about such risks.

Board Committees

Our board of directors has established three standing committees—audit, compensation and nominating and corporate governance—each of which operates under a charter that has been approved by our board of directors. The composition and functioning of all of our committees will comply with all applicable requirements of the Sarbanes-Oxley Act of 2002, Nasdaq rules and SEC rules and regulations. Upon our listing on The Nasdaq Global Select Market, each committee's charter will be available under the Corporate Governance section of our website at *www.evelobio.com*. The reference to our website address does not constitute incorporation by reference of the information contained at or available through our website, and you should not consider it to be a part of this prospectus.

Audit Committee

The audit committee's responsibilities include:

- appointing, approving the compensation of, and assessing the independence of our registered public accounting firm;
- overseeing the work of our registered public accounting firm, including through the receipt and consideration of reports from such firm;
- reviewing and discussing with management and the registered public accounting firm our annual and quarterly financial statements and related disclosures;
- coordinating our board of directors' oversight of our internal control over financial reporting, disclosure controls and procedures and code of business conduct and ethics;
- discussing our risk management policies;
- meeting independently with our internal auditing staff, if any, registered public accounting firm and management;
- reviewing and approving or ratifying any related person transactions; and
- preparing the audit committee report required by SEC rules.

The members of our audit committee are Lord Ara Darzi, Theodose Melas-Kyriazi and Nancy A. Simonian, M.D.. Mr. Melas-Kyriazi serves as the chairperson of the committee. All members of our audit committee meet the requirements for financial literacy under the applicable Nasdaq rules. Our board of directors has determined that Lord

Darzi, Mr. Melas-Kyriazi and Dr. Simonian meet the independence requirements of Rule 10A-3 under the Exchange Act and the applicable Nasdaq rules. Our board of directors has determined that Mr. Melas-Kyriazi is an "audit committee financial expert" as defined by applicable SEC rules and has the requisite financial sophistication as defined under the applicable Nasdaq rules.

Compensation Committee

The compensation committee's responsibilities include:

- reviewing and approving, or recommending for approval by the board of directors, the compensation of our Chief Executive Officer and our other executive officers;
- overseeing and administering our cash and equity incentive plans;
- reviewing and making recommendations to our board of directors with respect to director compensation;
- reviewing and discussing annually with management our "Compensation Discussion and Analysis," to the extent required;
- reviewing with management our major compensation-related risk exposures and the steps management has taken, or should consider taking, to monitor or mitigate such exposures; and
- preparing the annual compensation committee report required by SEC rules, to the extent required.

The members of our compensation committee are Noubar B. Afeyan, Ph.D., David R. Epstein and Theodose Melas-Kyriazi. Mr. Melas-Kyriazi serves as the chairperson of the committee. Our board of directors has determined that each of Dr. Afeyan and Messrs. Epstein and Melas-Kyriazi is independent under the applicable Nasdaq rules, including the Nasdaq rules specific to membership on the compensation committee, and is a "non-employee director" as defined in Rule 16b-3 promulgated under the Exchange Act.

Nominating and Corporate Governance Committee

The nominating and corporate governance committee's responsibilities include:

- identifying individuals qualified to become board members;
- recommending to our board of directors the persons to be nominated for election as directors and to each board committee;
- developing and recommending to our board of directors corporate governance guidelines, and reviewing and recommending to our board of directors proposed changes to our corporate governance guidelines from time to time; and
- overseeing a periodic evaluation of our board of directors.

The members of our nominating and corporate governance committee are Noubar B. Afeyan, Ph.D., David R. Epstein and David P. Perry. Dr. Afeyan serves as the chairperson of the committee. Our board of directors has determined that Dr. Afeyan and Messrs. Epstein and Perry are independent under the applicable Nasdaq rules.

Compensation Committee Interlocks and Insider Participation

No member of our compensation committee is or has been our current or former officer or employee. None of our executive officers served as a director or a member of a compensation committee (or other committee serving an equivalent function) of any other entity, one of whose executive officers served as a director or member of our compensation committee during the fiscal year ended December 31, 2017.

Code of Ethics and Code of Conduct

We have adopted a written code of business conduct and ethics that applies to our directors, officers and employees, including our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. Upon our listing on The Nasdaq Global Select Market, our code of business conduct and ethics will be available under the Corporate Governance section of our website at *www.evelobio.com*. In addition, we intend to post on our website all disclosures that are required by law or the Nasdaq rules concerning any amendments to, or waivers from, any provision of the code. The reference to our website address does not constitute incorporation by reference of the information contained at or available through our website, and you should not consider it to be a part of this prospectus.

EXECUTIVE AND DIRECTOR COMPENSATION

Executive Compensation

This section discusses the material components of the compensation program for our executive officers who are named in the 2017 Summary Compensation Table below. In 2017, our named executive officers and their positions were:

- Balkrishan (Simba) Gill, Ph.D., President, Chief Executive Officer and Director;
- Mark Bodmer, Ph.D., Chief Scientific Officer and President of Research and Development; and
- Duncan McHale, M.D., Ph.D., Chief Medical Officer.

This discussion may contain forward-looking statements that are based on our current plans, considerations, expectations and determinations regarding future compensation programs. Actual compensation programs that we adopt following the completion of this offering may differ materially from the currently planned programs summarized in this discussion.

2017 Summary Compensation Table

The following table sets forth information concerning the compensation of our named executive officers for the year ended December 31, 2017.

Name and Principal Position	Year	Salary ($)	Bonus ($)	Option Awards ($)(2)	Non-Equity Incentive Plan Compensation ($)(3)	All Other Compensation ($)	Total ($)
Balkrishan (Simba) Gill, Ph.D. *President, Chief Executive Officer and Director*	2017	437,500(4)	—	1,175,550	218,720	—	1,831,770
Mark Bodmer, Ph.D. *Chief Scientific Officer and President of Research and Development*	2017	355,000(5)	20,000	397,224	124,250	40,000(6)	936,474
Duncan McHale, M.D., Ph.D.(1) *Chief Medical Officer*	2017	12,656(1)	—	831,559	—	690(7)	844,905

(1) Dr. McHale became our employee in December 2017 and is a U.K. resident paid in pound sterling. The amounts reported for Dr. McHale and paid in pounds sterling were converted to U.S. dollars based on a spot exchange rate as of December 31, 2017 of 1.35 U.S. dollars to one pound sterling. Dr. McHale's annual base salary for 2017 was £225,000.

(2) Amounts represent the full grant-date fair value of stock options granted during 2017 computed in accordance with ASC Topic 718, rather than the amounts paid to or realized by the named executive officer. We provide information regarding the assumptions used to calculate the value of the stock options in Note 11 to our audited consolidated financial statements included in this prospectus. For Dr. Bodmer, the amount reported also includes $22,320, representing the incremental fair value, computed in accordance with ASC Topic 718 as of the modification date, of a modification made during 2017 to certain stock options held by Dr. Bodmer. For Dr. McHale, the amount shown includes stock options that were granted to him as compensation for performing services as our employee and under our supply of services agreement with Weatherden, Ltd. Refer to "—Narrative Disclosure to Summary Compensation Table—Equity Compensation" below for additional information.

(3) Amounts reported represent annual bonuses paid based upon the achievement of our corporate objectives for 2017. Refer to "—Narrative Disclosure to Summary Compensation Table—2017 Bonuses" below for additional information.
(4) Dr. Gill's annual salary increased from $400,000 to $475,000, effective July 1, 2017.
(5) Dr. Bodmer's annual salary increased from $350,000 to $360,000, effective July 1, 2017.
(6) Amount shown represents $35,600 in lease payments for a Company-provided corporate apartment in the Cambridge, Massachusetts area and $4,400 in Company-paid travel expenses. Refer to "—Named Executive Officer Employment Agreements" below for additional information.
(7) Amount shown represents $563 to pay for personal health insurance coverage and $127 in Company contributions to a group personal pension scheme initiated by the Company in accordance with Dr. McHale's employment agreement accrued for 2017. Refer to "—Narrative Disclosure to Summary Compensation Table—Other Elements of Compensation" below for additional information.

Narrative Disclosure to Summary Compensation Table

The primary elements of compensation for our named executive officers are base salary, annual performance bonuses and long-term equity-based compensation awards. The named executive officers also generally participate in employee benefit plans and programs that we offer to our other full-time employees on the same basis.

2017 Salaries

We pay our named executive officers a base salary to provide a fixed component of compensation reflecting the named executive officer's skill set, experience, role and responsibilities. Base salaries for our named executive officers have generally been set at levels deemed necessary to attract and retain the named executive officers and were originally established in each named executive officer's employment agreement or offer letter. Drs. Gill and Bodmer each received annual base salary increases effective July 1, 2017. Dr. McHale became an employee in December 2017 and did not receive any base salary increase in 2017.

The following table shows the annual base salaries of our named executive officers before and after the 2017 increases:

Name	Annual Base Salary Before Increase	Annual Base Salary After Increase
Balkrishan (Simba) Gill, Ph.D.	$ 400,000	$ 475,000
Mark Bodmer, Ph.D.	$ 350,000	$ 360,000
Duncan McHale, M.D., Ph.D.	—	£ 225,000

Dr. McHale's annual base salary was determined taking into account the expectation that he work approximately 75% of full time in performing services for the Company.

2017 Bonuses

We offer our named executive officers the opportunity to earn annual performance bonuses to compensate them for attaining short-term company and individual goals established by our board of directors. Our board of directors determines the amount of any annual performance bonus payment by multiplying the level of achievement of the applicable performance criteria by the named executive officer's target bonus percentage and the named executive officer's annual base salary earned for the year. As a result, the actual bonus earned by a named executive officer could be more or less than the named executive officer's target bonus amount. However, the maximum performance bonus attainable generally may not exceed 200% of the target bonus amount. In addition, the board of directors retains discretion to adjust the bonus amounts upward or downward based on any factors that it determines are relevant. For 2017, performance bonuses were based on attaining corporate goals relating to the overall business, including the advancement of product candidates, sustaining a leadership position in the monoclonal microbial field, capitalization, and key employee retention and recruitment.

The 2017 target bonus amounts for our named executive officers, expressed as percentages of their respective annual base salaries, were 50% for Dr. Gill and 35% for Dr. Bodmer. Dr. McHale became an employee in December 2017 and was not eligible for a 2017 performance bonus. The actual cash bonuses earned by Drs. Gill and Bodmer for 2017 performance are set forth in the Summary Compensation Table in the column titled "Non-Equity Incentive Plan Compensation."

Equity Compensation

We generally offer stock options to our named executive officers as the long-term incentive component of our compensation program. Stock options allow our employees to purchase shares of our common stock at a price equal to the fair market value on the date of grant, as determined by the board of directors. Our stock options generally vest over four years from the applicable grant date with 25% of the option vesting on the first anniversary of the grant date, and with the remainder of the shares vesting quarterly thereafter. From time to time, our board of directors has also constructed alternate vesting schedules as it determined were appropriate to motivate particular employees. Historically, our employee stock options have been intended to qualify as "incentive stock options" to the extent permitted under the Code, and may allow "early exercise" of the unvested portion in exchange for shares or restricted stock subject to the same vesting schedule as the underlying stock option.

The following table sets forth the stock option awards granted to our named executive officers in 2017:

Named Executive Officer	2017 Options Granted(#)
Balkrishan (Simba) Gill, Ph.D.	183,868
Mark Bodmer, Ph.D.	72,370
Duncan McHale, M.D., Ph.D.	123,599

These stock options were issued under our 2015 Stock Incentive Plan, or the 2015 Plan, with exercise prices equal to the fair market value of common stock on the date of grant, as determined by the board of directors. Dr. McHale received both a grant of an option to purchase 40,859 shares of our common stock for performing services under our supply of services agreement with Weatherden, Ltd. and a grant of an option to purchase 82,740 shares of common stock made in connection with his commencing employment. Refer to "—Outstanding Equity Awards at 2017 Fiscal Year End" for information regarding the vesting of the stock options issued to our named executive officers in 2017 and to "—Named Executive Officer Employment Agreements" below for additional information regarding Dr. McHale's services under the supply of services agreement with Weatherden, Ltd.

In addition, in December 2017, our board of directors amended certain stock options that had been granted to Dr. Bodmer in 2015 and 2016 subject to performance-based vesting conditions to provide that the options would instead vest in two equal installments on December 15, 2020 and December 31, 2021, subject to Dr. Bodmer's continued service through the vesting date.

In connection with this offering, our board of directors and our stockholders adopted the 2018 Plan to facilitate the grant of cash and equity incentive awards to directors, employees (including our named executive officers) and consultants of our Company and to enable our Company to obtain and retain services of these individuals, which we believe is essential to our long-term success. Refer to "Incentive Compensation Plans" below for additional information about the 2018 Plan.

Other Elements of Compensation

Retirement Plans

We maintain a 401(k) retirement savings plan for our employees, including our named executive officers, who satisfy certain eligibility requirements. Our named executive officers other than Dr. McHale are eligible to

participate in the 401(k) plan on the same terms as our full-time employees generally. During 2017, we did not provide employer matching or other contributions to employees participating in the 401(k) plan. Effective as of the first payroll period beginning on or after this offering, we intend to begin making employer matching contributions to the 401(k) plan equal to 50% of employee contributions up to a maximum of 6% of eligible compensation or $4,000 per year, whichever is less. All matching contributions vest in full upon the completion of one year of service with us. Under the terms of Dr. McHale's employment agreement, if Dr. McHale contributes an amount equal to at least 1% of his base salary annually to a group personal pension scheme initiated by us, we will contribute an additional amount to the scheme equal to 1% of his base salary annually.

Employee Benefits and Perquisites

All of our full-time employees, including our named executive officers other than Dr. McHale, are eligible to participate in our health and welfare plans, including medical and dental benefits, medical and dependent care flexible spending accounts, commuter benefits, gym reimbursement, short-term and long-term disability insurance, and life insurance to the same extent as our other full-time employees generally, subject to the terms and eligibility requirements of those plans. Under the terms of his employment agreement, Dr. McHale receives additional payments of £10,000 per year in lieu of participating in our employee welfare benefit programs. In addition, to assist with Dr. Bodmer's relocation to the Boston area, Dr. Bodmer's employment agreement entitles him to receive an allowance of $5,000 per month for temporary living and travel costs for up to 24 months after his commencing employment, payment for the legal and administrative costs associated with submission of an O-1 visa application and up to $10,000 in reimbursements for tax advisory services during each of his first two years of employment. In April 2018, our board of directors elected to extend Dr. Bodmer's entitlement to payments for temporary living and travel costs for an additional 12 months.

Outstanding Equity Awards at 2017 Fiscal Year-End

The following table summarizes the number of shares of common stock underlying outstanding equity incentive plan awards for each named executive officer as of December 31, 2017.

		Option Awards					Stock Awards	
Name	Vesting Start Date	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($)(2)
Balkrishan (Simba) Gill, Ph.D. (1)	03/23/2015	—	—	—	—	—	48,265(3)	391,777
	07/01/2015	245,853	151,688(4)	—	0.49	11/04/2025	—	—
	07/01/2016	186,549	410,410(4)	—	1.14	10/04/2026	—	—
	07/01/2017	—	183,868(4)	—	3.96	12/14/2027	—	—
Mark Bodmer Ph.D.	04/19/2016	—	—	—	—	—	114,917(3)	932,805
	—	—	—	—	—	—	36,773(5)	298,494
	07/01/2016	50,946	112,083(4)	—	1.14	10/04/2026	—	—
	—	—	23,290(6)	—	1.14	10/04/2026	—	—
	—	—	—	46,580(7)	1.14	10/04/2026	—	—
	—	—	72,370(8)	—	2.49	09/18/2027	—	—
Duncan McHale, M.D., Ph.D.	01/01/2017	—	40,859(4)	—	2.49	09/18/2027	—	—
	12/15/2017	—	82,740(4)	—	3.96	12/14/2027	—	—

(1) All stock options held by Dr. Gill will become immediately vested upon a change in control of our company (as defined in the applicable stock option agreement). Dr. Gill's stock option with a vesting start date of July 1, 2015 permits early exercise of the unvested portion of the award in exchange for restricted stock and was, therefore, fully exercisable as of December 31, 2017. The number of shares shown for this option as being exercisable and unexercisable represent the number of shares for which the option was vested and unvested as of December 31, 2017, respectively.
(2) There was no public market for our common stock as of December 31, 2017. We have calculated the market value of unvested stock awards based on an estimated value per share of our common stock of $8.12, which incorporates the retrospective fair value assessment performed for accounting purposes in connection with this offering. Refer to "Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies and Use of Estimates—Determination of the Fair Value of Common Stock" for additional information.
(3) Represents shares of restricted stock obtained upon early exercise of a stock option. The shares vest over four years with 25% vesting on the first anniversary of the vesting start date indicated and the remainder vesting quarterly thereafter.
(4) The stock option vests over four years with 25% vesting on the first anniversary of the vesting start date indicated and the remainder vesting quarterly thereafter.
(5) Represents shares of restricted stock obtained upon early exercise of a stock option. The shares vest in two equal installments on December 15, 2020 and December 31, 2021.
(6) The stock option vests in two equal installments on December 15, 2020 and December 31, 2021.
(7) The stock option vests monthly following attainment of a clinical trial milestone on or before December 31, 2019, with the first installment occurring on the first day of the first calendar month that occurs after attainment of the milestone and the final installment occurring July 1, 2020.
(8) The stock option vests as to 20% of the underlying shares on July 1, 2018, as to 5% of the underlying shares upon the completion of each three full months of service between July 1, 2018 and July 1, 2019 and as to 7.5% of the underlying shares upon the completion of each three full months of service thereafter.

Named Executive Officer Employment Agreements

We have entered into agreements with each of our named executive officers that govern the terms and conditions of their employment with us. Certain key terms of these agreements are described below.

Balkrishan (Simba) Gill, Ph.D.

We entered into an offer letter with Dr. Gill effective June 25, 2015. The offer letter entitles Dr. Gill to receive an annual base salary of at least $400,000, subject to increase from time to time by the Company and the opportunity to earn an annual bonus with a target of 50% of his annual base salary.

If we terminate Dr. Gill's employment other than for Cause, death, or Disability (as these capitalized terms are defined in his offer letter), he will be entitled to receive (a) payments equal to 12 months of his then-current base salary, payable in periodic installments over 12 months in accordance with the Company's normal payroll practices, and (b) direct payment of or reimbursement for a portion of his COBRA premiums at the Company's normal rate of contribution for employees for up to 12 months. If we terminate Dr. Gill's employment other than for Cause, death or Disability, or if Dr. Gill resigns for Good Reason (as defined in his offer letter) within 12 months following a Change of Control (as defined in his offer letter), in addition to the foregoing payments and benefits, Dr. Gill will also be entitled to accelerated vesting of all of the Company's equity or equity-based awards that are subject to time vesting conditions. Dr. Gill's right to receive severance payments and benefits is subject to his execution and non-revocation of a release of claims and his compliance with certain confidentiality obligations and restrictive covenants.

We have entered into an amendment to our offer letter with Dr. Gill that will become effective upon the consummation of this offering. The amendment provides that if we terminate Dr. Gill's employment other than

for Cause or Dr. Gill resigns for Good Reason (as such capitalized terms are defined in the amended offer letter), Dr. Gill will be entitled to receive (a) payments equal to 12 months of his then-current annual base salary, payable in periodic installments over 12 months in accordance with our normal payroll practices, and (b) direct payment of or reimbursement for a portion of his COBRA premiums at our normal rate of contribution for employees for up to 12 months. If the employment termination occurs on the date of or within 12 months following a Change in Control (as defined in the 2018 Plan), Dr. Gill will instead be entitled to receive payments equal to 18 months of his then-current annual base salary plus 150% of his target annual bonus amount, payable in periodic installments over 18 months in accordance with our normal payroll practices, direct payment of or reimbursement for a portion of his COBRA premiums at the Company's normal rate of contribution for employees for up to 18 months and immediate vesting of all unvested equity or equity-based awards under any of our equity compensation plans that vest solely based upon the passage of time. Dr. Gill's right to receive severance payments and benefits is subject to his execution and non-revocation of a release of claims and his compliance with certain confidentiality obligations and restrictive covenants.

Mark Bodmer, Ph.D.

We entered into an offer letter with Dr. Bodmer effective October 6, 2015. The offer letter entitles Dr. Bodmer to receive an annual base salary of at least $350,000, subject to increase from time to time by the Company, and the opportunity to earn an annual performance-based bonus with a target of 35% of his annual base salary. The agreement does not entitle Dr. Bodmer to any payments or benefits upon a termination of employment other than as required by law.

Duncan McHale, M.D., Ph.D.

We entered into an employment agreement with Dr. McHale effective December 15, 2017. The agreement entitles Dr. McHale to receive an annual base salary of at least £225,000, subject to increase from time to time by the Company, and the opportunity to earn an annual performance-based bonus without a specified target amount. The agreement further entitles Dr. McHale to the payments described in "—Narrative Disclosure to Summary Compensation Table—Other Elements of Compensation" above. Under the terms of his employment agreement, Dr. McHale is expected to work a minimum of 75% of full time in performing services for the Company but may be required to work additional hours, without additional pay, in order to properly perform his duties. Both the Company and Dr. McHale are required to provide three months prior notice of termination to the other, provided that the Company may elect in lieu of providing notice to pay Dr. McHale the salary he would have earned during the notice period and may terminate Dr. McHale's employment immediately upon the occurrence of certain specified events or conditions.

Prior to becoming our employee in December 2017, Dr. McHale provided services to us under the supply of services agreement with Weatherden, Ltd. described under "Certain Relationships and Related Person Transactions—Weatherden, Ltd. Agreement" below. The compensation payable to Dr. McHale for his services under this agreement was determined and paid by Weatherden, Ltd. For 2017 and all prior periods, no amount payable by us under the agreement was separately allocated to Dr. McHale's services. In addition, in September 2017, we issued Dr. McHale an option to purchase 40,859 shares of our common stock as compensation for his performing services to us under the supply services agreement. Refer to "—Outstanding Equity Awards at 2017 Fiscal Year End" for additional information regarding this stock option award.

Effective April 16, 2018, we amended Dr. McHale's employment agreement with us to provide that he will be employed as a full-time employee with a corresponding increase in annual base salary to £300,000. In addition, we have entered into an amended and restated employment agreement with Dr. McHale that will become effective upon the closing of the offering. Under the amended and restated agreement, we and Dr. McHale are each required to provide three months prior notice of termination to the other, provided that we may elect in lieu of providing notice to pay Dr. McHale the salary he would have earned during the notice period and may terminate Dr. McHale's employment immediately upon the occurrence of certain specified events or conditions. In addition, if we terminate Dr. McHale's employment under circumstances that entitle him to receive

three months prior notice (or pay in lieu of notice), then Dr. McHale will also be entitled to receive (a) payments equal to 6 months of the his then-current annual base salary, payable in periodic installments over 6 months in accordance with our normal payroll practices, and (b) £7,500 in lieu of the continuation of any contractual benefits, payable in installments over 6 months in accordance with our normal payroll practices. If the termination occurs within the 12-month period following a Change in Control (as defined in the 2018 Plan), Dr. McHale will instead be entitled to payments equal to 9 months of his then-current annual base salary plus 100% of his target annual bonus amount, payable in periodic installments over 9 months in accordance with our normal payroll practices, £10,000 in lieu of the continuation of any contractual benefits, payable in installments over 9 months in accordance with our normal payroll practices, and immediate vesting of all unvested equity or equity-based awards under any of our equity compensation plans that vest solely based upon the passage of time. Dr. McHale's right to receive severance payments and benefits is subject to his execution and non-revocation of a release of claims and his compliance with certain confidentiality obligations and restrictive covenants.

Recent Changes in Executive Compensation

In April 2018, our board of directors approved certain changes to our named executive officers' compensation arrangements, as described in more detail below.

Annual Base Salaries

Our board of directors approved increases to Dr. Gill's annual base salary to $489,300 effective April 16, 2018 and to $500,000 effective upon consummation of this offering. In addition, our board of directors approved Dr. McHale's engagement as a full-time employee and a corresponding increase in his annual base salary to £300,000, effective April 16, 2018.

Target Bonuses

Our board of directors approved 2018 target annual bonus amounts for our named executive officers of 50% of his base salary for Dr. Gill, 40% of his base salary Dr. Bodmer, and 30% of his base salary for Dr. McHale, effective upon the consummation of this offering.

Equity Incentive Awards

Effective April 4, 2018, our board of directors granted the following options to purchase shares of our common stock under the 2015 Plan to our named executive officers:

Named Executive Officer	Number of Options(#)
Balkrishan (Simba) Gill, Ph.D.	279,479
Mark Bodmer, Ph.D.	92,546
Duncan McHale, M.D., Ph.D.	120,310

These options have an exercise price of $10.48 per share, which our board of directors determined was the fair market value of our common stock on the date of grant. The options granted to Drs. Bodmer and McHale vest as to 25% of the underlying shares on April 4, 2019 and as to the remaining shares in equal quarterly installments over the following three years. Dr. Gill received an option to purchase 144,643 shares that vests in two equal installments occurring on March 21, 2022 and March 21, 2023, and an option to purchase 134,836 shares that vests as to 25% of the shares on March 21, 2019 and as to the remaining shares in equal quarterly installments over the following three years.

In addition, effective on the date that the registration statement of which this prospectus forms a part becomes effective, our board of directors has approved grants to our named executive officers of the following options to purchase shares of our common stock under the 2018 Plan:

Named Executive Officer	Number of Options(#)
Balkrishan (Simba) Gill, Ph.D	145,869
Mark Bodmer, Ph.D	55,437
Duncan McHale, M.D., Ph.D	79,052

These options have an exercise price equal to the initial public offering price of our common stock and will vest and become exercisable as to 25% of the underlying shares on the first anniversary of the effective date of grant and as to the remaining shares in equal quarterly installments over the following three years.

Evelo Biosciences, Inc. Executive Severance Plan

Our board of directors adopted an Executive Severance Plan, which we refer to as the Severance Plan, effective upon the consummation of this offering. Under the Severance Plan, if we terminate the employment of certain of our employees, including Dr. Bodmer, without Cause or if the employee resigns for Good Reason (as such capitalized terms are defined in the Severance Plan), the employee will be entitled to receive (a) payments equal to 9 months of the employee's then-current annual base salary, payable in periodic installments over 9 months in accordance with our normal payroll practices, and (b) direct payment of or reimbursement for a portion of the employee's COBRA premiums at our normal rate of contribution for employees for up to 9 months. If the employment termination occurs on the date of or within 12 months following a Change in Control (as defined in the 2018 Plan), the employee will instead be entitled to receive payments equal to 12 months of the employee's then-current annual base salary plus 100% of the employee's target annual bonus amount, payable in periodic installments over 12 months in accordance with our normal payroll practices, direct payment of or reimbursement for a portion of the employee's COBRA premiums at our normal rate of contribution for employees for up to 12 months and immediate vesting of all unvested equity or equity-based awards under any of our equity compensation plans that vest solely based upon the passage of time. The right to receive severance payments and benefits is subject to an employee's execution and non-revocation of a release of claims and compliance with certain confidentiality obligations and restrictive covenants. Our board of directors has reserved the right to modify or terminate the Severance Plan at any time, except that no modification or termination may affect the rights of an employee to claim benefits under the Severance Plan for a termination of employment occurring prior to the date of the modification or termination and the Severance Plan may not be amended or modified during the 12 months following a Change in Control (as defined in the 2018 Plan) in a way that adversely affects a participant's rights.

Director Compensation

Directors who are also our employees do not receive additional compensation for their service as directors. Certain of our non-employee directors have historically received awards of our stock options as compensation for their service as directors.

Recent Developments Regarding Director Compensation

In April 2018, we granted Lord Ara Darzi, who joined our board of directors in February 2018, an option to purchase 63,741 shares of our common stock under our 2015 Plan for an exercise price $10.48, which our board of directors determined was the fair market value per share of common stock on the date of grant. The option will vest and become exercisable as to 25% of the underlying shares on February 2, 2019 and as to the remaining shares in equal quarterly installments over the following three years. In addition, effective on the date that the registration statement of which this prospectus forms a part becomes effective, we granted Nancy A. Simonian, M.D, who joined our board of directors in April 2018, an option to purchase 31,380 shares of our common stock under our 2018 Plan for an exercise price equal to the initial public offering price of our common stock. The option will vest and become exercisable in 36 equal monthly installments following the effective date of grant.

Effective on the effectiveness of the registration statement of which this prospectus forms a part, we adopted and, prior to commencing this offering, our stockholders approved a compensation program for our non-employee directors under which each non-employee director will receive the following amounts for their services on our board of directors:

- an option to purchase 31,380 shares of our common stock upon the director's initial election or appointment to our board of directors that occurs after our initial public offering,
- if the director has served on our board of directors for at least six months as of the date of an annual meeting of stockholders, an option to purchase 15,690 shares of our common stock on the date of the annual meeting,
- an annual director fee of $35,000, and
- if the director serves on a committee of our board of directors or in the other capacities stated below, an additional annual fee as follows:
    - chairman of the board or lead independent director, $30,000,
    - chairman of the audit committee, $15,000,
    - audit committee member other than the chairman, $7,500,
    - chairman of the compensation committee, $10,000,
    - compensation committee member other than the chairman, $5,000,
    - chairman of the nominating and corporate governance committee, $8,000, and
    - nominating and corporate governance committee member other than the chairman, $4,000.

Stock options granted to our non-employee directors under the program will have an exercise price equal to the fair market value of our common stock on the date of grant and will expire not later than ten years after the date of grant. The stock options granted upon a director's initial election or appointment will vest in thirty-six (36) substantially equal monthly installments following the date of grant. The stock options granted annually to directors will vest in a single installment on the earlier of the day before the next annual meeting or the first anniversary of the date of grant. In addition, all unvested stock options will vest in full upon the occurrence of a change in control.

Director fees under the program will be payable in arrears in four equal quarterly installments not later than the fifteenth day following the final day of each calendar quarter, provided that the amount of each payment will be prorated for any portion of a quarter that a director is not serving on our board and no fee will be payable in respect of any period prior to the effective date of the registration statement of which this prospectus is a part.

2017 Director Compensation Table

The following table sets forth in summary form information concerning the compensation that was earned by or paid to each of our non-employee directors during the year that ended December 31, 2017:

Name	Option Awards ($)(1)	Total ($)
Noubar B. Afeyan, Ph.D.	—	—
David A. Berry, M.D., Ph.D.(2)	—	—
David R. Epstein	$219,800	$ 219,800
Theodose Melas-Kyriazi	$125,994	$ 125,994
David P. Perry	$230,403	$ 230,403
Mark Pruzanski(3)	—	—

(1) Amounts represent the full grant-date fair value of stock options granted during 2017 computed in accordance with ASC Topic 718, rather than the amounts paid to or realized by the named individual. We provide information regarding the assumptions used to calculate the value of the stock options in Note 11 to our audited consolidated financial statements included in this prospectus.
(2) David A. Berry, M.D., Ph.D. resigned from our board of directors in February 2018.
(3) Mark Pruzanski resigned from our board of directors in January 2017.

The table below shows the aggregate numbers of option awards (exercisable and unexercisable) and unvested stock awards held as of December 31, 2017 by each non-employee director as of December 31, 2017.

Name	Options Awards Outstanding at Fiscal Year End (#)
Noubar B. Afeyan, Ph.D.	—
David A. Berry, M.D., Ph.D.(1)	—
David R. Epstein	98,063
Theodose Melas-Kyriazi	56,386
David P. Perry	35,793
Mark Pruzanski(2)	—

(1) David A. Berry, M.D., Ph.D. resigned from our board of directors in February 2018.
(2) Mark Pruzanski resigned from our board of directors in January 2017.

Incentive Compensation Plans

The following summarizes the material terms of the long-term incentive compensation plans in which our named executive officers will be eligible to participate following the consummation of this offering and the 2015 Plan, under which we have previously made periodic grants of equity and equity-based awards to our named executive officers and other key employees.

2015 Stock Incentive Plan

Our board of directors and stockholders have approved the 2015 Plan, under which we may grant stock options, stock appreciation rights, restricted stock, restricted stock units and other stock-based awards to employees, directors and consultants of our company. A total of 5,417,044 shares of our common stock have been authorized for issuance under the 2015 Plan.

Following the effectiveness of the 2018 Plan, we will not make any further grants under the 2015 Plan. However, the 2015 Plan will continue to govern the terms and conditions of the outstanding awards granted under it. Shares of our common stock subject to awards granted under the 2015 Plan that are forfeited, lapse unexercised or are settled in cash and which following the effective date of the 2015 Plan are not issued under the 2015 Plan will be available for issuance under the 2018 Plan.

Administration

Our board of directors administers the 2015 Plan and has the authority to: (i) grant awards; (ii) adopt, amend and repeal administrative rules, guidelines and practices relating to the 2015 Plan; (iii) construe and interpret the 2015 Plan and any award agreements thereunder; and (iv) correct any defect, supply any omission or reconcile any inconsistency in the 2015 Plan or any award. The board of directors may delegate its authority under the 2015 Plan to one or more committees or subcommittees.

Types of Awards; Eligibility

The 2015 Plan provides for the grant of stock options, stock appreciation rights, restricted stock, restricted stock units and other stock-based awards to employees, officers, directors and consultants of our company and its qualifying parents and subsidiaries. Currently, only stock options and awards of restricted stock are outstanding under the 2015 Plan.

Certain Transactions

If certain changes are made in, or events occur with respect to, our common stock, the 2015 Plan and outstanding awards will be adjusted in the class, number and, as applicable, exercise price of securities as determined by the board of directors. In the event of certain corporate transactions of our company, including a merger, consolidation, sale of our common stock, or our liquidation or dissolution, our board of directors may take the following actions as to options outstanding under the 2015 Plan: (i) provide that such awards will be assumed or substantially equivalent awards substituted, (ii) upon written notice to participants, provide that unexercised awards will terminate unless exercised, (iii) provide that outstanding awards will become exercisable, (iv) if the transaction involves cash payments in exchange for the sale of our common stock, terminate awards for a cash payment equal to the excess of the transaction price of the underlying shares over the exercise price of the applicable award, (v) provide that, in connection with our liquidation or dissolution, awards will convert into a right to receive liquidation proceeds and (vi) any combination of the foregoing.

Amendment and Termination

The board of directors may amend outstanding awards under the 2015 Plan, including by reducing the exercise price per share of the award, without participant consent and may amend, suspend or terminate the 2015 Plan; provided in each case, that any amendment, suspension or termination does not materially or adversely affect the rights of participants holding outstanding awards under the 2015 Plan. Any modification or amendment that requires stockholder approval under applicable law or, with respect to incentive stock options, or ISOs, Section 422 of the Code may not be effected without approval by the company's stockholders.

2018 Incentive Award Plan

Our board of directors adopted and our stockholders approved, effective the day prior to the first public trading date of our common stock, the 2018 Plan, under which we may grant cash and equity-based incentive awards to eligible service providers in order to attract, retain and motivate the persons who make important contributions to our company. The material terms of the 2018 Plan are summarized below.

Eligibility and Administration

Our employees, consultants and directors will be eligible to receive awards under the 2018 Plan. The 2018 Plan will be administered by our board of directors, which may delegate its duties and responsibilities to one or more committees of our directors and/or officers (referred to collectively as the plan administrator below), subject to the limitations imposed under the 2018 Plan, Section 16 of the Exchange Act, stock exchange rules and other applicable laws. The plan administrator will have the authority to take all actions and make all determinations under the 2018 Plan, to interpret the 2018 Plan and award agreements and to adopt, amend and repeal rules for the administration of the 2018 Plan as it deems advisable. The plan administrator will also have the authority to grant awards, determine which eligible service providers receive awards and set the terms and conditions of all awards under the 2018 Plan, including any vesting and vesting acceleration provisions, subject to the conditions and limitations in the 2018 Plan.

Shares Available for Awards

An aggregate of 1,344,692 shares of our common stock will initially be available for issuance under the 2018 Plan. The number of shares initially available for issuance will be increased by an annual increase on

January 1 of each calendar year beginning in 2019 and ending in and including 2028, equal to the lesser of (A) 4% of the shares of common stock outstanding on the final day of the immediately preceding calendar year and (B) a smaller number of shares determined by our board of directors. No more than 18,141,701 shares of common stock may be issued under the 2018 Plan upon the exercise of incentive stock options. The foregoing numbers are subject to adjustment in certain events, as described below. Shares issued under the 2018 Plan may be authorized but unissued shares, shares purchased on the open market or treasury shares.

If an award under the 2018 Plan or the 2015 Plan expires, lapses or is terminated, exchanged for cash, surrendered, repurchased, canceled without having been fully exercised or forfeited, any unused shares subject to the award will, as applicable, become or again be available for new grants under the 2018 Plan. Awards granted under the 2018 Plan in substitution for any options or other stock or stock-based awards granted by an entity before the entity's merger or consolidation with us or our acquisition of the entity's property or stock will not reduce the shares available for grant under the 2018 Plan, but will count against the maximum number of shares that may be issued upon the exercise of incentive stock options.

Awards

The 2018 Plan provides for the grant of stock options, including incentive stock options, or ISOs, and nonqualified stock options, or NSOs, stock appreciation rights, or SARs, restricted stock, dividend equivalents, restricted stock units, or RSUs, and other stock or cash based awards. Certain awards under the 2018 Plan may constitute or provide for payment of "nonqualified deferred compensation" under Section 409A of the Code. All awards under the 2018 Plan will be set forth in award agreements, which will detail the terms and conditions of awards, including any applicable vesting and payment terms and post-termination exercise limitations. A brief description of each award type follows.

- *Stock Options and SARs.* Stock options provide for the purchase of shares of our common stock in the future at an exercise price set on the grant date. ISOs, by contrast to NSOs, may provide tax deferral beyond exercise and favorable capital gains tax treatment to their holders if certain holding period and other requirements of the Code are satisfied. SARs entitle their holder, upon exercise, to receive from us an amount equal to the appreciation of the shares subject to the award between the grant date and the exercise date. The plan administrator will determine the number of shares covered by each option and SAR, the exercise price of each option and SAR and the conditions and limitations applicable to the exercise of each option and SAR. The exercise price of a stock option or SAR will not be less than 100% of the fair market value of the underlying share on the grant date (or 110% in the case of ISOs granted to certain significant stockholders), except with respect to certain substitute awards granted in connection with a corporate transaction. The term of a stock option or SAR may not be longer than ten years (or five years in the case of ISOs granted to certain significant stockholders).
- *Restricted Stock and RSUs.* Restricted stock is an award of nontransferable shares of our common stock that remain forfeitable unless and until specified conditions are met and which may be subject to a purchase price. RSUs are contractual promises to deliver shares of our common stock in the future, which may also remain forfeitable unless and until specified conditions are met and may be accompanied by the right to receive the equivalent value of dividends paid on shares of our common stock prior to the delivery of the underlying shares. The plan administrator may provide that the delivery of the shares underlying RSUs will be deferred on a mandatory basis or at the election of the participant. The terms and conditions applicable to restricted stock and RSUs will be determined by the plan administrator, subject to the conditions and limitations contained in the 2018 Plan.
- *Other Stock or Cash Based Awards.* Other stock or cash based awards are awards of cash, fully vested shares of our common stock and other awards valued wholly or partially by referring to, or otherwise based on, shares of our common stock or other property. Other stock or cash based awards may be granted to participants and may also be available as a payment form in the settlement of other awards, as standalone payments and as payment in lieu of compensation to which a participant is otherwise entitled.

The plan administrator will determine the terms and conditions of other stock or cash based awards, which may include any purchase price, performance goal, transfer restrictions and vesting conditions.

Performance Criteria

The plan administrator may select performance criteria for an award to establish performance goals for a performance period. Performance criteria under the 2018 Plan may include, but are not limited to, the following: net earnings or losses (either before or after one or more of interest, taxes, depreciation, amortization, and non-cash equity-based compensation expense); gross or net sales or revenue or sales or revenue growth; net income (either before or after taxes) or adjusted net income; profits (including but not limited to gross profits, net profits, profit growth, net operation profit or economic profit), profit return ratios or operating margin; budget or operating earnings (either before or after taxes or before or after allocation of corporate overhead and bonus); cash flow (including operating cash flow and free cash flow or cash flow return on capital); return on assets; return on capital or invested capital; cost of capital; return on stockholders' equity; total stockholder return; return on sales; costs, reductions in costs and cost control measures; expenses; working capital; earnings or loss per share; adjusted earnings or loss per share; price per share or dividends per share (or appreciation in or maintenance of such price or dividends); regulatory achievements or compliance; implementation, completion or attainment of objectives relating to research, development, regulatory, commercial, or strategic milestones or developments; market share; economic value or economic value added models; division, group or corporate financial goals; customer satisfaction/growth; customer service; employee satisfaction; recruitment and maintenance of personnel; human resources management; supervision of litigation and other legal matters; strategic partnerships and transactions; financial ratios (including those measuring liquidity, activity, profitability or leverage); debt levels or reductions; sales-related goals; financing and other capital raising transactions; cash on hand; acquisition activity; investment sourcing activity; and marketing initiatives, any of which may be measured in absolute terms or as compared to any incremental increase or decrease. Such performance goals also may be based solely by reference to the company's performance or the performance of a subsidiary, division, business segment or business unit of the company or a subsidiary, or based upon performance relative to performance of other companies or upon comparisons of any of the indicators of performance relative to performance of other companies. When determining performance goals, the plan administrator may provide for exclusion of the impact of an event or occurrence which the plan administrator determines should appropriately be excluded, including, without limitation, non-recurring charges or events, acquisitions or divestitures, changes in the corporate or capital structure, events unrelated to the business or outside of the control of management, foreign exchange considerations, and legal, regulatory, tax or accounting changes.

Certain Transactions

In connection with certain corporate transactions and events affecting our common stock, including a change in control, or change in any applicable laws or accounting principles, the plan administrator has broad discretion to take action under the 2018 Plan to prevent the dilution or enlargement of intended benefits, facilitate the transaction or event or give effect to the change in applicable laws or accounting principles. This includes canceling awards for cash or property, accelerating the vesting of awards, providing for the assumption or substitution of awards by a successor entity, adjusting the number and type of shares subject to outstanding awards and/or with respect to which awards may be granted under the 2018 Plan and replacing or terminating awards under the 2018 Plan. In addition, in the event of certain non-reciprocal transactions with our stockholders, the plan administrator will make equitable adjustments to the 2018 Plan and outstanding awards as it deems appropriate to reflect the transaction.

Provisions of the 2018 Plan Relating to Director Compensation

The 2018 Plan provides that the plan administrator may establish compensation for non-employee directors from time to time subject to the 2018 Plan's limitations. Prior to commencing this offering, our stockholders approved the initial terms of a compensation program for our non-employee directors, which is described under

"—Director Compensation." Our board of directors or its authorized committee may modify the non-employee director compensation program from time to time in the exercise of its business judgment, taking into account such factors, circumstances and considerations as it shall deem relevant from time to time, provided that the sum of any cash compensation or other compensation and the grant date fair value of any equity awards granted under the 2018 Plan as compensation for services as a non-employee director during any fiscal year may not exceed $750,000 in the fiscal year of a non-employee director's initial service as a non-employee director or $320,000 in any subsequent fiscal year. The plan administrator may make exceptions to this limit for individual non-employee directors in extraordinary circumstances, as the plan administrator may determine in its discretion, subject to the limitations in the 2018 Plan.

Plan Amendment and Termination

Our board of directors may amend or terminate the 2018 Plan at any time; however, no amendment, other than an amendment that increases the number of shares available under the 2018 Plan, may materially and adversely affect an award outstanding under the 2018 Plan without the consent of the affected participant and stockholder approval will be obtained for any amendment to the extent necessary to comply with applicable laws. Further, the plan administrator cannot, without the approval of our stockholders, amend any outstanding stock option or SAR to reduce its price per share, other than in the context of corporate transactions or equity restructurings, as described above. The 2018 Plan will remain in effect until the tenth anniversary of its effective date, unless earlier terminated by our board of directors. No awards may be granted under the 2018 Plan after its termination.

Foreign Participants, Claw-Back Provisions, Transferability and Participant Payments

The plan administrator may modify awards granted to participants who are foreign nationals or employed outside the United States or establish sub-plans or procedures to address differences in laws, rules, regulations or customs of such foreign jurisdictions. All awards will be subject to any company claw-back policy as set forth in such claw-back policy, the 2018 Plan or the applicable award agreement. Except as the plan administrator may determine or provide in an award agreement, awards under the 2018 Plan are generally non-transferrable, except by will or the laws of descent and distribution, or, subject to the plan administrator's consent, pursuant to a domestic relations order, and are generally exercisable only by the participant. With regard to tax withholding obligations arising in connection with awards under the 2018 Plan, and exercise price obligations arising in connection with the exercise of stock options under the 2018 Plan, the plan administrator may, in its discretion, accept cash, wire transfer or check, shares of our common stock that meet specified conditions, a promissory note, a "market sell order," such other consideration as the plan administrator deems suitable or any combination of the foregoing.

2018 Employee Stock Purchase Plan

Our board of directors and stockholders have approved, effective the day prior to the first public trading date of our common stock, the 2018 Employee Stock Purchase Plan, or the 2018 ESPP. The material terms of the 2018 ESPP are summarized below.

Shares Available for Awards; Administration

A total of 336,356 shares of our common stock will initially be reserved for issuance under the 2018 ESPP. In addition, the number of shares available for issuance under the 2018 ESPP will be annually increased on January 1 of each calendar year beginning in 2020 and ending in and including 2028, by an amount equal to the lesser of (A) 1% of the shares outstanding on the final day of the immediately preceding calendar year and (B) such smaller number of shares as is determined by our board of directors, provided that no more than 4,535,425 shares of our common stock may be issued under the 2018 ESPP. The foregoing numbers are subject to adjustment in certain events, as described below. Our board of directors or a committee of our board of directors will have authority to interpret the terms of the 2018 ESPP and determine eligibility of participants. We expect that the compensation committee will be the initial administrator of the 2018 ESPP.

Eligibility

Our employees are eligible to participate in the 2018 ESPP if they are customarily employed by us or a participating subsidiary for more than twenty hours per week and more than five months in any calendar year. However, an employee may not be granted rights to purchase stock under our 2018 ESPP if the employee, immediately after the grant, would own (directly or through attribution) stock possessing 5% or more of the total combined voting power or value of all classes of our stock.

Grant of Rights

The 2018 ESPP is intended to qualify under Section 423 of the Code and stock will be offered under the 2018 ESPP during offering periods. The length of the offering periods under the 2018 ESPP will be determined by the plan administrator and may be up to twenty-seven months long. Employee payroll deductions will be used to purchase shares on each purchase date during an offering period. The purchase dates for each offering period will be the final trading day in the offering period. Offering periods under the 2018 ESPP will commence when determined by the plan administrator. The plan administrator may, in its discretion, modify the terms of future offering periods.

The 2018 ESPP permits participants to purchase common stock through payroll deductions of up to a specified percentage of their eligible compensation, which includes a participant's gross base compensation for services to us, including overtime payments and excluding sales commissions, incentive compensation, bonuses, expense reimbursements, fringe benefits and other special payments. The plan administrator will establish a maximum number of shares that may be purchased by a participant during any offering period. In addition, no employee will be permitted to accrue the right to purchase stock under the 2018 ESPP at a rate in excess of $25,000 worth of shares during any calendar year during which such a purchase right is outstanding (based on the fair market value per share of our common stock as of the first day of the offering period).

On the first trading day of each offering period, each participant will automatically be granted an option to purchase shares of our common stock. The option will expire at the end of the applicable offering period and will be exercised at that time to the extent of the payroll deductions accumulated during the offering period. The purchase price of the shares will be determined by the administrator but will not be less than 85% of the lower of the fair market value of our common stock on the first trading day of the offering period or on the purchase date. Participants may voluntarily end their participation in the 2018 ESPP at any time at least one week prior to the end of the applicable offering period, and will be paid their accrued payroll deductions that have not yet been used to purchase shares of common stock. Participation ends automatically upon a participant's termination of employment.

A participant may not transfer rights granted under the 2018 ESPP other than by will or the laws of descent and distribution.

Certain Transactions

In the event of certain non-reciprocal transactions or events affecting our common stock known as "equity restructurings," the plan administrator will make equitable adjustments to the 2018 ESPP and outstanding rights. In the event of certain unusual or non-recurring events or transactions, including a change in control, the plan administrator may provide for (1) either the replacement of outstanding rights with other rights or property or termination of outstanding rights in exchange for cash, (2) the assumption or substitution of outstanding rights by the successor or survivor corporation or parent or subsidiary thereof, if any, (3) the adjustment in the number and type of shares of stock subject to outstanding rights, (4) the use of participants' accumulated payroll deductions to purchase stock on a new purchase date prior to the next scheduled purchase date and termination of any rights under ongoing offering periods or (5) the termination of all outstanding rights.

Plan Amendment

The plan administrator may amend, suspend or terminate the 2018 ESPP at any time. However, stockholder approval will be obtained for any amendment that increases the aggregate number or changes the type of shares that may be sold pursuant to rights under the 2018 ESPP, changes the corporations or classes of corporations whose employees are eligible to participate in the 2018 ESPP or changes the 2018 ESPP in any manner that would cause the 2018 ESPP to no longer be an employee stock purchase plan within the meaning of Section 423(b) of the Code.

CERTAIN RELATIONSHIPS AND RELATED PERSON TRANSACTIONS

The following is a summary of each transaction or series of transactions since January 1, 2015, or any currently proposed transaction, to which we have been a party or are a party in which the amount involved exceeded or will exceed $120,000, and in which any of our directors, executive officers or, to our knowledge, beneficial owners of more than 5% of our capital stock or any member of the immediate family of any of the foregoing persons had or will have a direct or indirect material interest, other than equity and other compensation, termination, change in control and other arrangements, which are described under "Executive and Director Compensation." We also describe below certain other transactions with our directors, executive officers and stockholders.

Preferred Stock Financings and Convertible Note Financing

Convertible Note. On February 19, 2015, we issued a convertible promissory note to Flagship Ventures Fund V, L.P. in the principal amount of $1.0 million.

Series A Preferred Stock Financing. From June 29, 2015 to January 29, 2016, we issued and sold to investors in private placements an aggregate of 13,370,279 shares of our Series A preferred stock at a purchase price of $0.60 per share, for aggregate consideration of approximately $8.0 million, consisting of $7.0 million in cash proceeds plus the conversion of our promissory note in the principal amount of $1.0 million plus $22,167 in accrued interest.

Series A-1 Preferred Stock Financing. On June 16, 2016, in connection with our acquisition of Epiva, we issued and sold to investors in a private placement an aggregate of 10,102,055 shares of our Series A-1 preferred stock at a purchase price of $0.60 per share, for aggregate consideration of approximately $6.1 million.

Series A-2 Preferred Stock Financing. From June 13, 2016 to December 8, 2016, we issued and sold to investors in private placements an aggregate of 5,833,334 shares of our Series A-2 preferred stock at a purchase price of $1.20 per share, for aggregate consideration of approximately $7.0 million.

Series A-3 Preferred Stock Financing. On June 16, 2016, in connection with our acquisition of Epiva, we issued and sold to investors in a private placement an aggregate of 8,749,650 shares of our Series A-3 preferred stock at a purchase price of $1.20 per share, for aggregate consideration of approximately $10.5 million.

Series B Preferred Stock Financing. From January 5, 2017 to January 30, 2018, we issued and sold to investors in private placements an aggregate of 28,027,778 shares of our Series B preferred stock at a purchase price of $1.80 per share, for aggregate consideration of approximately $50.7 million.

Series C Preferred Stock Financing. From February 9, 2018 to March 9, 2018, we issued and sold to investors in private placements an aggregate of 25,232,199 shares of our Series C preferred stock at a purchase price of $3.23 per share, for aggregate consideration of approximately $81.5 million.

The following table sets forth the aggregate number of shares of our capital stock acquired by beneficial owners of more than 5% of our capital stock in the financing transactions described above. Each share of each of our Series A preferred stock, Series A-1 preferred stock, Series A-2 preferred stock, Series A-3 preferred stock, Series B preferred stock and Series C preferred stock identified in the following table will convert into shares of common stock in connection with the closing of this offering.

Participants	Series A Preferred Stock	Series A-1 Preferred Stock	Series A-2 Preferred Stock	Series A-3 Preferred Stock	Series B Preferred Stock	Series C Preferred Stock
5% or Greater Stockholders[1]						
Entities affiliated with Flagship Pioneering	12,536,945	10,102,055	5,416,667	8,333,000	18,611,110	4,643,963
Entities affiliated with FMR	—	—	—	—	—	7,739,938

(1) Additional details regarding these stockholders and their equity holdings are provided in this prospectus under the caption "Principal Stockholders."

One of our directors is associated with our principal stockholders as indicated in the table below:

Director	Principal Stockholder
Noubar B. Afeyan, Ph.D.	Entities affiliated with Flagship Pioneering

Investors' Rights Agreement

We entered into a fourth amended and restated investors' rights agreement in February 2018 with the holders of our preferred stock, including entities with which certain of our directors are affiliated. The agreement provides for certain rights relating to the registration of such holders' common stock, including shares issuable upon conversion of preferred stock, and a right of first refusal to purchase future securities sold by us. See "Description of Capital Stock—Registration Rights" for additional information. Certain provisions of our investors rights agreement will terminate upon the closing of this offering.

Voting Agreement

We entered into a fourth amended and restated voting agreement in February 2018, as amended on April 11, 2018, by and among us and certain of our stockholders, pursuant to which certain directors were elected to serve as members on our board of directors and, as of the date of this prospectus, the directors so serving are: Noubar B. Afeyan, Ph.D., M.D., Ph.D., Professor the Lord Ara Darzi, David R. Epstein, Balkrishan (Simba) Gill, Ph.D., Theodose Melas-Kyriazi, David P. Perry and Nancy A. Simonian, M.D. Pursuant to the voting agreement, Dr. Gill was initially selected to serve on our board of directors in his capacity as our Chief Executive Officer. Dr. Afeyan was initially selected to serve on our board of directors as a representative of holders of our preferred stock, as designated by entities affiliated with Flagship Pioneering. Lord Darzi, Messrs. Epstein, Melas-Kyriazi and Perry and Dr. Simonian were selected to serve on our board of directors as independent directors, as designated by the holders of a majority of the voting power of the outstanding shares of preferred stock, voting together as a single class.

The above provision of the voting agreement will terminate upon the closing of this offering, and members previously elected to our board of directors pursuant to this agreement will continue to serve as directors until they resign, are removed or their successors are duly elected by the holders of our common stock. The composition of our board of directors after this offering is described in more detail under "Management—Board Composition and Election of Directors."

Employment Agreements

We plan to enter into employment agreements with our named executive officers. For more information regarding the agreements with our named executive officers, see "Executive and Director Compensation— Executive Officer Employment Agreements."

Indemnification Agreements

We intend to enter into indemnification agreements with each of our directors and executive officers. These agreements, among other things, may require us to indemnify each director (and in certain cases their related venture capital funds) and executive officer to the fullest extent permitted by Delaware law, including indemnification of expenses such as attorneys' fees, judgments, fines and settlement amounts incurred by the director or executive officer in any action or proceeding, including any action or proceeding by or in right of us, arising out of the person's services as a director or executive officer. For further information, see "Executive and Director Compensation—Limitations of Liability and Indemnification."

Stock Option Grants to Executive Officers and Directors

We have granted stock options to our executive officers and certain of our directors as more fully described in the section entitled "Executive and Director Compensation."

Flagship Services Agreement

In May 2014, we entered into a services agreement with Flagship Ventures Management, Inc., an affiliate of certain beneficial owners of more than 5% of our capital stock, to provide general and administrative services, including employee health and dental benefit plan administration and consulting services. We made payments under the agreement of $7,946, $208,575 and $549,664 during the years ended December 31, 2017, 2016 and 2015, respectively.

Epiva Acquisition

On June 16, 2016, we acquired Epiva, a privately held research company, resulting in the exchange of all shares of Epiva stock for shares of our stock at an exchange rate of 1-for-0.8333 for Epiva preferred stock and 1-for-0.2043 for Epiva common stock. In connection with the acquisition, we issued shares of our stock to certain beneficial owners of more than 5% of our capital stock, including entities affiliated with certain of our directors. For further information, see "Management's Discussion and Analysis of Financial Condition and Results of Operations."

Weatherden, Ltd. Agreement

In January 2017, we entered into a supply of services agreement with Weatherden, Ltd. for clinical advisory services, or the Weatherden agreement. In July 2017, we entered into an amendment to the Weatherden agreement to provide for additional initial clinical operations support. Weatherden, Ltd. is an affiliate of Dr. Duncan McHale, one of our executive officers. We made payments under the agreement of $304,863 during the year ended December 31, 2017. As of December 31, 2017, the amount due to Weatherden, Ltd. under the agreement was $160,650.

Participation in This Offering

Certain of our existing stockholders, including entities affiliated with certain of our directors, have indicated an interest in purchasing an aggregate of approximately $40.0 million in shares of our common stock in this offering at the initial public offering price. However, because indications of interest are not binding agreements or commitments to purchase, the underwriters may determine to sell more, fewer or no shares in this offering to any or all of these stockholders, or any or all of these stockholders may determine to purchase more, fewer or no shares in this offering. The underwriters will receive the same underwriting discount on any shares purchased by these stockholders as they will on any other shares sold to the public in this offering.

Policies and Procedures for Related Person Transactions

Our board of directors has adopted a written related person transaction policy, to be effective upon the closing of this offering, setting forth the policies and procedures for the review and approval or ratification of related person transactions. This policy will cover, with certain exceptions set forth in Item 404 of Regulation S-K under the Securities Act, any transaction, arrangement or relationship, or any series of similar transactions, arrangements or relationships, in which we were or are to be a participant, where the amount involved exceeds $120,000 in any fiscal year and a related person had, has or will have a direct or indirect material interest, including without limitation, purchases of goods or services by or from the related person or entities in which the related person has a material interest, including indebtedness, guarantees of indebtedness and employment by us of a related person. In reviewing and approving any such transactions, our audit committee is tasked to consider

all relevant facts and circumstances, including, but not limited to, whether the transaction is on terms comparable to those that could be obtained in an arm's length transaction and the extent of the related person's interest in the transaction. All of the transactions described in this section occurred prior to the adoption of this policy.

PRINCIPAL STOCKHOLDERS

The following table sets forth information with respect to the beneficial ownership of our common stock, as of April 18, 2018, and as adjusted to reflect the sale of shares of common stock in this offering, for:

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

The number of shares beneficially owned by each stockholder is determined under rules issued by the SEC. Under these rules, beneficial ownership includes any shares as to which the individual or entity has sole or shared voting power or investment power. Applicable percentage ownership is based on 26,558,354 shares of common stock outstanding as of April 18, 2018, assuming the conversion of all outstanding shares of preferred stock into common stock. In computing the number of shares beneficially owned by an individual or entity and the percentage ownership of that person, shares of common stock subject to options, warrants or other rights held by such person that are currently exercisable or will become exercisable within 60 days of April 18, 2018 are considered outstanding, although these shares are not considered outstanding for purposes of computing the percentage ownership of any other person. Unless noted otherwise, the address of all listed stockholders is 620 Memorial Drive, Suite 200, Cambridge, MA 02139. Each of the stockholders listed has sole voting and investment power with respect to the shares beneficially owned by the stockholder unless noted otherwise, subject to community property laws where applicable.

Certain of our existing stockholders, including entities affiliated with certain of our directors, have indicated an interest in purchasing an aggregate of approximately $40.0 million in shares of our common stock in this offering at the initial public offering price. However, because indications of interest are not binding agreements or commitments to purchase, the underwriters may determine to sell more, fewer or no shares in this offering to any or all of these stockholders, or any or all of these stockholders may determine to purchase more, fewer or no shares in this offering. The underwriters will receive the same underwriting discount on any shares purchased by these stockholders as they will on any other shares sold to the public in this offering. The following table does not reflect any such potential purchases by these existing stockholders or their affiliated entities. If any shares are purchased by these stockholders, the number of shares of common stock beneficially owned after this offering and the percentage of common stock beneficially owned after this offering would increase from that set forth in the table below.

Name of Beneficial Owner	Number of Shares Beneficially Owned Prior to Offering	Percentage of Shares Beneficially Owned Prior to Offering	Percentage of Shares Beneficially Owned After Offering
5% or Greater Stockholders			
Entities affiliated with Flagship Pioneering(1)	17,952,153	67.6%	56.3%
Entities affiliated with FMR(2)	1,897,507	7.1%	6.0%
Named Executive Officers and Directors			
Balkrishan (Simba) Gill, Ph.D.(3)	545,634	2.0%	1.7%
Mark Bodmer, Ph.D.(4)	291,967	1.1%	*
Duncan McHale, M.D., Ph.D.(5)	12,768	*	*
Noubar B. Afeyan, Ph.D.(1)	17,952,153	67.5%	56.3%
Professor the Lord Ara Darzi	—	—	—
David R. Epstein(6)	30,643	*	*
Theodose Melas-Kyriazi(7)	17,620	*	*
David P. Perry(8)	20,109	*	*
Nancy A. Simonian, M.D.	—	—	—
All executive officers and directors as a group (10 persons)(9)	18,870,894	69.3%	58.0%

* Less than 1%.

(1) Consists of (a) 684,372 shares of common stock held by Flagship VentureLabs IV LLC (“Flagship VentureLabs IV”), (b) 2,645,637 shares of common stock held by Flagship VentureLabs V LLC (“Flagship VentureLabs V”), (c) 1,836,836 shares of common stock held by Flagship Ventures Fund IV, L.P. (“Flagship Fund IV”), (d) 448,910 shares of common stock held by Flagship Ventures Fund IV-Rx, L.P. (“Flagship Fund IV-Rx”), (e) 4,201,281 shares of common stock held by Flagship Ventures Fund V, L.P. (“Flagship Fund V”), (f) 1,609,870 shares of common stock held by Flagship V VentureLabs Rx Fund, L.P. (“Flagship VentureLabs V-Rx”), (g) 3,492,705 shares of common stock held by Nutritional Health Disruptive Innovation Fund, L.P. (“Flagship Nutritional Health Disruptive Innovation Fund”), (h) 760,794 shares of common stock held by Nutritional Health Side Fund, L.P. (“Flagship Nutritional Health Side Fund”) and (i) 2,271,738 shares of common stock held by Flagship Ventures Opportunities Fund I, L.P. (Flagship Opportunities Fund I) (Flagship VentureLabs IV, Flagship Fund IV, Flagship Fund IV-Rx, the “Flagship Fund IV Funds,” Flagship VentureLabs V, Flagship Fund V, Flagship VentureLabs V-Rx, Flagship Nutritional Health Side Fund, and Flagship Nutritional Health Disruptive Innovation Fund, the “Flagship Fund V Funds,” and together with Flagship Fund IV Funds, and the Flagship Opportunities Fund I, the “Flagship Funds”). Flagship Fund IV is a member of Flagship VentureLabs IV and also serves as its manager. Flagship Fund V is a member of Flagship VentureLabs V and also serves as its manager. The general partner of each of Flagship Fund IV and Flagship Fund IV-Rx is Flagship Ventures Fund IV General Partner LLC (“Flagship Fund IV GP”), the general partner of Flagship Fund V, Flagship VentureLabs V-Rx, Flagship Nutritional Health Disruptive Innovation Fund and Flagship Nutritional Health Side Fund is Flagship Ventures Fund V General Partner LLC (“Flagship Fund V GP”), and the general partner of Flagship Opportunities Fund I is Flagship Ventures Opportunities Fund I General Partner LLC (“Flagship Opportunities GP,” and together with Flagship Fund IV GP and Flagship Fund V GP, the “Flagship General Partners”). Noubar B. Afeyan, Ph.D. serves on our board of directors and is a member of the Flagship General Partners. In addition, Dr. Afeyan and Edwin M. Kania, Jr. are the managers of Flagship Fund IV GP and each of these individuals may be deemed to share voting and investment power with respect to all shares held by Flagship Fund IV Funds. Dr. Afeyan serves as the managing member of the Flagship Fund V GP and Flagship Opportunities Fund GP and may be deemed to possess sole voting and investment control over the shares held by the Flagship Fund V Funds and Flagship Opportunities Fund I. None of the Flagship General Partners directly own any of the shares held by the Flagship Funds, and each of Flagship General Partners, Dr. Afeyan and Mr. Kania disclaims beneficial ownership of such shares

except to the extent of its or his pecuniary interest therein. The mailing address of the Flagship Funds is 55 Cambridge Parkway, Suite 800E, Cambridge, MA 02142.

(2) Consists of (a) 909,286 shares of common stock held by Fidelity Mt. Vernon Street Trust: Fidelity Growth Company Fund, whose address is 525 William Penn Place Run Rm 040, Pittsburgh, PA 15259, ("Fidelity Growth Fund"), (b) 757,485 shares of common stock held by Fidelity Growth Company Commingled Pool, whose address is c/o Brown Brothers Harriman & Co., 140 Broadway, New York, NY 10005, ("Fidelity Commingled Fund") and (c) 230,736 shares of common stock held by Fidelity Mt. Vernon Street Trust: Fidelity Series Growth Company Fund, whose address is PO Box 5756, Boston, MA 02206 (together with Fidelity Growth Fund and Fidelity Commingled Fund, the "Fidelity Growth Funds"). The Fidelity Growth Funds are managed by direct and indirect subsidiaries of FMR LLC and are advised by Fidelity Management & Research Company ("FMR Co"), a wholly owned subsidiary of FMR LLC. Abigail P. Johnson is a director and the Vice Chairman, Chief Executive Officer and President of FMR LLC. Members of the family of Abigail P. Johnson (the "Johnson Family") are the predominant owners, directly or through trusts, of Series B voting common shares of FMR LLC, representing 49% of the voting power of FMR LLC. The Johnson Family and all other Series B shareholders have entered into a shareholders' voting agreement under which all Series B voting common shares will be voted in accordance with the majority vote of Series B voting common shares. Accordingly, through their ownership of voting common shares and the execution of the shareholders' voting agreement, the Johnson Family may be deemed, under the Investment Company Act of 1940, to form a controlling group with respect to FMR LLC. Neither FMR LLC nor Abigail P. Johnson has the sole power to vote or direct the voting of the shares owned directly by these entities which power resides with the Fidelity Funds' Boards of Trustees. FMR Co carries out the voting of the shares under written guidelines established by the Fidelity Funds' Boards of Trustees. The address of the Fidelity Growth Funds and FMR LLC is 200 Seaport Blvd, V12E, Boston, MA 02210.

(3) Includes 507,222 shares of common stock underlying outstanding stock options that are or will be immediately exercisable within 60 days of April 18, 2018.

(4) Includes 71,328 shares of common stock underlying outstanding stock options that are or will be immediately exercisable within 60 days of April 18, 2018.

(5) Consists of 12,768 shares of common stock underlying outstanding stock options that are or will be immediately exercisable within 60 days of April 18, 2018.

(6) Consists of 30,643 shares of common stock underlying outstanding stock options that are or will be immediately exercisable within 60 days of April 18, 2018.

(7) Consists of 17,620 shares of common stock underlying outstanding stock options that are or will be immediately exercisable within 60 days of April 18, 2018.

(8) Consists of 20,109 shares of common stock underlying outstanding stock options that are or will be immediately exercisable within 60 days of April 18, 2018.

(9) Includes 659,487 shares of common stock underlying outstanding stock options that are or will be immediately exercisable within 60 days of April 18, 2018.

DESCRIPTION OF CAPITAL STOCK

General

The following description summarizes some of the terms of our restated certificate of incorporation and amended and restated bylaws that will become effective in connection with the closing of this offering, our outstanding warrants, the investors' rights agreement and of the General Corporation Law of the State of Delaware. Because it is only a summary, it does not contain all the information that may be important to you. For a complete description, you should refer to our amended and restated certificate of incorporation, amended and restated bylaws, warrants and investors' rights agreement, copies of which have been or will be filed as exhibits to the registration statement of which this prospectus is a part, as well as the relevant provisions of the General Corporation Law of the State of Delaware. The description of our common stock and preferred stock reflects changes to our capital structure that will occur immediately prior the closing of this offering.

Following the closing of this offering, our authorized capital stock will consist of 200,000,000 shares of common stock, par value $0.001 per share, and 10,000,000 shares of preferred stock, par value $0.001 per share.

As of April 18, 2018, there were 4,171,677 shares of our common stock outstanding, including 226,319 shares of unvested restricted common stock subject to repurchase by us, and 22,386,677 shares of our common stock issuable upon the automatic conversion of all outstanding shares of our preferred stock in connection with this offering, held of record by 67 stockholders.

Common Stock

Holders of our common stock are entitled to one vote for each share held on all matters submitted to a vote of stockholders and do not have cumulative voting rights. An election of directors by our stockholders shall be determined by a plurality of the votes cast by the stockholders entitled to vote on the election. Subject to the supermajority votes for some matters, other matters shall be decided by the affirmative vote of our stockholders having a majority in voting power of the votes cast by the stockholders present or represented and voting on such matter. Our restated certificate of incorporation and amended and restated bylaws also provide that our directors may be removed only for cause and only by the affirmative vote of the holders of at least two-thirds in voting power of the outstanding shares of capital stock entitled to vote thereon. In addition, the affirmative vote of the holders of at least two-thirds in voting power of the outstanding shares of capital stock entitled to vote thereon is required to amend or repeal, or to adopt any provision inconsistent with, several of the provisions of our amended and restated certificate of incorporation. See below under "—Anti-Takeover Effects of Delaware Law and Our Certificate of Incorporation and Bylaws—Amendment of Charter Provisions." Holders of common stock are entitled to receive proportionately any dividends as may be declared by our board of directors, subject to any preferential dividend rights of any series of preferred stock that we may designate and issue in the future.

In the event of our liquidation or dissolution, the holders of common stock are entitled to receive proportionately our net assets available for distribution to stockholders after the payment of all debts and other liabilities and subject to the prior rights of any outstanding preferred stock. Holders of common stock have no preemptive, subscription, redemption or conversion rights. Our outstanding shares of common stock are, and the shares offered by us in this offering will be, when issued and paid for, validly issued, fully paid and nonassessable. The rights, preferences and privileges of holders of common stock are subject to and may be adversely affected by the rights of the holders of shares of any series of preferred stock that we may designate and issue in the future.

Preferred Stock

Under the terms of our restated certificate of incorporation that will become effective in connection with the closing of this offering, our board of directors is authorized to direct us to issue shares of preferred stock in one

or more series without stockholder approval. Our board of directors has the discretion to determine the rights, preferences, privileges and restrictions, including voting rights, dividend rights, conversion rights, redemption privileges and liquidation preferences, of each series of preferred stock.

The purpose of authorizing our board of directors to issue preferred stock and determine its rights and preferences is to eliminate delays associated with a stockholder vote on specific issuances. The issuance of preferred stock, while providing flexibility in connection with possible acquisitions, future financings and other corporate purposes, could have the effect of making it more difficult for a third party to acquire, or could discourage a third party from seeking to acquire, a majority of our outstanding voting stock. Upon the closing of this offering, there will be no shares of preferred stock outstanding, and we have no present plans to issue any shares of preferred stock.

Warrants

Mayo Warrant

On June 10, 2016, we issued a warrant, or the Mayo warrant, to the Mayo Foundation for Medical Education and Research, or Mayo Foundation, in connection with our research and license agreement with Mayo Foundation. On April 9, 2018, we issued to Mayo Foundation 134 shares of our common stock upon the exercise in full of the Mayo warrant.

Bank Warrants

In connection with entering into our prior loan and security agreement, in November 2015, we issued Comerica Bank a warrant to purchase 100,000 shares of our Series A preferred stock at an exercise price of $0.60 per share. If unexercised, the warrant will expire on November 13, 2025. In connection with entering into our loan and security agreement, in August 2016, we issued Pacific Western Bank a warrant to purchase 62,497 shares of Series A-1 preferred stock at an exercise price of $0.60 per share and a warrant to purchase 31,248 shares of Series A-3 preferred stock at an exercise price of $1.20 per share. If unexercised, these warrants will expire on January 28, 2026 and August 15, 2026, respectively. In connection with the execution of the third amendment to the loan and security agreement, in February 2018, we issued Pacific Western Bank a warrant to purchase 34,722 shares of Series B preferred stock at an exercise price of $1.80 per share. If unexercised, the warrant will expire on February 7, 2028. Collectively, we refer to these warrants as the Bank warrants.

Options

As of April 18, 2018, options to purchase 4,451,244 shares of our common stock were outstanding under our 2015 Stock Incentive Plan, 909,720 of which were exercisable and of which 770,787 were vested as of that date.

Registration Rights

Upon the closing of this offering, holders of 25,989,390 shares of our common stock, including an aggregate of 56,006 shares issuable upon the exercise of the Bank warrants, will be entitled to the following rights with respect to the registration of such shares for public resale under the Securities Act, pursuant to an amended and restated investors' rights agreement by and among us and certain of our stockholders, until such shares can otherwise be sold without restriction under Rule 144, or until the rights otherwise terminate pursuant to the terms of the investors' rights agreement. The registration of shares of common stock as a result of the following rights being exercised would enable holders to trade these shares without restriction under the Securities Act when the applicable registration statement is declared effective.

If at any time beginning 180 days after the effective date of this offering the holders of a majority of the registrable securities request in writing that we effect a registration with respect to all or part of such registrable

securities then outstanding, we may be required to register their shares. We are obligated to effect at most two registrations in response to these demand registration rights. If the holders requesting registration intend to distribute their shares by means of an underwriting, the managing underwriter of such offering will have the right to limit the numbers of shares to be underwritten for reasons related to the marketing of the shares.

Piggyback Registration Rights

If at any time after this offering we propose to register any shares of our common stock under the Securities Act, subject to certain exceptions, the holders of registrable securities will be entitled to notice of the registration and to include their shares of registrable securities in the registration. If our proposed registration involves an underwriting, the managing underwriter of such offering will have the right to limit the number of shares to be underwritten for reasons related to the marketing of the shares.

Form S-3 Registration Rights

If, at any time after we become entitled under the Securities Act to register our shares on a registration statement on Form S-3, the holders of at least 30% of the registrable securities then outstanding request in writing that we effect a registration with respect to registrable securities at an aggregate price to the public in the offering of at least $5,000,000, we will be required to effect such registration; provided, however, that we will not be required to effect such a registration if, within the twelve month period preceding such request, we have already effected two registrations on Form S-3 for the holders of registrable securities.

Expenses

Ordinarily, other than underwriting discounts and commissions, we will be required to pay all expenses incurred by us related to any registration effected pursuant to the exercise of these registration rights. These expenses may include all registration and filing fees, printing expenses, fees and disbursements of our counsel, reasonable fees and disbursements of a counsel for the selling security holders and blue sky fees and expenses.

Termination of Registration Rights

The registration rights terminate upon the earlier of seven years after the effective date of the registration statement of which this prospectus is a part, the closing of a deemed liquidation event, as defined in the investors' rights agreement, or, with respect to the registration rights of an individual holder, when the holder can sell all of such holder's registrable securities in a three-month period without restriction under Rule 144 under the Securities Act.

Anti-Takeover Effects of Delaware Law and Our Certificate of Incorporation and Bylaws

Some provisions of Delaware law, our restated certificate of incorporation and our amended and restated bylaws could make the following transactions more difficult: an acquisition of us by means of a tender offer; an acquisition of us by means of a proxy contest or otherwise; or the removal of our incumbent officers and directors. It is possible that these provisions could make it more difficult to accomplish or could deter transactions that stockholders may otherwise consider to be in their best interest or in our best interests, including transactions which provide for payment of a premium over the market price for our shares.

These provisions, summarized below, are intended to discourage coercive takeover practices and inadequate takeover bids. These provisions are also designed to encourage persons seeking to acquire control of us to first negotiate with our board of directors. We believe that the benefits of the increased protection of our potential ability to negotiate with the proponent of an unfriendly or unsolicited proposal to acquire or restructure us outweigh the disadvantages of discouraging these proposals because negotiation of these proposals could result in an improvement of their terms.

Undesignated Preferred Stock

The ability of our board of directors, without action by the stockholders, to issue up to 10,000,000 shares of undesignated preferred stock, which may include voting or other rights, dividend rights and preferences, rights to convert to common stock or other securities, and liquidation rights and preferences. The existence of authorized but unissued shares of preferred stock may enable our board of directors to render it more difficult or to discourage an attempt to obtain control of us by means of a merger, tender offer, proxy contest or otherwise.

Special Meeting of Stockholders

Our amended and restated bylaws provide that a special meeting of stockholders may be called only by our chairman of the board, chief executive officer or president (in the absence of a chief executive officer), or by a resolution adopted by a majority of our board of directors.

Requirements for Advance Notification of Stockholder Nominations and Proposals

Our amended and restated bylaws establish advance notice procedures with respect to stockholder proposals to be brought before a stockholder meeting and the nomination of candidates for election as directors, other than nominations made by or at the direction of the board of directors or a committee of the board of directors. The notice must contain certain information specified in our amended and restated bylaws. These procedures may have the effect of precluding the conduct of certain business at a meeting or the nomination of candidates for election as directors by stockholders if the proper procedures are not followed.

Elimination of Stockholder Action by Written Consent

Our restated certificate of incorporation eliminates the right of stockholders to act by written consent without a meeting.

Staggered Board

Our board of directors is divided into three classes. The directors in each class will serve for a three-year term, one class being elected each year by our stockholders. For more information on the classified board, see “Management—Board Composition and Election of Directors.” This system of electing and removing directors may tend to discourage a third-party from making a tender offer or otherwise attempting to obtain control of us, because it generally makes it more difficult for stockholders to replace a majority of the directors.

Removal of Directors and Vacancies

Our restated certificate of incorporation provides that no member of our board of directors may be removed from office by our stockholders except for cause and, in addition to any other vote required by law, upon the approval of the holders of at least two-thirds in voting power of the outstanding shares of stock entitled to vote in the election of directors. Our amended and restated bylaws give our board of directors the exclusive right to elect a director to fill a vacancy created by the expansion of the board of directors or the resignation, death or removal of a director, which prevents stockholders from filling vacancies on our board of directors.

Stockholders Not Entitled to Cumulative Voting

Our restated certificate of incorporation does not permit stockholders to cumulate their votes in the election of directors. Accordingly, the holders of a majority of the outstanding shares of our common stock entitled to vote in any election of directors can elect all of the directors standing for election, if they choose, other than any directors that holders of our preferred stock may be entitled to elect.

Delaware Anti-Takeover Statute

We are subject to Section 203 of the General Corporation Law of the State of Delaware, which prohibits persons deemed to be "interested stockholders" from engaging in a "business combination" with a publicly held Delaware corporation for three years following the date these persons become interested stockholders unless the business combination is, or the transaction in which the person became an interested stockholder was, approved in a prescribed manner or another prescribed exception applies. Generally, an "interested stockholder" is a person who, together with affiliates and associates, owns, or within three years prior to the determination of interested stockholder status did own, 15% or more of a corporation's voting stock. Generally, a "business combination" includes a merger, asset or stock sale, or other transaction resulting in a financial benefit to the interested stockholder. The existence of this provision may have an anti-takeover effect with respect to transactions not approved in advance by the board of directors.

Choice of Forum

Our restated certificate of incorporation provides that, unless we consent in writing to the selection of an alternative form, the Court of Chancery of the State of Delaware will be the sole and exclusive forum for: (1) any derivative action or proceeding brought on our behalf; (2) any action asserting a claim of breach of a fiduciary duty or other wrongdoing by any of our directors, officers, employees or agents to us or our stockholders; (3) any action asserting a claim against us arising pursuant to any provision of the General Corporation Law of the State of Delaware or our certificate of incorporation or bylaws; (4) any action to interpret, apply, enforce or determine the validity of our certificate of incorporation or bylaws; or (5) any action asserting a claim governed by the internal affairs doctrine. Our restated certificate of incorporation also provides that any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock will be deemed to have notice of and to have consented to this choice of forum provision. It is possible that a court of law could rule that the choice of forum provision contained in our restated certificate of incorporation is inapplicable or unenforceable if it is challenged in a proceeding or otherwise.

Amendment of Charter Provisions

The amendment of any of the above provisions, except for the provision making it possible for our board of directors to issue preferred stock and the provision prohibiting cumulative voting, would require approval by holders of at least two-thirds in voting power of the outstanding shares of stock entitled to vote thereon.

The provisions of Delaware law, our restated certificate of incorporation and our amended and restated bylaws could have the effect of discouraging others from attempting hostile takeovers and, as a consequence, they may also inhibit temporary fluctuations in the market price of our common stock that often result from actual or rumored hostile takeover attempts. These provisions may also have the effect of preventing changes in the composition of our board and management. It is possible that these provisions could make it more difficult to accomplish transactions that stockholders may otherwise deem to be in their best interests

Transfer Agent and Registrar

The transfer agent and registrar for our common stock will be American Stock Transfer & Trust Company, LLC.

Stock Exchange Listing

We have applied to have our common stock listed on The Nasdaq Global Select Market under the symbol "EVLO."

SHARES ELIGIBLE FOR FUTURE SALE

Immediately prior to this offering, there was no public market for our common stock. Future sales of substantial amounts of common stock in the public market, or the perception that such sales may occur, could adversely affect the market price of our common stock.

Upon the closing of this offering, we will have outstanding an aggregate of 31,870,854 shares of common stock, assuming the issuance of 5,312,500 shares of common stock offered by us in this offering, the automatic conversion of all outstanding shares of our preferred stock into 22,386,677 shares of our common stock and no exercise of options or warrants after April 18, 2018. Of these shares, all shares sold in this offering will be freely tradable without restriction or further registration under the Securities Act, except for any shares purchased by our "affiliates," as that term is defined in Rule 144 under the Securities Act, whose sales would be subject to the Rule 144 resale restrictions described below, other than the holding period requirement.

The remaining 26,558,354 shares of common stock will be "restricted securities," as that term is defined in Rule 144 under the Securities Act. These restricted securities are eligible for public sale only if they are registered under the Securities Act or if they qualify for an exemption from registration under Rules 144 or 701 under the Securities Act, which are summarized below. We expect that substantially all of these shares will be subject to the 180-day lock-up period under the lock-up agreements described below. Upon expiration of the lock-up period, we estimate that approximately 26,558,354 shares will be available for sale in the public market, subject in some cases to applicable volume limitations under Rule 144.

In addition, of the 4,451,244 shares of our common stock that were subject to stock options outstanding as of April 18, 2018, options to purchase 770,787 shares of common stock were vested as of April 18, 2018 and, upon exercise, these shares will be eligible for sale subject to the lock–up agreements described below and Rules 144 and 701 under the Securities Act.

Lock-Up Agreements

We and each of our directors and executive officers and holders of substantially all of our outstanding capital stock, have agreed that, without the prior written consent of Morgan Stanley & Co. LLC and Cowen and Company, LLC on behalf of the underwriters, we and they will not, subject to certain exceptions, during the period ending 180 days after the date of this prospectus:

- offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any shares of our common stock or any securities convertible into or exercisable or exchangeable for common stock; or
- enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of our common stock,

whether any transaction described above is to be settled by delivery of our common stock or such other securities, in cash or otherwise.

Upon the expiration of the applicable lock-up periods, substantially all of the shares subject to such lock-up restrictions will become eligible for sale, subject to the limitations discussed above. For a further description of these lock-up agreements, please see "Underwriting."

Rule 144

Affiliate Resales of Restricted Securities

In general, beginning 90 days after the effective date of the registration statement of which this prospectus is a part, a person who is an affiliate of ours, or who was an affiliate at any time during the 90 days before a sale,

who has beneficially owned shares of our common stock for at least six months would be entitled to sell in "broker's transactions" or certain "riskless principal transactions" or to market makers, a number of shares within any three-month period that does not exceed the greater of:

- 1% of the number of shares of our common stock then outstanding, which will equal 318,708 shares immediately after this offering; or
- the average weekly trading volume in our common stock on The Nasdaq Global Select Market during the four calendar weeks preceding the filing of a notice on Form 144 with respect to such sale.

Affiliate resales under Rule 144 are also subject to the availability of current public information about us. In addition, if the number of shares being sold under Rule 144 by an affiliate during any three-month period exceeds 5,000 shares or has an aggregate sale price in excess of $50,000, the seller must file a notice on Form 144 with the SEC and Nasdaq concurrently with either the placing of a sale order with the broker or the execution directly with a market maker.

Non-Affiliate Resales of Restricted Securities

In general, beginning 90 days after the effective date of the registration statement of which this prospectus is a part, a person who is not an affiliate of ours at the time of sale, and has not been an affiliate at any time during the three months preceding a sale, and who has beneficially owned shares of our common stock for at least six months but less than a year, is entitled to sell such shares subject only to the availability of current public information about us. If such person has held our shares for at least one year, such person can resell under Rule 144(b)(1) without regard to any Rule 144 restrictions, including the 90-day public company requirement and the current public information requirement.

Non-affiliate resales are not subject to the manner of sale, volume limitation or notice filing provisions of Rule 144.

Rule 701

In general, under Rule 701, any of an issuer's employees, directors, officers, consultants or advisors who purchases shares from the issuer in connection with a compensatory stock or option plan or other written agreement before the effective date of a registration statement under the Securities Act is entitled to sell such shares 90 days after such effective date in reliance on Rule 144. An affiliate of the issuer can resell shares in reliance on Rule 144 without having to comply with the holding period requirement, and non-affiliates of the issuer can resell shares in reliance on Rule 144 without having to comply with the current public information and holding period requirements.

The SEC has indicated that Rule 701 will apply to typical stock options granted by an issuer before it becomes subject to the reporting requirements of the Exchange Act, along with the shares acquired upon exercise of such options, including exercises after an issuer becomes subject to the reporting requirements of the Exchange Act.

Equity Plans

We intend to file one or more registration statements on Form S-8 under the Securities Act to register all shares of common stock subject to outstanding stock options and common stock issued or issuable under our stock plans. We expect to file the registration statement covering shares offered pursuant to our stock plans shortly after the date of this prospectus, permitting the resale of such shares by non-affiliates in the public market without restriction under the Securities Act and the sale by affiliates in the public market, subject to compliance with the resale provisions of Rule 144.

Registration Rights

Upon the closing of this offering, the holders of 25,989,390 shares of common stock, which includes all of the shares of common stock issuable upon the automatic conversion of our preferred stock upon the closing of this offering and all of the shares issuable upon exercise of outstanding warrants, or their transferees will be entitled to various rights with respect to the registration of these shares under the Securities Act. Registration of these shares under the Securities Act would result in these shares becoming fully tradable without restriction under the Securities Act immediately upon the effectiveness of the registration, except for shares purchased by affiliates. See “Description of Capital Stock—Registration Rights” for additional information. Shares covered by a registration statement will be eligible for sale in the public market upon the expiration or release from the terms of the lock-up agreement.

MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES TO NON-U.S. HOLDERS

The following discussion is a summary of the material U.S. federal income tax consequences to non-U.S. holders (as defined below) of the purchase, ownership and disposition of the shares of common stock issued pursuant to this offering, but does not purport to be a complete analysis of all potential tax effects. The effects of other U.S. federal tax laws, such as estate and gift tax laws, and any applicable state, local or foreign tax laws are not discussed. This discussion is based on the Internal Revenue Code of 1986, as amended, or the Code, Treasury Regulations promulgated thereunder, judicial decisions, and published rulings and administrative pronouncements of the U.S. Internal Revenue Service, or IRS, in effect as of the date of this offering. These authorities may change or be subject to differing interpretations. Any such change or differing interpretation may be applied retroactively in a manner that could adversely affect a non-U.S. holder of our common stock. We have not sought and will not seek any rulings from the IRS regarding the matters discussed below. There can be no assurance the IRS or a court will not take a contrary position regarding the tax consequences of the purchase, ownership and disposition of our common stock.

This discussion is limited to non-U.S. holders that hold our common stock as a "capital asset" within the meaning of Section 1221 of the Code (property held for investment). This discussion does not address all U.S. federal income tax consequences relevant to a non-U.S. holder's particular circumstances, including the impact of the alternative minimum tax, the rules regarding "qualified small business stock" within the meaning of Section 1202 of the Code, or the unearned income Medicare contribution tax. In addition, it does not address consequences relevant to holders subject to particular rules, including, without limitation:

- U.S. expatriates and certain former citizens or long-term residents of the United States;
- persons holding our common stock as part of a hedge, straddle or other risk reduction strategy or as part of a conversion transaction or other integrated investment;
- banks, insurance companies, and other financial institutions;
- brokers, dealers or traders in securities or currencies;
- controlled foreign corporations," "passive foreign investment companies," and corporations that accumulate earnings to avoid U.S. federal income tax;
- partnerships or other entities or arrangements treated as partnerships for U.S. federal income tax purposes (and investors therein);
- tax-exempt organizations or governmental organizations;
- persons deemed to sell our common stock under the constructive sale provisions of the Code;
- persons subject to special tax accounting rules as a result of any item of gross income with respect to the stock being taken into account in an applicable financial statement;
- persons who hold or receive our common stock pursuant to the exercise of any employee stock option or otherwise as compensation; and
- tax-qualified retirement plans.

If a partnership (or other entity treated as a partnership for U.S. federal income tax purposes) holds our common stock, the tax treatment of a partner in the partnership will depend on the status of the partner, the activities of the partnership and certain determinations made at the partner level. Accordingly, partnerships holding our common stock and the partners in such partnerships should consult their tax advisors regarding the U.S. federal income tax consequences to them.

THIS DISCUSSION IS FOR INFORMATION PURPOSES ONLY AND IS NOT INTENDED AS LEGAL OR TAX ADVICE. INVESTORS SHOULD CONSULT THEIR TAX ADVISORS WITH

RESPECT TO THE APPLICATION OF THE U.S. FEDERAL INCOME TAX LAWS TO THEIR PARTICULAR SITUATIONS AS WELL AS ANY TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF OUR COMMON STOCK ARISING UNDER THE U.S. FEDERAL ESTATE OR GIFT TAX LAWS OR UNDER THE LAWS OF ANY STATE, LOCAL OR NON-U.S. TAXING JURISDICTION OR UNDER ANY APPLICABLE INCOME TAX TREATY.

Definition of a Non-U.S. Holder

For purposes of this discussion, a "non-U.S. holder" is any beneficial owner of our common stock that is not a "U.S. person," a partnership or an entity disregarded as separate from its owner, each for United States federal income tax purposes. A U.S. person is any person that, for U.S. federal income tax purposes, is:

- an individual who is a citizen or resident of the United States;
- a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) created or organized under the laws of the United States, any state thereof, or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income tax regardless of its source; or
- a trust that (1) is subject to the primary supervision of a U.S. court and the control of one or more United States persons (within the meaning of Section 7701(a)(30) of the Code), or (2) has made a valid election under applicable Treasury Regulations to continue to be treated as a United States person.

Distributions

As described in the section entitled "Dividend Policy," we do not anticipate declaring or paying dividends to holders of our common stock in the foreseeable future. However, if we do make distributions on our common stock, such distributions of cash or property on our common stock will constitute dividends for U.S. federal income tax purposes to the extent paid from our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Amounts not treated as dividends for U.S. federal income tax purposes will constitute a return of capital and first be applied against and reduce a non-U.S. holder's adjusted tax basis in its common stock, but not below zero. Any excess will be treated as capital gain and will be treated as described below in the section relating to the sale or disposition of our common stock. Because we may not know the extent to which a distribution is a dividend for U.S. federal income tax purposes at the time it is made, for purposes of the withholding rules discussed below we or the applicable withholding agent may treat the entire distribution as a dividend.

Subject to the discussion below on backup withholding and foreign accounts, dividends paid to a non-U.S. holder of our common stock that are not effectively connected with the non-U.S. holder's conduct of a trade or business within the United States will be subject to U.S. federal withholding tax at a rate of 30% of the gross amount of the dividends (or such lower rate specified by an applicable income tax treaty).

Non-U.S. holders will be entitled to a reduction in or an exemption from withholding on dividends as a result of either (a) an applicable income tax treaty or (b) the non-U.S. holder holding our common stock in connection with the conduct of a trade or business within the United States and dividends being effectively connected with that trade or business. To claim such a reduction in or exemption from withholding, the non-U.S. holder must provide the applicable withholding agent with a properly executed (a) IRS Form W-8BEN or W-8BEN-E (or other applicable documentation) claiming an exemption from or reduction of the withholding tax under the benefit of an income tax treaty between the United States and the country in which the non-U.S. holder resides or is established, or (b) IRS Form W-8ECI stating that the dividends are not subject to withholding tax because they are effectively connected with the conduct by the non-U.S. holder of a trade or business within the United States, as may be applicable. These certifications must be provided to the applicable withholding agent prior to the payment of dividends and must be updated periodically. Non-U.S. holders that do not timely provide the applicable withholding agent with the required certification, but that qualify for a reduced rate under an applicable income tax treaty, may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS.

If dividends paid to a non-U.S. holder are effectively connected with the non-U.S. holder's conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, the non-U.S. holder maintains a permanent establishment in the United States to which such dividends are attributable), then, although exempt from U.S. federal withholding tax (provided the non-U.S. holder provides appropriate certification, as described above), the non-U.S. holder will be subject to U.S. federal income tax on such dividends on a net income basis at the regular graduated U.S. federal income tax rates. In addition, a non-U.S. holder that is a corporation may be subject to a branch profits tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty) on its effectively connected earnings and profits for the taxable year that are attributable to such dividends, as adjusted for certain items. Non-U.S. holders should consult their tax advisors regarding their entitlement to benefits under any applicable income tax treaty.

Sale or Other Disposition of Common Stock

Subject to the discussions below on backup withholding and foreign accounts, a non-U.S. holder will not be subject to U.S. federal income tax on any gain realized upon the sale or other disposition of our common stock unless:

- the gain is effectively connected with the non-U.S. holder's conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, the non-U.S. holder maintains a permanent establishment in the United States to which such gain is attributable);
- the non-U.S. holder is a nonresident alien individual present in the United States for 183 days or more during the taxable year of the disposition and certain other requirements are met; or
- our common stock constitutes U.S. real property interests, or USRPIs, by reason of our status as a U.S. real property holding corporation, or USRPHC, for U.S. federal income tax purposes.

Gain described in the first bullet point above will generally be subject to U.S. federal income tax on a net income basis at the regular graduated U.S. federal income tax rates. A non-U.S. holder that is a foreign corporation also may be subject to a branch profits tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty) on such effectively connected gain, as adjusted for certain items.

A non-U.S. holder described in the second bullet point above will be subject to U.S. federal income tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty) on any gain derived from the disposition, which may be offset by certain U.S. source capital losses of the non-U.S. holder (even though the individual is not considered a resident of the United States) provided the non-U.S. holder has timely filed U.S. federal income tax returns with respect to such losses.

With respect to the third bullet point above, we believe we are not currently and do not anticipate becoming a USRPHC. Because the determination of whether we are a USRPHC depends on the fair market value of our USRPIs relative to the fair market value of our other business assets and our non-U.S. real property interests, however, there can be no assurance we are not a USRPHC or will not become one in the future. Even if we are or were to become a USRPHC, gain arising from the sale or other taxable disposition by a non-U.S. holder of our common stock will not be subject to U.S. federal income tax if our common stock is "regularly traded," as defined by applicable Treasury Regulations, on an established securities market, and such non-U.S. holder owned, actually and constructively, 5% or less of our common stock throughout the shorter of the five-year period ending on the date of the sale or other taxable disposition or the non-U.S. holder's holding period. If we are a USRPHC and either our common stock is not regularly traded on an established securities market or a non-U.S. holder holds more than 5% of our outstanding common stock, directly or indirectly, during the applicable testing period, such non-U.S. holder's gain on the disposition of shares of our common stock generally will be taxed in the same manner as gain that is effectively connected with the conduct of a U.S. trade or business, except that the branch profits tax generally will not apply. If we are a USRPHC and our common stock is not regularly traded on an established securities market, a non-U.S. holder's proceeds received on the

disposition of shares will also generally be subject to withholding at a rate of 15%. Prospective investors are encouraged to consult their tax advisors regarding the possible consequences to them if we are, or were to become, a USRPHC.

Non-U.S. holders should consult their tax advisors regarding potentially applicable income tax treaties that may provide for different rules.

Information Reporting and Backup Withholding

Subject to the discussion below on foreign accounts, a non-U.S. holder will not be subject to backup withholding with respect to distributions on our common stock we make to the non-U.S. holder, provided the applicable withholding agent does not have actual knowledge or reason to know such holder is a United States person and the holder certifies its non-U.S. status, such as by providing a valid IRS Form W-8BEN, W-8BEN-E or W-8ECI, or other applicable certification. However, information returns generally will be filed with the IRS in connection with any distributions (including deemed distributions) made on our common stock to the non-U.S. holder, regardless of whether any tax was actually withheld. Copies of these information returns may also be made available under the provisions of a specific treaty or agreement to the tax authorities of the country in which the non-U.S. holder resides or is established.

Information reporting and backup withholding may apply to the proceeds of a sale or other taxable disposition of our common stock within the United States, and information reporting may (although backup withholding generally will not) apply to the proceeds of a sale or other taxable disposition of our common stock outside the United States conducted through certain U.S.-related financial intermediaries, in each case, unless the beneficial owner certifies under penalty of perjury that it is a non-U.S. holder on IRS Form W-8BEN or W-8BEN-E, or other applicable form (and the payor does not have actual knowledge or reason to know that the beneficial owner is a U.S. person) or such owner otherwise establishes an exemption. Proceeds of a disposition of our common stock conducted through a non-U.S. office of a non-U.S. broker generally will not be subject to backup withholding or information reporting.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against a non-U.S. holder's U.S. federal income tax liability, provided the required information is timely furnished to the IRS.

Additional Withholding Tax on Payments Made to Foreign Accounts

Withholding taxes may be imposed under the Foreign Account Tax Compliance Act, or FATCA, on certain types of payments made to non-U.S. financial institutions and certain other non-U.S. entities. Specifically, a 30% withholding tax may be imposed on dividends (including deemed dividends) paid on our common stock, or gross proceeds from the sale or other disposition of our common stock paid to a "foreign financial institution" or a "non-financial foreign entity" (each as defined in the Code), unless (1) the foreign financial institution undertakes certain diligence and reporting obligations, (2) the non-financial foreign entity either certifies it does not have any "substantial United States owners" (as defined in the Code) or furnishes identifying information regarding each substantial United States owner, or (3) the foreign financial institution or non-financial foreign entity otherwise qualifies for an exemption from these rules. If the payee is a foreign financial institution and is subject to the diligence and reporting requirements in (1) above, it must enter into an agreement with the U.S. Department of the Treasury requiring, among other things, that it undertake to identify accounts held by certain "specified United States persons" or "United States-owned foreign entities" (each as defined in the Code), annually report certain information about such accounts, and withhold 30% on certain payments to non-compliant foreign financial institutions and certain other account holders. Foreign financial institutions located in jurisdictions that have an intergovernmental agreement with the United States governing FATCA may be subject to different rules.

Under the applicable Treasury Regulations and administrative guidance, withholding under FATCA generally applies to payments of dividends (including deemed dividends) paid on our common stock, and will apply to payments of gross proceeds from the sale or other disposition of common stock on or after January 1, 2019. Because we may not know the extent to which a distribution is a dividend for U.S. federal income tax purposes at the time it is made, for purposes of these withholding rules we or the applicable withholding agent may treat the entire distribution as a dividend. Prospective investors should consult their tax advisors regarding the potential application of these withholding provisions.

UNDERWRITING

Under the terms and subject to the conditions in an underwriting agreement dated the date of this prospectus, the underwriters named below, for whom Morgan Stanley & Co. LLC and Cowen and Company, LLC are acting as representatives, have severally agreed to purchase, and we have agreed to sell to them, severally, the number of shares indicated below:

Name	Number of Shares
Morgan Stanley & Co. LLC	
Cowen and Company, LLC	
BMO Capital Markets Corp.	
JMP Securities LLC	
Total:	5,312,500

The underwriters and the representatives are collectively referred to as the "underwriters" and the "representatives," respectively. The underwriters are offering the shares of common stock subject to their acceptance of the shares from us and subject to prior sale. The underwriting agreement provides that the obligations of the several underwriters to pay for and accept delivery of the shares of common stock offered by this prospectus are subject to the approval of certain legal matters by their counsel and to certain other conditions. The underwriters are obligated to take and pay for all of the shares of common stock offered by this prospectus if any such shares are taken. However, the underwriters are not required to take or pay for the shares covered by the underwriters' over-allotment option described below.

The underwriters initially propose to offer part of the shares of common stock directly to the public at the offering price listed on the cover page of this prospectus and part to certain dealers at a price that represents a concession not in excess of $ per share under the public offering price. After the initial offering of the shares of common stock, the offering price and other selling terms may from time to time be varied by the representatives.

We have granted to the underwriters an option, exercisable for 30 days from the date of this prospectus, to purchase up to 796,875 additional shares of common stock at the public offering price listed on the cover page of this prospectus, less underwriting discounts and commissions. The underwriters may exercise this option solely for the purpose of covering over-allotments, if any, made in connection with the offering of the shares of common stock offered by this prospectus. To the extent the option is exercised, each underwriter will become obligated, subject to certain conditions, to purchase about the same percentage of the additional shares of common stock as the number listed next to the underwriter's name in the preceding table bears to the total number of shares of common stock listed next to the names of all underwriters in the preceding table.

The following table shows the per share and total public offering price, underwriting discounts and commissions, and proceeds before expenses to us. These amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase up to an additional 796,875 shares of common stock.

		Total	
	Per Share	No Exercise	Full Exercise
Public offering price	$	$	$
Underwriting discounts and commissions to be paid by us	$	$	$
Proceeds, before expenses, to us	$	$	$

The estimated offering expenses payable by us, exclusive of the underwriting discounts and commissions, are approximately $3,200,000. We have agreed to reimburse the underwriters for expense relating to clearance of this offering with the Financial Industry Regulatory Authority up to $30,000.

The underwriters have informed us that they do not intend sales to discretionary accounts to exceed 5% of the total number of shares of common stock offered by them.

We have applied to have our common stock listed on The Nasdaq Global Select Market under the symbol "EVLO."

We and all directors and officers and the holders of substantially all of our outstanding stock and stock options have agreed that, subject to certain exceptions, without the prior written consent of Morgan Stanley & Co. LLC and Cowen and Company, LLC, on behalf of the underwriters, we and they will not, during the period ending 180 days after the date of this prospectus (the "restricted period"):

- offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any shares of common stock or any securities convertible into or exercisable or exchangeable for shares of common stock;
- file any registration statement with the SEC relating to the offering of any shares of common stock or any securities convertible into or exercisable or exchangeable for common stock; or
- enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the common stock,

whether any such transaction described above is to be settled by delivery of common stock or such other securities, in cash or otherwise. In addition, we and each such person agrees that, without the prior written consent of Morgan Stanley & Co. LLC and Cowen and Company, LLC, on behalf of the underwriters, we or such other person will not, during the restricted period, make any demand for, or exercise any right with respect to, the registration of any shares of common stock or any security convertible into or exercisable or exchangeable for common stock.

Morgan Stanley & Co. LLC and Cowen and Company, LLC, in their sole discretion, may release the common stock and other securities subject to the lock-up agreements described above in whole or in part at any time.

In order to facilitate the offering of the common stock, the underwriters may engage in transactions that stabilize, maintain or otherwise affect the price of the common stock. Specifically, the underwriters may sell more shares than they are obligated to purchase under the underwriting agreement, creating a short position. A short sale is covered if the short position is no greater than the number of shares available for purchase by the underwriters under the over-allotment option. The underwriters can close out a covered short sale by exercising the over-allotment option or purchasing shares in the open market. In determining the source of shares to close out a covered short sale, the underwriters will consider, among other things, the open market price of shares compared to the price available under the over-allotment option. The underwriters may also sell shares in excess of the over-allotment option, creating a naked short position. The underwriters must close out any naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the common stock in the open market after pricing that could adversely affect investors who purchase in this offering. As an additional means of facilitating this offering, the underwriters may bid for, and purchase, shares of common stock in the open market to stabilize the price of the common stock. These activities may raise or maintain the market price of the common stock above independent market levels or prevent or retard a decline in the market price of the common stock. The underwriters are not required to engage in these activities and may end any of these activities at any time.

We and the underwriters have agreed to indemnify each other against certain liabilities, including liabilities under the Securities Act.

A prospectus in electronic format may be made available on websites maintained by one or more underwriters, or selling group members, if any, participating in this offering. The representatives may agree to allocate a number of shares of common stock to underwriters for sale to their online brokerage account holders. Internet distributions will be allocated by the representatives to underwriters that may make Internet distributions on the same basis as other allocations.

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. Certain of the underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for us, for which they received or will receive customary fees and expenses.

In addition, in the ordinary course of their various business activities, the underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve our securities and instruments. The underwriters and their respective affiliates may also make investment recommendations or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long or short positions in such securities and instruments.

Pricing of the Offering

Prior to this offering, there has been no public market for our common stock. The initial public offering price was determined by negotiations between us and the representatives. Among the factors considered in determining the initial public offering price were our future prospects and those of our industry in general, our sales, earnings and certain other financial and operating information in recent periods, and the price-earnings ratios, price-sales ratios, market prices of securities, and certain financial and operating information of companies engaged in activities similar to ours.

Selling Restrictions

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State") an offer to the public of any shares of our common stock may not be made in that Relevant Member State, except that an offer to the public in that Relevant Member State of any shares of our common stock may be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

(a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the representatives for any such offer; or

(c) in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of shares of our common stock shall result in a requirement for the publication by us or any underwriter of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer to the public" in relation to any shares of our common stock in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any shares of our common stock to be offered so as to enable an investor to decide to purchase any shares of our common stock, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State, and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

United Kingdom

In the United Kingdom, this prospectus is only addressed to and directed as qualified investors who are (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the Order); or (ii) high net worth entities and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons"). Any investment or investment activity to which this prospectus relates is available only to relevant persons and will only be engaged with relevant persons. Any person who is not a relevant person should not act or relay on this prospectus or any of its contents.

Canada

The common stock may be sold in Canada only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions, and Ongoing Registrant Obligations. Any resale of the common stock must be made in accordance with an exemption form, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

Hong Kong

The common stock may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong), or Companies (Winding Up and Miscellaneous Provisions) Ordinance, or which do not constitute an invitation to the public within the meaning of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong), or Securities and Futures Ordinance, or (ii) to "professional investors" as defined in the Securities and Futures Ordinance and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance, and no advertisement, invitation or document relating to the shares may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to shares of common stock which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" in Hong Kong as defined in the Securities and Futures Ordinance and any rules made thereunder.

Singapore

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the common stock may not be circulated or distributed, nor may the

common stock be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined under Section 4A of the Securities and Futures Act, Chapter 289 of Singapore, or the SFA, under Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA, in each case subject to conditions set forth in the SFA.

Where the shares of common stock are subscribed or purchased under Section 275 of the SFA by a relevant person which is a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor, the securities (as defined in Section 239(1) of the SFA) of that corporation shall not be transferable for 6 months after that corporation has acquired the common stock under Section 275 of the SFA except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person (as defined in Section 275(2) of the SFA), (2) where such transfer arises from an offer in that corporation's securities pursuant to Section 275(1A) of the SFA, (3) where no consideration is or will be given for the transfer, (4) where the transfer is by operation of law, (5) as specified in Section 276(7) of the SFA, or (6) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore, or Regulation 32.

Where the shares of common stock are subscribed or purchased under Section 275 of the SFA by a relevant person which is a trust (where the trustee is not an accredited investor (as defined in Section 4A of the SFA)) whose sole purpose is to hold investments and each beneficiary of the trust is an accredited investor, the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferable for 6 months after that trust has acquired the common stock under Section 275 of the SFA except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person (as defined in Section 275(2) of the SFA), (2) where such transfer arises from an offer that is made on terms that such rights or interest are acquired at a consideration of not less than $200,000 (or its equivalent in a foreign currency) for each transaction (whether such amount is to be paid for in cash or by exchange of securities or other assets), (3) where no consideration is or will be given for the transfer, (4) where the transfer is by operation of law, (5) as specified in Section 276(7) of the SFA, or (6) as specified in Regulation 32.

Japan

The common stock has not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended), or the FIEA. The common stock may not be offered or sold, directly or indirectly, in Japan or to or for the benefit of any resident of Japan (including any person resident in Japan or any corporation or other entity organized under the laws of Japan) or to others for reoffering or resale, directly or indirectly, in Japan or to or for the benefit of any resident of Japan, except pursuant to an exemption from the registration requirements of the FIEA and otherwise in compliance with any relevant laws and regulations of Japan.

Notice to Prospective Investors in Switzerland

The shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange, or SIX, or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the shares or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the offering, the Company or the shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of shares will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA (FINMA), and the offer of shares has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes, or CISA. The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of shares.

Notice to Prospective Investors in the Dubai International Financial Centre

This prospectus relates to an Exempt Offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority, or DFSA. This prospectus is intended for distribution only to persons of a type specified in the Offered Securities Rules of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this prospectus nor taken steps to verify the information set forth herein and has no responsibility for the prospectus. The shares to which this prospectus relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the shares offered should conduct their own due diligence on the shares. If you do not understand the contents of this prospectus you should consult an authorized financial advisor.

Notice to Prospective Investors in Australia

No placement document, prospectus, product disclosure statement or other disclosure document has been lodged with the Australian Securities and Investments Commission, in relation to the offering. This prospectus does not constitute a prospectus, product disclosure statement or other disclosure document under the Corporations Act 2001, or Corporations Act, and does not purport to include the information required for a prospectus, product disclosure statement or other disclosure document under the Corporations Act.

Any offer in Australia of the shares may only be made to persons, or Exempt Investors, who are “sophisticated investors” (within the meaning of section 708(8) of the Corporations Act), “professional investors” (within the meaning of section 708(11) of the Corporations Act) or otherwise pursuant to one or more exemptions contained in section 708 of the Corporations Act so that it is lawful to offer the shares without disclosure to investors under Chapter 6D of the Corporations Act.

The shares applied for by Exempt Investors in Australia must not be offered for sale in Australia in the period of 12 months after the date of allotment under the offering, except in circumstances where disclosure to investors under Chapter 6D of the Corporations Act would not be required pursuant to an exemption under section 708 of the Corporations Act or otherwise or where the offer is pursuant to a disclosure document which complies with Chapter 6D of the Corporations Act. Any person acquiring shares must observe such Australian on-sale restrictions.

This prospectus contains general information only and does not take account of the investment objectives, financial situation or particular needs of any particular person. It does not contain any securities recommendations or financial product advice. Before making an investment decision, investors need to consider whether the information in this prospectus is appropriate to their needs, objectives and circumstances, and, if necessary, seek expert advice on those matters.

LEGAL MATTERS

The validity of the shares of common stock offered hereby will be passed upon for us by Latham & Watkins LLP. Certain legal matters will be passed upon for the underwriters by Goodwin Procter LLP.

EXPERTS

The consolidated financial statements of Evelo Biosciences, Inc. at December 31, 2017 and 2016, and for each of the two-years in the period ended December 31, 2017, appearing in this Prospectus and Registration Statement have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their report thereon appearing elsewhere herein, and are included in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form S-1 under the Securities Act with respect to the shares of common stock offered hereby. This prospectus, which constitutes a part of the registration statement, does not contain all of the information set forth in the registration statement or the exhibits and schedules filed therewith. For further information about us and the common stock offered hereby, we refer you to the registration statement and the exhibits and schedules filed thereto. Statements contained in this prospectus regarding the contents of any contract or any other document that is filed as an exhibit to the registration statement are not necessarily complete, and each such statement is qualified in all respects by reference to the full text of such contract or other document filed as an exhibit to the registration statement. Upon completion of this offering, we will be required to file periodic reports, proxy statements, and other information with the SEC pursuant to the Securities Exchange Act of 1934. You may read and copy this information at the Public Reference Room of the SEC, 100 F Street, N.E., Room 1580, Washington, District of Columbia. 20549. You may obtain information on the operation of the public reference rooms by calling the SEC at 1-800-SEC-0330. The SEC also maintains an Internet website that contains reports, proxy statements and other information about registrants, like us, that file electronically with the SEC. The address of that site is *www.sec.gov*.

EVELO BIOSCIENCES, INC.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Evelo Biosciences, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Evelo Biosciences, Inc. (the Company) as of December 31, 2017 and 2016, the related consolidated statements of operations, convertible preferred stock and stockholders' (deficit) equity, and cash flows for each of the two years in the period ended December 31, 2017, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2017 and 2016, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2017, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2017.
Boston, MA
March 5, 2018, except for Note 15a, as to which the date is April 13, 2018, and Note 15b, as to which the date is April 30, 2018.

Evelo Biosciences, Inc.
Consolidated Balance Sheets
(In thousands, except share and per share amounts)

	December 31, 2017	December 31, 2016	Pro Forma December 31, 2017 (Unaudited)
Assets			
Current assets:			
Cash and cash equivalents	$ 38,246	$ 15,536	$ 38,246
Prepaid expenses and other current assets	531	184	531
Total current assets	38,777	15,720	38,777
Property and equipment, net	3,496	2,504	3,496
Other assets	1,515	346	1,515
Total assets	$ 43,788	$ 18,570	$ 43,788
Liabilities, convertible preferred stock, and stockholders' (deficit) equity			
Current liabilities:			
Accounts payable	$ 1,411	$ 637	$ 1,411
Shareholder payable	—	1,000	—
Accrued expenses	2,199	441	2,199
Other current liabilities	229	170	229
Total current liabilities	3,839	2,248	3,839
Noncurrent liabilities:			
Long-term debt	9,966	9,931	9,966
Deferred rent	478	584	478
Other noncurrent liabilities	526	281	102
Total liabilities	14,809	13,044	14,385
Convertible preferred stock:			
Convertible preferred stock, $0.001 par value; 66,311,563 and 38,267,813 shares authorized as of December 31, 2017 and 2016, respectively; 65,833,096 and 38,055,318 shares issued and outstanding as of December 31, 2017 and 2016, respectively; aggregate liquidation preference of $89,975 and $33,899 as of December 31, 2017 and 2016, respectively; no shares issued and outstanding, pro forma (unaudited)	83,702	33,863	—
Stockholder's (deficit) equity:			
Common stock, $0.001 par value, 23,780,338 and 15,690,120 shares authorized at December 31, 2017 and 2016, respectively; 4,138,483 and 4,031,339 shares issued and 3,880,607 and 3,618,543 outstanding at December 31, 2017 and 2016, respectively; 20,278,001 issued and 20,020,125 outstanding, pro forma (unaudited)	4	4	20
Additional paid-in capital	1,684	—	85,794
Accumulated deficit	(56,411)	(28,341)	(56,411)
Total stockholders' (deficit) equity	(54,723)	(28,337)	29,403
Total liabilities, convertible preferred stock and stockholders' (deficit) equity	$ 43,788	$ 18,570	$ 43,788

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

Evelo Biosciences, Inc.
Consolidated Statements of Operations
(In thousands, except share and per share amounts)

	Year Ended December 31, 2017	2016
Operating expenses:		
Research and development	$ 19,957	$ 9,134
General and administrative	7,574	3,891
Total operating expenses	27,531	13,025
Loss from operations	(27,531)	(13,025)
Other (expense) income:		
Interest expense, net	(215)	(287)
Other expenses	(301)	(20)
Other income (expense), net	(516)	(307)
Net loss	$ (28,047)	$ (13,332)
Convertible preferred stock dividends	(6,085)	(1,645)
Net loss attributable to common stockholders	$ (34,132)	$ (14,977)
Net loss per share attributable to common stockholders, basic and diluted	$ (9.10)	$ (5.28)
Weighted average number of common shares outstanding, basic and diluted	3,750,790	2,834,733
Pro forma net loss per share attributable to common stockholders, basic and diluted (unaudited)	$ (1.48)	
Weighted-average number of shares used in computing pro forma net loss per share, basic and diluted (unaudited)	18,807,993	

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

Evelo Biosciences, Inc.
Consolidated Statement Convertible Preferred Stock and Stockholders' (Deficit) Equity
(In thousands, except share amounts)

	Convertible Preferred Stock		Common Stock		Additional Paid-in	Accumulated	
	Shares	Amount	Shares	Amount	Capital	Deficit	Total
Balance-December 31, 2015	12,536,945	$ 7,773	1,961,265	$ 2	$ —	$ (4,473)	$ (4,471)
Issuance of Series A-1 and A-3 Preferred Stocks and Common Stock as part of the acquisition of Epiva.	18,851,705	16,950	1,389,939	2	—	(9,409)	(9,407)
Issuance of Series A and A-2 Preferred Stocks for cash, net of issuance costs	6,666,668	7,495	—	—	—	—	—
Vesting of restricted common stock	—	—	216,146	—	67	—	67
Exercise of stock options	—	—	51,193	—	32	—	32
Stock-based compensation expense	—	—	—	—	419	—	419
Accretion of preferred stock to redemption value	—	1,645	—	—	(518)	(1,127)	(1,645)
Net loss	—	—	—	—	—	(13,332)	(13,332)
Balance-December 31, 2016	38,055,318	$ 33,863	3,618,543	$ 4	$ —	$ (28,341)	$(28,337)
Issuance of Series B Preferred Stock for cash, net of issuance costs	27,777,778	49,807	—	—	—	—	—
Vesting of restricted common stock	—	—	154,920	—	57	—	57
Exercise of stock options	—	—	106,654	—	79	—	79
Other issuances of common stock	—	—	490	—	15	—	15
Accretion of preferred stock to redemption value	—	32	—	—	(9)	(23)	(32)
Stock-based compensation expense	—	—	—	—	1,542	—	1,542
Net loss	—	—	—	—	—	(28,047)	(28,047)
Balance- December 31, 2017	65,833,096	$ 83,702	3,880,607	$ 4	$ 1,684	$ (56,411)	$(54,723)
Conversion of preferred stock into common stock (unaudited)	(65,833,096)	(83,702)	16,139,518	16	83,686	—	83,702
Reclassification of warrant to purchase preferred stock to stockholders' (deficit) equity (unaudited)	—	—	—	—	424	—	424
Balance- December 31, 2017 pro forma (unaudited)	—	$ —	20,020,125	$ 20	$ 85,794	$ (56,411)	$ 29,403

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

Evelo Biosciences, Inc.
Consolidated Statements of Cash Flows
(In thousands)

	Year Ended December 31, 2017	2016
Operating activities		
Net loss	$ (28,047)	$ (13,332)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock-based compensation expense	1,542	419
Depreciation expense	834	495
Change in fair value of warrant liability	301	20
Non-cash interest expense	35	28
Gain on sale of property and equipment	—	(2)
Changes in assets and liabilities excluding effect of assets and liabilities assumed in acquisition of Epiva (Note 4):		
Prepaid expenses and other current assets	(347)	(1)
Accounts payable	774	(43)
Accrued expenses and other current liabilities	1,733	273
Other liabilities including deferred rent	(90)	(171)
Net cash used in operating activities	(23,265)	(12,314)
Investing activities		
Cash acquired in the acquisition of Epiva	—	10,486
Purchases of property and equipment	(1,742)	(1,250)
Proceeds from the sale of property and equipment	—	27
Net cash (used in)/provided by investing activities	(1,742)	9,263
Financing activities		
Net proceeds from the issuance of convertible preferred stock	48,903	7,495
Deferred issuance costs	(15)	—
Proceeds from the issuance of long-term debt	—	11,000
Repayment of long-term debt	—	(4,000)
Proceeds from the exercise of stock options and restricted common stock	79	247
Change in stockholders' payable	—	1,000
Net cash provided by financing activities	48,967	15,742
Net increase in cash, cash equivalents and restricted cash	23,960	12,691
Cash, cash equivalents and restricted cash – beginning of year	15,786	3,095
Cash, cash equivalents and restricted cash – end of year	$ 39,746	$ 15,786
Supplemental disclosure of cash flow information		
Cash paid for interest	$ 437	$ 204
Noncash investing and financing activities		
Accretion of convertible preferred stock to redemption value	$ 32	$ 1,645
Issuance of warrants in connection with long-term debt facility	$ —	$ 76
Property and equipment additions in accounts payable and accrued expenses	$ 84	$ —
Long-term debt assumed in acquisition of Epiva, net of discount	$ —	$ 2,923
Net non-cash assets acquired in acquisition of Epiva	$ —	$ 57

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

Evelo Biosciences, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(amounts in thousands, except share and per share amounts)

1. Organization and Basis of Presentation

Evelo Biosciences, Inc. ("the Company") is a biotechnology company which was incorporated in Delaware on May 6, 2014. The Company focuses on the development of monocolonal microbials, which are designed to act on the gut-body network for the treatment of many diseases, beginning with inflammatory diseases and cancer. The Company is headquartered in Cambridge, Massachusetts.

The Company is devoting substantially all of its efforts to research and development and raising capital. The Company has not generated any revenue related to its primary business purpose to date. The Company is subject to a number of risks similar to those of other development stage companies, including dependence on key individuals, the need to develop commercially viable products, competition from other companies, many of whom are larger and better capitalized, and the need to obtain adequate additional financing to fund the development of its products.

The Company has funded its operations from the issuance of convertible notes, convertible preferred stock, common stock and debt financing. At December 31, 2017, the Company had cash and cash equivalents of $38,246 and an accumulated deficit of $56,411. The Company has an additional $5,000 of borrowing capacity available under its current debt facility, which it drew down upon in February 2018. In addition, in February 2018, the Company raised $47,500 in Series C convertible preferred stock. Based on the Company's current operating plan, the Company has sufficient cash and cash equivalents to support operations for at least one year from the issuance date of these consolidated financial statements. Thereafter the Company will need to obtain additional funding. The Company intends to pursue a public offering of its common stock to fund future operations. If the Company is unable to complete a sufficient public offering in a timely manner, it would need to pursue other financing alternatives such as private financing of debt or equity or collaboration agreements. There can be no assurances, however, that the current operating plan will be achieved or that additional funding will be available on terms acceptable to the Company, or at all.

2. Significant Accounting Policies

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). Any reference in these notes to applicable guidance is meant to refer to the authoritative United States generally accepted accounting principles as found in the Accounting Standard Codification ("ASC") and Accounting Standards Updates ("ASU") of the Financial Accounting Standards Board ("FASB").

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned, controlled subsidiary, Evelo Biosciences Security Corporation. All intercompany transactions and balances of the subsidiary have been eliminated in consolidation.

Unaudited Pro Forma Financial Information

The accompanying unaudited pro forma consolidated balance sheet as of December 31, 2017 has been prepared to give effect to the automatic conversion of all outstanding shares of convertible preferred stock into shares of common stock, based on a conversion ratio currently in effect, which is 1:1, and the reclassification of the warrant liability into additional paid in capital. The shares of common stock issuable and the proceeds expected to be received in the initial public offering are excluded from such pro forma financial information.

In the accompanying consolidated statements of operations, the unaudited pro forma net loss attributable to common stockholders used in the calculation of unaudited basic and diluted pro forma net loss per share attributable to common stockholders does not include the effects of the remeasurement of the warrant to purchase convertible preferred stock because it assumes that the conversion of convertible preferred stock warrants into common stock warrants occurred on the later of the beginning of the reporting period or the issuance date of the convertible preferred stock warrant.

The unaudited pro forma basic and diluted weighted average common shares outstanding used in the calculation of unaudited pro forma basic and diluted net loss per share attributable to common stockholders for the year ended December 31, 2017 give effect to the automatic conversion of all outstanding shares of convertible preferred stock into shares of common stock as if the conversion had occurred on the later of January 1, 2017 or the issuance date of the convertible preferred stock for the year ended December 31, 2017. Excluded from pro forma weighted average common shares outstanding is the automatic conversion of warrants into 134 common shares as the automatic conversion is impacted by the offering price which is not known.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

Concentrations of Credit Risk and Off-Balance Sheet Risk

Financial instruments that potentially expose the Company to concentrations of credit risk primarily consist of cash and cash equivalents. The Company places its cash and cash equivalents in a custodian account in accredited financial institutions. Accordingly, such funds are subject to minimal credit risk. Such deposits have and will continue to exceed federally insured limits. The Company has not experienced any losses on its cash deposits.

As of December 31, 2017 and 2016, the Company has no off-balance sheet risk such as foreign exchange contracts, option contracts, or other foreign hedging arrangements.

The Company is subject to a number of risks similar to other early-stage biopharmaceutical companies, including, but not limited to, the need to obtain adequate additional funding, possible failure of current or future preclinical testing or clinical trials, its reliance on third parties to conduct its clinical trials, the need to obtain regulatory and marketing approvals for its product candidates, competitors developing new technological innovations, the need to successfully commercialize and gain market acceptance of the Company's product candidates, its right to develop and commercialize its product candidates pursuant to the terms and conditions of the licenses granted to the Company, protection of proprietary technology, the ability to make milestone, royalty or other payments due under any license or collaboration agreements, and the need to secure and maintain adequate manufacturing arrangements with third parties. If the Company does not successfully commercialize or partner any of its product candidates, it will be unable to generate product revenue or achieve profitability.

Comprehensive Loss

Comprehensive loss includes net loss and certain changes in stockholders' (deficit) equity that are excluded from net loss. For the years ended December 31, 2017 and 2016, comprehensive loss was equal to net loss.

Cash, Cash Equivalents and Restricted Cash

Cash equivalents are comprised of highly liquid investments that are readily convertible into cash with original maturities of three months or less. Cash and cash equivalents include cash held in banks and amounts held in money market funds. Cash equivalents are stated at cost, which approximates market value. The

Company's restricted cash consists of restricted cash in connection with building leases for the Company's office and laboratory premises. Restricted cash as of December 31, 2017 and 2016 was $1,500 and $250, respectively, and is classified within the other assets on the accompanying consolidated balance sheet. The following reconciles cash, cash equivalents and restricted cash as of December 31, 2017 and 2016, as presented on our statements of cash flows to their related balance sheet accounts:

	December 31,	
	2017	2016
Cash and cash equivalents:		
Cash	$13,204	$ 697
Money Market Funds	25,042	14,839
Total cash and cash equivalents	38,246	15,536
Restricted cash	1,500	250
Cash, cash equivalents and restricted cash	$39,746	$15,786

Fair Value of Financial Instruments

ASC 820, Fair Value Measurement ("ASC 820"), establishes a fair value hierarchy for instruments measured at fair value that distinguishes between assumptions based on market data (observable inputs) and the Company's own assumptions (unobservable inputs). Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Company. Unobservable inputs are inputs that reflect the Company's assumptions about the inputs that market participants would use in pricing the asset or liability and are developed based on the best information available in the circumstances.

ASC 820 identifies fair value as the exchange price, or exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As a basis for considering market participant assumptions in fair value measurements, ASC 820 establishes a three-tier fair value hierarchy that distinguishes between the following:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs that reflect the Company's own assumptions about the assumptions market participants would use in pricing the asset or liability.

To the extent that the valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised by the Company in determining fair value is greatest for instruments categorized in Level 3. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

An entity may choose to measure many financial instruments and certain other items at fair value at specified election dates. Subsequent unrealized gains and losses on items for which the fair value option has been elected will be reported in earnings. The Company did not elect to measure any additional financial instruments or other items at fair value.

Warrants to Purchase Convertible Preferred Stock

The Company accounts for warrant instruments that either conditionally or unconditionally obligate the issuer to transfer assets as liabilities regardless of the timing of the redemption feature or price, even though the underlying shares may be classified as equity. These warrants are subject to revaluation at each balance sheet

date, and any changes in fair value are recorded as a component of other income/(expense), until the earlier of their exercise or expiration or the completion of a liquidation event, at which time the warrant liability may be reclassified to stockholders' equity if the criteria for recording the warrant as an equity instrument are met. Per the terms of the warrants, upon completion of a qualified public offering, any unexercised warrants are converted into warrants to purchase common shares.

Property and Equipment

Property and equipment consists of computer hardware and software, furniture and fixtures, office equipment, research and lab equipment, and leasehold improvement recorded at cost. Lab equipment used in research and development activities is only capitalized when it has an alternative future use. These amounts are depreciated using the straight-line method over the estimated useful lives of the assets. Purchased assets that are not yet in service are recorded to construction-in-process and no depreciation expense is recorded. Once they are placed in service they are reclassified to the appropriate asset class.

A summary of the estimated useful lives is as follows:

Classification	Estimated Useful Life
Computer hardware	3 - 5 Years
Computer software	3 Years
Furniture and fixtures	7 Years
Research and lab equipment (new/used)	5 years / 3 years
Leasehold improvements	Lesser of asset life or remaining life of lease

Repairs and maintenance costs are expensed as incurred.

Impairment of Long-Lived Assets

The Company periodically evaluates property and equipment for impairment whenever events or changes in circumstances indicate that a potential impairment may have occurred. If such events or changes in circumstances arise, the Company compares the carrying amount of the long-lived assets to the estimated future undiscounted cash flows expected to be generated by the long-lived assets. If the estimated aggregate undiscounted cash flows are less than the carrying amount of the long-lived assets, an impairment charge, calculated as the amount by which the carrying amount of the assets exceeds the fair value of the assets, is recorded. The fair value of the long-lived assets is determined based on the estimated discounted cash flows expected to be generated from the long-lived assets. The Company has not recorded any such impairment charges during the years presented.

Deferred Rent

Certain of the Company's operating lease agreements include scheduled rent escalations over the lease term, as well as lease incentives. Rent expense is charged ratably over the life of the lease. Deferred rent consists of the difference between cash payments and the recognition of rent expense on a straight-line basis for the buildings the Company occupies. Lease incentives are recorded as a deferred rent liability and are amortized on a straight-line basis over the term of the lease as a reduction to rent expense.

Research and Development Costs

Research and development costs are expensed in the period incurred. Research and development expenses consist of both internal and external costs such as payroll, consulting, and manufacturing costs associated with the development of the Company's product candidates.

Nonrefundable advance payments for goods or services to be received in the future for use in research and development activities are deferred and capitalized. The capitalized amounts are expensed as the related goods are delivered or the services are performed.

The Company has and may continue to acquire the rights to develop and commercialize new product candidates from third parties. The upfront payments to acquire license, product or rights, as well as any future milestone payments, are immediately recognized as research and development expense provided that there is no alternative future use of the rights in other research and development projects. Any milestone payments made for Intellectual Property after regulatory approval, or that have alternative future use, are capitalized and amortized.

Income Taxes

The Company records deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the Company's financial statement carrying amounts and the tax bases of assets and liabilities and for loss and credit carryforwards using enacted tax rates expected to be in effect in the years in which the differences reverse. A valuation allowance is provided to reduce the net deferred tax assets to the amount that will more likely than not be realized. The Company determines whether it is more likely than not that a tax position will be sustained upon examination. If it is not more likely than not that a position will be sustained, none of the benefit attributable to the position is recognized. The tax benefit to be recognized for any tax position that meets the more-likely-than-not recognition threshold is calculated as the largest amount that is more than 50% likely of being realized upon resolution of the contingency. The Company accounts for interest and penalties related to uncertain tax positions as part of its provision for income taxes.

Stock-Based Compensation

The Company records stock-based compensation for options granted to employees and directors based on the grant date fair value of awards issued. The expense is recorded over the requisite service period, which is the vesting period, on a straight-line basis. The Company uses the Black-Scholes option-pricing model to determine the fair value of stock options. The determination of the fair value of stock options on the date of grant using an option-pricing model is affected by the Company's common stock price, as well as a number of other assumptions. The Company recognizes stock-based compensation, net of estimated forfeitures, over the vesting period of the grant.

The Company accounts for stock-based compensation arrangements with non-employees based upon the fair value of the consideration received or the equity instruments issued, whichever is more reliably measurable. The measurement date for non-employee awards is generally the date performance of services required from the non-employee is complete. Stock-based compensation costs for non-employee awards are recognized as services are provided, which is generally the vesting period, on a straight-line basis. The unvested portion of the stock options is subject to re-measurement over the vesting period.

Segments

The Company has one operating segment. The Company's chief operating decision maker, its Chief Executive Officer, manages the Company's operations on a consolidated basis for the purpose of allocating resources.

Net Loss per Share Attributable to Common Stockholders

Basic net loss per share is calculated by dividing the net loss attributable to common stockholders by the weighted-average number of shares of common stock outstanding during the period, without consideration for common stock equivalents. Net loss applicable to common stockholders is calculated by adjusting the net loss of the Company for cumulative preferred stock dividends. Diluted net loss per share applicable to common stockholders is calculated by adjusting weighted average shares outstanding for the dilutive effect of common stock equivalents outstanding for the period. For purposes of the dilutive net loss per share applicable to common stockholders calculation, convertible preferred stock, warrants, stock options, and unvested restricted stock are considered to be common stock equivalents but are excluded from the calculation of diluted net loss per share applicable to common stockholders, as their effect would be anti-dilutive; therefore, basic and diluted net loss per share applicable to common stockholders were the same for all periods presented.

Unaudited Pro Forma Net Loss per Share

Pro forma basic and diluted net loss per share has been computed to give effect to the conversion of all outstanding convertible preferred stock into shares of common stock. The unaudited pro forma net loss per share does not include the shares expected to be sold and related proceeds to be received from the initial public offering. The unaudited pro forma net loss per share for the twelve months ended December 31, 2017 was computed using the weighted-average number of shares of common stock outstanding, including the pro forma effect of the conversion of all outstanding shares of convertible preferred stock into shares of common stock, as if such conversion had occurred at the beginning of the period, or their issuance dates if later.

Recently Adopted Accounting Pronouncements

In November 2015, the FASB issued ASU 2015-17, *Balance Sheet Classification of Deferred Taxes* ("ASU 2015-17"). The guidance requires that all deferred tax assets and liabilities, along with any related valuation allowance, be classified as noncurrent on the balance sheet. This guidance was effective in the first annual period ending after December 15, 2016, and interim periods thereafter, on December 31, 2016 for public entities. For all entities other than public business entities, the guidance becomes effective for financial statements issued for annual periods beginning after December 15, 2017, and interim periods within annual periods beginning after December 15, 2018. Early adoption is permitted for all entities as of the beginning of an interim or annual reporting period. The Company has adopted ASU 2015-17 as of January 1, 2015. The adoption of ASU 2015-17 had no material impact on the Company's consolidated financial statements and related disclosures.

In November 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows (Topic 230), Restricted Cash* ("ASU 2016-18"). The amendments of ASU 2016-18 were issued to address the diversity in classification and presentation of changes in restricted cash and restricted cash equivalents on the statement of cash flows which is currently not addressed under Topic 230. ASU 2016-18 would require an entity to include amounts generally described as restricted cash and restricted cash equivalents with cash and cash equivalents when reconciling the beginning of period and end of period total amounts on the statement of cash flows. This guidance is effective for annual reporting periods, and interim periods within those years, beginning after December 15, 2017, for public entities and no later than for annual reporting periods beginning after December 15, 2018, for non-public entities. Early adoption is permitted and the standard must be applied retrospectively. The Company adopted this standard as of January 1, 2017 retrospectively for all periods presented.

In January 2017, the FASB issued ASU 2017-01, *Business Combinations (Topic 805): Clarifying the Definition of a Business* ("ASU 2017-01"). This new standard clarifies the definition of a business and provides a screen to determine when an integrated set of assets and activities is not a business. The screen requires that when substantially all of the fair value of the gross assets acquired (or disposed of) is concentrated in a single identifiable asset or a group of similar identifiable assets, the set is not a business. Early adoption is permitted. The Company adopted the requirements of ASU 2017-01 as of January 1, 2016 and applied the screen when evaluating the nature of the assets received in connection with the acquisition of Epiva in 2016. As a result of applying this screen the Company concluded that Epiva was not a business.

Accounting Pronouncements Issued and Not Adopted as of December 31, 2017

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers* (Topic 606) ("ASU 2014-09"), and further updated through ASU 2016-12 ("ASU 2016-12"), which amends the existing accounting standards for revenue recognition. ASU 2014-09 is based on principles that govern the recognition of revenue at an amount to which an entity expects to be entitled when products are transferred to customers. This guidance is effective for annual reporting periods, and interim periods within those years, beginning after December 15, 2017, for public entities and no later than for annual reporting periods beginning after December 15, 2018, for non-public entities. The new revenue standard may be applied retrospectively to each prior period presented or retrospectively with the cumulative effect recognized as of the date of adoption. While the Company continues to assess all potential impacts under ASU 2014-09, it does not believe adopting the new revenue recognition standard will have a material impact on its consolidated financial statements as the Company is not yet generating revenues.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)* (“ASU 2016-02”), which supersedes the guidance in former ASC 840, *Leases*. The new standard requires lessees to apply a dual approach, classifying leases as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase by the lessee. This classification will determine whether lease expense is recognized based on an effective interest method or on a straight-line basis over the term of the lease. A lessee is also required to record a right-of-use asset and a lease liability for all leases with a term of greater than 12 months regardless of their classification. Leases with a term of 12 months or less will be accounted for similar to existing guidance for operating leases today. This guidance is effective for annual reporting periods, and interim periods within those years, beginning after December 15, 2018, for public entities and no later than for annual reporting periods beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020 for non-public entities. Early adoption is permitted for all entities. ASU 2016-02 is expected to impact the Company’s consolidated financial statements as the Company has certain operating lease arrangements for which the Company is the lessee. Management is currently evaluating the impact the adoption of ASU 2016-02 will have on its consolidated financial statements and related disclosures.

In March 2016, the FASB issued ASU 2016-09, *Improvements to Employee Share-based Payment Accounting* (“ASU 2016-09”). ASU 2016-09 simplifies several aspects of the accounting for share-based payment transactions, including the income tax consequences, classification of awards as either equity or liabilities, and classification on the statement of cash flows. Some of the areas of simplification apply only to non-public companies. This guidance was effective on December 31, 2016 for public entities. For entities other than public business entities, the amendments are effective for annual periods beginning after December 15, 2017, and interim periods within annual periods beginning after December 15, 2018. Early adoption is permitted for an entity in any interim or annual period for which financial statements have not been issued or made available for issuance. An entity that elects early adoption must adopt all amendments in the same period. The Company has not early adopted ASU 2016-09. The Company is currently evaluating the impact the adoption of ASU 2016-09 will have on its consolidated financial statements and related disclosures.

In May 2017, the FASB issued ASU 2017-09, *Compensation - Stock Compensation (Topic 718): Scope of Modification Accounting* (“ASU 2017-09”), which clarifies when to account for a change to the terms or conditions of a share-based payment award as a modification. Under the new guidance, modification accounting is required only if the fair value, the vesting conditions, or the classification of the award (as equity or liability) changes as a result of the change in terms or conditions. This guidance is effective for annual reporting periods, and interim periods within those years, beginning after December 15, 2017, for both public entities and non-public entities. Early adoption is permitted. The Company is currently evaluating the impact of adopting this standard on the consolidated financial statements and related disclosures, but does not expect it to have a significant impact.

3. Fair Value Measurements

The following tables present information about the Company’s financial assets and liabilities that have been measured at fair value as of December 31, 2017 and 2016:

Description	December 31, 2017	Active Markets (Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Assets:				
Money market funds	$ 25,042	$25,042	$ —	$ —
Total	$ 25,042	$25,042	$ —	$ —
Liabilities:				
Preferred Stock Warrant Liability	$ 424	$ —	$ —	$ 424
Total	$ 424	$ —	$ —	$ 424

Description	December 31, 2016	Active Markets (Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Assets:				
Money market funds	$ 14,839	$14,839	$ —	$ —
Total	$ 14,839	$14,839	$ —	$ —
Liabilities:				
Preferred Stock Warrant Liability	$ 123	$ —	$ —	$ 123
Total	$ 123	$ —	$ —	$ 123

The Preferred Stock Warrant Liabilities (the Warrants) relate to warrants to purchase convertible preferred stock issued by the Company in connection with entering into a debt facility transactions during 2015 and 2016 as well as assuming warrants to purchase convertible preferred stock in connection with the acquisition of Epiva. These Warrants are considered a Level 3 liability since their fair value measurements are based, in part, on significant inputs not observed in the market and reflect the Company's assumptions as to the fair value of the underlying convertible preferred stock and the expected volatility of the Company's convertible preferred stock, as well as estimates regarding the number of shares that the Warrants will be exercisable for.

The estimated fair value of the Warrants was determined using the Black-Scholes option-pricing model. A significant input to the fair value of the Warrants is the fair value of the Series A Preferred Stock, Series A-1 Preferred Stock and Series A-3 Preferred Stock. The fair value of the Warrants is remeasured at each reporting date using then-current assumptions with changes in fair value charged to other expense on the statements of operations. As of December 31, 2017 and 2016, the Warrants were valued at $424, and $123, respectively and included in other non-current liabilities on the consolidated balance sheet. The assumptions used represent the Company's best estimates at the time of valuation. Changes in these estimates could result in material changes to the carrying value of the Warrants. The following assumptions were used in valuing the material Warrants:

	December 31, 2017	2016
Risk-free interest rate	2.3 - 2.4%	2.4 - 2.5%
Expected dividend yield	0.0%	0.0%
Expected term (in years)	7.9 - 8.6	8.9 - 9.6
Expected volatility	81 - 82%	79%
Fair value of preferred stock	$2.41 - 2.56	$0.60 - 1.20

The following table provides a roll-forward of the fair value of the warrant liability measured at fair value on a recurring basis using Level 3 significant unobservable inputs (in thousands):

	Warrant Liability
Balance at December 31, 2015	$ 46
Issuance and assumption of warrant to purchase convertible preferred stock	57
Change in fair value of warrant liability	20
Balance at December 31, 2016	$ 123
Change in fair value of warrant liability	301
Balance at December 31, 2017	$ 424

The estimated fair value of long-term debt approximates its carrying value as the effective interest rate approximates market rates. The fair value of long-term debt, which may differ from its carrying value, is determined by market interest rates from debt arrangements which are observed in market trading which are similar to the Company's arrangement and are considered a Level 2 input.

4. Acquisition with Epiva Biosciences, Inc. (Epiva)

On June 16, 2016, the Company acquired Epiva, a privately held research company, focused on microbes for inflammatory diseases in order to create synergies and expand the depth of the Company's research platform. Epiva held intellectual property rights related to microbes affecting the inflammatory diseases. The acquisition resulted in the exchange of all shares of Epiva stock for shares of the Company's stock at an exchange rate of 1-for-0.8333 for Epiva Series A and A-2 preferred stock and 1-for-0.2043 for Epiva common stock. The holders of Epiva common stock and common stock options received shares of the Company's common stock or options. The holders of Epiva Series A and A-2 Preferred Stock received shares of the Company's Series A-1 and A-3 Preferred Stock, respectively.

Both the Company and Epiva received funding from various investment funds that are managed by the same entity. The Company assessed the ownership structure of the two companies as well as the investment funds and determined, based on the ownership structure and other rights provided through other relevant arrangements, such as voting rights agreements, limited partnership agreements and general partnership agreements, that the ultimate controlling parent of each of the Company and Epiva was the same entity both immediately before and immediately after the acquisition. As a result, the Company and Epiva were considered to be under common control and the transaction was considered to be a related party transaction.

The net assets received by the Company as a result of the acquisition were determined to represent an asset and not a business. This conclusion was primarily based on the fact that substantially all of the fair value of the gross assets received, excluding cash acquired, related to Epiva's intellectual property rights. This conclusion considered the nature of Epiva's operations immediately prior to the acquisition as well as Epiva's limited operating history.

As the acquisition was considered to represent an asset acquisition under common control, the assets and liabilities received were initially recorded by the Company at Epiva's carrying value on the date of acquisition. The operations associated with the assets received from Epiva are presented within the statements of operations on a prospective basis from the date of the acquisition.

Assets and liabilities received from Epiva as of June 16, 2016 (at the historical carrying value of Epiva) are as follows:

Assets:	
Cash and cash equivalents	$10,411
Prepaid expenses and other current assets	156
Property and equipment, net	406
Other assets	71
Total assets	$11,044
Liabilities:	
Accounts payable	$ 438
Accrued expenses	74
Long-term debt, net of debt discount	2,923
Other noncurrent liabilities	64
Total liabilities	$ 3,499

5. Property and Equipment, Net

Property and equipment consists of the following:

	December 31, 2017	2016
Property and equipment:		
Lab equipment	$ 3,189	$1,562
Leasehold improvements	1,334	1,306
Furniture and fixtures	217	127
Computers and software	77	68
Office equipment	9	9
Construction-in-process	99	27
Property and equipment	4,925	3,099
Less: accumulated depreciation	(1,429)	(595)
Property and equipment, net	$ 3,496	$2,504

The Company recognized $834 and $495 of depreciation expense for the years ended December 31, 2017 and 2016.

6. Accrued Expenses

Accrued expenses consists of the following:

	December 31, 2017	2016
Accrued external research and development expenses	$ 715	$164
Accrued payroll and related expenses	256	130
Accrued professional fees	1,081	132
Accrued other	147	15
Total accrued expenses	$2,199	$441

7. Loan and Security Agreement

In November 2015, the Company entered into a loan and security agreement with a financial institution. The arrangement allowed the Company to borrow up to $4,000 and, if certain criteria were met, to borrow up to an additional $1,500. The Company drew $4,000 under the facility in the first half of 2016 and repaid these amounts in 2016. In connection with this arrangement, the Company issued a warrant that was originally exercisable into 100,000 shares of Series A Preferred Stock. The warrant was initially recorded at fair value and subsequently marked-to-market through the statements of operations. The issuance costs were expensed in 2016 upon the repayment of the loan.

In connection with the acquisition of Epiva, the Company assumed Epiva's credit facility (the Credit Facility) and the related $3,000 of outstanding debt. Subsequent to the acquisition, the Company amended the Credit Facility to allow the Company to borrow up to $15,000, including the $3,000 that was outstanding on the modification date and extending the maturity to August 15, 2020. During 2016, the Company borrowed an additional $7,000, bringing the total amounts outstanding as of December 31, 2016 and 2017 to $10,000. Under the terms of the Credit Facility the Company is required to make interest only payments through August 15, 2018. Upon the expiration of the interest only period, amounts borrowed will be repaid over 24 equal monthly payments of principal plus interest accrued through August 15, 2020. The amounts outstanding under the facility have an interest rate of the higher of (i) prime plus 0.25% or (ii) 3.75% per annum. The loan is secured by a lien on all Company assets, excluding intellectual property.

The Company has the following minimum aggregate future loan payments at December 31, 2017 as adjusted for the impact of the additional draw in February 2018 as discussed below:

2018	$ 475
2019	2,337
2020	5,271
2021	3,165
Total minimum payments	$11,248
Less amounts representing interest and discount	(1,282)
Less current portion	—
Long-term debt, net of current portion	$ 9,966

The Credit Facility contains negative covenants restricting the Company's activities, including limitations on cash deposits, dispositions, mergers or acquisitions, incurring indebtedness or liens, paying dividends or making investments and certain other business transactions. There are no financial covenants associated with the agreement. The obligations under the agreement are subject to acceleration upon the occurrence of specified events of default, including a material adverse change in the Company's business, operations or financial or other condition. The Company has determined that the risk of subjective acceleration under the material adverse events clause is remote and therefore has classified the outstanding principal in non-current liabilities based on scheduled principal payments.

Interest expense for the year ending December 31, 2017 and 2016 was $474 and $316, respectively.

In February 2018, the Company drew the additional $5,000 available under the Credit Facility. This resulted in an increase to the interest rate to the higher of (i) prime plus 0.25% or (ii) 4.50% per annum. The interest only payment period was extended through to August 15, 2019. Upon the expiration of the interest only period, amounts borrowed will be repaid over 24 equal monthly payments of principal plus interest accrued through August 15, 2021. As such, the entire debt obligation has been classified as long-term on the Company's consolidated balance sheet. The Company may prepay the outstanding loan at its option with a prepayment fee of 2% of principal amount if prepayment is made before August 15, 2018 or 0.5% if the prepayment is made between August 15, 2018 and August 15, 2019.

In conjunction with the February 2018 drawdown, the Company issued a warrant to purchase up to 8,512 shares of the Company's Series B preferred stock at an exercise price of $7.35 per share.

As part of this loan and security agreement, in the event of a liquidation event, including initial public offering, the Company will be required to pay a success fee of $250.

8. License Agreements

Mayo Foundation for Medical Education and Research

On June 10, 2016, the Company entered into a Research and License Agreement, (the "2016 Mayo License Agreement") with Mayo Foundation for Medical Education and Research ("Mayo"). Under the 2016 Mayo License Agreement, Mayo was entitled to certain participation rights in connection with the issuance and sale of Series B Preferred Stock. The 2016 Mayo License Agreement allowed Mayo to purchase shares at the same price paid as other investors and is considered to be a fair value contract. In 2017, Mayo purchased 1,666,667 shares of Series B Preferred Stock at $1.80 per share. Also pursuant to the 2016 Mayo License Agreement, Mayo received 490 shares of common stock upon the completion of certain project milestones as well as warrants to purchase common stock (the "Mayo Warrants") exercisable for 18 shares and 116 shares of common stock upon the completion of certain additional project milestones. The Mayo Warrants were fully vested and expensed in 2016.

On August 6, 2017, the Company and Mayo entered into a license agreement ("2017 Mayo License Agreement"). Under the 2017 Mayo License Agreement, Mayo granted the Company (i) an exclusive,

worldwide, sublicensable license under Mayo's rights to certain intellectual property and microbial strains (ii) a non-exclusive, worldwide, sublicensable license to certain related know-how, in each case, to develop and commercialize certain microbial strains and licensed products incorporating any such strains. As consideration, the Company paid a nonrefundable upfront fee of $225 and annual license maintenance fees. Nonrefundable upfront fees were expensed in full to research and development expense in 2016. Annual maintenance fees will be expensed as incurred over the term of the agreement. The Company may owe Mayo milestone payments upon the achievement of certain development, regulatory, and commercial milestones, up to a maximum of $55,960 in the aggregate, as well as royalties on net sales of licensed products low single-digit percentages. No amounts are currently due under this agreement.

University of Chicago

On March 10, 2016, the Company and the University of Chicago entered into a patent license agreement ("2016 University of Chicago Agreement"). Under the 2016 University of Chicago Agreement, the University of Chicago granted the Company (i) an exclusive, royalty-bearing and sublicensable license under the Licensed Patents and (ii) a non-exclusive, royalty-bearing, sublicensable license to access the technical information to diligently develop and commercialize Licensed Products. As consideration, the Company paid a nonrefundable upfront fee of less than $500 and annual license maintenance fees. Nonrefundable upfront fees were expended in full to research and development expense in 2016. Annual maintenance fees will be expensed as incurred over the term of the agreement. The Company may owe the University of Chicago milestone payments upon the achievement of certain development, regulatory, and commercial milestones, as well as royalties on net sales of licensed products ranging from low to high single-digit percentages. In addition, the Company also agreed to pay the University of Chicago a share of sublicense revenue. No amounts are currently due under this agreement.

9. Commitments and Contingencies

Lease Obligations

The Company leases office and laboratory space under two separate operating leases that expire in 2020 and 2021, respectively. The leases require a security deposit, which the Company has met with a letter of credit from a financial institution that is secured with cash on deposit. The agreement provided for lease incentives in the form of a tenant improvement allowances of $778 which is being amortized through February 2021, over the term of the leases. In December 2017, the Company extended one of the lease for additional two years to May 2020.

The Company recorded $983 and $493 of rent expense for the years ended December 31, 2017 and 2016, respectively.

The minimum aggregate future lease commitments at December 31, 2017, are as follows.

2018	$ 997
2019	1,057
2020	798
2021	100
	$2,952

In January 2018, the Company entered into an operating sublease arrangement to lease approximately 40,765 square feet for its office and research development space at 620 Memorial Drive, Cambridge, MA 02139 from February 2018 to September 2025, with annual rent payments ranging from approximately $2,700 to $3,200 over the term.

In January 2018, the Company also modified its existing operating lease to include a termination clause that will terminate one of the leases on June 30, 2018.

Compensation Commitment

The Company entered into a compensation arrangement with a consultant during May 2017 which provided for a future cash and a variable share payment in exchange for services. The services were completed in August 2017; however, the arrangement was not settled until after December 31, 2017. Subsequent to December 31, 2017, the Company settled the arrangement by making a cash payment and issuing 250,000 shares of Series B Preferred Stock. Accordingly, the Company recorded the liability related to this agreement at the fair value of the underlying shares at December 31, 2017, recognizing $683 in expense.

10. Stockholders' (Deficit) Equity and Convertible Preferred Stock

As of December 31, 2017, the Company's issued and outstanding capital stock of the Company consisted of the following:

Common Stock

The Company has reserved the following shares of common stock as of December 31, 2017:

	December 31, 2017
Series A Preferred Stock	3,277,830
Series A Preferred Stock warrants	24,513
Series A-1 Preferred Stock	2,476,599
Series A-1 Preferred Stock warrants	15,321
Series A-2 Preferred Stock	1,430,088
Series A-3 Preferred Stock	2,145,046
Series A-3 Preferred Stock Warrants	7,660
Series B Preferred Stock	6,879,740
Mayo Clinic Warrants	134
Common stock options	3,437,412
Shares reserved under compensation plan	107,262
Total shares reserved	19,801,605

Convertible Preferred Stock

In 2016 the Company issued 833,334 shares of Series A Preferred Stock at a purchase price of $0.60 per share for proceeds of $500 and 5,833,334 shares of Series A-2 Preferred Stock at a purchase price of $1.20 per share for proceeds of $7,000.

The obligation for the investors to purchase shares of Series A-2 Preferred Stock upon the occurrence of certain events was considered a freestanding instrument and was therefore, required to be accounted for at fair value. However, because the purchase price of the Series A-2 Preferred Stock, approximated the fair value of the shares on the date of the purchase, the value attributed to the feature was determined to be immaterial.

In June 2016, in connection with the acquisition of Epiva, the Company issued 10,102,055 shares of Series A-1 Preferred Stock and 8,749,650 shares of Series A-3 Preferred Stock. The Series A-1 and A-3 preferred stock were issued in exchange for the outstanding shares of Epiva Series A and A-1 preferred stock, respectively, at an exchange rate of 1-for-0.8333. The Series A-1 and A-3 Preferred stock contained rights and preferences that were consistent with the rights and preferences of the historic Epiva preferred stock.

The Company issued a total of 27,777,778 shares of Series B Preferred Stock at purchase price of $1.80 for gross proceeds $50,000 in four separate closings in the first half of 2017. The terms of the Series B Preferred

Stock modified certain terms of the existing Series A, A-1, A-2, and A-3 Preferred Stock. The amendments include removing certain redemption rights and allowing the Series B Preferred Stock to vote as part of the class of preferred stockholders. The amendments representing a modification of the Series A, A-1, A-2, and A-3 Preferred Stock. The Company concluded the modification did not result in incremental value to the shareholders and as such no incremental expense was recorded. Based on the removal of the redemption rights, the Company concluded that it was no longer probable that the Series A, A-1, A-2 and A-3 shares would become redeemable. As such, the Company ceased accreting these amounts to their redemption value each reporting period.

At December 31, 2017, convertible preferred stock consisted of the following:

	Shares Authorized	Shares Issued and Outstanding	Issuance Price per Share	Carrying Value	Liquidation Preference	Cumulative Convertible Preferred Stock Dividends
Series A Preferred	13,470,279	13,370,279	$ 0.60	$ 8,936	$ 9,681	$ 1,659
Series A-1 Preferred	10,164,552	10,102,055	0.60	6,712	7,218	1,157
Series A-2 Preferred	5,833,334	5,833,334	1.20	7,287	7,866	870
Series A-3 Preferred	8,780,898	8,749,650	1.20	10,960	11,831	1,337
Series B Preferred	28,062,500	27,777,778	1.80	49,807	53,379	3,379
	66,311,563	65,833,096		$83,702	$ 89,975	$ 8,402

At December 31, 2016, convertible preferred stock consisted of the following (in thousands, except share and per share amounts):

	Shares Authorized	Shares Issued and Outstanding	Issuance Price per Share	Carrying Value	Liquidation Preference	Cumulative Convertible Preferred Stock Dividends
Series A Preferred	13,470,279	13,370,279	$ 0.60	$ 8,904	$ 8,940	$ 919
Series A-1 Preferred	10,164,552	10,102,055	0.60	6,712	6,712	651
Series A-2 Preferred	5,852,084	5,833,334	1.20	7,287	7,287	287
Series A-3 Preferred	8,780,898	8,749,650	1.20	10,960	10,960	460
	38,267,813	38,055,318		$33,863	$ 33,899	$ 2,317

The Series A, Series A-1, Series A-2, Series A-3 and Series B Preferred Stock have the following rights and preferences:

Conversion

The preferred stock is convertible into common stock at any time at the option of the holder, initially on a 1-for-1 basis, and is subject to mandatory conversion upon either (a) the closing of a firm commitment underwritten public offering pursuant to an effective registration statement with the Securities Act of 1933, resulting in gross proceeds of at least $35,000 or (b) upon the vote of a majority of the preferred stockholders. The conversation ratio may be adjusted for the occurrence of certain dilutive events.

Voting

The holders of the preferred stock have voting rights equivalent to the number of shares of common stock into which the preferred stock is convertible into. In addition, a majority of the preferred stockholders must approve certain items, including the approval of any dissolution, liquidation, amendment to the articles of incorporation, creation of new senior securities, payment of dividends, election of certain directors and adjusting the total number of directors, as well as other related items.

Dividends

Holders of shares of Series A, Series A-1, Series A-2, Series A-3 and Series B Preferred Stock are entitled to receive a cumulative dividend of 8% per annum, which shall accrue and compound on an annual basis. No dividends have been declared since the Company's inception. Dividends shall be payable only when, as, and if declared by the Board of Directors. No dividends can be paid to common stockholders until the preferred stockholders receive the greater of the cumulative dividends or the amount that would have been received if the preferred stock had been converted into common.

Liquidation

In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Company or a deemed liquidation event, the holders of shares of preferred stock then outstanding are entitled to be paid out of the assets of the Company available for distribution to its stockholders, before any payment can be made to the holders of common stock, an amount per share equal to the greater of (i) the original issue price for the Series of preferred stock held plus any dividends accrued but unpaid, whether or not declared; or (ii) such amount per share as would have been paid if all shares of preferred stock had been converted to common stock immediately prior to such liquidation, dissolution, winding up or deemed liquidation event. If assets of the Company available are insufficient to pay holders of preferred stock the full amount they are entitled to, the holders of preferred stock will share ratably in any distribution of the assets available for distribution in proportion to the amounts due such holders. After the payment of all preferential amounts required to be paid to the holders of shares of preferred stock, the remaining assets of the Company will be distributed among the holders of the shares of common stock, pro rata based on the number of shares held by each such holder.

Redemption

Prior to the issuance of Series B Convertible Preferred Stock, all series of preferred stock became redeemable at specific dates. As such, the Company was accreting dividends on their preferred stock. Upon issuance of Series B Convertible Preferred Stock, all date certain redemption features were removed and the Company concluded that it was no longer probable that the preferred stock would become redeemable. As such, the Company stopped accreting dividends on their preferred stock in 2017.

Upon certain change in control events that are outside of the Company's control, including liquidation, sale or transfer of control of the Company, holders of the convertible preferred stock can cause its redemption. Shares of preferred stock must be redeemed by the Company at the original issue price for each series of preferred stock plus any dividends accrued but unpaid, whether or not declared, on the fifth month anniversary of such event, upon a written request from the holders of a majority of the then outstanding shares of preferred stock. This request can be made at any time before fourth month anniversary of such event.

The Company classifies its convertible preferred stock outside of stockholders' deficit as certain change in control events are outside the Company's control.

11. Stock Incentive Plan

In 2015, the Company adopted the 2015 Stock Incentive Plan, as amended ("2015 Plan"), which provides for grant of incentive stock options, non-qualified stock options, restricted stock awards, or RSAs, and other stock-based awards to the Company's employees, officers, directors, consultants and advisors for the purchase up to 980,632 shares of the Company's common stock. As of December 31, 2017, there are 3,544,674 shares of common stock reserved for the grant of awards under the 2015 Plan.

The terms of stock awards agreements, including vesting requirements, are determined by the board of directors and are subject to the provisions of the 2015 Plan. The stock options granted to employees generally

vest over a four-year period but may be granted with different vesting terms. Certain awards contain performance-based vesting criteria and as of December 31, 2017 the Company has concluded the vesting of these awards is not probable. There are ten such awards to date. Certain options provide for accelerated vesting in the event of a change in control, as defined above. Awards granted to non-employee consultants generally vest monthly over a period of one to four years. Stock options may not be granted at less than the fair value of the Company's common stock on the date of grant, as determined in good faith by the Board of Directors at its sole discretion. Options granted under the Plan expire no more than 10 years from the date of grant.

As of December 31, 2017 and 2016, 107,262 and 100,989 shares, respectively, of common stock were available for future grant under the 2015 Plan.

Stock-Based Compensation Expense

Stock-based compensation expense included in the Company's statements of operations is as follows:

	Year Ended December 31,	
	2017	2016
Research and development	$ 849	$ 205
General and administrative	693	214
Total stock-based compensation expense	$ 1,542	$ 419

Stock Options

A summary of the stock option activity under the 2015 Plan is as follows:

	Shares	Weighted Average - Exercise Price	Weighted Average - Remaining Contractual Life	Aggregate Intrinsic Value(1) (in thousands)
Options outstanding at December 31, 2016	2,127,261	$ 0.94	9.44	$ 1,251
Granted	1,441,773	$ 3.02		
Exercised	(106,654)	$ 0.73		
Canceled	(282,844)	$ 0.82		
Options outstanding at December 31, 2017	3,179,536	$ 1.88	9.05	19,803
Exercisable as of December 31, 2017	525,092	$ 0.95	8.49	3,764
Vested and expected to vest as of December 31, 2017	2,699,111	$ 1.83	9.02	$ 16,964

(1) The aggregate intrinsic value of options is calculated as the difference between the exercise price of the stock options and the fair value of the Company's common stock for those stock options that had exercise prices lower than the fair value of the ordinary shares as of the end of the period.

The Company had 2,654,444 unvested stock options outstanding as of December 31, 2017. The weighted-average fair value per share of options granted during the years ended December 31, 2017 and 2016 was $4.89 and $1.06, respectively.

When utilizing the Black-Scholes option-pricing model to determine the grant date fair value of stock options granted to employees as well as the vesting or re-measurement date fair value for awards granted to non-employees, the Company used the following assumptions for options granted to employees and options granted to non-employees:

Employee option grants

	Year Ended December 31,	
	2017	2016
Risk-free interest rate	2.03%	1.33%
Expected life (in years)	6.18	5.66
Volatility	79.5%	87.2%
Expected dividend rate	0.00%	0.00%
Fair value of common stock	$2.49 - 8.12	$0.49 - 2.49

Expected Term: The expected term represents the period that the options granted are expected to be outstanding and is determined using the simplified method (based on the mid-point between the vesting date and the end of the contractual term). The expected life is applied to the stock option grant group as a whole as the Company does not expect substantially different exercise or post-vesting termination behavior among its employee population.

Expected Volatility: The Company used an average historical stock price volatility of comparable public companies within the biotechnology and pharmaceutical industry that were deemed to be representative of future stock price trends as the Company does not have any trading history for its common stock.

Risk-Free Interest Rate: The Company based the risk-free interest rate over the expected term of the options based on the constant maturity rate of U.S. Treasury securities with similar maturities as of the date of the grant.

Expected Dividend: The Company has not paid and does not anticipate paying any dividends in the near future. Therefore, the expected dividend yield was zero.

Fair Value of Underlying Common Stock: The Company determined the fair value of the underlying common stock based on input from management and approved by the Board of Directors, which utilized the valuation of the Company's enterprise value determined utilizing various methods including the back-solve method, the option-pricing method, or OPM, or a hybrid of the probability-weighted expected return method, or PWERM, and the OPM. The total enterprise value was then allocated to the various outstanding equity instruments, including the underlying common stock, utilizing the option-pricing model.

Non-employee option grants

	Year Ended December 31,	
	2017	2016
Risk-free interest rate	2.30%	2.35%
Expected life (in years)	9.43	9.51
Volatility	78.9%	89.0%
Expected dividend rate	0.00%	0.00%
Fair value of common stock	$2.49 - 8.12	$0.49 - 2.49

The Company estimates the expected life of options granted based on the remaining contractual term of the option for options granted to non-employees.

On January 30, 2018, the Company issued 250,000 Series B Preferred Stock to a non-employee consultant as part of the consideration for the service performed and completed in 2017. The Company has recognized $683 as general and administrative expense in the consolidated statement of operations.

As of December 31, 2017, total unrecognized stock-based compensation expense relating to unvested stock options was $7,314. This amount is subject to change as the unvested portion of the stock options granted to non-employees is subject to re-measurement over the vesting period. This amount is expected to be recognized over a weighted average period of 1.98 years.

Restricted Stock

The Company permitted the early exercise of certain stock options prior to vesting by certain directors and officers. This practice ceased in 2017. Any shares issued pursuant to unvested options are restricted and subject to repurchase by the Company until the conditions for vesting are met. Accordingly, the Company has recorded the proceeds from the issuance of restricted stock as a liability in the consolidated balance sheets included as a component of other current and noncurrent liabilities based on the scheduled vesting dates. The amounts paid for shares purchased under an early exercise of stock options and subject to repurchase by the Company are reported in stockholders' (deficit) equity once those shares vest. Upon termination of employment of an option holder, the Company has the right to repurchase, at the original purchase price, any unvested restricted shares.

In 2016, there were 640,268 options exercised prior to vesting for total proceeds of $238 to the Company. These exercises are not considered substantive for accounting purposes, and as such the related shares are treated as restricted share liabilities given the implicit repurchase feature. As of December 31, 2016, the Company has recognized restricted stock liability of $158 as other noncurrent liabilities.

In connection with the acquisition of Epiva in June 2016, the Company issued shares of restricted stock to holders of restricted stock of Epiva at an exchange rate of 1-for-0.2043 for a total of 29,621 shares of restricted stock, of which 4,596 were repurchased by the Company.

There was no issuance or repurchase of restricted stock occurred in 2017.

The Company reclassified $57 and $67 to stockholders' deficit upon vesting of restricted shares during the year ended December 31, 2017 and 2016, respectively. The remaining proceeds related to the unvested options of $102 as of December 31, 2017 will be reclassified to stockholders' deficit as the shares vest over a remaining weighted average vesting period of 1.55 years.

A summary of restricted stock activity is as follows:

	Shares	Weighted-Average Price
Outstanding at December 31, 2016	412,796	$ 0.39
Vested	(154,920)	$ 0.37
Outstanding at December 31, 2017	257,876	$ 0.40

As of December 31, 2017, the Company had $168 of unrecognized stock-based compensation expense related to its employee unvested restricted stock awards which is expected to be recognized over a remaining weighted average vesting period of 1.17 years.

12. Income Taxes

The Company has not recorded any net tax provision for the periods presented due to the losses incurred and the need for a full valuation allowance on net deferred tax assets. The difference between the income tax expense at the U.S. federal statutory rate and the recorded provision is primarily due to the valuation allowance provided on all deferred tax assets. The Company's loss before income tax for the periods presented was generated entirely in the United States:

	December 31,	
	2017	2016
U.S. federal tax statutory rate	34.0%	34.0%
State taxes, net of federal benefit	5.6%	5.7%
Non-deductible stock compensation	(1.0)%	(0.7)%
Other non-deductible expenses	(0.5)%	(0.3)%
Credits	0.8%	2.1%
Change in federal tax rate due to tax reform	(22.5)%	0.0%
Change in valuation allowance	(16.5)%	(40.6)%
Other	0.1%	(0.2)%
	0.00%	0.00%

	December 31,	
	2017	2016
Deferred tax assets:		
Net operating loss carryforwards	$ 13,183	$ 9,019
Research and development credits	1,175	701
Capitalized research and development, patent and start-up costs	241	331
Accrued expenses	267	351
Stock based compensation	217	56
Depreciation	(66)	(70)
Deferred tax assets before valuation allowance	15,017	10,388
Valuation allowance	(15,017)	(10,388)
Net deferred tax assets	$ —	$ —

On December 22, 2017, the Tax Cuts and Jobs Act (the Act) was enacted in the United States. The Act incorporates significant changes to U.S. corporate income tax laws including, among other things, a reduction in the statutory federal corporate income tax rate from 35% to 21%, an exemption for dividends received from certain foreign subsidiaries, a one-time repatriation tax on deemed repatriated earnings from foreign subsidiaries, eliminating the alternative minimum tax (AMT), immediate expensing of certain depreciable tangible assets, changing rules related to net operating loss carryforwards, and limitations on the deduction for net interest expense and certain executive compensation. In December 2017, the SEC issued SAB 118, which directs taxpayers to consider the impact of the U.S. legislation as "provisional" when it does not have the necessary information available, prepared or analyzed (including computations) in reasonable detail to complete its accounting for the change in tax law.

As of December 31, 2017, we have not completed our accounting for the tax effects of enactment of the Act. We remeasured certain deferred tax assets and liabilities based on the rates at which they are expected to reverse in the future, which is generally 21%. The Company has no foreign earnings and therefore is not subject to transition tax. However, we are still analyzing certain aspects of the Act and refining our calculations, which could potentially affect the measurement of these balances or potentially give rise to new deferred tax amounts. The provisional amount recorded related to the remeasurement of our deferred tax balance was a $6,300 provision that was offset by a valuation allowance.

As of December 31, 2017, the Company had approximately $50,171 and $41,878 in federal and state Net Operating Losses ("NOLs"), respectively, which expire at various dates through 2037. As of December 31, 2017, the Company had federal and state research credits of $764 and $520, respectively, which begin to expire in 2030.

Realization of future tax benefits is dependent on many factors, including the Company's ability to generate taxable income within the net operating loss carryforward period. Under the Internal Revenue Code provisions, certain substantial changes in the Company's ownership, including the sale of the Company or significant changes in ownership due to sales of equity, have limited and may limit in the future, the amount of net operating loss carryforwards which could be used annually to offset future taxable income. The Company has not yet completed an analysis of ownership changes. The Company may also experience ownership changes in the future as a result of subsequent shifts in our stock ownership, some of which may be outside the Company's control. As a result, the Company's ability to use our pre-change NOLs to offset U.S. federal taxable income may be subject to limitations, which could potentially result in increased future tax liability to the Company. 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. All NOLs generated post tax reform will have an indefinite life, are not subject to carryback provisions and limited to 80% of income in any year.

The Company has evaluated the positive and negative evidence bearing upon its ability to realize the deferred tax assets. Management has considered the Company's history of cumulative net losses incurred since inception and its lack of commercialization of any products or generation of any revenue from product sales since inception and has concluded that it is more likely than not that the Company will not realize the benefits of the deferred tax assets. Accordingly, a full valuation allowance has been established against the net deferred tax assets as of December 31, 2017 and 2016, respectively. The valuation allowance increased by $4,628 in 2017, primarily due to increases in net operating losses and research and development credits offset by the impact of the Act. The valuation allowance increased by $8,577 in 2016, primarily due to increases in net operating losses and research and development credits and tax attributes acquired from Epiva. Management reevaluates the positive and negative evidence at each reporting period.

As of December 31, 2017 and 2016, the Company had no unrecognized tax benefits, respectively. Interest and penalty charges, if any, related to unrecognized tax benefits would be classified as income tax expense. The Company does not expect any significant change in its uncertain tax positions in the next twelve months.

13. Pro Forma Net Loss Per Share (unaudited)

The following table sets forth the computation of the Company's unaudited pro forma basic and diluted net loss per share:

	Year Ended December 31, 2017 (unaudited)
Numerator:	
Net loss	$ (28,047)
Remeasurement of warrant to purchase convertible preferred stock	301
Net loss attributable to common stockholders	$ (27,746)
Denominator:	
Weighted average common shares outstanding - basic and diluted	3,750,790
Pro forma adjusted to reflect automatic conversion of convertible preferred shares upon the closing of the proposed initial public offering	15,057,203
Pro forma weighted average common shares outstanding - basic and diluted	18,807,993
Pro forma net loss per share attributable to common stockholders - basic and diluted	$ (1.48)

In January 2018, the Company issued additional 250,000 Series B preferred shares to non-employees. In February 2018, the Company issued 14,705,884 Series C preferred shares through financing, as discussed in note 15 below, resulting in a total of 14,955,884 additional convertible preferred shares (as converted to common shares).

14. Related Party Transactions

In 2016 and 2017, the Company has entered into various research and in-license agreements with Mayo Foundation for Medical Education and Research, which is wholly owned by one of the Company's investors. The Company incurs research and development expenses under these arrangements. See Note 8, License Agreements, for details of the agreements.

The Company entered into an employment agreement with Duncan McHale, an executive officer of Weatherden Ltd ("Weatherden"), a United Kingdom based clinical development consulting firm, as of December 15, 2017. Pursuant to the terms of the agreement, the Company has agreed to pay Mr. McHale £225 per year to serve as the Company's Chief Medical Officer. Prior to the employment agreement, the Company received clinical advisory services from Mr. McHale through a supply of service agreement with Weatherden. During the years ended December 31, 2017 and 2016, the Company paid Weatherden $305 and $0, respectively. As of December 31, 2017, the amount due to Weatherden under the supply of service agreement was $161, which was fully paid subsequent to December 31, 2017.

In May 2014, the Company entered into a services agreement with Flagship Ventures Management, Inc., an affiliate of one of its stockholders, Flagship Venture Funds, to provide general and administrative services to the Company, including the employer portions of employee health and dental benefit plans for Evelo Biosciences employees and consulting services. The Company made payments under the agreement of $8 and $209 during the years ended December 31, 2017 and 2016 respectively. As of December 31, 2017, the amount due to Flagship Ventures Management, Inc. related to the services agreement was $2.

15. Subsequent Events

(a)

Series C Convertible Preferred Stock

In February 2018, the Company sold 14,705,884 shares of Series C convertible preferred stock at a price of $3.23 per share for gross proceeds of $47,500. In March 2018, the Company sold an additional 10,526,315 shares of Series C convertible preferred stock at a price of $3.23 per share for gross proceeds of $34,000, bringing total gross Series C proceeds to $81,500.

In connection with these financings, the Company amended and restated its certificate of incorporation to reflect that the holders of preferred stock are entitled to receive dividends, if and when declared by the Board of Directors, at the rate of 8.0% per share per annum, and to establish the Series C original issuance price at $3.23 per share, both subject to adjustment in the event of a stock split, combination, common stock dividend or distribution, reclassification, exchange, substitution, or reorganization. The amendments provided for rights, preferences and privileges for the Series C convertible preferred stock similar to those of convertible preferred stock described in Note 10, Stockholders' (Deficit) Equity and Convertible Preferred Stock.

Clinical Trial Agreement

On February 15, 2018, the Company and the University of Surrey entered into a Clinical Trial Agreement for an industry sponsored research (the "Surrey Agreement"), in which the University of Surrey agreed to conduct a proof of concept clinical trial of EDP1066 on healthy volunteer and patients with mild to moderate psoriasis and atopic dermatitis. In connection with the Surrey Agreement, as consideration, the Company agreed to a total of £1,052 with 10% due on the effective date of the agreement. The remaining total consideration will be due upon the completion of the milestones outlined in the agreement.

Exclusivity and Commitment Agreement with Biose Industrie

On February 15, 2018, the Company entered into an Exclusivity and Commitment Agreement with Biose Industrie ("Biose"), a French corporation, in which Biose agrees to exclusively manufacture certain microbial biotherapeutic products for the Company and reserve for the Company's agreed manufacturing resources to conduct manufacturing runs for such products. Under the terms of this agreement, the Company agreed to annual fees in the mid-six digits for exclusivity and a set minimum number manufacturing run per year. The Company has agreed to pay an exclusivity fee of $250 per year.

(b)

In connection with preparing for its initial public offering, on April 18, 2018 and April 27, 2018, the Company's board of directors and stockholders, respectively, approved an amendment to the Company's certificate of incorporation. Pursuant to this amendment:

- a 1-for-4.079 reverse stock split of the Company's common stock was effected and the conversion price for each series of preferred stock was adjusted on April 27, 2018; and

- the authorized number of shares of common stock was increased to 200,000,000, effective on April 27, 2018

All share and per share amounts in the consolidated financial statements and notes thereto have been retroactively adjusted for all periods presented to give effect to the reverse stock split, including reclassifying an amount equal to the reduction in par value of common stock to additional paid-in capital.

The Company's board of directors adopted, and the Company's stockholders approved, the 2018 Incentive Award Plan ("2018 Plan"), which will become effective the day prior to the first public trading date of the Company's common stock. The 2018 Plan provides for the grant of incentive stock options, non-statutory stock options, restricted stock awards, restricted stock units, stock appreciation rights and other stock-based awards. The Company's employees, directors and consultants are eligible to receive awards under the 2018 Plan.

The Company's board of directors adopted, and the Company's stockholders approved, the 2018 Employee Stock Purchase Plan, which will become effective the day prior to the first public trading date of the Company's common stock.


EVELO

Part II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution.

The following table indicates the expenses to be incurred in connection with the offering described in this registration statement, other than underwriting discounts and commissions, all of which will be paid by us. All amounts are estimated except the Securities and Exchange Commission registration fee, the Financial Industry Regulatory Authority, Inc., or FINRA, filing fee and the Nasdaq listing fee.

	Amount
Securities and Exchange Commission registration fee	$ 12,931
FINRA filing fee	15,000
Initial Nasdaq Global Select Market listing fee	150,000
Accountants' fees and expenses	850,000
Legal fees and expenses	1,500,000
Blue Sky fees and expenses	25,000
Transfer Agent's fees and expenses	6,500
Printing and engraving expenses	260,000
Miscellaneous	380,569
Total expenses	$3,200,000

* To be filed by amendment.

Item 14. Indemnification of Directors and Officers.

Section 102 of the General Corporation Law of the State of Delaware permits a corporation to eliminate the personal liability of directors of a corporation to the corporation or its stockholders for monetary damages for a breach of fiduciary duty as a director, except where the director breached his duty of loyalty, failed to act in good faith, engaged in intentional misconduct or knowingly violated a law, authorized the payment of a dividend or approved a stock repurchase in violation of Delaware corporate law or obtained an improper personal benefit. Our restated certificate of incorporation provides that no director of the Registrant shall be personally liable to it or its stockholders for monetary damages for any breach of fiduciary duty as a director, notwithstanding any provision of law imposing such liability, except to the extent that the General Corporation Law of the State of Delaware prohibits the elimination or limitation of liability of directors for breaches of fiduciary duty.

Section 145 of the General Corporation Law of the State of Delaware provides that a corporation has the power to indemnify a director, officer, employee, or agent of the corporation, or a person serving at the request of the corporation for another corporation, partnership, joint venture, trust or other enterprise in related capacities against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by the person in connection with an action, suit or proceeding to which he was or is a party or is threatened to be made a party to any threatened, ending or completed action, suit or proceeding by reason of such position, if such person acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation, and, in any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful, except that, in the case of actions brought by or in the right of the corporation, no indemnification shall be made with respect to any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation unless and only to the extent that the Court of Chancery or other adjudicating court determines that, despite the adjudication of liability but in view of all of the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

Our restated certificate of incorporation provides that we will indemnify each person who was or is a party or threatened to be made a party to any threatened, pending or completed action, suit or proceeding (other than an action by or in the right of us) by reason of the fact that he or she is or was, or has agreed to become, a director or officer, or is or was serving, or has agreed to serve, at our request as a director, officer, partner, employee or trustee of, or in a similar capacity with, another corporation, partnership, joint venture, trust or other enterprise (all such persons being referred to as an "Indemnitee"), or by reason of any action alleged to have been taken or omitted in such capacity, against all expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred in connection with such action, suit or proceeding and any appeal therefrom, if such Indemnitee acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, our best interests, and, with respect to any criminal action or proceeding, he or she had no reasonable cause to believe his or her conduct was unlawful. Our restated certificate of incorporation provides that we will indemnify any Indemnitee who was or is a party to an action or suit by or in the right of us to procure a judgment in our favor by reason of the fact that the Indemnitee is or was, or has agreed to become, a director or officer, or is or was serving, or has agreed to serve, at our request as a director, officer, partner, employee or trustee of, or in a similar capacity with, another corporation, partnership, joint venture, trust or other enterprise, or by reason of any action alleged to have been taken or omitted in such capacity, against all expenses (including attorneys' fees) and, to the extent permitted by law, amounts paid in settlement actually and reasonably incurred in connection with such action, suit or proceeding, and any appeal therefrom, if the Indemnitee acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, our best interests, except that no indemnification shall be made with respect to any claim, issue or matter as to which such person shall have been adjudged to be liable to us, unless a court determines that, despite such adjudication but in view of all of the circumstances, he or she is entitled to indemnification of such expenses. Notwithstanding the foregoing, to the extent that any Indemnitee has been successful, on the merits or otherwise, he or she will be indemnified by us against all expenses (including attorneys' fees) actually and reasonably incurred in connection therewith. Expenses must be advanced to an Indemnitee under certain circumstances.

We intend to enter into indemnification agreements with each of our directors and executive officers. These indemnification agreements may require us, among other things, to indemnify our directors and executive officers to the fullest extent permitted by Delaware law, including indemnification of expenses such as attorneys' fees, judgments, fines and settlement amounts incurred by the director or executive officer in any action or proceeding, including any action or proceeding by or in right of us, arising out of the person's services as a director or executive officer.

We maintain a general liability insurance policy that covers certain liabilities of directors and officers of our corporation arising out of claims based on acts or omissions in their capacities as directors or officers.

In any underwriting agreement we enter into in connection with the sale of common stock being registered hereby, the underwriters will agree to indemnify, under certain conditions, us, our directors, our officers and persons who control us within the meaning of the Securities Act of 1933, as amended, or the Securities Act, against certain liabilities.

Item 15. Recent Sales of Unregistered Securities.

Set forth below is information regarding shares of capital stock issued by us within the past three years. Also included is the consideration received by us for such shares and information relating to the section of the Securities Act, or rule of the Securities and Exchange Commission, under which exemption from registration was claimed.

(a) Issuance of Capital Stock.

From June 29, 2015 through December 8, 2016, the registrant issued an aggregate of 11,666,668 shares of Series A Preferred Stock for aggregate consideration of $7.0 million and 1,703,611 shares of Series A Preferred

Stock in converted promissory notes upon the cancellation of principal debt totaling $1.0 million principal plus $22,167 accrued interest to accredited investors, (ii) 10,102,055 shares of Series A-1 Preferred Stock for an aggregate consideration of $6.1 million to accredited investors, (iii) 5,833,334 shares of Series A-2 Preferred Stock for an aggregate consideration of $7.0 million to accredited investors, (iv) 8,749,650 shares of Series A-3 Preferred Stock for an aggregate consideration of $10.5 million to accredited investors, all pursuant to Section 4(a)(2) of the Securities Act and Rule 506 as transactions not involving a public offering.

From January 5, 2017 through January 30, 2018, the registrant issued an aggregate of 28,027,778 shares of Series B Preferred Stock for aggregate consideration of $50.5 million, including $450,000 of consulting services rendered, to accredited investors pursuant to Section 4(a)(2) of the Securities Act and Rule 506 as transactions not involving a public offering.

From February 9, 2018 through March 9, 2018, the registrant issued an aggregate of 25,232,199 shares of Series C Preferred Stock for aggregate consideration of approximately $81.5 million to accredited investors pursuant to Section 4(a)(2) of the Securities Act and Rule 506 as transactions not involving a public offering.

(b) Equity Grants.

From June 8, 2015 to April 4, 2018, the registrant granted stock options to purchase an aggregate of 23,489,463 shares of its common stock with exercise prices ranging between $0.001 and $10.48 per share, and 120,826 shares of restricted common stock to employees, non-employees, and directors in connection with services provided to the registrant by such parties. In April 2018, the registrant granted stock options to purchase an aggregate of 390,777 shares of common stock, which will become effective in connection with this offering, to certain of the registrant's directors, executive officers and employees, at an exercise price per share equal to the initial public offering price in this offering in connection with services provided to the registrant.

The issuances of such stock options, the shares of common stock issuable upon the exercise of such options and such restricted shares of common stock were issued pursuant to written compensatory plans or arrangements with the registrant's employees, directors and consultants, in reliance on the exemption provided by Rule 701 promulgated under the Securities Act, or pursuant to Section 4(a)(2) under the Securities Act, relative to transactions by an issuer not involving any public offering, to the extent an exemption from such registration was required.

(c) Warrants.

From November 13, 2015 to March 21, 2016, the registrant issued warrants to purchase an aggregate of 100,000 shares of Series A preferred stock at an exercise price of $0.60 per share to Comerica Bank pursuant to Section 4(a)(2) of the Securities Act as transactions not involving a public offering.

On June 10, 2016, the registrant issued a warrant to purchase common stock at an exercise price of $0.04 per share to Mayo Foundation for Medical Education and Research pursuant to Section 4(a)(2) of the Securities Act as a transaction not involving a public offering. On April 9, 2018, Mayo Foundation for Medical Education and Research exercised their warrant for 134 shares of common stock for an aggregate purchase price of $5.49.

On August 15, 2016, the registrant issued warrants to purchase an aggregate of (i) 62,497 shares of Series A-1 preferred stock at an exercise price of $0.60 per share and (ii) 31,248 shares of Series A-3 preferred stock at an exercise price of $1.20 per share to Pacific Western Bank pursuant to Section 4(a)(2) of the Securities Act as transactions not involving a public offering.

On February 7, 2018, the registrant issued warrants to purchase an aggregate of 34,722 shares of Series B preferred stock at an exercise price of $1.80 per share to Pacific Western Bank pursuant to Section 4(a)(2) of the Securities Act as transactions not involving a public offering.

Item 16. Exhibits and Financial Statement Schedules.

(a) Exhibits.

Exhibit Number	Description of Exhibit
1.1	Form of Underwriting Agreement
3.1	Amended and Restated Certificate of Incorporation of the Registrant, as amended (currently in effect)
3.2**	Bylaws of the Registrant (currently in effect)
3.3	Form of Restated Certificate of Incorporation of the Registrant (to be effective in connection with the closing of this offering)
3.4	Form of Amended and Restated Bylaws of the Registrant (to be effective in connection with the closing of this offering)
4.1	Fourth Amended and Restated Investors' Rights Agreement, dated February 9, 2018, by and among the Registrant and the investors named therein, as amended on April 30, 2018
4.2	Specimen Stock Certificate evidencing the shares of common stock
4.3**	Common Stock Purchase Warrant issued to Mayo Foundation for Medical Education and Research, dated June 10, 2016
4.4**	Warrant to Purchase Stock issued to Comerica Bank, dated November 13, 2015, to purchase Series A preferred stock
4.5**	Amended and Restated Warrant to Purchase Stock issued to Pacific Western Bank, dated August 15, 2016, to purchase Series A-1 preferred stock
4.6**	Warrant to Purchase Stock issued to Pacific Western Bank, dated August 15, 2016, to purchase Series A-3 preferred stock
4.7**	Second Warrant to Purchase Stock issued to Pacific Western Bank, dated February 7, 2018, to purchase Series B preferred stock
5.1	Opinion of Latham & Watkins LLP
10.1#	2015 Stock Incentive Plan, as amended, and U.K. sub-plan and forms of agreements thereunder
10.2#	2018 Incentive Award Plan, and U.K. sub-plan and forms of agreements thereunder
10.3#	2018 Employee Stock Purchase Plan
10.4#	Non-Employee Director Compensation Program
10.5#	Executive Severance Plan
10.6#	Form of Indemnification Agreement for Directors and Officers
10.7**	Lease between the Registrant and 620 Memorial Leasehold LLC, dated July 14, 2015, as amended on January 24, 2018
10.8	Sublease Agreement between the Registrant and Bio-Rad Laboratories, Inc., dated December 27, 2017
10.9#	Terms and Conditions of Employment between the Registrant and Duncan McHale, M.D., Ph.D. (to be effective upon the closing of this offering)
10.10#	Offer Letter between the Registrant and Mark Bodmer, Ph.D., dated October 6, 2015
10.11#	Offer Letter between the Registrant and Balkrishan (Simba) Gill, Ph.D., dated June 25, 2015, as amended on April 26, 2018

Exhibit Number	Description of Exhibit
10.12#	Terms and Conditions of Employment between the Registrant and Duncan McHale, M.D., Ph.D., dated December 15, 2017, as amended on April 16, 2018
10.13	Agreement for the Supply of Services, dated January 1, 2017, as amended on July 22, 2017, between the Registrant and Weatherden Ltd.
10.14†	Patent License Agreement between Mayo Foundation for Medical Education and Research and the Registrant, dated August 6, 2017
10.15†	Exclusive License Agreement between The University of Chicago for an Immuno-oncology Technology and the Registrant, dated March 10, 2016
10.16†	Exclusivity and Commitment Agreement between Biose and the Registrant, dated February 15, 2018
10.17	Loan and Security Agreement between Pacific Western Bank and the Registrant, dated August 15, 2016, as amended on June 14, 2017, August 18, 2017 and February 7, 2018
21.1**	Subsidiaries of the Registrant
23.1	Consent of Ernst & Young LLP
23.2	Consent of Latham & Watkins LLP (included in Exhibit 5.1)
24.1	Power of Attorney (included on signature page)

** Previously filed.
# Indicates management contract or compensatory plan.
† Portions of this exhibit (indicated by asterisks) have been omitted pursuant to a request for confidential treatment pursuant to Rule 406 under the Securities Exchange Act of 1933.

(b) Financial Statement Schedules. Schedules not listed above have been omitted because the information required to be set forth therein is not applicable or is shown in the audited consolidated financial statements or notes thereto.

Item 17. Undertakings.

The undersigned registrant hereby undertakes to provide to the underwriter, at the closing specified in the underwriting agreement, certificates in such denominations and registered in such names as required by the underwriter to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Cambridge, Commonwealth of Massachusetts, on this 30th day of April, 2018.

EVELO BIOSCIENCES, INC.

By: /s/ Balkrishan (Simba) Gill
Balkrishan (Simba) Gill, Ph.D.
President and Chief Executive Officer

SIGNATURES AND POWER OF ATTORNEY

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities held on the dates indicated.

Signature	Title	Date
/s/ Balkrishan (Simba) Gill Balkrishan (Simba) Gill, Ph.D.	President, Chief Executive Officer and Director (principal executive officer)	April 30, 2018
/s/ Jonathan Poole Jonathan Poole	Chief Financial Officer (principal financial and accounting officer)	April 30, 2018
* Noubar B. Afeyan, Ph.D.	Chairman of the Board of Directors	April 30, 2018
* Lord Ara Darzi	Director	April 30, 2018
* David R. Epstein	Director	April 30, 2018
* Theodose Melas-Kyriazi	Director	April 30, 2018
* David P. Perry	Director	April 30, 2018
* Nancy A. Simonian, M.D.	Director	April 30, 2018

*By: /s/ Balkrishan (Simba) Gill
Attorney-in-fact

Exhibit 1.1

[ ] Shares

EVELO BIOSCIENCES, INC.

COMMON STOCK (PAR VALUE $0.001 PER SHARE)

UNDERWRITING AGREEMENT

[•], 2018

Morgan Stanley & Co. LLC
Cowen and Company, LLC
As Representatives of the several Underwriters,

c/o Morgan Stanley & Co. LLC
1585 Broadway
New York, New York 10036

c/o Cowen and Company, LLC
599 Lexington Avenue
New York, New York 10022

Ladies and Gentlemen:

Evelo Biosciences, Inc., a Delaware corporation (the "**Company**"), proposes to issue and sell to the several Underwriters named in Schedule I hereto (the "**Underwriters**") [•] shares of its common stock, par value $0.001 per share (the "**Firm Shares**"). The Company also proposes to issue and sell to the several Underwriters not more than an additional [•] shares of its common stock, par value $0.001 per share (the "**Additional Shares**"), if and to the extent that you, as representatives of the several Underwriters (the "**Representatives**"), shall have determined to exercise, on behalf of the Underwriters, the right to purchase such shares of common stock granted to the Underwriters in Section 2 hereof. The Firm Shares and the Additional Shares are hereinafter collectively referred to as the "**Shares.**" The shares of common stock, par value $0.001 per share, of the Company to be outstanding after giving effect to the sales contemplated hereby are hereinafter referred to as the "**Common Stock.**"

The Company has filed with the Securities and Exchange Commission (the "**Commission**") a registration statement on Form S-1 (File No. 333-224278), including a prospectus, relating to the Shares. The registration statement as amended at the time it becomes effective, including the information (if any) deemed to be part of the registration statement at the time of effectiveness pursuant to Rule 430A under the Securities Act of 1933, as amended (the "**Securities Act**"), is hereinafter referred to as the "**Registration Statement**"; the prospectus in the form first used to confirm sales of the Shares (or in the form first made available to the Underwriters by the Company to meet requests of purchasers pursuant to Rule 173 under the Securities Act) is hereinafter referred to as the "**Prospectus.**" If the Company has filed an abbreviated registration statement to register additional shares of Common Stock pursuant to Rule 462(b) under the Securities Act (the "**Rule 462 Registration Statement**"), then any reference herein to the term "**Registration Statement**" shall be deemed to include such Rule 462 Registration Statement.

For purposes of this Agreement, "**free writing prospectus**" has the meaning set forth in Rule 405 under the Securities Act, "**Time of Sale Prospectus**" means the preliminary prospectus **contained in the Registration Statement at the time of its effectiveness** together with the documents, pricing information and the free writing

prospectuses, if any, each identified in Schedule II hereto, and "**broadly available road show**" means a "bona fide electronic road show" as defined in Rule 433(h)(5) under the Securities Act that has been made available without restriction to any person. As used herein, the terms "Registration Statement," "preliminary prospectus," "Time of Sale Prospectus" and "Prospectus" shall include the documents, if any, incorporated by reference therein as of the date hereof.

1. *Representations and Warranties*. The Company represents and warrants to and agrees with each of the Underwriters that:

(a) The Registration Statement has become effective; no stop order suspending the effectiveness of the Registration Statement is in effect, and no proceedings for such purpose are pending before or, to the Company's knowledge, threatened by the Commission.

(b) (i) The Registration Statement, when it became effective, did not contain and, as amended or supplemented, if applicable, as of the date of such amendment or supplement, will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, (ii) the Registration Statement and the Prospectus comply and, as amended or supplemented, if applicable, as of the date of such amendment or supplement, will comply in all material respects with the Securities Act and the applicable rules and regulations of the Commission thereunder, (iii) the Time of Sale Prospectus does not, and at the time of each sale of the Shares in connection with the offering when the Prospectus is not yet available to prospective purchasers and at the Closing Date (as defined in Section 4), the Time of Sale Prospectus, as then amended or supplemented by the Company, if applicable, will not, contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, (iv) each broadly available road show, if any, when considered together with the Time of Sale Prospectus, does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading and (v) the Prospectus, as of its date, does not contain and, as amended or supplemented, if applicable, as of its date or as of the Closing Date and each Option Closing Date (as defined below), will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, except that the representations and warranties set forth in this paragraph do not apply to statements or omissions in the Registration Statement, the Time of Sale Prospectus or the Prospectus based upon information relating to any Underwriter furnished to the Company in writing by such Underwriter through you expressly for use therein.

(c) The Company is not an "ineligible issuer" in connection with the offering pursuant to Rules 164, 405 and 433 under the Securities Act. Any free writing prospectus that the Company is required to file pursuant to Rule 433(d) under the Securities Act has been, or will be, filed with the Commission in accordance with the requirements of the Securities Act and the applicable rules and regulations of the Commission thereunder. Each free writing prospectus that the Company has filed, or is required to file, pursuant to Rule 433(d) under the Securities Act or that was prepared by or on behalf of or used or referred to by the Company complies or will comply in all material respects with the requirements of the Securities Act and the applicable rules and regulations of the Commission thereunder. Except for the free writing prospectuses, if any, identified in Schedule II hereto, and electronic road shows, if any, each furnished to you before first use, the Company has not prepared, used or referred to, and will not, without your prior consent, prepare, use or refer to, any free writing prospectus.

(d) The Company has been duly incorporated, is validly existing as a corporation in good standing under the laws of the jurisdiction of its incorporation, has the corporate power and authority to own or lease its property and to conduct its business as described in the Time of Sale Prospectus and is duly qualified to transact business and is in good standing in each jurisdiction in which the conduct of its business or its ownership or leasing of property requires such qualification, except to the extent that the failure to be so qualified or be in good standing would not reasonably be likely to have a material adverse effect on the Company and its subsidiaries, taken as a whole.

(e) Each subsidiary of the Company has been duly organized, is validly existing as and in good standing under the laws of the jurisdiction of its organization (to the extent the concept of good standing is applicable in such jurisdiction), has the corporate or other organizational power and authority to own or lease its property and to conduct its business as described in the Time of Sale Prospectus and is duly qualified to transact business and is in good standing in each jurisdiction (to the extent the concept of good standing is applicable in such jurisdiction) in which the conduct of its business or its ownership or leasing of property requires such qualification, except to the extent that the failure to be so qualified or be in good standing would not have a material adverse effect on the Company and its subsidiaries, taken as a whole; all of the issued shares of capital stock of each subsidiary of the Company have been duly and validly authorized and issued, are fully paid and non-assessable (to the extent that such concepts are applicable in such jurisdiction) and are owned directly by the Company or a subsidiary of the Company, free and clear of all liens, encumbrances, equities or claims.

(f) This Agreement has been duly authorized, executed and delivered by the Company.

(g) The authorized capital stock of the Company conforms as to legal matters to the description thereof contained in each of the Time of Sale Prospectus and the Prospectus.

(h) The shares of capital stock of the Company outstanding prior to the issuance of the Shares have been duly authorized and are validly issued, fully paid and non-assessable.

(i) The Shares to be sold by the Company have been duly authorized and, when issued, delivered and paid for in accordance with the terms of this Agreement, will be validly issued, fully paid and non-assessable, and the issuance of such Shares will not be subject to any preemptive or similar rights that have not been validly waived.

(j) Except as would not reasonably be expected to have a material adverse effect on the Company and its subsidiaries, taken as a whole, with respect to the stock options granted pursuant to the stock based compensation plans of the Company (the "**Company Stock Plans**"), each grant of a stock option was made in accordance with the terms of the Company Stock Plans and all applicable laws and regulatory rules or requirements, including all applicable federal securities laws.

(k) The execution and delivery by the Company of, and the performance by the Company of its obligations under, this Agreement will not contravene any provision of (i) applicable law, (ii) the certificate of incorporation or bylaws of the Company, (iii) any agreement or other instrument binding upon the Company or any of its subsidiaries that is material to the Company and its subsidiaries, taken as a whole, or (iv) any judgment, order or decree of any governmental body, agency or court having jurisdiction over the Company or any subsidiary, except that in the case of clauses (i) and (iii) as would not, individually or in the aggregate, have a material adverse effect on the Company and its subsidiaries, taken as a whole, or on the power and ability of the Company to perform its obligations under this Agreement; and no consent, approval, authorization or order of, or qualification with, any governmental body or agency is required for the performance by the Company of its obligations under this Agreement, except such as may be required by the securities or Blue Sky laws of the various states or the rules and regulations of the Financial Industry Regulatory Authority ("**FINRA**") in connection with the offer and sale of the Shares.

(l) There has not occurred any material adverse change, or any development involving a prospective material adverse change, in the condition, financial or otherwise, or in the earnings, business or operations of the Company and its subsidiaries, taken as a whole, from that set forth in the Time of Sale Prospectus.

(m) There are no legal or governmental proceedings pending or, to the knowledge of the Company, threatened to which the Company or any of its subsidiaries is a party or to which any of the properties of the Company or any of its subsidiaries is subject (i) other than proceedings accurately described in all material respects in the Time of Sale Prospectus and the Prospectus and proceedings that would not have a material adverse effect on the Company and its

subsidiaries, taken as a whole, or on the power or ability of the Company to perform its obligations under this Agreement or to consummate the transactions contemplated by the Time of Sale Prospectus and the Prospectus or (ii) that are required to be described in the Registration Statement or the Prospectus and are not so described in all material respects; and there are no statutes, regulations, contracts or other documents to which the Company or its subsidiaries is subject or bound that are required to be described in the Registration Statement or the Prospectus or to be filed as exhibits to the Registration Statement that are not described in all material respects or filed as required.

(n) Each preliminary prospectus filed as part of the Registration Statement as originally filed or as part of any amendment thereto, or filed pursuant to Rule 424 under the Securities Act, complied when so filed in all material respects with the Securities Act and the applicable rules and regulations of the Commission thereunder.

(o) The Company is not, and after giving effect to the offering and sale of the Shares and the application of the proceeds thereof as described in the Time of Sale Prospectus and the Prospectus will not be, required to register as an "investment company" as such term is defined in the Investment Company Act of 1940, as amended.

(p) The Company and its subsidiaries (i) are in compliance with any and all applicable foreign, federal, state and local laws and regulations relating to the protection of human health and safety, the environment or hazardous or toxic substances or wastes, pollutants or contaminants ("**Environmental Laws**"), (ii) have received all permits, licenses or other approvals required of them under applicable Environmental Laws to conduct their respective businesses and (iii) are in compliance with all terms and conditions of any such permit, license or approval, except where such noncompliance with Environmental Laws, failure to receive required permits, licenses or other approvals or failure to comply with the terms and conditions of such permits, licenses or approvals would not, singly or in the aggregate, have a material adverse effect on the Company and its subsidiaries, taken as a whole.

(q) There are no costs or liabilities associated with Environmental Laws (including, without limitation, any capital or operating expenditures required for clean-up, closure of properties or compliance with Environmental Laws or any permit, license or approval, any related constraints on operating activities and any potential liabilities to third parties) which would, singly or in the aggregate, have a material adverse effect on the Company and its subsidiaries, taken as a whole.

(r) There are no contracts, agreements or understandings between the Company and any person granting such person the right to require the Company to file a registration statement under the Securities Act with respect to any securities of the Company or to require the Company to include such securities with the Shares registered pursuant to the Registration Statement, except as otherwise have been validly waived in connection with the issuance and sale of the Shares contemplated hereby and as described in the Time of Sale Prospectus and the Prospectus.

(s) (i) Neither of the Company nor any of its subsidiaries or controlled affiliates, nor any director, officer, or employee thereof, nor, to the Company's knowledge, any agent or representative of the Company or of any of its subsidiaries or controlled affiliates, has taken or will take any action in furtherance of an offer, payment, promise to pay, or authorization or approval of the payment, giving or receipt of money, property, gifts or anything else of value, directly or indirectly, to any government official (including any officer or employee of a government or government-owned or controlled entity or of a public international organization, or any person acting in an official capacity for or on behalf of any of the foregoing, or any political party or party official or candidate for political office) ("**Government Official**") in order to influence official action, or to any person in violation of any applicable anti-corruption laws; (ii) the Company and its subsidiaries and controlled affiliates have conducted their businesses in compliance with applicable anti-corruption laws and have instituted and maintained and will continue to maintain policies and procedures reasonably designed to promote and achieve compliance with such laws and with the representations and warranties contained herein; and (iii) neither the Company nor its subsidiaries will use, directly or indirectly, the proceeds of the offering in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any person in violation of any applicable anti-corruption laws.

(t) The operations of the Company and its subsidiaries are and have been conducted at all times in material compliance with all applicable financial recordkeeping and reporting requirements, including those of the Bank Secrecy Act, as amended by Title III of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (USA PATRIOT Act), and the applicable anti-money laundering statutes of jurisdictions where the Company and its subsidiaries conduct business, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental agency (collectively, the "**Anti-Money Laundering Laws**"), and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company or any of its subsidiaries with respect to the Anti-Money Laundering Laws is pending or, to the best knowledge of the Company, threatened.

(u) (i) None of the Company, any of its subsidiaries, or any director, officer or employee thereof, or, to the Company's knowledge, any agent, controlled affiliate or representative of the Company or any of its subsidiaries, is an individual or entity ("**Person**") that is, or is owned or controlled by one or more Persons that are:

(A) the subject of any sanctions administered or enforced by the U.S. Department of Treasury's Office of Foreign Assets Control, the United Nations Security Council, the European Union, Her Majesty's Treasury, or other relevant sanctions authority (collectively, "**Sanctions**"), or

(B) located, organized or resident in a country or territory that is the subject of Sanctions (including, without limitation, Crimea, Cuba, Iran, North Korea and Syria).

(ii) The Company will not, directly or indirectly, use the proceeds of the offering, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other Person:

(A) to fund or facilitate any activities or business of or with any Person or in any country or territory that, at the time of such funding or facilitation, is the subject of Sanctions; or

(B) in any other manner that will result in a violation of Sanctions by any Person (including any Person participating in the offering, whether as underwriter, advisor, investor or otherwise).

(iii) For the past five years, the Company and its subsidiaries have not knowingly engaged in, are not now knowingly engaged in, and will not engage in, any dealings or transactions with any Person, or in any country or territory, that at the time of the dealing or transaction is or was the subject of Sanctions.

(v) Subsequent to the respective dates as of which information is given in each of the Registration Statement, the Time of Sale Prospectus and the Prospectus, (i) the Company and its subsidiaries have not incurred any material liability or obligation, direct or contingent, nor entered into any material transaction; (ii) the Company has not purchased any of its outstanding capital stock (other than from its employees or other service providers in connection with the termination of their service pursuant to plans or agreements described in the Time of Sale Prospectus), nor declared, paid or otherwise made any dividend or distribution of any kind on its capital stock other than ordinary and customary dividends; and (iii) there has not been any material change in the capital stock, short-term debt or long-term debt of the Company and its subsidiaries, except in each case as described in each of the Registration Statement, the Time of Sale Prospectus and the Prospectus, respectively.

(w) The Company and its subsidiaries do not own any real property. The Company and its subsidiaries have good and marketable title to all personal property owned by them which is material to the business of the Company and its subsidiaries, in each case free and clear of all liens, encumbrances and defects

except such as are described in the Time of Sale Prospectus or such as do not materially affect the value of such property and do not interfere with the use made and proposed to be made of such property by the Company and its subsidiaries; and any real property and buildings held under lease by the Company and its subsidiaries are held by them under valid, subsisting and enforceable leases with such exceptions as are not material and do not interfere with the use made and proposed to be made of such property and buildings by the Company and its subsidiaries, in each case except as described in the Time of Sale Prospectus.

(x) The Company and its subsidiaries own or possess, or can acquire on reasonable terms, all material patents, patent rights, licenses, inventions, copyrights, know-how (including trade secrets and other unpatented and/or unpatentable proprietary or confidential information, systems or procedures), trademarks, service marks and trade names (collectively, "**Intellectual Property**") currently employed by them in connection with the business now operated by them (collectively, the "**Company Intellectual Property**"), and neither the Company nor any of its subsidiaries has received any written notice of infringement of or conflict with asserted rights of others with respect to any of the foregoing which, singly or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would have a material adverse effect on the Company and its subsidiaries, taken as a whole. Other than as disclosed in the Registration Statement, the Time of Sale Prospectus and the Prospectus, there are no rights of third parties to any of the Intellectual Property owned by the Company, and such Intellectual Property is owned by the Company free and clear of all material liens, security interests, or encumbrances; to the knowledge of the Company, the patents, trademarks and copyrights held or licensed by the Company included within the Company Intellectual Property are valid, enforceable and subsisting; to the Company's knowledge, there is no infringement by third parties of any of the Company Intellectual Property; other than as disclosed in the Registration Statement, the Time of Sale Prospectus and the Prospectus, (i) neither the Company nor its subsidiaries is obligated to pay a material royalty, grant a license, or provide other material consideration to any third party in connection with the Company Intellectual Property, (ii) the Company is unaware of any facts which could form a reasonable basis for any action, suit, proceeding or claim that the Company or its subsidiaries is infringing, misappropriating, diluting or otherwise violating any rights of others with respect to any of the Company's product candidates, processes or Intellectual Property, (iii) no action, suit, claim or other proceeding is pending or, to the knowledge of the Company, is threatened, challenging the validity, enforceability, scope, registration, ownership or use of any of the Company Intellectual Property, (iv) no action, suit, claim or other proceeding is pending or, to the knowledge of the Company, is threatened, challenging the Company's rights in or to any Company Intellectual Property, and the Company is unaware of any facts which could form a reasonable basis for any such action, suit, proceeding or claim, (v) to the knowledge of the Company, the development, manufacture, sale, and any currently proposed use of any of the products, proposed products or processes of the Company referred to in the Registration Statement, the Time of Sale Prospectus and the Prospectus, in the

current or proposed conduct of the business of the Company, do not currently, and will not upon commercialization, to the knowledge of the Company, infringe any right or valid patent claim of any third party, (vi) to the knowledge of the Company, no third party has any ownership right in or to any Company Intellectual Property in any field of use that is exclusively licensed to the Company, other than any licensor to the Company of such Company Intellectual Property, (vii) to the knowledge of the Company, no employee, consultant or independent contractor of the Company or any of its subsidiaries is in or has ever been in violation in any material respect of any term of any employment contract, patent disclosure agreement, invention assignment agreement, non-competition agreement, non-solicitation agreement, nondisclosure agreement or any restrictive covenant to or with a former employer or independent contractor where the basis of such violation relates to such employee's employment or independent contractor's engagement with the Company or actions undertaken while employed or engaged with the Company, and (viii) the Company has taken reasonable measures to protect its confidential information and trade secrets and to maintain and safeguard the Company Intellectual Property, including the execution of appropriate nondisclosure and confidentiality agreements.

(y) All patents and patent applications owned by or licensed to the Company or under which the Company has rights have, to the knowledge of the Company, been duly and properly filed and maintained, except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect; to the knowledge of the Company, there are no material defects in any of the patents or patent applications disclosed in the Registration Statement and the Prospectus as being owned by the Company and its Subsidiaries; to the knowledge of the Company, the parties prosecuting such applications have complied with their duty of candor and disclosure to the USPTO in connection with such applications; and the Company is not aware of any facts required to be disclosed to the USPTO that were not disclosed to the USPTO and which would preclude the grant of a patent in connection with any such application or could form the basis of a finding of invalidity with respect to any patents that have issued with respect to such applications.

(z) Except as would not reasonably be expected to have a material adverse effect on the Company and its subsidiaries, taken as a whole, no labor dispute with the employees of the Company or any of its subsidiaries exists, except as described in the Time of Sale Prospectus, or, to the knowledge of the Company, is imminent; and (b) to the knowledge of the Company, there is no existing, threatened or imminent labor disturbance by the employees of any of its principal suppliers, manufacturers or contractors.

(aa) The Company and each of its subsidiaries maintain a system of internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorizations; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles

and to maintain asset accountability; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences. Except as described in the Time of Sale Prospectus, since the end of the Company's most recent audited fiscal year, there has been (i) no material weakness in the Company's internal control over financial reporting (whether or not remediated) and (ii) no change in the Company's internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

(bb) Ernst & Young LLP ("**E&Y**"), independent public accountants, who have expressed their opinion with respect to certain financial statements (which term as used in this Agreement includes the related notes thereto) of the Company included in the Registration Statement, are independent with respect to the Company and its subsidiaries within the applicable rules and regulations of the Commission and as required by the Securities Act.

(cc) The financial statements (including the related notes thereto) of the Company included in each of the Registration Statement, the Time of Sale Prospectus and the Prospectus comply in all material respects with the applicable requirements of the Securities Act and present fairly in all material respects the consolidated financial position of the Company and its subsidiaries as of the dates indicated and the results of their operations and cash flows for the periods specified. Such financial statements have been prepared in conformity with U.S. GAAP applied on a consistent basis throughout the periods involved. The other financial information of the Company included in the Registration Statement, the Time of Sale Prospectus and the Prospectus have been derived from the accounting or other records of the Company and its subsidiaries and presents fairly in all material respects the information shown thereby.

(dd) Except as described in the Time of Sale Prospectus, the Company has not sold, issued or distributed any shares of Common Stock during the six-month period preceding the date hereof, including any sales pursuant to Rule 144A under, or Regulation D or S of, the Securities Act, other than shares issued pursuant to employee benefit plans, qualified stock option plans or other employee compensation plans or pursuant to outstanding options, rights or warrants.

(ee) The Company and each of its subsidiaries are insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as are, in the reasonable judgment of the Company, prudent and customary in the businesses in which they are engaged; neither the Company nor any of its subsidiaries has been refused any insurance coverage sought or applied for; and neither the Company nor any of its subsidiaries has any reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business at a cost that would not have a material adverse effect on the Company and its subsidiaries, taken as a whole, except as described in the Time of Sale Prospectus.

(ff) The Company and its subsidiaries possess all certificates, authorizations and permits issued by the appropriate federal, state or foreign regulatory authorities necessary to conduct their respective businesses, except where the failure to obtain such certificates, authorizations or permits would not, individually or in the aggregate, reasonably be expected to have a material adverse effect on the Company and its subsidiaries, taken as a whole, and neither the Company nor any of its subsidiaries has received any notice of proceedings relating to the revocation or modification of any such certificate, authorization or permit which, singly or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would have a material adverse effect on the Company and its subsidiaries, taken as a whole, except as described in the Time of Sale Prospectus.

(gg) The Company and its subsidiaries have operated and currently are in compliance in all material respects with all applicable laws, rules and regulations of the jurisdictions in which they are conducting business. Each of the Company and its subsidiaries (i) is and at all times has been in material compliance with all statutes, rules or regulations applicable to the ownership, testing, development, manufacture, packaging, processing, use, distribution, marketing, labeling, promotion, sale, offer for sale, storage, import, export or disposal of any product candidate under development, manufactured or distributed by the Company ("**Applicable Laws**"); (ii) has not received any FDA Form 483, notice of adverse finding, warning letter, untitled letter or other written correspondence or notice from the U.S. Food and Drug Administration (the "**FDA**") or any other similar federal, state, local or foreign governmental or regulatory authority alleging or asserting material noncompliance with any Applicable Laws or any licenses, certificates, approvals, clearances, authorizations, permits and supplements or amendments thereto required by any Applicable Laws to conduct the Company's business as described in Time of Sale Prospectus ("**Authorizations**"); (iii) possesses all material Authorizations and such Authorizations are valid and in full force and effect and neither the Company nor its subsidiaries is in material violation of any such Authorizations; (iv) has not received notice of any pending or completed claim, action, suit, proceeding, hearing, enforcement, investigation, arbitration or other action from the FDA or any other federal, state, local or foreign governmental or regulatory authority or third party alleging that any product candidate operation or activity is in material violation of any Applicable Laws or Authorizations and the Company has no knowledge that the FDA or any other federal, state, local or foreign governmental or regulatory authority or third party is considering any such claim, litigation, arbitration, action, suit, investigation or proceeding; (v) has not received notice that the FDA or any other federal, state, local or foreign governmental or regulatory authority has taken, is taking or intends to take action to limit, suspend, materially modify or revoke any material Authorizations and has no knowledge that the FDA or any other federal, state, local or foreign governmental or

regulatory authority is considering such action; and (vi) has filed, obtained, maintained or submitted all material reports, documents, forms, notices, applications, records, claims, submissions and supplements or amendments as required by any Applicable Laws or Authorizations and all such reports, documents, forms, notices, applications, records, claims, submissions and supplements or amendments were materially complete and correct on the date filed (or were corrected or supplemented by a subsequent submission).

(hh) The preclinical studies and tests conducted by the Company that are described in the Registration Statement, the Time of Sale Prospectus and the Prospectus, and, to the Company's knowledge, those preclinical studies and tests conducted on behalf of the Company, were and, if still pending, are being conducted in all material respects in accordance with experimental protocols, procedures and controls pursuant to accepted professional scientific standards and all Applicable Laws and Authorizations, including, without limitation, the Federal Food, Drug, and Cosmetic Act and the Public Health Service Act and the rules and regulations promulgated thereunder. The descriptions of the results of such studies and tests contained in the Registration Statement, the Time of Sale Prospectus and the Prospectus are accurate and complete and fairly present the data derived from such studies and tests and trials in all material respects. The Company is not aware of any studies or tests, the results of which the Company believes are materially inconsistent with the study or test results described or referred to in the Registration Statement, the Time of Sale Prospectus and the Prospectus when viewed in the context in which such results are described and the clinical state of development. The Company has not received any notices or written correspondence from the FDA or any other federal, state, local or foreign governmental or regulatory authority requiring the termination, suspension or material modification of any preclinical studies or tests conducted by or on behalf of the Company.

(ii) Neither the Company nor, to the knowledge of the Company, any of its officers, directors or managing employees (as defined in 42 U.S.C. § 1320a-5(b)) is or has been excluded, suspended or debarred from participation in any state or federal health care program, or made subject to any pending or, to the Company's knowledge, threatened or contemplated action which could reasonably be expected to result in such exclusion, suspension or debarment.

(jj) Nothing has come to the attention of the Company that has caused the Company to believe that the statistical and market-related data included in the Registration Statement, the Time of Sale Prospectus and the Prospectus is not based on or derived from sources that are reliable and accurate in all material respects.

(kk) No forward-looking statement (within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act) contained in the Registration Statement, the Time of Sale Prospectus or the Prospectus has been made or reaffirmed without a reasonable basis or has been disclosed other than in good faith.

(ll) The Company and each of its subsidiaries have filed all federal, state, local and foreign tax returns required to be filed through the date of this Agreement or have requested extensions thereof (except where the failure to file would not, individually or in the aggregate, have a material adverse effect) and have paid all taxes required to be paid thereon (except for cases in which the failure to file or pay would not have a material adverse effect, or, except as currently being contested in good faith and for which reserves required by U.S. GAAP have been created in the financial statements of the Company), and no tax deficiency has been determined adversely to the Company or any of its subsidiaries which has had (nor does the Company nor any of its subsidiaries have any notice or knowledge of any tax deficiency which could reasonably be expected to be determined adversely to the Company or its subsidiaries and which could reasonably be expected to have) a material adverse effect.

(mm) Except as would not reasonably be expected to have a material adverse effect on the Company and its subsidiaries, taken as a whole, (i) each employee benefit plan, within the meaning of Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), for which the Company or any member of its "Controlled Group" (defined as any organization which is a member of a controlled group of corporations within the meaning of Section 414 of the Code) would have any liability (each, a "**Plan**") has been maintained in compliance in all material respects with ERISA and the Code; (ii) no prohibited transaction, within the meaning of Section 406 of ERISA or Section 4975 of the Code, has occurred with respect to any Plan, excluding transactions effected pursuant to a statutory or administrative exemption; (iii) for each Plan that is subject to the funding rules of Section 412 of the Code or Section 302 of ERISA, the minimum funding standard of Section 412 of the Code or Section 302 of ERISA, as applicable, has been satisfied (without taking into account any waiver thereof or extension of any amortization period) and is reasonably expected to be satisfied in the future (without taking into account any waiver thereof or extension of any amortization period); (iv) to the extent applicable to a Plan, the fair market value of the assets of each Plan exceeds the present value of all benefits accrued under such Plan (determined based on those assumptions used to fund such Plan); (v) no "reportable event" (within the meaning of Section 4043(c) of ERISA) has occurred or is reasonably expected to occur; (vi) neither the Company nor any member of the Controlled Group has incurred, nor reasonably expects to incur, any liability under Title IV of ERISA (other than contributions to the Plan or premiums to the PBGC, in the ordinary course and without default) in respect of a Plan (including a "multiemployer plan", within the meaning of Section 4001(a)(3) of ERISA); and (vii) to the knowledge of the Company, there is no pending audit or investigation by the Internal Revenue Service, the U.S. Department of Labor, the Pension Benefit Guaranty Corporation or any other governmental agency or any foreign regulatory agency with respect to any Plan.

(nn) No relationship, direct or indirect, exists between the Company, on the one hand, and the directors, officers, or stockholders of the Company, on the other, that is required by the Securities Act to be described in the Registration Statement and the Prospectus and that is not so described in such documents and in the Time of Sale Prospectus.

(oo) Neither the Company nor any affiliate of the Company has taken, nor will the Company or any affiliate take, directly or indirectly, any action which is designed to or which would be expected to cause or result in the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Shares.

(pp) From the time of initial confidential submission of the Registration Statement to the Commission (or, if earlier, the first date on which the Company engaged directly or through any person authorized to act on its behalf in any Testing-the-Waters Communication) through the date hereof, the Company has been and is an "emerging growth company," as defined in Section 2(a) of the Securities Act (an "**Emerging Growth Company**"). "**Testing-the-Waters Communication**" means any oral or written communication with potential investors undertaken in reliance on Section 5(d) of the Securities Act.

(qq) The Company (i) has not alone engaged in any Testing-the-Waters Communication other than Testing-the-Waters Communications with the consent of the Representatives with entities that are qualified institutional buyers within the meaning of Rule 144A under the Securities Act or institutions that are accredited investors within the meaning of Rule 501 under the Securities Act and (ii) has not authorized anyone other than the Underwriters to engage in Testing-the-Waters Communications. The Company reconfirms that the Underwriters have been authorized to act on its behalf in undertaking Testing-the-Waters Communications. The Company has not distributed any Written Testing-the-Waters Communications other than those listed on Schedule III hereto. "**Written Testing-the-Waters Communication**" means any Testing-the-Waters Communication that is a written communication within the meaning of Rule 405 under the Securities Act.

(rr) As of the time of each sale of the Shares in connection with the offering when the Prospectus is not yet available to prospective purchasers, none of (A) the Time of Sale Prospectus, (B) any free writing prospectus, when considered together with the Time of Sale Prospectus, and (C) any individual Written Testing-the-Waters Communication, when considered together with the Time of Sale Prospectus, included, includes or will include an untrue statement of a material fact or omitted, omits or will omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

2. *Agreements to Sell and Purchase.* The Company hereby agrees to sell to the several Underwriters, and each Underwriter, upon the basis of the representations and warranties herein contained, but subject to the conditions hereinafter stated, agrees, severally and not jointly, to purchase from the Company the respective numbers of Firm Shares set forth in Schedule I hereto opposite its name at $[ ] a share (the "**Purchase Price**").

On the basis of the representations and warranties contained in this Agreement, and subject to its terms and conditions, the Company agrees to sell to the Underwriters the Additional Shares, and the Underwriters shall have the right to purchase, severally and not jointly, up to [ ] Additional Shares at the Purchase Price, provided, however, that the amount paid by the Underwriters for any Additional Shares shall be reduced by an amount per share equal to any dividends declared by the Company and payable on the Firm Shares but not payable on such Additional Shares. You may exercise this right on behalf of the Underwriters in whole or from time to time in part by giving written notice not later than 30 days after the date of this Agreement. Any exercise notice shall specify the number of Additional Shares to be purchased by the Underwriters and the date on which such shares are to be purchased. Each purchase date must be at least one business day after the written notice is given and may not be earlier than the closing date for the Firm Shares nor later than ten business days after the date of such notice. Additional Shares may be purchased as provided in Section 4 hereof solely for the purpose of covering over-allotments made in connection with the offering of the Firm Shares. On each day, if any, that Additional Shares are to be purchased (an "**Option Closing Date**"), each Underwriter agrees, severally and not jointly, to purchase the number of Additional Shares (subject to such adjustments to eliminate fractional shares as you may determine) that bears the same proportion to the total number of Additional Shares to be purchased on such Option Closing Date as the number of Firm Shares set forth in Schedule I hereto opposite the name of such Underwriter bears to the total number of Firm Shares.

3. *Terms of Public Offering*. The Company is advised by you that the Underwriters propose to make a public offering of their respective portions of the Shares as soon after the Registration Statement and this Agreement have become effective as in your judgment is advisable. The Company is further advised by you that the Shares are to be offered to the public initially at $[ ] a share (the "**Public Offering Price**") and to certain dealers selected by you at a price that represents a concession not in excess of $[ ] a share under the Public Offering Price, and that any Underwriter may allow, and such dealers may reallow, a concession, not in excess of $[ ] a share, to any Underwriter or to certain other dealers.

4. *Payment and Delivery.* Payment for the Firm Shares shall be made to the Company in Federal or other funds immediately available in New York City against delivery of such Firm Shares for the respective accounts of the several Underwriters at 10:00 a.m., New York City time, on [ ], 2018[1], or at such other time on the same or such other date, not later than [ ], 2018[2], as shall be designated in writing by you. The time and date of such payment are hereinafter referred to as the "**Closing Date**."

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1 NTD: Two business days or, in the event the offering is priced after 4:30 p.m. ET, three business days after date of Underwriting Agreement.

2 NTD: Five business days after the date inserted in accordance with previous footnote.

Payment for any Additional Shares shall be made to the Company in Federal or other funds immediately available in New York City against delivery of such Additional Shares for the respective accounts of the several Underwriters at 10:00 a.m.[3], New York City time, on the date specified in the corresponding notice described in Section 2 or at such other time on the same or on such other date, in any event not later than [ ], 2018, as shall be designated in writing by you.

The Firm Shares and Additional Shares shall be registered in such names and in such denominations as you shall request in writing not later than one full business day prior to the Closing Date or the applicable Option Closing Date, as the case may be. The Firm Shares and Additional Shares shall be delivered to you on the Closing Date or an Option Closing Date, as the case may be, for the respective accounts of the several Underwriters, with any transfer taxes payable in connection with the transfer of the Shares to the Underwriters duly paid, against payment of the Purchase Price therefor.

5. *Conditions to the Underwriters' Obligations.* The obligations of the Company to sell the Shares to the Underwriters and the several obligations of the Underwriters to purchase and pay for the Shares on the Closing Date are subject to the condition that the Registration Statement shall have become effective not later than [ ] (New York City time) on the date hereof.

The several obligations of the Underwriters are subject to the following further conditions:

(a) Subsequent to the execution and delivery of this Agreement and prior to the Closing Date:

(i) there shall not have occurred any downgrading, nor shall any notice have been given of any intended or potential downgrading or of any review for a possible change that does not indicate the direction of the possible change, in the rating accorded any of the securities of the Company or any of its subsidiaries by any "nationally recognized statistical rating organization," as such term is defined in Section 3(a)(62) of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"); and

(ii) there shall not have occurred any change, or any development involving a prospective change, in the condition, financial or otherwise, or in the earnings, business or operations of the Company and its subsidiaries, taken as a whole, from that set forth in the Time of Sale Prospectus that, in your judgment, is material and adverse and that makes it, in your judgment, impracticable to market the Shares on the terms and in the manner contemplated in the Time of Sale Prospectus.

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3 NTD: Ten business days after the expiration of the green shoe option.

(b) The Underwriters shall have received on the Closing Date: (i) a certificate, dated the Closing Date and signed on behalf of the Company by an executive officer of the Company, to the effect set forth in Section 5.(a)(i) above and to the effect that the representations and warranties of the Company contained in this Agreement are true and correct as of the Closing Date and that the Company has complied with all of the agreements and satisfied all of the conditions on its part to be performed or satisfied hereunder on or before the Closing Date and (ii) a certificate signed by the Company's Chief Financial Officer, dated the respective dates of delivery thereof and addressed to the Representatives, in form and substance satisfactory to the Representatives;

The officer signing and delivering such certificate may rely upon the best of his or her knowledge as to proceedings threatened.

(c) The Underwriters shall have received on the Closing Date opinions of Latham & Watkins, LLP ("**Latham & Watkins**"), outside counsel for the Company, dated the Closing Date, in each case in form and substance reasonably satisfactory the Representatives.

(d) The Underwriters shall have received on the Closing Date an opinion of Foley Hoag LLP, intellectual property counsel for the Company, and an opinion of McCarter & English, LLP, intellectual property counsel for the Company, each dated the Closing Date, in form and substance reasonably satisfactory to the Representatives.

(e) The Underwriters shall have received on the Closing Date an opinion of Goodwin Procter LLP, counsel for the Underwriters, dated the Closing Date, in form and substance reasonably satisfactory to the Representatives.

(f) The Underwriters shall have received, on each of the date hereof and the Closing Date, a letter dated the date hereof or the Closing Date, as the case may be, in form and substance satisfactory to the Underwriters, from E&Y, containing statements and information of the type ordinarily included in accountants' "comfort letters" to underwriters with respect to the financial statements and certain financial information contained in the Registration Statement, the Time of Sale Prospectus and the Prospectus; *provided* that the letter delivered on the Closing Date shall use a "cut-off date" not earlier than the date hereof.

(g) The "lock-up" agreements, each substantially in the form of Exhibit A hereto, between you and certain shareholders, officers and directors of the Company relating to sales and certain other dispositions of shares of Common Stock or certain other securities, delivered to you on or before the date hereof, shall be in full force and effect on the Closing Date.

(h) The Shares shall have been approved for listing on the Nasdaq Global Select Market, subject only to official notice of issuance.

(i) The several obligations of the Underwriters to purchase Additional Shares hereunder are subject to the delivery to you on the applicable Option Closing Date of the following:

(i) a certificate, dated the Option Closing Date and signed on behalf of the Company by an executive officer of the Company, confirming that the certificate delivered on the Closing Date pursuant to Section 5(b)(i) hereof remains true and correct as of such Option Closing Date and a certificate, dated the Option Closing Date and signed by the Chief Financial Officer of the Company, confirming that the certificate delivered on the Closing Date pursuant to Section 5(b)(ii) hereof remains true and correct as of such Option Closing Date;

(ii) opinions of Latham and Watkins, outside counsel for the Company, dated the Option Closing Date, relating to the Additional Shares to be purchased on such Option Closing Date and otherwise to the same effect as the opinion required by Section 5(c) hereof;

(iii) an opinion of Foley Hoag LLP, intellectual property counsel for the Company, and an opinion of McCarter & English, LLP, intellectual property counsel for the Company, each dated the Option Closing Date, substantially in the same form and substance as of the applicable opinion furnished to the Underwriters pursuant to Section 5(d) hereof;

(iv) an opinion of Goodwin Procter LLP, counsel for the Underwriters, dated the Option Closing Date, relating to the Additional Shares to be purchased on such Option Closing Date and otherwise to the same effect as the opinion required by Section 5(e) hereof;

(v) a letter dated the Option Closing Date, in form and substance satisfactory to the Underwriters, from E&Y, independent public accountants, substantially in the same form and substance as the letter furnished to the Underwriters pursuant to Section 5(f) hereof; *provided* that the letter delivered on the Option Closing Date shall use a "cut-off date" not earlier than three business days prior to such Option Closing Date; and

(vi) such other documents as you may reasonably request with respect to the good standing of the Company, the due authorization and issuance of the Additional Shares to be sold on such Option Closing Date and other matters related to the issuance of such Additional Shares.

6. *Covenants of the Company*. The Company covenants with each Underwriter as follows:

(a) To furnish to you, without charge and upon request, three signed copies of the Registration Statement (including exhibits thereto) and for delivery to each other Underwriter a conformed copy of the Registration Statement (without exhibits thereto) and to furnish to you in New York City, without charge, prior to 10:00 a.m. New York City time on the business day next succeeding the date of this Agreement and during the period mentioned in Section 6.(e) or 6.(f) below, as many copies of the Time of Sale Prospectus, the Prospectus and any supplements and amendments thereto or to the Registration Statement as you may reasonably request.

(b) Before amending or supplementing the Registration Statement, the Time of Sale Prospectus or the Prospectus, to furnish to you a copy of each such proposed amendment or supplement and not to file any such proposed amendment or supplement to which you reasonably object in writing, and to file with the Commission within the applicable period specified in Rule 424(b) under the Securities Act any prospectus required to be filed pursuant to such Rule.

(c) To furnish to you a copy of each proposed free writing prospectus to be prepared by or on behalf of, used by, or referred to by the Company and not to use or refer to any proposed free writing prospectus to which you reasonably object.

(d) Not to take any action that would result in an Underwriter or the Company being required to file with the Commission pursuant to Rule 433(d) under the Securities Act a free writing prospectus prepared by or on behalf of the Underwriter that the Underwriter otherwise would not have been required to file thereunder.

(e) If the Time of Sale Prospectus is being used to solicit offers to buy the Shares at a time when the Prospectus is not yet available to prospective purchasers and any event shall occur or condition exist as a result of which it is necessary to amend or supplement the Time of Sale Prospectus in order to make the statements therein, in the light of the circumstances, not misleading, or if any event shall occur or condition exist as a result of which the Time of Sale Prospectus conflicts with the information contained in the Registration Statement then on file, or if, in the opinion of counsel for the Underwriters, it is necessary to amend or supplement the Time of Sale Prospectus to comply with applicable law, forthwith to prepare, file with the Commission and furnish, at its own expense, to the Underwriters and to any dealer upon request, either amendments or supplements to the Time of Sale Prospectus so that the statements in the Time of Sale Prospectus as so amended or supplemented will not, in the light of the circumstances when the Time of Sale Prospectus is delivered to a prospective purchaser, be misleading or so that the Time of Sale Prospectus, as amended or supplemented, will no longer conflict with the Registration Statement, or so that the Time of Sale Prospectus, as amended or supplemented, will comply with applicable law.

(f) If, during such period after the first date of the public offering of the Shares as in the opinion of counsel for the Underwriters the Prospectus (or in lieu thereof the notice referred to in Rule 173(a) of the Securities Act) is required by law to be delivered in connection with sales by an Underwriter or dealer, any event shall occur or condition exist as a result of which it is necessary to amend or supplement the Prospectus in order to make the statements therein, in the light of the circumstances when the Prospectus (or in lieu thereof the notice referred to in Rule 173(a) of the Securities Act) is delivered to a purchaser, not misleading, or if, in the opinion of counsel for the Underwriters, it is necessary to amend or supplement the Prospectus to comply with applicable law, forthwith to prepare, file with the Commission and furnish, at its own expense, to the Underwriters and to the dealers (whose names and addresses you will furnish to the Company) to which Shares may have been sold by you on behalf of the Underwriters and to any other dealers upon request, either amendments or supplements to the Prospectus so that the statements in the Prospectus as so amended or supplemented will not, in the light of the circumstances when the Prospectus (or in lieu thereof the notice referred to in Rule 173(a) of the Securities Act) is delivered to a purchaser, be misleading or so that the Prospectus, as amended or supplemented, will comply with applicable law.

(g) To endeavor to qualify the Shares for offer and sale under the securities or Blue Sky laws of such jurisdictions as you shall reasonably request; *provided*, *however*, that nothing contained herein shall require the Company to qualify to do business in any jurisdiction, to execute a general consent to service of process in any jurisdiction or to subject itself to taxation in any jurisdiction in which it is not otherwise subject.

(h) To make generally available to the Company's security holders and to you as soon as practicable an earnings statement covering a period of at least twelve months beginning with the first fiscal quarter of the Company occurring after the date of this Agreement which shall satisfy the provisions of Section 11(a) of the Securities Act and the rules and regulations of the Commission thereunder; *provided* that the Company will be deemed to have furnished such statement to its security holders to the extent it is filed on the Commission's Electronic Data Gathering, Analysis and Retrieval System.

(i) Whether or not the transactions contemplated in this Agreement are consummated or this Agreement is terminated, to pay or cause to be paid all expenses incident to the performance of its obligations under this Agreement, including: (i) the fees, disbursements and expenses of the Company's counsel and the Company's accountants in connection with the registration and delivery of the Shares under the Securities Act and all other fees or expenses in connection with the preparation and filing of the Registration Statement, any preliminary prospectus, the Time of Sale Prospectus, the Prospectus, any free writing prospectus prepared by or on behalf of, used by, or referred to by the Company and amendments and supplements to any of the foregoing, including all printing costs associated therewith, and the mailing and delivering of copies thereof to the

Underwriters and dealers, in the quantities hereinabove specified, (ii) all costs and expenses related to the transfer and delivery of the Shares to the Underwriters, including any transfer or other taxes payable thereon, (iii) the cost of printing or producing any Blue Sky or Legal Investment memorandum in connection with the offer and sale of the Shares under state securities laws and all expenses in connection with the qualification of the Shares for offer and sale under state securities laws as provided in Section 6.(g) hereof, including filing fees and the reasonable and documented fees and disbursements of counsel for the Underwriters in connection with such qualification and in connection with the Blue Sky or Legal Investment memorandum, (iv) all filing fees and the reasonable fees and disbursements of counsel to the Underwriters incurred in connection with the review and qualification of the offering of the Shares by FINRA (*provided*, that, the amount payable by the Company with respect to fees and disbursements of counsel for the Underwriters pursuant to subsections (iii) and (iv) shall not exceed $30,000), (v) all fees and expenses in connection with the preparation and filing of the registration statement on Form 8-A relating to the Common Stock and all costs and expenses incident to listing the Shares on the Nasdaq Global Select, (vi) the cost of printing certificates representing the Shares, (vii) the costs and charges of any transfer agent, registrar or depositary, (viii) the costs and expenses of the Company relating to investor presentations on any "road show" undertaken in connection with the marketing of the offering of the Shares, including, without limitation, expenses associated with the preparation or dissemination of any electronic road show, expenses associated with the production of road show slides and graphics, fees and expenses of any consultants engaged in connection with the road show presentations with the prior approval of the Company, travel and lodging expenses of the representatives and officers of the Company and any such consultants, and 50% of ground transportation costs and 50% of the cost of any aircraft chartered in connection with the road show (the remaining 50% of the cost of such ground transportation and aircraft to be paid by the Underwriters) and (ix) all other costs and expenses incident to the performance of the obligations of the Company hereunder for which provision is not otherwise made in this Section. It is understood, however, that except as provided in this Section, Section 8.(a) entitled "Indemnity and Contribution" and the last paragraph of Section 11 below, the Underwriters will pay all of their costs and expenses, including fees and disbursements of their counsel, stock transfer taxes payable on resale of any of the Shares by them and any advertising expenses connected with any offers they may make.

(j) The Company will promptly notify the Representatives if the Company ceases to be an Emerging Growth Company at any time prior to the later of (a) completion of the distribution of the Shares within the meaning of the Securities Act and (b) completion of the Restricted Period (as defined in this Section 6).

(k) If at any time during the period in which delivery of a prospectus is required by the Securities Act and following the distribution of any Written Testing-the-Waters Communication, there occurred or occurs an event or development as a result of which such Written Testing-the-Waters Communication, as then amended or supplemented, included or would include an untrue statement of a material fact or omitted or would omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at that subsequent time, not misleading, the Company will promptly notify the Representatives and will promptly amend or supplement, at its own expense, such Written Testing-the-Waters Communication to eliminate or correct such untrue statement or omission.

The Company also covenants with each Underwriter that, without the prior written consent of the Representatives on behalf of the Underwriters, it will not, during the period ending 180 days after the date of the Prospectus (the "**Restricted Period**"), (1) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any shares of Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock or (2) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Common Stock, whether any such transaction described in clause (1) or (2) above is to be settled by delivery of Common Stock or such other securities, in cash or otherwise or (3) file any registration statement with the Commission relating to the offering of any shares of Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock.

The restrictions contained in the preceding paragraph shall not apply to (a) the Shares to be sold hereunder, (b) the issuance by the Company of shares of Common Stock upon the exercise of an option or warrant or the conversion of a security outstanding on the date hereof, as described in the Time of Sale Prospectus and Prospectus, (c) the establishment or amendment of a trading plan pursuant to Rule 10b5-1 under the Exchange Act for the transfer of shares of Common Stock, *provided* that (i) such plan does not provide for the transfer of Common Stock during the Restricted Period and (ii) to the extent a public announcement or filing under the Exchange Act, if any, is required of or voluntarily made by the Company regarding the establishment of such plan, such announcement or filing shall include a statement to the effect that no transfer of Common Stock may be made under such plan during the Restricted Period, (d) the grant or issuance by the Company, or exercise or settlement (in cash, shares of Common Stock or otherwise), of options, restricted stock awards, restricted stock units or any other type of equity award to employees, officers, directors, advisors or consultants of the Company pursuant to employee benefit plans described in the Time of Sale Prospectus, (e) the filing by the Company of a registration statement with the Commission on Form S-8 with respect to employee benefit plans in described in the Time of Sale Prospectus, or (f) the sale or issuance of or entry into an agreement to sell or issue shares of Common Stock or securities convertible into or exercisable for Common Stock in connection with any (i) merger, (ii) acquisition of securities, businesses, property or any other assets, (iii) joint ventures, (iv) strategic alliances, (v) equipment leasing arrangements or (vi) debt financing, provided that the aggregate number of shares of Common Stock or securities convertible into or exercisable for Common Stock (on an as-converted or as exercised basis, as the case may be) that the Company may sell or

issue or agree to sell or issue pursuant to this clause (f) shall not exceed 5% of the total number of shares of the Company's Common Stock issued and outstanding immediately following the completion of the transactions contemplated by this Agreement, and provided further, that each recipient of shares of Common Stock or securities convertible into or exercisable for Common Stock pursuant to clauses (d) and (f) shall execute a lock-up agreement substantially in the form of Exhibit A hereto.

If the Representatives, in their sole discretion, agree to release or waive the restrictions set forth in a lock-up letter described in Section 5.(g) hereof for an officer or director of the Company and provide the Company with notice of the impending release or waiver at least three business days before the effective date of the release or waiver, the Company agrees to announce the impending release or waiver by a press release substantially in the form of Exhibit B hereto through a major news service at least two business days before the effective date of the release or waiver.

7. *Covenants of the Underwriters*. Each Underwriter severally covenants with the Company not to take any action that would result in the Company being required to file with the Commission under Rule 433(d) a free writing prospectus prepared by or on behalf of such Underwriter that otherwise would not be required to be filed by the Company thereunder, but for the action of the Underwriter.

8. *Indemnity and Contribution.* (a) The Company agrees to indemnify and hold harmless each Underwriter, each person, if any, who controls any Underwriter within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act and each affiliate of any Underwriter within the meaning of Rule 405 under the Securities Act from and against any and all losses, claims, damages and liabilities (including, without limitation, any legal or other expenses reasonably incurred in connection with defending or investigating any such action or claim) caused by any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement or any amendment thereof, any preliminary prospectus, the Time of Sale Prospectus or any amendment or supplement thereto, any issuer free writing prospectus as defined in Rule 433(h) under the Securities Act, any Company information that the Company has filed, or is required to file, pursuant to Rule 433(d) under the Securities Act, any road show as defined in Rule 433(h) under the Securities Act (a "road show"), or the Prospectus or any amendment or supplement thereto, or any Written Testing-the-Waters Communication caused by any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, except insofar as such losses, claims, damages or liabilities are caused by any such untrue statement or omission or alleged untrue statement or omission based upon information relating to any Underwriter furnished to the Company in writing by such Underwriter through you expressly for use therein.

(b) Each Underwriter agrees, severally and not jointly, to indemnify and hold harmless the Company, its directors, its officers who sign the Registration Statement and each person, if any, who controls the Company within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act to the same extent as the foregoing indemnity from the Company to

such Underwriter, but only with reference to information relating to such Underwriter furnished to the Company in writing by such Underwriter through you expressly for use in the Registration Statement, any preliminary prospectus, the Time of Sale Prospectus, any issuer free writing prospectus, road show or the Prospectus or any amendment or supplement thereto.

(c) In case any proceeding (including any governmental investigation) shall be instituted involving any person in respect of which indemnity may be sought pursuant to Section 8.(a) or 8.(b), such person (the "**indemnified party**") shall promptly notify the person against whom such indemnity may be sought (the "**indemnifying party**") in writing and the indemnifying party, upon request of the indemnified party, shall retain counsel reasonably satisfactory to the indemnified party to represent the indemnified party and any others the indemnifying party may designate in such proceeding and shall pay the reasonably incurred fees and disbursements of such counsel related to such proceeding. In any such proceeding, any indemnified party shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such indemnified party unless (i) the indemnifying party and the indemnified party shall have mutually agreed to the retention of such counsel or (ii) the named parties to any such proceeding (including any impleaded parties) include both the indemnifying party and the indemnified party and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. It is understood that the indemnifying party shall not, in respect of the legal expenses of any indemnified party in connection with any proceeding or related proceedings in the same jurisdiction, be liable for the fees and expenses of more than one separate firm (in addition to any local counsel) for all such indemnified parties and that all such fees and expenses shall be reimbursed as they are incurred. Such firm shall be designated in writing by the Representatives, in the case of parties indemnified pursuant to Section 8.(a), and by the Company, in the case of parties indemnified pursuant to Section 8.(b). The indemnifying party shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent or if there be a final judgment for the plaintiff, the indemnifying party agrees to indemnify the indemnified party from and against any loss or liability by reason of such settlement or judgment. Notwithstanding the foregoing sentence, if at any time an indemnified party shall have requested an indemnifying party to reimburse the indemnified party for fees and expenses of counsel as contemplated by the second and third sentences of this paragraph, the indemnifying party agrees that it shall be liable for any settlement of any proceeding effected without its written consent if (i) such settlement is entered into more than 30 days after receipt by such indemnifying party of the aforesaid request and (ii) such indemnifying party shall not have reimbursed the indemnified party in accordance with such request prior to the date of such settlement. No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened proceeding in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party, unless such settlement includes an unconditional release of such indemnified party from all liability on claims that are the subject matter of such proceeding.

(d) To the extent the indemnification provided for in Section 8.(a) or 8.(b) is unavailable to an indemnified party or insufficient in respect of any losses, claims, damages or liabilities referred to therein, then each indemnifying party under such paragraph, in lieu of indemnifying such indemnified party thereunder, shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (i) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and the Underwriters on the other hand from the offering of the Shares or (ii) if the allocation provided by clause 8.(d)(i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause 8.(d)(i) above but also the relative fault of the Company on the one hand and of the Underwriters on the other hand in connection with the statements or omissions that resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and the Underwriters on the other hand in connection with the offering of the Shares shall be deemed to be in the same respective proportions as the net proceeds from the offering of the Shares (before deducting expenses) received by the Company and the total underwriting discounts and commissions received by the Underwriters, in each case as set forth in the table on the cover of the Prospectus, bear to the aggregate Public Offering Price of the Shares. The relative fault of the Company on the one hand and the Underwriters on the other hand shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or by the Underwriters and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Underwriters' respective obligations to contribute pursuant to this Section 8.(a) are several in proportion to the respective number of Shares they have purchased hereunder, and not joint.

(e) The Company and the Underwriters agree that it would not be just or equitable if contribution pursuant to this Section 8.(a) were determined by *pro rata* allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation that does not take account of the equitable considerations referred to in Section 8.(d)(i). The amount paid or payable by an indemnified party as a result of the losses, claims, damages and liabilities referred to in Section 8.(d)(i) shall be deemed to include, subject to the limitations set forth above, any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 8.(a), no Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Shares underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages that such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue

statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The remedies provided for in this Section 8.(a) are not exclusive and shall not limit any rights or remedies which may otherwise be available to any indemnified party at law or in equity.

(f) The indemnity and contribution provisions contained in this Section 8.(a) and the representations, warranties and other statements of the Company contained in this Agreement shall remain operative and in full force and effect regardless of (i) any termination of this Agreement, (ii) any investigation made by or on behalf of any Underwriter, any person controlling any Underwriter or any affiliate of any Underwriter or by or on behalf of the Company, its officers or directors or any person controlling the Company and (iii) acceptance of and payment for any of the Shares.

9. *Termination*. The Underwriters may terminate this Agreement by notice given by you to the Company, if after the execution and delivery of this Agreement and prior to the Closing Date (i) trading generally shall have been suspended or materially limited on, or by, as the case may be, either of the New York Stock Exchange or the Nasdaq Global Select Market, (ii) trading of any securities of the Company shall have been suspended on any exchange or in any over-the-counter market, (iii) a material disruption in securities settlement, payment or clearance services in the United States shall have occurred, (iv) any moratorium on commercial banking activities shall have been declared by Federal or New York State authorities or (v) there shall have occurred any outbreak or escalation of hostilities, or any change in financial markets or any calamity or crisis that, in your judgment, is material and adverse and which, singly or together with any other event specified in this clause (v), makes it, in your judgment, impracticable or inadvisable to proceed with the offer, sale or delivery of the Shares on the terms and in the manner contemplated in the Time of Sale Prospectus or the Prospectus.

10. *Effectiveness; Defaulting Underwriters*. This Agreement shall become effective upon the execution and delivery hereof by the parties hereto.

If, on the Closing Date or an Option Closing Date, as the case may be, any one or more of the Underwriters shall fail or refuse to purchase Shares that it has or they have agreed to purchase hereunder on such date, and the aggregate number of Shares which such defaulting Underwriter or Underwriters agreed but failed or refused to purchase is not more than one-tenth of the aggregate number of the Shares to be purchased on such date, the other Underwriters shall be obligated severally in the proportions that the number of Firm Shares set forth opposite their respective names in Schedule I bears to the aggregate number of Firm Shares set forth opposite the names of all such non-defaulting Underwriters, or in such other proportions as you may specify, to purchase the Shares which such defaulting Underwriter or Underwriters agreed but failed or refused to purchase on such date; *provided* that in no event shall the number of Shares that any Underwriter has agreed to purchase pursuant to this Agreement be increased

pursuant to this Section 10 by an amount in excess of one-ninth of such number of Shares without the written consent of such Underwriter. If, on the Closing Date, any Underwriter or Underwriters shall fail or refuse to purchase Firm Shares and the aggregate number of Firm Shares with respect to which such default occurs is more than one-tenth of the aggregate number of Firm Shares to be purchased on such date, and arrangements satisfactory to you and the Company for the purchase of such Firm Shares are not made within 36 hours after such default, this Agreement shall terminate without liability on the part of any non-defaulting Underwriter or the Company. In any such case either you or the Company shall have the right to postpone the Closing Date, but in no event for longer than seven days, in order that the required changes, if any, in the Registration Statement, in the Time of Sale Prospectus, in the Prospectus or in any other documents or arrangements may be effected. If, on an Option Closing Date, any Underwriter or Underwriters shall fail or refuse to purchase Additional Shares and the aggregate number of Additional Shares with respect to which such default occurs is more than one-tenth of the aggregate number of Additional Shares to be purchased on such Option Closing Date, the non-defaulting Underwriters shall have the option to (i) terminate their obligation hereunder to purchase the Additional Shares to be sold on such Option Closing Date or (ii) purchase not less than the number of Additional Shares that such non-defaulting Underwriters would have been obligated to purchase in the absence of such default. Any action taken under this paragraph shall not relieve any defaulting Underwriter from liability in respect of any default of such Underwriter under this Agreement.

If this Agreement shall be terminated by the Underwriters, or any of them, because of any failure or refusal on the part of the Company to comply with the terms or to fulfill any of the conditions of this Agreement, or if for any reason the Company shall be unable to perform its obligations under this Agreement, the Company will reimburse the Underwriters or such Underwriters as have so terminated this Agreement with respect to themselves, severally, for all out-of-pocket expenses (including the reasonable and documented fees and disbursements of their counsel) reasonably incurred by such Underwriters in connection with this Agreement or the offering contemplated hereunder.

11. *Entire Agreement*. (a) This Agreement, together with any contemporaneous written agreements and any prior written agreements (to the extent not superseded by this Agreement) that relate to the offering of the Shares, represents the entire agreement between the Company and the Underwriters with respect to the preparation of any preliminary prospectus, the Time of Sale Prospectus, the Prospectus, the conduct of the offering, and the purchase and sale of the Shares.

(b) The Company acknowledges that in connection with the offering of the Shares: (i) the Underwriters have acted at arms length, are not agents of, and owe no fiduciary duties to, the Company or any other person, (ii) the Underwriters owe the Company only those duties and obligations set forth in this Agreement and prior written agreements (to the extent not superseded by this Agreement), if any, and (iii) the Underwriters may have interests that differ from those of the Company. The Company waives to the full extent permitted by applicable law any claims it may have against the Underwriters arising from an alleged breach of fiduciary duty in connection with the offering of the Shares.

12. *Counterparts*. This Agreement may be signed in two or more counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

13. *Applicable Law*. This Agreement shall be governed by and construed in accordance with the internal laws of the State of New York.

14. *Headings*. The headings of the sections of this Agreement have been inserted for convenience of reference only and shall not be deemed a part of this Agreement.

15. *Notices*. All communications hereunder shall be in writing and effective only upon receipt and if to the Underwriters shall be delivered, mailed or sent to Morgan Stanley & Co. LLC, 1585 Broadway, New York, New York 10036, Attention: Equity Syndicate Desk, with a copy to the Legal Department, and Cowen and Company, LLC, 599 Lexington Avenue 27th Floor, New York, New York 10022, Attention: Bradley Friedman, with a copy to the Legal Department and BMO Capital Markets Corp., 3 Times Square, New York, New York 10036, Attention: Annette Grimaldi, with a copy to Goodwin Procter LLP, The New York Times Building, 620 Eighth Avenue, New York, NY 10018, Attention: Edwin M. O'Connor; and if to the Company shall be delivered, mailed or sent to 620 Memorial Drive, Suite 200 West, Cambridge, MA 02139, Attention: Chief Executive Officer, with a copy to Latham & Watkins LLP, 200 Clarendon Street, 27th Floor, Boston, MA 02116, Attention: Peter N. Handrinos.

Very truly yours,

Evelo Biosciences, Inc.

By: _____
Name:
Title:

Accepted as of the date hereof

Morgan Stanley & Co. LLC
Cowen and Company, LLC
BMO Capital Markets Corp.

Acting severally on behalf of themselves and
the several Underwriters named in
Schedule I hereto.

By: Morgan Stanley & Co. LLC

By: _____
Name:
Title:

By: Cowen and Company, LLC

By: _____
Name:
Title:

By: BMO Capital Markets Corp.

By: _____
Name:
Title:

SCHEDULE I

Underwriter	Number of Firm Shares To Be Purchased
Morgan Stanley & Co. LLC	
Cowen and Company, LLC	
BMO Capital Markets Corp.	
JMP Securities LLC	
Total:	

SCHEDULE II

Time of Sale Prospectus

1. Preliminary Prospectus dated [date]

2. [identify all free writing prospectuses filed by the Company under Rule 433(d) of the Securities Act]

3. [free writing prospectus containing a description of terms that does not reflect final terms, if the Time of Sale Prospectus does not include a final term sheet]

4. [orally communicated pricing information such as price per share and size of offering if a Rule 134 pricing term sheet is used at the time of sale instead of a pricing term sheet filed by the Company under Rule 433(d) as a free writing prospectus]

Written Testing-the-Waters Communications

A-1

EXHIBIT B

FORM OF WAIVER OF LOCK-UP

_____, 20__

[Name and Address of
Officer or Director
Requesting Waiver]

Dear Mr./Ms. [Name]:

This letter is being delivered to you in connection with the offering by Evelo Biosciences, Inc. (the "**Company**") of shares of common stock, par value $0.001 per share (the "**Common Stock**"), of the Company and the lock-up letter dated , 20 (the "Lock-up Letter"), executed by you in connection with such offering, and your request for a [waiver] [release] dated , 20 , with respect to shares of Common Stock (the "**Shares**").

Morgan Stanley & Co. LLC and Cowen and Company, LLC hereby agree to [waive] [release] the transfer restrictions set forth in the Lock-up Letter, but only with respect to the Shares, effective , 20 ; provided, however, that such [waiver] [release] is conditioned on the Company announcing the impending [waiver] [release] by press release through a major news service at least two business days before effectiveness of such [waiver] [release]. This letter will serve as notice to the Company of the impending [waiver] [release].

Except as expressly [waived] [released] hereby, the Lock-up Letter shall remain in full force and effect.

Very truly yours,

Morgan Stanley & Co. LLC
Cowen and Company, LLC
Acting severally on behalf of themselves
and the several Underwriters named in
Schedule I hereto

By: _____
Name:
Title:

cc: Company

FORM OF PRESS RELEASE

Evelo Biosciences, Inc.
[Date]

Evelo Biosciences, Inc. (the "**Company**") announced today that Morgan Stanley & Co. LLC and Cowen and Company, LLC, the book-running managers in the Company's recent public sale of shares of common stock is [waiving][releasing] a lock-up restriction with respect to shares of the Company's common stock held by [certain officers or directors] [an officer or director] of the Company. The [waiver] [release] will take effect on , 20 , and the shares may be sold on or after such date.

This press release is not an offer for sale of the securities in the United States or in any other jurisdiction where such offer is prohibited, and such securities may not be offered or sold in the United States absent registration or an exemption from registration under the United States Securities Act of 1933, as amended.

Exhibit 3.1

AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF
EVELO BIOSCIENCES, INC.

(Pursuant to Sections 242 and 245 of the
General Corporation Law of the State of Delaware)

Evelo Biosciences, Inc., a corporation organized and existing under and by virtue of the provisions of the General Corporation Law of the State of Delaware (the "**General Corporation Law**"),

DOES HEREBY CERTIFY:

1. That the name of this corporation is Evelo Biosciences, Inc., and that this corporation was originally incorporated pursuant to the General Corporation Law on May 6, 2014, under the name VL28, Inc.

2. That the Board of Directors duly adopted resolutions proposing to amend and restate the Amended and Restated Certificate of Incorporation of this corporation, declaring said amendment and restatement to be advisable and in the best interests of this corporation and its stockholders, and authorizing the appropriate officers of this corporation to solicit the consent of the stockholders therefor, which resolution setting forth the proposed amendment and restatement is as follows:

RESOLVED, that the Amended and Restated Certificate of Incorporation of this corporation, as amended to date, be amended and restated in its entirety to read as follows:

FIRST: The name of this corporation is Evelo Biosciences, Inc. (the "**Corporation**").

SECOND: The address of the registered office of the Corporation in the State of Delaware is 1209 Orange Street, in the City of Wilmington, County of New Castle, Zip Code 19801. The name of its registered agent at such address is The Corporation Trust Company.

THIRD: The nature of the business or purposes to be conducted or promoted is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law.

FOURTH: The total number of shares of all classes of stock which the Corporation shall have authority to issue is (i) 124,300,000 shares of Common Stock, $0.001 par value per share ("**Common Stock**"), and (ii) 89,531,378 shares of Preferred Stock, $0.001 par value per share ("Preferred Stock"), of which 13,470,279 shares are hereby designated "Series A Preferred Stock," 10,164,552 shares are hereby designated "Series A-1 Preferred Stock," 5,833,334 shares are hereby designated "Series A-2 Preferred Stock," 8,780,898 shares are hereby designated "Series A-3 Preferred Stock," 28,062,500 shares are hereby designated "Series B Preferred Stock," and 23,219,815 shares are hereby designated "Series C Preferred Stock."

The following is a statement of the designations and the powers, privileges and rights, and the qualifications, limitations or restrictions thereof in respect of each class of capital stock of the Corporation.

A. COMMON STOCK

1. General. The voting, dividend and liquidation rights of the holders of the Common Stock are subject to and qualified by the rights, powers and preferences of the holders of the Preferred Stock set forth herein.

2. Voting. The holders of the Common Stock are entitled to one vote for each share of Common Stock held at all meetings of stockholders (and written actions in lieu of meetings); provided, however, that, except as otherwise required by law, holders of Common Stock, as such, shall not be entitled to vote on any amendment to the Certificate of Incorporation that relates solely to the terms of one or more outstanding series of Preferred Stock if the holders of such affected series are entitled, either separately or together with the holders of one or more other such series, to vote thereon pursuant to the Certificate of Incorporation or pursuant to the General Corporation Law. The number of authorized shares of Common Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by (in addition to any vote of the holders of one or more series of Preferred Stock that may be required by the terms of the Certificate of Incorporation) the affirmative vote of the holders of shares of capital stock of the Corporation representing a majority of the votes represented by all outstanding shares of capital stock of the Corporation entitled to vote, irrespective of the provisions of Section 242(b)(2) of the General Corporation Law.

B. PREFERRED STOCK

The Series A Preferred Stock, Series A-1 Preferred Stock, Series A-2 Preferred Stock, Series A-3 Preferred Stock, Series B Preferred Stock and Series C Preferred Stock shall have the following rights, preferences, powers, privileges and restrictions, qualifications and limitations. Unless otherwise indicated, references to "Sections" or "Subsections" in this Part B of this Article Fourth refer to sections and subsections of Part B of this Article Fourth.

1. Dividends.

From and after the date of the issuance of any shares of Series A Preferred Stock, dividends at the rate per annum of eight percent (8%) of the sum of the Series A Original Issue Price (as defined below), plus the amount of previously accrued dividends per share, which shall compound on an annual basis, shall accrue on each share of Series A Preferred Stock (subject, in the case of the Series A Original Issue Price, to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series A Preferred Stock) (the "**Series A Accruing Dividends**"). From and after the date of the issuance of any shares of Series A-1 Preferred Stock, dividends at the rate per annum of eight percent (8%) of the sum of the Series A-1 Original Issue Price (as defined below) plus $0.03880, plus the amount of previously accrued dividends per share, which shall compound on an annual basis, shall accrue on each share of Series A-1 Preferred Stock (subject, in the case of the Series A-1 Original Issue Price, to appropriate adjustment in the event of any stock dividend, stock split,

combination or other similar recapitalization with respect to the Series A-1 Preferred Stock) (the **"Series A-1 Accruing Dividends**"). From and after the date of the issuance of any shares of Series A-2 Preferred Stock, dividends at the rate per annum of eight percent (8%) of the sum of the Series A-2 Original Issue Price (as defined below), plus the amount of previously accrued dividends per share, which shall compound on an annual basis, shall accrue on each share of Series A-2 Preferred Stock (subject, in the case of the Series A-2 Original Issue Price, to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series A-2 Preferred Stock) (the "**Series A-2 Accruing Dividends**"). From and after the date of the issuance of any shares of Series A-3 Preferred Stock, dividends at the rate per annum of eight percent (8%) of the sum of the Series A-3 Original Issue Price (as defined below) plus $0.00079, plus the amount of previously accrued dividends per share, which shall compound on an annual basis, shall accrue on each share of Series A-3 Preferred Stock (subject, in the case of the Series A-3 Original Issue Price, to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series A-3 Preferred Stock) (the "**Series A-3 Accruing Dividends**"). From and after the date of the issuance of any shares of Series B Preferred Stock, dividends at the rate per annum of eight percent (8%) of the sum of the Series B Original Issue Price (as defined below) plus the amount of previously accrued dividends per share, which shall compound on an annual basis, shall accrue on each share of Series B Preferred Stock (subject, in the case of the Series B Original Issue Price, to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series B Preferred Stock) (the "**Series B Accruing Dividends**"). From and after the date of the issuance of any shares of Series C Preferred Stock, dividends at the rate per annum of eight percent (8%) of the sum of the Series C Original Issue Price (as defined below) plus the amount of previously accrued dividends per share, which shall compound on an annual basis, shall accrue on each share of Series C Preferred Stock (subject, in the case of the Series C Original Issue Price, to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series C Preferred Stock) (the "**Series C Accruing Dividends**" and together with the Series A Accruing Dividends, the Series A-1 Accruing Dividends, the Series A-2 Accruing Dividends, the Series A-3 Accruing Dividends and the Series B Accruing Dividends, the "**Accruing Dividends**"). Accruing Dividends shall accrue from day to day, whether or not declared, and shall be cumulative; provided however, that except as set forth in the following sentence of this Section 1 or in Subsection 2.1, such Accruing Dividends shall be payable only when, as, and if declared by the Board of Directors and the Corporation shall be under no obligation to pay such Accruing Dividends. The Corporation shall not declare, pay or set aside any dividends on shares of any other class or series of capital stock of the Corporation (other than dividends on shares of Common Stock payable in shares of Common Stock) unless (in addition to the obtaining of any consents required elsewhere in the Certificate of Incorporation) the holders of the Preferred Stock then outstanding shall first receive, or simultaneously receive, a dividend on each outstanding share of Preferred Stock in an amount at least equal to the greater of (i) the amount of the aggregate Series A Accruing Dividends, Series A-1 Accruing Dividends, Series A-2 Accruing Dividends, Series A-3 Accruing Dividends, Series B Accruing Dividends or Series C Accruing Dividends as the case may be, then accrued on the shares of the applicable series of Preferred Stock and not previously paid and (ii) (A) in the case of a dividend on Common Stock or any class or series that is convertible into Common Stock, that dividend per share of the

applicable series of Preferred Stock as would equal the product of (1) the dividend payable on each share of such class or series determined, if applicable, as if all shares of such class or series had been converted into Common Stock and (2) the number of shares of Common Stock issuable upon conversion of a share of the applicable series of Preferred Stock, in each case calculated on the record date for determination of holders entitled to receive such dividend or (B) in the case of a dividend on any class or series that is not convertible into Common Stock, at a rate per share of the applicable series of Preferred Stock determined by (1) dividing the amount of the dividend payable on each share of such class or series of capital stock by the original issuance price of such class or series of capital stock (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to such class or series) and (2) multiplying such fraction by an amount equal to the Series A Original Issue Price, Series A-1 Original Issue Price, Series A-2 Original Issue Price, Series A-3 Original Issue Price, Series B Original Issue Price, or Series C Original Issue Price, as applicable; provided that, if the Corporation declares, pays or sets aside, on the same date, a dividend on shares of more than one class or series of capital stock of the Corporation, the dividend payable to the holders of Preferred Stock pursuant to this Section 1 shall be calculated based upon the dividend on the class or series of capital stock that would result in the highest Preferred Stock dividend. The "**Series A Original Issue Price**" shall mean $0.60 per share, subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series A Preferred Stock. The "**Series A-1 Original Issue Price**" shall mean $0.60 per share, subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series A-1 Preferred Stock. The "**Series A-2 Original Issue Price**" shall mean $1.20 per share, subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series A-2 Preferred Stock. The "**Series A-3 Original Issue Price**" shall mean $1.20 per share, subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series A-3 Preferred Stock. The "**Series B Original Issue Price**" shall mean $1.80 per share, subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series B Preferred Stock. The "**Series C Original Issue Price**" shall mean $3.23 per share, subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series C Preferred Stock.

2. Liquidation, Dissolution or Winding Up; Certain Mergers, Consolidations and Asset Sales.

2.1 Preferential Payments to Holders of Preferred Stock. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation or Deemed Liquidation Event (as defined below), the holders of shares of Series A Preferred Stock then outstanding, the holders of shares of Series A-1 Preferred Stock then outstanding, the holders of shares of Series A-2 Preferred Stock then outstanding, the holders of shares of Series A-3 Preferred Stock then outstanding, the holders of shares of Series B Preferred Stock then outstanding and the holders of shares of Series C Preferred Stock then outstanding shall be entitled to be paid, on a pari passu basis, out of the assets of the Corporation available for distribution to its stockholders before any payment shall be made to the holders of Common Stock by reason of their ownership thereof, an amount per share equal to (i) in the case of the Series A Preferred Stock, the greater of (A) the Series A Original Issue Price, plus any Series A

Accruing Dividends accrued but unpaid thereon, whether or not declared, together with any other dividends declared but unpaid thereon, or (B) such amount per share as would have been payable had all shares of Series A Preferred Stock been converted into Common Stock pursuant to Section 4 immediately prior to such liquidation, dissolution, winding up or Deemed Liquidation Event (the amount payable pursuant to this clause (i) is hereinafter referred to as the "**Series A Liquidation Amount**"), (ii) in the case of the Series A-1 Preferred Stock, the greater of (A) the Series A-1 Original Issue Price, plus any Series A-1 Accruing Dividends accrued but unpaid thereon, whether or not declared, together with any other dividends declared but unpaid thereon, or (B) such amount per share as would have been payable had all shares of Series A-1 Preferred Stock been converted into Common Stock pursuant to Section 4 immediately prior to such liquidation, dissolution, winding up or Deemed Liquidation Event (the amount payable pursuant to this clause (ii) is hereinafter referred to as the "**Series A-1 Liquidation Amount**"), (iii) in the case of the Series A-2 Preferred Stock, the greater of (A) the Series A-2 Original Issue Price, plus any Series A-2 Accruing Dividends accrued but unpaid thereon, whether or not declared, together with any other dividends declared but unpaid thereon, or (B) such amount per share as would have been payable had all shares of Series A-2 Preferred Stock been converted into Common Stock pursuant to Section 4 immediately prior to such liquidation, dissolution, winding up or Deemed Liquidation Event (the amount payable pursuant to this clause (iii) is hereinafter referred to as the "**Series A-2 Liquidation Amount**"), (iv) in the case of the Series A-3 Preferred Stock, the greater of (A) the Series A-3 Original Issue Price, plus any Series A-3 Accruing Dividends accrued but unpaid thereon, whether or not declared, together with any other dividends declared but unpaid thereon, or (B) such amount per share as would have been payable had all shares of Series A-3 Preferred Stock been converted into Common Stock pursuant to Section 4 immediately prior to such liquidation, dissolution, winding up or Deemed Liquidation Event (the amount payable pursuant to this clause (iv) is hereinafter referred to as the "**Series A-3 Liquidation Amount**"), (v) in the case of the Series B Preferred Stock, the greater of (A) the Series B Original Issue Price, plus any Series B Accruing Dividends accrued but unpaid thereon, whether or not declared, together with any other dividends declared but unpaid thereon, or (B) such amount per share as would have been payable had all shares of Series B Preferred Stock been converted into Common Stock pursuant to Section 4 immediately prior to such liquidation, dissolution, winding up or Deemed Liquidation Event (the amount payable pursuant to this clause (v) is hereinafter referred to as the "**Series B Liquidation Amount**"), and (vi) in the case of the Series C Preferred Stock, the greater of (A) the Series C Original Issue Price, plus any Series C Accruing Dividends accrued but unpaid thereon, whether or not declared, together with any other dividends declared but unpaid thereon, or (B) such amount per share as would have been payable had all shares of Series C Preferred Stock been converted into Common Stock pursuant to Section 4 immediately prior to such liquidation, dissolution, winding up or Deemed Liquidation Event (the amount payable pursuant to this clause (vi) is hereinafter referred to as the "**Series C Liquidation Amount**"). If upon any such liquidation, dissolution or winding up of the Corporation or Deemed Liquidation Event, the assets of the Corporation available for distribution to its stockholders shall be insufficient to pay the holders of shares of Series A Preferred Stock, the holders of shares of Series A-1 Preferred Stock, the holders of shares of Series A-2 Preferred Stock, the holders of shares of Series A-3 Preferred Stock, the holders of shares of Series B Preferred Stock and the holders of shares of Series C Preferred Stock the full amount to which they shall be entitled under this Subsection 2.1, the holders of shares of Series A Preferred Stock, the holders of shares of Series A-1 Preferred Stock, the holders of shares of

Series A-2 Preferred Stock, the holders of shares of Series A-3 Preferred Stock, the holders of shares of Series B Preferred Stock and the holders of shares of Series C Preferred Stock shall share ratably in any distribution of the assets available for distribution in proportion to the respective amounts which would otherwise be payable in respect of the shares held by them upon such distribution if all amounts payable on or with respect to such shares were paid in full.

2.2 Payments to Holders of Common Stock. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation or Deemed Liquidation Event, after the payment of all preferential amounts required to be paid to the holders of shares of Series A Preferred Stock, the holders of shares of Series A-1 Preferred Stock, the holders of shares of Series A-2 Preferred Stock, the holders of shares of Series A-3 Preferred Stock, the holders of shares of Series B Preferred Stock and the holders of shares of Series C Preferred Stock, the remaining assets of the Corporation available for distribution to its stockholders shall be distributed among the holders of shares of Common Stock, pro rata based on the number of shares held by each such holder.

2.3 Deemed Liquidation Events.

2.3.1 Definition. Each of the following events shall be considered a "**Deemed Liquidation Event**" unless the holders of a majority in voting power of the outstanding shares of Preferred Stock elect otherwise by written notice sent to the Corporation at least ten (10) days prior to the effective date of any such event:

(a) a merger or consolidation in which

(i) the Corporation is a constituent party or

(ii) a subsidiary of the Corporation is a constituent party and the Corporation issues shares of its capital stock pursuant to such merger or consolidation,

except any such merger or consolidation involving the Corporation or a subsidiary in which the shares of capital stock of the Corporation outstanding immediately prior to such merger or consolidation continue to represent, or are converted into or exchanged for shares of capital stock that represent, immediately following such merger or consolidation, a majority, by voting power, of the capital stock of (1) the surviving or resulting corporation or (2) if the surviving or resulting corporation is a wholly owned subsidiary of another corporation immediately following such merger or consolidation, the parent corporation of such surviving or resulting corporation (provided that, for the purpose of this Subsection 2.3.1, all shares of Common Stock issuable upon exercise of Options (as defined below) outstanding immediately prior to such merger or consolidation or upon conversion of Convertible Securities (as defined below) outstanding immediately prior to such merger or consolidation shall be deemed to be outstanding immediately prior to such merger or consolidation and, if applicable, converted or exchanged in such merger or consolidation on the same terms as the actual outstanding shares of Common Stock are converted or exchanged); or

(b) the sale, lease, transfer, exclusive license or other disposition, in a single transaction or series of related transactions, by the Corporation or any subsidiary of the Corporation of all or substantially all the assets of the Corporation and its subsidiaries taken as a whole, or the sale or disposition (whether by merger or otherwise) of one or more subsidiaries of the Corporation if substantially all of the assets of the Corporation and its subsidiaries taken as a whole are held by such subsidiary or subsidiaries, except where such sale, lease, transfer, exclusive license or other disposition is to a wholly owned subsidiary of the Corporation.

2.3.2 Effecting a Deemed Liquidation Event.

(a) The Corporation shall not have the power to effect a Deemed Liquidation Event referred to in Subsection 2.3.1(a)(i) unless the agreement or plan of merger or consolidation for such transaction (the "**Merger Agreement**") provides that the consideration payable to the stockholders of the Corporation shall be allocated among the holders of capital stock of the Corporation in accordance with Subsections 2.1 and 2.2.

(b) In the event of a Deemed Liquidation Event referred to in Subsection 2.3.1(a)(ii) or 2.3.1(b), if the Corporation does not effect a dissolution of the Corporation under the General Corporation Law within ninety (90) days after such Deemed Liquidation Event, then (i) the Corporation shall send a written notice to each holder of Preferred Stock no later than the ninetieth (90th) day after the Deemed Liquidation Event advising such holders of their right (and the requirements to be met to secure such right) pursuant to the terms of the following clause (ii) to require the redemption of such shares of Preferred Stock and (ii) if the holders of a majority in voting power of the then outstanding shares of Preferred Stock so request in a written instrument delivered to the Corporation not later than one hundred twenty (120) days after such Deemed Liquidation Event, the Corporation shall use the consideration received by the Corporation for such Deemed Liquidation Event (net of any retained liabilities associated with the assets sold or technology licensed, as determined in good faith by the Board of Directors of the Corporation), together with any other assets of the Corporation available for distribution to its stockholders, all to the extent permitted by Delaware law governing distributions to stockholders (the "**Available Proceeds**"), on the one hundred fiftieth (150th) day after such Deemed Liquidation Event (the "**Redemption Date**"), to redeem all outstanding shares of Series A Preferred Stock at a price per share equal to the Series A Liquidation Amount, all outstanding shares of Series A-1 Preferred Stock at a price per share equal to the Series A-1 Liquidation Amount, all outstanding shares of Series A-2 Preferred Stock at a price per share equal to the Series A-2 Liquidation Amount, all outstanding shares of Series A-3 Preferred Stock at a price per share equal to the Series A-3 Liquidation Amount, all outstanding shares of Series B Preferred Stock at a price per share equal to the Series B Liquidation Amount and all outstanding shares of Series C Preferred Stock at a price per share equal to the Series C Liquidation Amount. Notwithstanding the foregoing, in the event of a redemption pursuant to the preceding sentence, if the Available Proceeds are not sufficient to redeem all outstanding shares of Preferred Stock, the Corporation shall redeem a pro rata portion of each holder's shares of Preferred Stock to the fullest extent of such Available Proceeds, based on the respective amounts which would otherwise be payable in respect of the shares to be redeemed if the Available Proceeds were sufficient to redeem all such shares, and shall redeem the remaining shares to have been redeemed as soon as practicable after the Corporation has funds legally available therefor. The Corporation shall send written notice of the mandatory redemption (the "**Redemption Notice**") to each holder of record of Preferred Stock not less than forty (40) days prior to the Redemption Date. The Redemption Notice shall state: (i) the number of shares of

each series of Preferred Stock held by the holder that the Corporation shall redeem on the Redemption Date specified in the Redemption Notice, (ii) the Redemption Date and the Series A Liquidation Amount, the Series A-1 Liquidation Amount, the Series A-2 Liquidation Amount, the Series A-3 Liquidation Amount, the Series B Liquidation Amount and the Series C Liquidation Amount, (iii) the date upon which the holder's right to convert such shares terminates (as determined in accordance with Subsection 4.1), and (iv) for holders of shares in certificated form, that the holder is to surrender to the Corporation, in the manner and at the place designated, his, her or its certificate or certificates representing the shares of Preferred Stock to be redeemed. On or before the Redemption Date, each holder of shares of Preferred Stock, unless such holder has exercised his, her or its right to convert such shares as provided in Section 4, shall, if a holder of shares in certificated form, surrender the certificate or certificates representing such shares (or, if such registered holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Corporation to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of such certificate) to the Corporation, in the manner and at the place designated in the Redemption Notice, and thereupon the Series A Liquidation Amount, the Series A-1 Liquidation Amount, the Series A-2 Liquidation Amount, the Series A-3 Liquidation Amount, the Series B Liquidation Amount and the Series C Liquidation Amount, as the case may be, for such shares shall be payable to the order of the person whose name appears on such certificate or certificates as the owner thereof. In the event less than all of the shares of Preferred Stock represented by a certificate are redeemed, a new certificate representing the unredeemed shares of Preferred Stock shall promptly be issued to such holder. If the Redemption Notice shall have been duly given, and if on the Redemption Date the Series A Liquidation Amount, the Series A-1 Liquidation Amount, the Series A-2 Liquidation Amount, the Series A-3 Liquidation Amount, the Series B Liquidation Amount and the Series C Liquidation Amount, as the case may be, payable upon redemption of the shares of Preferred Stock to be redeemed on the Redemption Date is paid or tendered for payment or deposited with an independent payment agent so as to be available therefor in a timely manner, then notwithstanding that any certificates evidencing any of the shares of Preferred Stock so called for redemption shall not have been surrendered, dividends with respect to such shares of Preferred Stock shall cease to accrue after the Redemption Date and all rights with respect to such shares shall forthwith after the Redemption Date terminate, except only the right of the holders to receive the Series A Liquidation Amount, the Series A-1 Liquidation Amount, the Series A-2 Liquidation Amount, the Series A-3 Liquidation Amount, the Series B Liquidation Amount and the Series C Liquidation Amount, as the case may be, without interest upon surrender of any such certificate or certificates therefor. Prior to the distribution or redemption provided for in this Subsection 2.3.2(b), the Corporation shall not expend or dissipate the consideration received for such Deemed Liquidation Event, except to discharge expenses incurred in connection with such Deemed Liquidation Event or in the ordinary course of business.

2.3.3 Amount Deemed Paid or Distributed. The amount deemed paid or distributed to the holders of capital stock of the Corporation upon any such merger, consolidation, sale, transfer, exclusive license, other disposition or redemption shall be the cash or the value of the property, rights or securities paid or distributed to such holders by the Corporation or the acquiring person, firm or other entity. The value of such property, rights or securities shall be determined in good faith by the Board of Directors of the Corporation, including at least one of the Preferred Stock Directors (as defined below).

2.3.4 Allocation of Escrow and Contingent Consideration. In the event of a Deemed Liquidation Event pursuant to Subsection 2.3.1(a)(i), if any portion of the consideration payable to the stockholders of the Corporation is payable only upon satisfaction of contingencies (the "**Additional Consideration**"), the Merger Agreement shall provide that (a) the portion of such consideration that is not Additional Consideration (such portion, the "**Initial Consideration**") shall be allocated among the holders of capital stock of the Corporation in accordance with Subsections 2.1 and 2.2 as if the Initial Consideration were the only consideration payable in connection with such Deemed Liquidation Event; and (b) any Additional Consideration which becomes payable to the stockholders of the Corporation upon satisfaction of such contingencies shall be allocated among the holders of capital stock of the Corporation in accordance with Subsections 2.1 and 2.2 after taking into account the previous payment of the Initial Consideration as part of the same transaction. For the purposes of this Subsection 2.3.4, consideration placed into escrow or retained as holdback to be available for satisfaction of indemnification or similar obligations in connection with such Deemed Liquidation Event shall be deemed to be Additional Consideration.

3. Voting.

3.1 General. On any matter presented to the stockholders of the Corporation for their action or consideration at any meeting of stockholders of the Corporation (or by written consent of stockholders in lieu of meeting), each holder of outstanding shares of Preferred Stock shall be entitled to cast the number of votes equal to the number of whole shares of Common Stock into which the shares of Preferred Stock held by such holder are convertible as of the record date for determining stockholders entitled to vote on such matter. Except as provided by law or by the other provisions of the Certificate of Incorporation, holders of Preferred Stock shall vote together with the holders of Common Stock as a single class.

3.2 Election of Directors. The holders of record of the shares of Preferred Stock, exclusively and as a separate class, shall be entitled to elect two (2) directors of the Corporation (the "**Preferred Stock Directors**"). Any director elected as provided in the preceding sentence may be removed without cause by, and only by, the affirmative vote of the holders of the shares of the class or series of capital stock entitled to elect such director or directors, given either at a special meeting of such stockholders duly called for that purpose or pursuant to a written consent of stockholders. If the holders of shares of Preferred Stock fail to elect a sufficient number of directors to fill all directorships for which they are entitled to elect directors, voting exclusively and as a separate class, pursuant to the first sentence of this Subsection 3.2, then any directorship not so filled shall remain vacant until such time as the holders of the Preferred Stock elect a person to fill such directorship by vote or written consent in lieu of a meeting; and no such directorship may be filled by stockholders of the Corporation other than by the stockholders of the Corporation that are entitled to elect a person to fill such directorship, voting exclusively and as a separate class. The holders of record of the shares of Common Stock and of any other class or series of voting stock (including the Series A Preferred Stock, the Series A-1 Preferred Stock, the Series A-2 Preferred Stock, the Series A-3 Preferred Stock, the Series B Preferred Stock and the Series C Preferred Stock), exclusively and voting

together as a single class (on an as-converted to Common Stock basis), shall be entitled to elect the balance of the total number of directors of the Corporation. At any meeting held for the purpose of electing a director, the presence in person or by proxy of the holders of a majority of the outstanding shares of the class or series entitled to elect such director shall constitute a quorum for the purpose of electing such director. Except as otherwise provided in this Subsection 3.2, a vacancy in any directorship filled by the holders of any class or series shall be filled only by vote or written consent in lieu of a meeting of the holders of such class or series or by any remaining director or directors elected by the holders of such class or series pursuant to this Subsection 3.2.

3.3 Preferred Stock Protective Provisions. At any time when shares of Preferred Stock are outstanding, the Corporation shall not, either directly or indirectly by amendment, merger, consolidation or otherwise, do any of the following without (in addition to any other vote required by law or the Certificate of Incorporation) the written consent or affirmative vote of the holders of a majority in voting power of the then outstanding shares of Preferred Stock, given in writing or by vote at a meeting, consenting or voting (as the case may be) separately as a class, and any such act or transaction entered into without such consent or vote shall be null and void *ab initio*, and of no force or effect:

3.3.1 liquidate, dissolve or wind-up the business and affairs of the Corporation, effect any merger or consolidation or any other Deemed Liquidation Event, or consent to any of the foregoing;

3.3.2 amend, alter or repeal any provision of the Certificate of Incorporation or Bylaws of the Corporation;

3.3.3 create, or authorize the creation of, or issue or obligate itself to issue shares of, any additional class or series of capital stock unless the same ranks junior to the Series A Preferred Stock, Series A-1 Preferred Stock, Series A-2 Preferred Stock, Series A-3 Preferred Stock, Series B Preferred Stock and Series C Preferred Stock with respect to the distribution of assets on the liquidation, dissolution or winding up of the Corporation, the payment of dividends and rights of redemption, or increase or decrease the authorized number of shares of Series A Preferred Stock, Series A-1 Preferred Stock, Series A-2 Preferred Stock, Series A-3 Preferred Stock, Series B Preferred Stock, Series C Preferred Stock or Preferred Stock or increase the authorized number of shares of any additional class or series of capital stock unless the same ranks junior to the Series A Preferred Stock, Series A-1 Preferred Stock, Series A-2 Preferred Stock, Series A-3 Preferred Stock, Series B Preferred Stock and Series C Preferred Stock with respect to the distribution of assets on the liquidation, dissolution or winding up of the Corporation, the payment of dividends and rights of redemption;

3.3.4 (i) reclassify, alter or amend any existing security of the Corporation that is pari passu with the Series A Preferred Stock, Series A-1 Preferred Stock, Series A-2 Preferred Stock, Series A-3 Preferred Stock, Series B Preferred Stock or Series C Preferred Stock in respect of the distribution of assets on the liquidation, dissolution or winding up of the Corporation, the payment of dividends or rights of redemption, if such reclassification, alteration or amendment would render such other security senior to the Series A Preferred Stock, Series A-1 Preferred Stock, Series A-2 Preferred Stock, Series A-3 Preferred Stock, Series B

Preferred Stock, or Series C Preferred Stock, respectively, in respect of any such right, preference or privilege, or (ii) reclassify, alter or amend any existing security of the Corporation that is junior to the Series A Preferred Stock, Series A-1 Preferred Stock, Series A-2 Preferred Stock, Series A-3 Preferred Stock, Series B Preferred Stock or Series C Preferred Stock in respect of the distribution of assets on the liquidation, dissolution or winding up of the Corporation, the payment of dividends or rights of redemption, if such reclassification, alteration or amendment would render such other security senior to or pari passu with the Series A Preferred Stock, Series A-1 Preferred Stock, Series A-2 Preferred Stock, Series A-3 Preferred Stock, Series B Preferred Stock or Series C Preferred Stock, respectively, in respect of any such right, preference or privilege;

3.3.5 purchase or redeem (or permit any subsidiary to purchase or redeem) or pay or declare any dividend or make any distribution on, any shares of capital stock of the Corporation other than (i) redemptions of or dividends or distributions on the Preferred Stock as expressly authorized herein, (ii) dividends or other distributions payable on the Common Stock solely in the form of additional shares of Common Stock and (iii) repurchases of stock from former employees, officers, directors, consultants or other persons who performed services for the Corporation or any subsidiary in connection with the cessation of such employment or service at the lower of the original purchase price or the then-current fair market value thereof;

3.3.6 create, or authorize the creation of, or issue, or authorize the issuance of any debt security or permit any subsidiary to take any such action with respect to any debt security unless such debt security has received the prior approval of the Board of Directors, including the approval of at least one of the Preferred Stock Directors;

3.3.7 create, or hold capital stock in, any subsidiary that is not wholly owned (either directly or through one or more other subsidiaries) by the Corporation, or sell, transfer or otherwise dispose of any capital stock of any direct or indirect subsidiary of the Corporation, or permit any direct or indirect subsidiary to sell, lease, transfer, exclusively license or otherwise dispose (in a single transaction or series of related transactions) of all or substantially all of the assets of such subsidiary; or

3.3.8 increase or decrease the authorized number of directors constituting the Board of Directors.

4. Optional Conversion.

The holders of the Preferred Stock shall have conversion rights as follows (the "**Conversion Rights**"):

4.1 Right to Convert.

4.1.1 Conversion Ratios.

(a) Each share of Series A Preferred Stock shall be convertible, at the option of the holder thereof, at any time and from time to time, and without the payment of additional consideration by the holder thereof, into such number of fully paid and

nonassessable shares of Common Stock as is determined by dividing the Series A Original Issue Price by the Series A Conversion Price (as defined below) in effect at the time of conversion. The "**Series A Conversion Price**" shall initially be equal to $0.60. Such initial Series A Conversion Price, and the rate at which shares of Series A Preferred Stock may be converted into shares of Common Stock, shall be subject to adjustment as provided below.

(b) Each share of Series A-1 Preferred Stock shall be convertible, at the option of the holder thereof, at any time and from time to time, and without the payment of additional consideration by the holder thereof, into such number of fully paid and nonassessable shares of Common Stock as is determined by dividing the Series A-1 Original Issue Price by the Series A-1 Conversion Price (as defined below) in effect at the time of conversion. The "**Series A-1 Conversion Price**" shall initially be equal to $0.60. Such initial Series A-1 Conversion Price, and the rate at which shares of Series A-1 Preferred Stock may be converted into shares of Common Stock, shall be subject to adjustment as provided below.

(c) Each share of Series A-2 Preferred Stock shall be convertible, at the option of the holder thereof, at any time and from time to time, and without the payment of additional consideration by the holder thereof, into such number of fully paid and nonassessable shares of Common Stock as is determined by dividing the Series A-2 Original Issue Price by the Series A-2 Conversion Price (as defined below) in effect at the time of conversion. The "**Series A-2 Conversion Price**" shall initially be equal to $1.20. Such initial Series A-2 Conversion Price, and the rate at which shares of Series A-2 Preferred Stock may be converted into shares of Common Stock, shall be subject to adjustment as provided below.

(d) Each share of Series A-3 Preferred Stock shall be convertible, at the option of the holder thereof, at any time and from time to time, and without the payment of additional consideration by the holder thereof, into such number of fully paid and nonassessable shares of Common Stock as is determined by dividing the Series A-3 Original Issue Price by the Series A-3 Conversion Price (as defined below) in effect at the time of conversion. The "**Series A-3 Conversion Price**" shall initially be equal to $1.20. Such initial Series A-3 Conversion Price, and the rate at which shares of Series A-3 Preferred Stock may be converted into shares of Common Stock, shall be subject to adjustment as provided below.

(e) Each share of Series B Preferred Stock shall be convertible, at the option of the holder thereof, at any time and from time to time, and without the payment of additional consideration by the holder thereof, into such number of fully paid and nonassessable shares of Common Stock as is determined by dividing the Series B Original Issue Price by the Series B Conversion Price (as defined below) in effect at the time of conversion. The "**Series B Conversion Price**" shall initially be equal to $1.80. Such initial Series B Conversion Price, and the rate at which shares of Series B Preferred Stock may be converted into shares of Common Stock, shall be subject to adjustment as provided below.

(f) Each share of Series C Preferred Stock shall be convertible, at the option of the holder thereof, at any time and from time to time, and without the payment of additional consideration by the holder thereof, into such number of fully paid and nonassessable shares of Common Stock as is determined by dividing the Series C Original Issue Price by the Series C Conversion Price (as defined below) in effect at the time of conversion. The "**Series C Conversion Price**" shall initially be equal to $3.23. Such initial Series C Conversion Price, and the rate at which shares of Series C Preferred Stock may be converted into shares of Common Stock, shall be subject to adjustment as provided below.

4.1.2 Termination of Conversion Rights. In the event of a liquidation, dissolution or winding up of the Corporation or a Deemed Liquidation Event, the Conversion Rights shall terminate at the close of business on the last full day preceding the date fixed for the payment of any such amounts distributable on such event to the holders of Preferred Stock.

4.2 Fractional Shares. No fractional shares of Common Stock shall be issued upon conversion of the Preferred Stock. In lieu of any fractional shares to which the holder would otherwise be entitled, the Corporation shall pay cash equal to such fraction multiplied by the fair market value of a share of Common Stock as determined in good faith by the Board of Directors of the Corporation, including at least one of the Preferred Stock Directors. Whether or not fractional shares would be issuable upon such conversion shall be determined on the basis of the total number of shares of Preferred Stock the holder is at the time converting into Common Stock and the aggregate number of shares of Common Stock issuable upon such conversion.

4.3 Mechanics of Conversion.

4.3.1 Notice of Conversion. In order for a holder of Preferred Stock to voluntarily convert shares of Preferred Stock into shares of Common Stock, such holder shall (a) provide written notice to the Corporation's transfer agent at the office of the transfer agent for the Preferred Stock (or at the principal office of the Corporation if the Corporation serves as its own transfer agent) that such holder elects to convert all or any number of such holder's shares of Preferred Stock and, if applicable, any event on which such conversion is contingent and (b), if such holder's shares are certificated, surrender the certificate or certificates for such shares of Preferred Stock (or, if such registered holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Corporation to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of such certificate), at the office of the transfer agent for the Preferred Stock (or at the principal office of the Corporation if the Corporation serves as its own transfer agent). Such notice shall state such holder's name or the names of the nominees in which such holder wishes the shares of Common Stock to be issued. If required by the Corporation, any certificates surrendered for conversion shall be endorsed or accompanied by a written instrument or instruments of transfer, in form satisfactory to the Corporation, duly executed by the registered holder or his, her or its attorney duly authorized in writing. The close of business on the date of receipt by the transfer agent (or by the Corporation if the Corporation serves as its own transfer agent) of such notice and, if applicable, certificates (or lost certificate affidavit and agreement) shall be the time of conversion (the "**Conversion Time**"), and the shares of Common Stock issuable upon conversion of the specified shares shall be deemed to be outstanding of record as of such date. The Corporation shall, as soon as practicable after the Conversion Time (i) issue and deliver to such holder of Preferred Stock, or to his, her or its nominees, (x) in the event such shares are certificated, a certificate or certificates for the number of full shares of Common Stock issuable upon such conversion in accordance

with the provisions hereof and a certificate for the number (if any) of the shares of Preferred Stock represented by the surrendered certificate that were not converted into Common Stock, and (y) in the event such shares are uncertificated, a notice of issuance of uncertificated shares and may, upon written request, issue and deliver a certificate for the number of full shares of Common Stock issuable upon such conversion in accordance with the provisions hereof and may, if applicable and upon written request, issue and deliver a certificate for the number (if any) of shares of Preferred Stock represented by any surrendered certificate that were not converted into Common Stock, (ii) pay in cash such amount as provided in Subsection 4.2 in lieu of any fraction of a share of Common Stock otherwise issuable upon such conversion and (iii) pay all declared but unpaid dividends on the shares of Preferred Stock converted.

4.3.2 Reservation of Shares. The Corporation shall at all times when Preferred Stock shall be outstanding, reserve and keep available out of its authorized but unissued capital stock, for the purpose of effecting the conversion of the Preferred Stock, such number of its duly authorized shares of Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding Preferred Stock; and if at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the conversion of all then outstanding shares of Preferred Stock, the Corporation shall take such corporate action as may be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purposes, including, without limitation, engaging in best efforts to obtain the requisite stockholder approval of any necessary amendment to the Certificate of Incorporation. Before taking any action which would cause an adjustment reducing the Series A Conversion Price, Series A-1 Conversion Price, Series A-2 Conversion Price, Series A-3 Conversion Price, Series B Conversion Price or Series C Conversion Price below the then par value of the shares of Common Stock issuable upon conversion of the Series A Preferred Stock, the Series A-1 Preferred Stock, the Series A-2 Preferred Stock, the Series A-3 Preferred Stock, the Series B Preferred Stock or the Series C Preferred Stock, as the case may be, the Corporation will take any corporate action which may, in the opinion of its counsel, be necessary in order that the Corporation may validly and legally issue fully paid and nonassessable shares of Common Stock at such adjusted Series A Conversion Price, Series A-1 Conversion Price, Series A-2 Conversion Price, Series A-3 Conversion Price Series B Conversion Price or Series C Conversion Price.

4.3.3 Effect of Conversion. All shares of Preferred Stock which shall have been surrendered for conversion as herein provided shall no longer be deemed to be outstanding and all rights with respect to such shares shall immediately cease and terminate at the Conversion Time, except only the right of the holders thereof to receive shares of Common Stock in exchange therefor, to receive payment in lieu of any fraction of a share otherwise issuable upon such conversion as provided in Subsection 4.2 and to receive payment of any dividends declared but unpaid thereon. Any shares of Preferred Stock so converted shall be retired and cancelled and may not be reissued as shares of such series, and the Corporation may thereafter take such appropriate action (without the need for stockholder action) as may be necessary to reduce the authorized number of shares of such series of Preferred Stock accordingly.

4.3.4 No Further Adjustment. Upon any such conversion, no adjustment to the Series A Conversion Price, the Series A-1 Conversion Price, the Series A-2 Conversion Price, the Series A-3 Conversion Price, the Series B Conversion Price or the Series C Conversion Price shall be made for any declared but unpaid dividends on the Series A Preferred Stock, the Series A-1 Preferred Stock, the Series A-2 Preferred Stock, the Series A-3 Preferred Stock, the Series B Preferred Stock or the Series C Preferred Stock, as the case may be, surrendered for conversion or on the Common Stock delivered upon conversion.

4.3.5 Taxes. The Corporation shall pay any and all issue and other similar taxes that may be payable in respect of any issuance or delivery of shares of Common Stock upon conversion of shares of Preferred Stock pursuant to this Section 4. The Corporation shall not, however, be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of shares of Common Stock in a name other than that in which the shares of Preferred Stock so converted were registered, and no such issuance or delivery shall be made unless and until the person or entity requesting such issuance has paid to the Corporation the amount of any such tax or has established, to the satisfaction of the Corporation, that such tax has been paid.

4.4 Adjustments to Conversion Price for Diluting Issues.

4.4.1 Special Definitions. For purposes of this Article Fourth, the following definitions shall apply:

(a) "**Option**" shall mean rights, options or warrants to subscribe for, purchase or otherwise acquire Common Stock or Convertible Securities.

(b) "**Series C Original Issue Date**" shall mean the date on which the first share of Series C Preferred Stock was issued.

(c) "**Convertible Securities**" shall mean any evidences of indebtedness, shares or other securities directly or indirectly convertible into or exchangeable for Common Stock, but excluding Options.

(d) "**Additional Shares of Common Stock**" shall mean all shares of Common Stock issued (or, pursuant to Subsection 4.4.3 below, deemed to be issued) by the Corporation after the Series C Original Issue Date, other than (1) the following shares of Common Stock and (2) shares of Common Stock deemed issued pursuant to the following Options and Convertible Securities (clauses (1) and (2), collectively, "**Exempted Securities**"):

(i) shares of Common Stock, Options or Convertible Securities issued as a dividend or distribution on Preferred Stock;

(ii) shares of Common Stock, Options or Convertible Securities issued by reason of a dividend, stock split, split-up or other distribution on shares of Common Stock that is covered by Subsection 4.5, 4.6, 4.7 or 4.8;

(iii) shares of Common Stock issued in any public offering of Common Stock under the Securities Act of 1933, as amended (the "**Securities Act**");

(iv) shares of Common Stock or Options issued to employees or directors of, or consultants or advisors to, the Corporation or any of its subsidiaries pursuant to a plan, agreement or arrangement approved by the Board of Directors of the Corporation, including at least one of the Preferred Stock Directors; or

(v) shares of Common Stock or Convertible Securities actually issued upon the exercise of Options or shares of Common Stock actually issued upon the conversion or exchange of Convertible Securities, in each case provided such issuance is pursuant to the terms of such Option or Convertible Security.

4.4.2 No Adjustment of Conversion Price. No adjustment in the Series A Conversion Price shall be made as the result of the issuance or deemed issuance of Additional Shares of Common Stock if the Corporation receives written notice from the holders of a majority of the then outstanding shares of Series A Preferred Stock agreeing that no such adjustment shall be made as the result of the issuance or deemed issuance of such Additional Shares of Common Stock. No adjustment in the Series A-1 Conversion Price shall be made as the result of the issuance or deemed issuance of Additional Shares of Common Stock if the Corporation receives written notice from the holders of a majority of the then outstanding shares of Series A-1 Preferred Stock agreeing that no such adjustment shall be made as the result of the issuance or deemed issuance of such Additional Shares of Common Stock. No adjustment in the Series A-2 Conversion Price shall be made as the result of the issuance or deemed issuance of Additional Shares of Common Stock if the Corporation receives written notice from the holders of a majority of the then outstanding shares of Series A-2 Preferred Stock agreeing that no such adjustment shall be made as the result of the issuance or deemed issuance of such Additional Shares of Common Stock. No adjustment in the Series A-3 Conversion Price shall be made as the result of the issuance or deemed issuance of Additional Shares of Common Stock if the Corporation receives written notice from the holders of a majority of the then outstanding shares of Series A-3 Preferred Stock agreeing that no such adjustment shall be made as the result of the issuance or deemed issuance of such Additional Shares of Common Stock. No adjustment in the Series B Conversion Price shall be made as the result of the issuance or deemed issuance of Additional Shares of Common Stock if the Corporation receives written notice from the holders of a majority of the then outstanding shares of Series B Preferred Stock agreeing that no such adjustment shall be made as the result of the issuance or deemed issuance of such Additional Shares of Common Stock. No adjustment in the Series C Conversion Price shall be made as the result of the issuance or deemed issuance of Additional Shares of Common Stock if the Corporation receives written notice from the holders of a majority of the then outstanding shares of Series C Preferred Stock agreeing that no such adjustment shall be made as the result of the issuance or deemed issuance of such Additional Shares of Common Stock.

4.4.3 Deemed Issue of Additional Shares of Common Stock.

(a) If the Corporation at any time or from time to time after the Series C Original Issue Date shall issue any Options or Convertible Securities (excluding Options or Convertible Securities which are themselves Exempted Securities) or shall fix a record date for the determination of holders of any class of securities entitled to receive any such Options or Convertible Securities, then the maximum number of shares of Common Stock (as set forth in the instrument relating thereto, assuming the satisfaction of any conditions to exercisability, convertibility or exchangeability but without regard to any provision contained therein for a subsequent adjustment of such number) issuable upon the exercise of such Options or, in the case of Convertible Securities and Options therefor, the conversion or exchange of such Convertible Securities, shall be deemed to be Additional Shares of Common Stock issued as of the time of such issue or, in case such a record date shall have been fixed, as of the close of business on such record date.

(b) If the terms of any Option or Convertible Security, the issuance of which resulted in an adjustment to the Series A Conversion Price, the Series A-1 Conversion Price, the Series A-2 Conversion Price, the Series A-3 Conversion Price, the Series B Conversion Price or the Series C Conversion Price pursuant to the terms of Subsection 4.4.4, are revised as a result of an amendment to such terms or any other adjustment pursuant to the provisions of such Option or Convertible Security (but excluding automatic adjustments to such terms pursuant to anti-dilution or similar provisions of such Option or Convertible Security) to provide for either (1) any increase or decrease in the number of shares of Common Stock issuable upon the exercise, conversion and/or exchange of any such Option or Convertible Security or (2) any increase or decrease in the consideration payable to the Corporation upon such exercise, conversion and/or exchange, then, effective upon such increase or decrease becoming effective, the Series A Conversion Price, the Series A-1 Conversion Price, the Series A-2 Conversion Price, the Series A-3 Conversion Price, the Series B Conversion Price or the Series C Conversion Price, as the case may be, computed upon the original issue of such Option or Convertible Security (or upon the occurrence of a record date with respect thereto) shall be readjusted to such Series A Conversion Price, Series A-1 Conversion Price, Series A-2 Conversion Price, Series A-3 Conversion Price, the Series B Conversion Price or the Series C Conversion Price, as the case may be, as would have been obtained had such revised terms been in effect upon the original date of issuance of such Option or Convertible Security. Notwithstanding the foregoing, no readjustment pursuant to this clause (b) shall have the effect of increasing the Series A Conversion Price, the Series A-1 Conversion Price, the Series A-2 Conversion Price, the Series A-3 Conversion Price, the Series B Conversion Price or the Series C Conversion Price to an amount which exceeds the lower of (i) the Series A Conversion Price, the Series A-1 Conversion Price, the Series A-2 Conversion Price, the Series A-3 Conversion Price, the Series B Conversion Price or the Series C Conversion Price, as the case may be, in effect immediately prior to the original adjustment made as a result of the issuance of such Option or Convertible Security, or (ii) the Series A Conversion Price, the Series A-1 Conversion Price, the Series A-2 Conversion Price, the Series A-3 Conversion Price, the Series B Conversion Price or

the Series C Conversion Price, as the case may be, that would have resulted from any issuances of Additional Shares of Common Stock (other than deemed issuances of Additional Shares of Common Stock as a result of the issuance of such Option or Convertible Security) between the original adjustment date and such readjustment date.

(c) If the terms of any Option or Convertible Security (excluding Options or Convertible Securities which are themselves Exempted Securities), the issuance of which did not result in an adjustment to the Series A Conversion Price, the Series A-1 Conversion Price, the Series A-2 Conversion Price, the Series A-3 Conversion Price, the Series B Conversion Price or the Series C Conversion Price pursuant to the terms of Subsection 4.4.4 (either because the consideration per share (determined pursuant to Subsection 4.4.5) of the Additional Shares of Common Stock subject thereto was equal to or greater than the Series A Conversion Price, the Series A-1 Conversion Price, the Series A-2 Conversion Price, the Series A-3 Conversion Price, the Series B Conversion Price or the Series C Conversion Price, as the case may be, then in effect, or because such Option or Convertible Security was issued before the Series C Original Issue Date), are revised after the Series C Original Issue Date as a result of an amendment to such terms or any other adjustment pursuant to the provisions of such Option or Convertible Security (but excluding automatic adjustments to such terms pursuant to anti-dilution or similar provisions of such Option or Convertible Security) to provide for either (1) any increase in the number of shares of Common Stock issuable upon the exercise, conversion or exchange of any such Option or Convertible Security or (2) any decrease in the consideration payable to the Corporation upon such exercise, conversion or exchange, then such Option or Convertible Security, as so amended or adjusted, and the Additional Shares of Common Stock subject thereto (determined in the manner provided in Subsection 4.4.3(a)) shall be deemed to have been issued effective upon such increase or decrease becoming effective.

(d) Upon the expiration or termination of any unexercised Option or unconverted or unexchanged Convertible Security (or portion thereof) which resulted (either upon its original issuance or upon a revision of its terms) in an adjustment to the Series A Conversion Price, the Series A-1 Conversion Price, the Series A-2 Conversion Price, the Series A-3 Conversion Price, the Series B Conversion Price or the Series C Conversion Price pursuant to the terms of Subsection 4.4.4, the Series A Conversion Price, the Series A-1 Conversion Price, the Series A-2 Conversion Price, the Series A-3 Conversion Price, the Series B Conversion Price and the Series C Conversion Price, as the case may be, shall be readjusted to such Series A Conversion Price, Series A-1 Conversion Price, Series A-2 Conversion Price, Series A-3 Conversion Price, the Series B Conversion Price or the Series C Conversion Price, as the case may be, as would have been obtained had such Option or Convertible Security (or portion thereof) never been issued.

(e) If the number of shares of Common Stock issuable upon the exercise, conversion and/or exchange of any Option or Convertible Security, or the consideration payable to the Corporation upon such exercise, conversion and/or exchange, is calculable at the time such Option or Convertible Security is issued or amended but is subject to adjustment based upon subsequent events, any adjustment to the Series A Conversion Price, the Series A-1 Conversion Price, the Series A-2 Conversion Price, the Series A-3 Conversion Price, the Series B Conversion Price or the Series C Conversion Price provided for in this Subsection 4.4.3 shall be effected at the time of such issuance or amendment based on such number of

shares or amount of consideration without regard to any provisions for subsequent adjustments (and any subsequent adjustments shall be treated as provided in clauses (b) and (c) of this Subsection 4.4.3). If the number of shares of Common Stock issuable upon the exercise, conversion and/or exchange of any Option or Convertible Security, or the consideration payable to the Corporation upon such exercise, conversion and/or exchange, cannot be calculated at all at the time such Option or Convertible Security is issued or amended, any adjustment to the Series A Conversion Price, the Series A-1 Conversion Price, the Series A-2 Conversion Price, the Series A-3 Conversion Price, the Series B Conversion Price or the Series C Conversion Price that would result under the terms of this Subsection 4.4.3 at the time of such issuance or amendment shall instead be effected at the time such number of shares and/or amount of consideration is first calculable (even if subject to subsequent adjustments), assuming for purposes of calculating such adjustment to the Series A Conversion Price, the Series A-1 Conversion Price, the Series A-2 Conversion Price, the Series A-3 Conversion Price, the Series B Conversion Price or the Series C Conversion Price that such issuance or amendment took place at the time such calculation can first be made.

4.4.4 Adjustment of Conversion Price Upon Issuance of Additional Shares of Common Stock. In the event the Corporation shall at any time after the Series C Original Issue Date issue Additional Shares of Common Stock (including Additional Shares of Common Stock deemed to be issued pursuant to Subsection 4.4.3), without consideration or for a consideration per share less than the Series A Conversion Price, the Series A-1 Conversion Price, the Series A-2 Conversion Price, the Series A-3 Conversion Price, the Series B Conversion Price and/or the Series C Conversion Price, each as in effect immediately prior to such issue, then the Series A Conversion Price, Series A Conversion Price, the Series A-1 Conversion Price, the Series A-2 Conversion Price, the Series A-3 Conversion Price, the Series B Conversion Price and/or the Series C Conversion Price, as the case may be, shall be reduced, concurrently with such issue, to a price (calculated to the nearest one-hundredth of a cent) determined in accordance with the following formula:

$$CP2 = CP1 * (A + B) \div (A + C).$$

For purposes of the foregoing formula, the following definitions shall apply:

(a) "CP_2" shall mean (1) in the case of an adjustment to the Series A Conversion Price, the Series A Conversion Price in effect immediately after such issue of Additional Shares of Common Stock, (2) in the case of an adjustment to the Series A-1 Conversion Price, the Series A-1 Conversion Price in effect immediately after such issue of Additional Shares of Common Stock, (3) in the case of an adjustment to the Series A-2 Conversion Price, the Series A-2 Conversion Price in effect immediately after such issue of Additional Shares of Common Stock, (4) in the case of an adjustment to the Series A-3 Conversion Price, the Series A-3 Conversion Price in effect immediately after such issue of Additional Shares of Common Stock, (5) in the case of an adjustment to the Series B Conversion Price, the Series B Conversion Price in effect immediately after such issue of Additional Shares of Common Stock, and (6) in the case of an adjustment to the Series C Conversion Price, the Series C Conversion Price in effect immediately after such issue of Additional Shares of Common Stock;

(b) "CP_1" shall mean (1) in the case of an adjustment to the Series A Conversion Price, the Series A Conversion Price in effect immediately prior to such issue of Additional Shares of Common Stock, (2) in the case of an adjustment to the Series A-1 Conversion Price, the Series A-1 Conversion Price in effect immediately prior to such issue of Additional Shares of Common Stock, (3) in the case of an adjustment to the Series A-2 Conversion Price, the Series A-2 Conversion Price in effect immediately prior to such issue of Additional Shares of Common Stock, (4) in the case of an adjustment to the Series A-3 Conversion Price, the Series A-3 Conversion Price in effect immediately prior to such issue of Additional Shares of Common Stock, (5) in the case of an adjustment to the Series B Conversion Price, the Series B Conversion Price in effect immediately prior to such issue of Additional Shares of Common Stock, and (6) in the case of an adjustment to the Series C Conversion Price, the Series C Conversion Price in effect immediately prior to such issue of Additional Shares of Common Stock;

(c) "A" shall mean the number of shares of Common Stock outstanding immediately prior to such issue of Additional Shares of Common Stock (treating for this purpose as outstanding all shares of Common Stock issuable upon exercise of Options outstanding immediately prior to such issue or upon conversion or exchange of Convertible Securities (including the Preferred Stock) outstanding (assuming exercise of any outstanding Options therefor) immediately prior to such issue);

(d) "B" shall mean the number of shares of Common Stock that would have been issued if such Additional Shares of Common Stock had been issued at a price per share equal to CP1 (determined by dividing the aggregate consideration received by the Corporation in respect of such issue by CP_1); and

(e) "C" shall mean the number of such Additional Shares of Common Stock issued in such transaction.

4.4.5 Determination of Consideration. For purposes of this Subsection 4.4, the consideration received by the Corporation for the issue of any Additional Shares of Common Stock shall be computed as follows:

(a) Cash and Property: Such consideration shall:

(i) insofar as it consists of cash, be computed at the aggregate amount of cash received by the Corporation, excluding amounts paid or payable for accrued interest;

(ii) insofar as it consists of property other than cash, be computed at the fair market value thereof at the time of such issue, as determined in good faith by the Board of Directors of the Corporation, including at least one of the Preferred Stock Directors; and

(iii) in the event Additional Shares of Common Stock are issued together with other shares or securities or other assets of the Corporation for consideration which covers both, be the proportion of such consideration so received, computed as provided in clauses (i) and (ii) above, as determined in good faith by the Board of Directors of the Corporation, including at least one of the Preferred Stock Directors.

(b) Options and Convertible Securities. The consideration per share received by the Corporation for Additional Shares of Common Stock deemed to have been issued pursuant to Subsection 4.4.3, relating to Options and Convertible Securities, shall be determined by dividing:

(i) the total amount, if any, received or receivable by the Corporation as consideration for the issue of such Options or Convertible Securities, plus the minimum aggregate amount of additional consideration (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such consideration) payable to the Corporation upon the exercise of such Options or the conversion or exchange of such Convertible Securities, or in the case of Options for Convertible Securities, the exercise of such Options for Convertible Securities and the conversion or exchange of such Convertible Securities, by

(ii) the maximum number of shares of Common Stock (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such number) issuable upon the exercise of such Options or the conversion or exchange of such Convertible Securities, or in the case of Options for Convertible Securities, the exercise of such Options for Convertible Securities and the conversion or exchange of such Convertible Securities.

4.4.6 Multiple Closing Dates. In the event the Corporation shall issue on more than one date Additional Shares of Common Stock that are a part of one transaction or a series of related transactions and that would result in an adjustment to the Series A Conversion Price, the Series A-1 Conversion Price, the Series A-2 Conversion Price, the Series A-3 Conversion Price, the Series B Conversion Price and/or the Series C Conversion Price pursuant to the terms of Subsection 4.4.4, and such issuance dates occur within a period of no more than ninety (90) days from the first such issuance to the final such issuance, then, upon the final such issuance, the Series A Conversion Price, the Series A-1 Conversion Price, the Series A-2 Conversion Price, the Series A-3 Conversion Price, the Series B Conversion Price and/or the Series C Conversion Price, as the case may be, shall be readjusted to give effect to all such issuances as if they occurred on the date of the first such issuance (and without giving effect to any additional adjustments as a result of any such subsequent issuances within such period).

4.5 Adjustment for Stock Splits and Combinations. If the Corporation shall at any time or from time to time after the Series C Original Issue Date effect a subdivision of the outstanding Common Stock, the Series A Conversion Price, the Series A-1 Conversion Price, the Series A-2 Conversion Price, the Series A-3 Conversion Price, the Series B Conversion Price and the Series C Conversion Price, each as in effect immediately before such subdivision, shall be proportionately decreased so that the number of shares of Common Stock issuable on conversion of each share of such series shall be increased in proportion to such increase in the aggregate number of shares of Common Stock outstanding. If the Corporation shall at any time or from time to time after the Series C Original Issue Date combine the outstanding shares of Common Stock, the Series A Conversion Price, the Series A-1 Conversion Price, the Series A-2 Conversion Price, the Series A-3 Conversion Price, the Series B Conversion Price and the Series C Conversion Price, each as in effect immediately before such combination, shall be proportionately increased so that the number of shares of Common Stock issuable on conversion of each share of such series shall be decreased in proportion to such decrease in the aggregate number of shares of Common Stock outstanding. Any adjustment under this subsection shall become effective at the close of business on the date the subdivision or combination becomes effective.

4.6 Adjustment for Certain Dividends and Distributions. In the event the Corporation at any time or from time to time after the Series C Original Issue Date shall make or issue, or fix a record date for the determination of holders of Common Stock entitled to receive, a dividend or other distribution payable on the Common Stock in additional shares of Common Stock, then and in each such event the Series A Conversion Price, the Series A-1 Conversion Price, the Series A-2 Conversion Price, the Series A-3 Conversion Price, the Series B Conversion Price and the Series C Conversion Price, each as in effect immediately before such event, shall be decreased as of the time of such issuance or, in the event such a record date shall have been fixed, as of the close of business on such record date, by multiplying the Series A Conversion Price, the Series A-1 Conversion Price, the Series A-2 Conversion Price, the Series A-3 Conversion Price, the Series B Conversion Price and the Series C Conversion Price, as the case may be, then in effect by a fraction:

(1) the numerator of which shall be the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date, and

(2) the denominator of which shall be the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date plus the number of shares of Common Stock issuable in payment of such dividend or distribution.

Notwithstanding the foregoing, (a) if such record date shall have been fixed and such dividend is not fully paid or if such distribution is not fully made on the date fixed therefor, the Series A Conversion Price, the Series A-1 Conversion Price, the Series A-2 Conversion Price, the Series A-3 Conversion Price, the Series B Conversion Price and the Series C Conversion Price, as the case may be, shall be recomputed accordingly as of the close of business on such record date and thereafter the Series A Conversion Price, the Series A-1 Conversion Price, the Series A-2 Conversion Price, the Series A-3 Conversion Price, the Series B Conversion Price and the Series C Conversion Price, as the case may be, shall be adjusted pursuant to this subsection as of the time of actual payment of such dividends or distributions; and (b) no such adjustment shall be made with respect to the Series A Conversion Price, the Series A-1 Conversion Price, the Series A-2 Conversion Price, the Series A-3 Conversion Price, the Series B Conversion Price or the Series C Conversion Price if the holders of the applicable series of Preferred Stock simultaneously receive a dividend or other distribution of shares of Common Stock in a number equal to the number of shares of Common Stock as they would have received if all outstanding shares of the applicable series of Preferred Stock had been converted into Common Stock on the date of such event.

4.7 Adjustments for Other Dividends and Distributions. In the event the Corporation at any time or from time to time after the Series C Original Issue Date shall make or issue, or fix a record date for the determination of holders of Common Stock entitled to receive, a dividend or other distribution payable in securities of the Corporation (other than a distribution of shares of Common Stock in respect of outstanding shares of Common Stock) or in other property and the provisions of Section 1 do not apply to such dividend or distribution, then and in each such event the holders of Preferred Stock shall receive, simultaneously with the distribution to the holders of Common Stock, a dividend or other distribution of such securities or other property in an amount equal to the amount of such securities or other property as they would have received if all outstanding shares of Preferred Stock had been converted into Common Stock on the date of such event.

4.8 Adjustment for Merger or Reorganization, etc. Subject to the provisions of Subsection 2.3, if there shall occur any reorganization, recapitalization, reclassification, consolidation or merger involving the Corporation in which the Common Stock (but not the Preferred Stock) is converted into or exchanged for securities, cash or other property (other than a transaction covered by Subsections 4.5, 4.6 or 4.7), then, following any such reorganization, recapitalization, reclassification, consolidation or merger, each share of Preferred Stock shall thereafter be convertible in lieu of the Common Stock into which it was convertible prior to such event into the kind and amount of securities, cash or other property which a holder of the number of shares of Common Stock of the Corporation issuable upon conversion of one share of the applicable series of Preferred Stock immediately prior to such reorganization, recapitalization, reclassification, consolidation or merger would have been entitled to receive pursuant to such transaction; and, in such case, appropriate adjustment (as determined in good faith by the Board of Directors of the Corporation, including at least one of the Preferred Stock

Directors) shall be made in the application of the provisions in this Section 4 with respect to the rights and interests thereafter of the holders of the applicable series of Preferred Stock, to the end that the provisions set forth in this Section 4 (including provisions with respect to changes in and other adjustments of the Series A Conversion Price, the Series A-1 Conversion Price, the Series A-2 Conversion Price, the Series A-3 Conversion Price, the Series B Conversion Price or the Series C Conversion Price, as the case may be) shall thereafter be applicable, as nearly as reasonably may be, in relation to any securities or other property thereafter deliverable upon the conversion of the applicable series of Preferred Stock. For the avoidance of doubt, nothing in this Subsection 4.8 shall be construed as preventing the holders of Preferred Stock from seeking any appraisal rights to which they are otherwise entitled under the General Corporation Law in connection with a merger triggering an adjustment hereunder, nor shall this Subsection 4.8 be deemed conclusive evidence of the fair value of the shares of Preferred Stock in any such appraisal proceeding.

4.9 Certificate as to Adjustments. Upon the occurrence of each adjustment or readjustment of the Series A Conversion Price, the Series A-1 Conversion Price, the Series A-2 Conversion Price, the Series A-3 Conversion Price, the Series B Conversion Price and/or the Series C Conversion Price pursuant to this Section 4, the Corporation at its expense shall, as promptly as reasonably practicable, but in any event not later than ten (10) days thereafter, compute such adjustment or readjustment in accordance with the terms hereof and furnish to each holder of the applicable series of Preferred Stock a certificate setting forth such adjustment or readjustment (including the kind and amount of securities, cash or other property into which the applicable series of Preferred Stock is convertible) and showing in detail the facts upon which such adjustment or readjustment is based. The Corporation shall, as promptly as reasonably practicable after the written request at any time of any holder of Preferred Stock, furnish or cause to be furnished to such holder a certificate setting forth (i) the Series A Conversion Price, the Series A-1 Conversion Price, the Series A-2 Conversion Price, the Series A-3 Conversion Price, the Series B Conversion Price and/or the Series C Conversion Price, as the case may be, then in effect, and (ii) the number of shares of Common Stock and the amount, if any, of other securities, cash or property which then would be received upon the conversion of the applicable series of Preferred Stock.

4.10 Notice of Record Date. In the event:

(a) the Corporation shall take a record of the holders of its Common Stock (or other capital stock or securities at the time issuable upon conversion of the Preferred Stock) for the purpose of entitling or enabling them to receive any dividend or other distribution, or to receive any right to subscribe for or purchase any shares of capital stock of any class or any other securities, or to receive any other security; or

(b) of any capital reorganization of the Corporation, any reclassification of the Common Stock of the Corporation, or any Deemed Liquidation Event; or

(c) of the voluntary or involuntary dissolution, liquidation or winding-up of the Corporation,

then, and in each such case, the Corporation will send or cause to be sent to the holders of the Preferred Stock a notice specifying, as the case may be, (i) the record date for such dividend, distribution or right, and the amount and character of such dividend, distribution or right, or (ii) the effective date on which such reorganization, reclassification, consolidation, merger, transfer, dissolution, liquidation or winding-up is proposed to take place, and the time, if any is to be fixed, as of which the holders of record of Common Stock (or such other capital stock or securities at the time issuable upon the conversion of the Preferred Stock) shall be entitled to exchange their shares of Common Stock (or such other capital stock or securities) for securities or other property deliverable upon such reorganization, reclassification, consolidation, merger, transfer, dissolution, liquidation or winding-up, and the amount per share and character of such exchange applicable to the Preferred Stock and the Common Stock. Such notice shall be sent at least ten (10) days prior to the record date or effective date for the event specified in such notice.

5. Mandatory Conversion.

5.1 Trigger Events. Upon either (a) the closing of the sale of shares of Common Stock to the public, in a firm-commitment underwritten public offering pursuant to an effective registration statement under the Securities Act resulting in at least $35,000,000 of gross proceeds to the Corporation or (b) the date and time, or the occurrence of an event, specified by vote or written consent of the holders of a majority in voting power of the then outstanding shares of Preferred Stock, voting together as a single class (the time of such closing or the date and time specified or the time of the event specified in such vote or written consent is referred to herein as the "**Mandatory Conversion Time**"), then (i) all outstanding shares of Preferred Stock shall automatically be converted into shares of Common Stock, at the then effective conversion rate as calculated pursuant to Subsection 4.1.1 and (ii) such shares may not be reissued by the Corporation.

5.2 Procedural Requirements. All holders of record of shares of Preferred Stock shall be sent written notice of the Mandatory Conversion Time and the place designated for mandatory conversion of all such shares of Preferred Stock pursuant to this Section 5. Such notice need not be sent in advance of the occurrence of the Mandatory Conversion Time. Upon receipt of such notice, each holder of shares of Preferred Stock in certificated form shall surrender his, her or its certificate or certificates for all such shares (or, if such holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Corporation to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of such certificate) to the Corporation at the place designated in such notice. If so required by the Corporation, any certificates surrendered for conversion shall be endorsed or accompanied by written instrument or instruments of transfer, in form satisfactory to the Corporation, duly executed by the registered holder or by his, her or its attorney duly authorized in writing. All rights with respect to the Preferred Stock converted pursuant to Subsection 5.1, including the rights, if any, to receive notices and vote (other than as a holder of Common Stock), will terminate at the Mandatory Conversion Time (notwithstanding the failure of the holder or holders thereof to surrender any certificates at or prior to such time), except only the rights of the holders thereof, upon surrender of any certificate or certificates of such holders (or lost certificate affidavit and agreement) therefor, to receive the items provided for in the next sentence of this Subsection 5.2. As soon as practicable after the Mandatory Conversion Time

and the surrender of any certificate or certificates (or lost certificate affidavit and agreement) for Preferred Stock, the Corporation shall (a) (x) in the event that such shares are certificated, issue and deliver to such holder, or to his, her or its nominees, a certificate or certificates for the number of full shares of Common Stock issuable on such conversion in accordance with the provisions hereof, or (y) in the event that such shares are uncertificated, issue and deliver to such holder, or to his, her or its nominee, a notice of issuance of uncertificated shares and may, upon written request, issue and deliver a certificate for the number of full shares of Common Stock issuable upon such conversion in accordance with the provisions hereof, and (b) pay cash as provided in Subsection 4.2 in lieu of any fraction of a share of Common Stock otherwise issuable upon such conversion and the payment of any declared but unpaid dividends on the shares of Preferred Stock converted. Such converted Preferred Stock shall be retired and cancelled and may not be reissued as shares of such series, and the Corporation may thereafter take such appropriate action (without the need for stockholder action) as may be necessary to reduce the authorized number of shares of each applicable series of Preferred Stock accordingly.

6. Redeemed or Otherwise Acquired Shares. Any shares of Preferred Stock that are redeemed or otherwise acquired by the Corporation or any of its subsidiaries shall be automatically and immediately cancelled and retired and shall not be reissued, sold or transferred. Neither the Corporation nor any of its subsidiaries may exercise any voting or other rights granted to the holders of Preferred Stock following redemption.

7. Waiver. Any of the rights, powers, preferences and other terms of the Series A Preferred Stock set forth herein may be waived, either prospectively or retrospectively, on behalf of all holders of Series A Preferred Stock by the affirmative written consent or vote of the holders of a majority of the shares of Series A Preferred Stock then outstanding. Any of the rights, powers, preferences and other terms of the Series A-1 Preferred Stock set forth herein may be waived, either prospectively or retrospectively, on behalf of all holders of Series A-1 Preferred Stock by the affirmative written consent or vote of the holders of a majority of the shares of Series A-1 Preferred Stock then outstanding. Any of the rights, powers, preferences and other terms of the Series A-2 Preferred Stock set forth herein may be waived, either prospectively or retrospectively, on behalf of all holders of Series A-2 Preferred Stock by the affirmative written consent or vote of the holders of a majority of the shares of Series A-2 Preferred Stock then outstanding. Any of the rights, powers, preferences and other terms of the Series A-3 Preferred Stock set forth herein may be waived, either prospectively or retrospectively, on behalf of all holders of Series A-3 Preferred Stock by the affirmative written consent or vote of the holders of a majority of the shares of Series A-3 Preferred Stock then outstanding. Any of the rights, powers, preferences and other terms of the Series B Preferred Stock set forth herein may be waived, either prospectively or retrospectively, on behalf of all holders of Series B Preferred Stock by the affirmative written consent or vote of the holders of a majority of the shares of Series B Preferred Stock then outstanding. Any of the rights, powers, preferences and other terms of the Series C Preferred Stock set forth herein may be waived, either prospectively or retrospectively, on behalf of all holders of Series C Preferred Stock by the affirmative written consent or vote of the holders of a majority of the shares of Series C Preferred Stock then outstanding. Any of the rights, powers, preferences and other terms of the Preferred Stock set forth herein, except as otherwise provided in this Section 7, may be waived, either prospectively or retrospectively, on behalf of all holders of Preferred Stock by the affirmative written consent or vote of the holders of a majority in voting power of the shares of Preferred Stock then outstanding.

8. Notices. Any notice required or permitted by the provisions of this Article Fourth to be given to a holder of shares of Preferred Stock shall be mailed, postage prepaid, to the post office address last shown on the records of the Corporation, or given by electronic communication in compliance with the provisions of the General Corporation Law, and shall be deemed sent upon such mailing or electronic transmission.

FIFTH: Subject to any additional vote required by the Certificate of Incorporation or Bylaws, in furtherance and not in limitation of the powers conferred by statute, the Board of Directors is expressly authorized to make, repeal, alter, amend and rescind any or all of the Bylaws of the Corporation.

SIXTH: Subject to any additional vote required by the Certificate of Incorporation, the number of directors of the Corporation shall be determined in the manner set forth in the Bylaws of the Corporation.

SEVENTH: Elections of directors need not be by written ballot unless the Bylaws of the Corporation shall so provide.

EIGHTH: Meetings of stockholders may be held within or without the State of Delaware, as the Bylaws of the Corporation may provide. The books of the Corporation may be kept outside the State of Delaware at such place or places as may be designated from time to time by the Board of Directors or in the Bylaws of the Corporation.

NINTH: To the fullest extent permitted by law, a director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director. If the General Corporation Law or any other law of the State of Delaware is amended after approval by the stockholders of this Article Ninth to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the General Corporation Law as so amended.

Any repeal or modification of the foregoing provisions of this Article Ninth by the stockholders of the Corporation shall not adversely affect any right or protection of a director of the Corporation existing at the time of, or increase the liability of any director of the Corporation with respect to any acts or omissions of such director occurring prior to, such repeal or modification.

TENTH: The Corporation renounces, to the fullest extent permitted by any law, any interest or expectancy of the Corporation in, or in being offered an opportunity to participate in, any Excluded Opportunity. An "**Excluded Opportunity**" is any matter, transaction or interest that is presented to, or acquired, created or developed by, or which otherwise comes into the possession of, (i) any director of the Corporation who is not an employee of the Corporation or any of its subsidiaries, or (ii) any holder of Preferred Stock or any partner, member, director, stockholder, employee or agent of any such holder, other than someone who is an employee of the Corporation or any of its subsidiaries (collectively, "**Covered Persons**"), unless such matter, transaction or interest is presented to, or acquired, created or developed by, or otherwise comes into the possession of, a Covered Person expressly and solely in such Covered Person's capacity as a director of the Corporation.

ELEVENTH: Unless the Corporation consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall be the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the Corporation, (ii) any action asserting a claim for breach of a fiduciary duty owed by any director, officer, employee or agent of the Corporation to the Corporation or the Corporation's stockholders, (iii) any action asserting a claim arising pursuant to any provision of the Delaware General Corporation Law, the certificate of incorporation or the by-laws of the Corporation or (iv) any action asserting a claim governed by the internal affairs doctrine, in each case subject to said Court of Chancery having personal jurisdiction over the indispensable parties named as defendants therein.

TWELFTH: The following indemnification provisions shall apply to the persons enumerated below.

1. Right to Indemnification of Directors and Officers. The Corporation shall indemnify and hold harmless, to the fullest extent permitted by applicable law as it presently exists or may hereafter be amended, any person (an "**Indemnified Person**") who was or is made or is threatened to be made a party or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "**Proceeding**"), by reason of the fact that such person, or a person for whom such person is the legal representative, is or was a director or officer of the Corporation or, while a director or officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, limited liability company, trust, enterprise or nonprofit entity, including service with respect to employee benefit plans, against all liability and loss suffered and expenses (including attorneys' fees) reasonably incurred by such Indemnified Person in such Proceeding. Notwithstanding the preceding sentence, except as otherwise provided in Section 3 of this Article Twelfth, the Corporation shall be required to indemnify an Indemnified Person in connection with a Proceeding (or part thereof) commenced by such Indemnified Person only if the commencement of such Proceeding (or part thereof) by the Indemnified Person was authorized in advance by the Board of Directors.

2. Prepayment of Expenses of Directors and Officers. The Corporation shall pay the expenses (including attorneys' fees) incurred by an Indemnified Person in defending any Proceeding in advance of its final disposition, provided, however, that, to the extent required by law, such payment of expenses in advance of the final disposition of the Proceeding shall be made only upon receipt of an undertaking by the Indemnified Person to repay all amounts advanced if it should be ultimately determined that the Indemnified Person is not entitled to be indemnified under this Article Twelfth or otherwise.

3. Claims by Directors and Officers. If a claim for indemnification or advancement of expenses under this Article Twelfth is not paid in full within thirty (30) days after a written claim therefor by the Indemnified Person has been received by the Corporation, the Indemnified Person may file suit to recover the unpaid amount of such claim and, if successful in whole or in part, shall be entitled to be paid the expense of prosecuting such claim. In any such action the Corporation shall have the burden of proving that the Indemnified Person is not entitled to the requested indemnification or advancement of expenses under applicable law.

4. Indemnification of Employees and Agents. The Corporation may indemnify and advance expenses to any person who was or is made or is threatened to be made or is otherwise involved in any Proceeding by reason of the fact that such person, or a person for whom such person is the legal representative, is or was an employee or agent of the Corporation or, while an employee or agent of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, limited liability company, trust, enterprise or nonprofit entity, including service with respect to employee benefit plans, against all liability and loss suffered and expenses (including attorneys' fees) reasonably incurred by such person in connection with such Proceeding. The ultimate determination of entitlement to indemnification of persons who are non-director or officer employees or agents shall be made in such manner as is determined by the Board of Directors in its sole discretion. Notwithstanding the foregoing sentence, the Corporation shall not be required to indemnify a person in connection with a Proceeding initiated by such person if the Proceeding was not authorized in advance by the Board of Directors.

5. Advancement of Expenses of Employees and Agents. The Corporation may pay the expenses (including attorneys' fees) incurred by an employee or agent in defending any Proceeding in advance of its final disposition on such terms and conditions as may be determined by the Board of Directors.

6. Non-Exclusivity of Rights. The rights conferred on any person by this Article Twelfth shall not be exclusive of any other rights which such person may have or hereafter acquire under any statute, provision of the certificate of incorporation, bylaw, agreement, vote of stockholders or disinterested directors or otherwise.

7. Other Indemnification. The Corporation's obligation, if any, to indemnify any person who was or is serving at its request as a director, officer or employee of another Corporation, partnership, limited liability company, joint venture, trust, organization or other enterprise shall be reduced by any amount such person may collect as indemnification from such other Corporation, partnership, limited liability company, joint venture, trust, organization or other enterprise.

8. Insurance. The Board of Directors may, to the full extent permitted by applicable law as it presently exists, or may hereafter be amended from time to time, authorize an appropriate officer or officers to purchase and maintain at the Corporation's expense insurance: (a) to indemnify the Corporation for any obligation which it incurs as a result of the indemnification of directors, officers and employees under the provisions of this Article Twelfth; and (b) to indemnify or insure directors, officers and employees against liability in instances in which they may not otherwise be indemnified by the Corporation under the provisions of this Article Twelfth.

9. Amendment or Repeal. Any repeal or modification of the foregoing provisions of this Article Twelfth shall not adversely affect any right or protection hereunder of any person in respect of any act or omission occurring prior to the time of such repeal or modification. The rights provided hereunder shall inure to the benefit of any Indemnified Person and such person's heirs, executors and administrators.

* * *

3. That the foregoing amendment and restatement was approved by the holders of the requisite number of shares of this corporation in accordance with Section 228 of the General Corporation Law.

4. That this Amended and Restated Certificate of Incorporation, which restates and integrates and further amends the provisions of this corporation's Amended and Restated Certificate of Incorporation, has been duly adopted in accordance with Sections 242 and 245 of the General Corporation Law.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, this Amended and Restated Certificate of Incorporation has been executed by a duly authorized officer of this corporation on February 8, 2018.

By: /s/ Balkrishan (Simba) Gill, Ph.D.
Name: Balkrishan (Simba) Gill, Ph.D.
Title: President and Chief Executive Officer

CERTIFICATE OF AMENDMENT

TO

AMENDED AND RESTATED CERTIFICATE OF INCORPORATION

OF

EVELO BIOSCIENCES, INC.

Pursuant to Section 242 of the
General Corporation Law of the State of Delaware

Evelo Biosciences, Inc. (the "**Corporation**"), a corporation organized and existing under and by virtue of the provisions of the General Corporation Law of the State of Delaware,

DOES HEREBY CERTIFY:

1. The Board of Directors of the Corporation duly adopted resolutions by written consent in accordance with Sections 141(f) and 242 of the General Corporation Law of the State of Delaware recommending and declaring advisable that the Amended and Restated Certificate of Incorporation of the Corporation (the "**Restated Certificate**") be amended and that such amendment be submitted to the stockholders of the Corporation for their consideration, as follows:

RESOLVED, that the first sentence of Article FOURTH of the Restated Certificate be amended and restated in its entirety to read as follows:

"The total number of shares of all classes of stock which the Corporation shall have authority to issue is (i) 126,300,000 shares of Common Stock, $0.001 par value per share ("**Common Stock**"), and (ii) 91,543,762 shares of Preferred Stock, $0.001 par value per share ("Preferred Stock"), of which 13,470,279 shares are hereby designated "Series A Preferred Stock," 10,164,552 shares are hereby designated "Series A-1 Preferred Stock," 5,833,334 shares are hereby designated "Series A-2 Preferred Stock," 8,780,898 shares are hereby designated "Series A-3 Preferred Stock," 28,062,500 shares are hereby designated "Series B Preferred Stock," and 25,232,199 shares are hereby designated "Series C Preferred Stock.""

2. The stockholders of the Corporation duly approved said proposed amendment by written consent in accordance with Sections 228 and 242 of the General Corporation Law of the State of Delaware.

3. The aforesaid amendment has been duly adopted in accordance with Section 242 of the General Corporation Law of the State of Delaware.

***

IN WITNESS WHEREOF, this Certificate of Amendment to Amended and Restated Certificate of Incorporation has been executed by a duly authorized officer of this corporation on this 8th day of March, 2018.

EVELO BIOSCIENCES, INC.

By: /s/ Balkrishan Gill
Name: Balkrishan (Simba) Gill, Ph.D.
Title: President and Chief Executive Officer

CERTIFICATE OF AMENDMENT

TO

AMENDED AND RESTATED CERTIFICATE OF INCORPORATION

OF

EVELO BIOSCIENCES, INC.

Pursuant to Section 242 of the
General Corporation Law of the State of Delaware

Evelo Biosciences, Inc. (the "**Corporation**"), a corporation organized and existing under and by virtue of the provisions of the General Corporation Law of the State of Delaware,

DOES HEREBY CERTIFY:

1. The Board of Directors of the Corporation duly adopted resolutions by written consent in accordance with Sections 141(f) and 242 of the General Corporation Law of the State of Delaware recommending and declaring advisable that the Amended and Restated Certificate of Incorporation of the Corporation (the "**Restated Certificate**") be amended and that such amendment be submitted to the stockholders of the Corporation for their consideration, as follows:

RESOLVED, that the first sentence of Article FOURTH of the Restated Certificate be amended and restated in its entirety to read as follows:

"The total number of shares of all classes of stock which the Corporation shall have authority to issue is (i) 128,000,000 shares of Common Stock, $0.001 par value per share ("**Common Stock**"), and (ii) 91,543,762 shares of Preferred Stock, $0.001 par value per share ("Preferred Stock"), of which 13,470,279 shares are hereby designated "Series A Preferred Stock," 10,164,552 shares are hereby designated "Series A-1 Preferred Stock," 5,833,334 shares are hereby designated "Series A-2 Preferred Stock," 8,780,898 shares are hereby designated "Series A-3 Preferred Stock," 28,062,500 shares are hereby designated "Series B Preferred Stock," and 25,232,199 shares are hereby designated "Series C Preferred Stock.""

2. The stockholders of the Corporation duly approved said proposed amendment by written consent in accordance with Sections 228 and 242 of the General Corporation Law of the State of Delaware.

3. The aforesaid amendment has been duly adopted in accordance with Section 242 of the General Corporation Law of the State of Delaware.

***

IN WITNESS WHEREOF, this Certificate of Amendment to Amended and Restated Certificate of Incorporation has been executed by a duly authorized officer of this corporation on this 4th day of April, 2018.

EVELO BIOSCIENCES, INC.

By: /s/ Balkrishan (Simba) Gill, Ph.d.
Name: Balkrishan (Simba) Gill, Ph.D.
Title: President and Chief Executive Officer

CERTIFICATE OF AMENDMENT

TO

AMENDED AND RESTATED CERTIFICATE OF INCORPORATION

OF

EVELO BIOSCIENCES, INC.

Evelo Biosciences, Inc., a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware (the "Corporation"), DOES HEREBY CERTIFY:

FIRST: That the Board of Directors of the Corporation duly adopted resolutions by written consent recommending and declaring advisable that the Amended and Restated Certificate of Incorporation of the Corporation be amended and that such amendment be submitted to the stockholders of the Corporation for their consideration, as follows:

RESOLVED, that the first paragraph of Article FOURTH of the Amended and Restated Certificate of Incorporation of the Corporation be amended and restated in its entirety to read as follows:

"Effective on the filing of this Certificate of Amendment to Amended and Restated Certificate of Incorporation with the Secretary of State of the State of Delaware (the "**Effective Time**"), a one-for-4.079 reverse split of the Corporation's Common Stock shall become effective, pursuant to which each 4.079 shares of Common Stock outstanding and held of record by each stockholder of the Corporation (including treasury shares) immediately prior to the Effective Time shall be reclassified and combined into one validly issued, fully-paid and nonassessable share of Common Stock automatically and without any action by the holder thereof upon the Effective Time and shall represent one share of Common Stock from and after the Effective Time (such reclassification and combination of shares, the "**Reverse Stock Split**"). The par value of the Common Stock and the Preferred Stock following the Reverse Stock Split shall remain at $0.001 per share. No fractional shares of Common Stock shall be issued as a result of the Reverse Stock Split and, in lieu thereof, upon surrender after the Effective Time of a certificate which formerly represented shares of Common Stock that were issued and outstanding immediately prior to the Effective Time, any person who would otherwise be entitled to a fractional share of Common Stock as a result of the Reverse Stock Split, following the Effective Time, shall be entitled to receive a cash payment equal to the fraction of which such holder would otherwise be entitled multiplied by the fair value per share as determined by the Board of Directors.

Each stock certificate that, immediately prior to the Effective Time, represented shares of Common Stock that were issued and outstanding immediately prior to the Effective Time shall, from and after the Effective Time, automatically and without the necessity of presenting the same for exchange, represent that number of whole shares of Common Stock after the Effective Time into which the shares formerly represented by such certificate have been reclassified (as well as the right to receive cash in lieu of fractional shares of Common Stock after the Effective Time); provided, however, that each person of record holding a certificate that represented shares of Common Stock that were issued and outstanding immediately prior to the Effective Time shall receive, upon surrender of such certificate, a new certificate evidencing and representing the number of whole shares of Common Stock after the Effective Time into which the shares of Common Stock formerly represented by such certificate shall have been reclassified; and provided further, however, that whether or not fractional shares would be issuable as a result of the Reverse Stock Split shall be determined on the basis of (i) the total number of shares of Common Stock that were issued and outstanding immediately prior to the Effective Time formerly represented by certificates that the holder is at the time surrendering for a new certificate evidencing and representing the number of whole shares of Common Stock after the Effective Time and (ii) the aggregate number of shares of Common Stock after the Effective Time into which the shares of Common Stock formerly represented by such certificates shall have been reclassified.

The total number of shares of all classes of stock which the Corporation shall have authority to issue is 291,543,762, consisting of (i) 200,000,000 shares of Common Stock, $0.001 par value per share ("**Common Stock**"), and (ii) 91,543,762 shares of Preferred Stock, $0.001 par value per share ("**Preferred Stock**"), of which 13,470,279 shares have been designated "Series A Preferred Stock," 10,164,552 shares have been designated "Series A-1 Preferred Stock," 5,833,334 shares have been designated "Series A-2 Preferred Stock," 8,780,898 shares have been designated "Series A-3 Preferred Stock," 28,062,500 shares have been designated "Series B Preferred Stock," and 25,232,199 shares have been designated "Series C Preferred Stock"."

SECOND: That in lieu of a meeting and vote of stockholders, the stockholders have given written consent to said amendments in accordance with the provisions of Section 228 of the General Corporation Law of the State of Delaware.

THIRD: That the aforesaid amendments were duly adopted in accordance with the applicable provisions of Section 242 of the General Corporation Law of the State of Delaware.

* * *

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Amendment to be signed by Balkrishan (Simba) Gill, Ph.D., the President and Chief Executive Officer of the Corporation, this 27th day of April, 2018.

EVELO BIOSCIENCES, INC.

By: /s/ Balkrishan (Simba) Gill, Ph.D.
Balkrishan (Simba) Gill, Ph.D.
President and Chief Executive Officer

Exhibit 3.3

RESTATED CERTIFICATE OF INCORPORATION

OF

EVELO BIOSCIENCES, INC.

The name of the corporation is Evelo Biosciences, Inc., and the corporation was originally incorporated by the filing of its original Certificate of Incorporation with the Secretary of State of the State of Delaware on May 6, 2014. This Restated Certificate of Incorporation of the corporation, which restates and integrates and also further amends the provisions of the corporation's Certificate of Incorporation, was duly adopted in accordance with the provisions of Sections 242 and 245 of the General Corporation Law of the State of Delaware and by the written consent of its stockholders in accordance with Section 228 of the General Corporation Law of the State of Delaware. The Certificate of Incorporation of the corporation is hereby amended, integrated and restated to read in its entirety as follows:

FIRST: The name of the Corporation is Evelo Biosciences, Inc.

SECOND: The address of the Corporation's registered office in the State of Delaware is 1209 Orange Street, in the City of Wilmington, County of New Castle, Delaware 19801. The name of its registered agent at that address is The Corporation Trust Company.

THIRD: The nature of the business or purposes to be conducted or promoted by the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware.

FOURTH: The total number of shares of all classes of stock which the Corporation shall have authority to issue is 210,000,000 shares, consisting of (a) 200,000,000 shares of Common Stock, $0.001 par value per share ("Common Stock"), and (b) 10,000,000 shares of Preferred Stock, $0.001 par value per share ("Preferred Stock").

The following is a statement of the designations and the powers, privileges and rights, and the qualifications, limitations or restrictions thereof in respect of each class of capital stock of the Corporation.

A. COMMON STOCK.

1. General. The voting, dividend and liquidation rights of the holders of the Common Stock are subject to and qualified by the rights of the holders of the Preferred Stock of any series as may be designated by the Board of Directors of the Corporation (the "Board of Directors") upon any issuance of the Preferred Stock of any series.

2. Voting. The holders of the Common Stock shall have voting rights at all meetings of stockholders, each such holder being entitled to one vote for each share thereof held by such holder; provided, however, that, except as otherwise required by law, holders of Common Stock shall not be entitled to vote on any amendment to this Restated Certificate of Incorporation

(which, as used herein, shall mean the certificate of incorporation of the Corporation, as amended from time to time, including the terms of any certificate of designations of any series of Preferred Stock) that relates solely to the terms of one or more outstanding series of Preferred Stock if the holders of such affected series are entitled, either separately or together as a class with the holders of one or more other such series, to vote thereon pursuant to this Restated Certificate of Incorporation or the General Corporation Law of the State of Delaware. There shall be no cumulative voting.

The number of authorized shares of Common Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority of the stock of the Corporation entitled to vote, irrespective of the provisions of Section 242(b)(2) of the General Corporation Law of the State of Delaware.

3. Dividends. Dividends may be declared and paid on the Common Stock if, as and when determined by the Board of Directors subject to any preferential dividend or other rights of any then outstanding Preferred Stock and to the requirements of applicable law.

4. Liquidation. Upon the dissolution or liquidation of the Corporation, whether voluntary or involuntary, holders of Common Stock will be entitled to receive all assets of the Corporation available for distribution to its stockholders, subject to any preferential or other rights of any then outstanding Preferred Stock.

B. PREFERRED STOCK.

Preferred Stock may be issued from time to time in one or more series, each of such series to have such terms as stated or expressed herein and in the resolution or resolutions providing for the issue of such series adopted by the Board of Directors as hereinafter provided.

Authority is hereby expressly granted to the Board of Directors from time to time to issue the Preferred Stock in one or more series, and in connection with the creation of any such series, by adopting a resolution or resolutions providing for the issuance of the shares thereof and by filing a certificate of designations relating thereto in accordance with the General Corporation Law of the State of Delaware, to determine and fix the number of shares of such series and such voting powers, full or limited, or no voting powers, and such designations, preferences and relative, participating, optional or other special rights, and qualifications, limitations or restrictions thereof, including without limitation thereof, dividend rights, conversion rights, redemption privileges and liquidation preferences, as shall be stated and expressed in such resolutions, all to the fullest extent now or hereafter permitted by the General Corporation Law of the State of Delaware. The powers, preferences and relative, participating, optional and other special rights of each such series of Preferred Stock, and the qualifications, limitations or restrictions thereof, if any, may differ from those of any and all other series at any time outstanding. Without limiting the generality of the foregoing, the resolution or resolutions providing for the issuance of any series of Preferred Stock may provide that such series shall be superior or rank equally or be junior to any other series of Preferred Stock to the extent permitted by law.

Subject to the rights of the holders of any series of Preferred Stock pursuant to the terms of this Restated Certificate of Incorporation or any resolution or resolutions providing for the issuance of such series of stock adopted by the Board of Directors, the number of authorized shares of Preferred Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority of the stock of the Corporation entitled to vote, irrespective of the provisions of Section 242(b)(2) of the General Corporation Law of the State of Delaware.

FIFTH: Except as otherwise provided herein, the Corporation reserves the right to amend, alter, change or repeal any provision contained in this Restated Certificate of Incorporation, in the manner now or hereafter prescribed by statute and this Restated Certificate of Incorporation, and all rights conferred upon stockholders, directors or any other persons herein are granted subject to this reservation.

SIXTH: In furtherance and not in limitation of the powers conferred upon it by the General Corporation Law of the State of Delaware, and subject to the terms of any series of Preferred Stock, the Board of Directors shall have the power to adopt, amend, alter or repeal the Bylaws of the Corporation. The stockholders may not adopt, amend, alter or repeal the Bylaws of the Corporation, or adopt any provision inconsistent therewith, unless such action is approved, in addition to any other vote required by this Restated Certificate of Incorporation, by the affirmative vote of the holders of at least two-thirds in voting power of the outstanding shares of capital stock of the Corporation entitled to vote thereon. Notwithstanding any other provisions of law, this Restated Certificate of Incorporation or the Bylaws of the Corporation, and notwithstanding the fact that a lesser percentage may be specified by law, the affirmative vote of the holders of at least two-thirds in voting power of the outstanding shares of capital stock of the Corporation entitled to vote thereon shall be required to amend or repeal, or to adopt any provision inconsistent with, this Article SIXTH.

SEVENTH: Except to the extent that the General Corporation Law of the State of Delaware prohibits the elimination or limitation of liability of directors for breaches of fiduciary duty, no director of the Corporation shall be personally liable to the Corporation or its stockholders for monetary damages for any breach of fiduciary duty as a director, notwithstanding any provision of law imposing such liability. No amendment to or repeal of this provision shall apply to or have any effect on the liability or alleged liability of any director of the Corporation for or with respect to any acts or omissions of such director occurring prior to such amendment or repeal. If the General Corporation Law of the State of Delaware is amended to permit further elimination or limitation of the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the General Corporation Law of the State of Delaware as so amended.

EIGHTH: This Article EIGHTH is inserted for the management of the business and for the conduct of the affairs of the Corporation.

1. General Powers. The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors.

2. Number of Directors; Election of Directors. Subject to the rights of holders of any series of Preferred Stock to elect directors, the number of directors of the Corporation shall be established from time to time by the Board of Directors. Election of directors need not be by written ballot, except as and to the extent provided in the Bylaws of the Corporation.

3. Classes of Directors. Subject to the rights of holders of any series of Preferred Stock to elect directors, the Board of Directors shall be and is divided into three classes, designated as Class I, Class II and Class III. Each class shall consist, as nearly as may be possible, of one-third of the total number of directors constituting the entire Board of Directors. The Board of Directors is authorized to assign members of the Board of Directors to Class I, Class II or Class III.

4. Terms of Office. Subject to the rights of holders of any series of Preferred Stock to elect directors, each director shall serve for a term ending on the date of the third annual meeting of stockholders following the annual meeting of stockholders at which such director was elected; provided that each director initially assigned to Class I shall serve for a term expiring at the Corporation's first annual meeting of stockholders held after the effectiveness of this Restated Certificate of Incorporation; each director initially assigned to Class II shall serve for a term expiring at the Corporation's second annual meeting of stockholders held after the effectiveness of this Restated Certificate of Incorporation; and each director initially assigned to Class III shall serve for a term expiring at the Corporation's third annual meeting of stockholders held after the effectiveness of this Restated Certificate of Incorporation; provided further, that the term of each director shall continue until the election and qualification of his or her successor and be subject to his or her earlier death, resignation or removal.

5. Quorum. The greater of (a) a majority of the directors at any time in office and (b) one-third of the number of directors fixed pursuant to Section 2 of this Article EIGHTH shall constitute a quorum of the Board of Directors. If at any meeting of the Board of Directors there shall be less than such a quorum, a majority of the directors present may adjourn the meeting from time to time without further notice other than announcement at the meeting, until a quorum shall be present.

6. Action at Meeting. Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board of Directors unless a greater number is required by law or by this Restated Certificate of Incorporation.

7. Removal. Subject to the rights of holders of any series of Preferred Stock, directors of the Corporation may be removed but only for cause and only by the affirmative vote of the holders of at least two-thirds in voting power of the outstanding shares of capital stock of the Corporation entitled to vote at an election of directors.

8. Vacancies. Subject to the rights of holders of any series of Preferred Stock, any vacancy or newly created directorship in the Board of Directors, however occurring, shall be filled only by vote of a majority of the directors then in office, although less than a quorum, or by a sole remaining director and shall not be filled by the stockholders, unless the Board of

Directors determines by resolution that any such vacancy or newly created directorship shall be filled by the stockholders. A director elected to fill a vacancy shall hold office until the next election of the class for which such director shall have been chosen, subject to the election and qualification of a successor and to such director's earlier death, resignation or removal.

9. Stockholder Nominations and Introduction of Business, Etc. Advance notice of stockholder nominations for election of directors and other business to be brought by stockholders before a meeting of stockholders shall be given in the manner provided by the Bylaws of the Corporation.

10. Amendments to Article. Notwithstanding any other provisions of law, this Restated Certificate of Incorporation or the Bylaws of the Corporation, and notwithstanding the fact that a lesser percentage may be specified by law, the affirmative vote of the holders of at least two-thirds in voting power of the outstanding shares of capital stock of the Corporation entitled to vote thereon shall be required to amend or repeal, or to adopt any provision inconsistent with, this Article EIGHTH.

NINTH: No action that is required or permitted to be taken by the stockholders of the Corporation at any annual or special meeting of stockholders may be effected by written consent of stockholders in lieu of a meeting. Notwithstanding any other provisions of law, this Restated Certificate of Incorporation or the Bylaws of the Corporation, and notwithstanding the fact that a lesser percentage may be specified by law, the affirmative vote of the holders of at least two-thirds in voting power of the outstanding shares of capital stock of the Corporation entitled to vote thereon shall be required to amend or repeal, or to adopt any provision inconsistent with, this Article NINTH.

TENTH: Special meetings of stockholders for any purpose or purposes may be called at any time only by the Board of Directors, the chairperson of the Board of Directors, the chief executive officer or the president (in the absence of a chief executive officer) of the Corporation, and may not be called by any other person or persons. Business transacted at any special meeting of stockholders shall be limited to the purpose or purposes stated in the notice of meeting. Notwithstanding any other provisions of law, this Restated Certificate of Incorporation or the Bylaws of the Corporation, and notwithstanding the fact that a lesser percentage may be specified by law, the affirmative vote of the holders of at least two-thirds in voting power of the outstanding shares of capital stock of the Corporation entitled to vote thereon shall be required to amend or repeal, or to adopt any provision inconsistent with, this Article TENTH.

ELEVENTH: Unless the Corporation consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall, to the fullest extent permitted by law, be the sole and exclusive forum for (a) any derivative action or proceeding brought on behalf of the Corporation, (b) any action asserting a claim of breach of fiduciary duty owed by any director, officer, employee or stockholder of the Corporation to the Corporation or the Corporation's stockholders, (c) any action asserting a claim arising pursuant to any provision of the General Corporation Law of the State of Delaware or as to which the General Corporation Law of the State of Delaware confers jurisdiction on the Court of Chancery of the State of Delaware or (d) any action asserting a claim governed by the internal affairs doctrine, in each

case subject to said Court of Chancery having personal jurisdiction over the indispensable parties named as defendants therein; provided that, if and only if the Court of Chancery of the State of Delaware dismisses any such action for lack of subject matter jurisdiction, such action may be brought in another state or federal court sitting in the State of Delaware. To the fullest extent permitted by applicable law, any person or entity purchasing or otherwise acquiring or holding any interest in shares of capital stock of the Corporation shall be deemed to have notice of and consented to the provisions of this Article ELEVENTH. Notwithstanding any other provisions of law, this Restated Certificate of Incorporation or the Bylaws of the Corporation, and notwithstanding the fact that a lesser percentage may be specified by law, the affirmative vote of the holders of at least two-thirds in voting power of the outstanding shares of capital stock of the Corporation entitled to vote thereon shall be required to amend or repeal, or to adopt any provision inconsistent with, this Article ELEVENTH. If any provision or provisions of this Article ELEVENTH shall be held to be invalid, illegal or unenforceable as applied to any person or entity or circumstance for any reason whatsoever, then, to the fullest extent permitted by law, the validity, legality and enforceability of such provisions in any other circumstance and of the remaining provisions of this Article ELEVENTH (including, without limitation, each portion of any sentence of this Article ELEVENTH containing any such provision held to be invalid, illegal or unenforceable that is not itself held to be invalid, illegal or unenforceable) and the application of such provision to other persons or entities and circumstances shall not in any way be affected or impaired thereby.

IN WITNESS WHEREOF, this Restated Certificate of Incorporation, which restates, integrates and amends the certificate of incorporation of the Corporation, and which has been duly adopted in accordance with Sections 228, 242 and 245 of the General Corporation Law of the State of Delaware, has been executed by its duly authorized officer this day of , 2018.

EVELO BIOSCIENCES, INC.

By: _____

Name: Balkrishan (Simba) Gill, Ph.D.
Title: President and Chief Executive Officer

Exhibit 3.4

AMENDED AND RESTATED

BYLAWS

OF

EVELO BIOSCIENCES, INC.

(a Delaware corporation)

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AMENDED AND RESTATED BYLAWS
OF
EVELO BIOSCIENCES, INC.

ARTICLE I - CORPORATE OFFICES

1.1 REGISTERED OFFICE.

The registered office of Evelo Biosciences, Inc. (the "Corporation") shall be fixed in the Corporation's certificate of incorporation, as the same may be amended and/or restated from time to time (the "certificate of incorporation").

1.2 OTHER OFFICES.

The Corporation may have other offices at any place or places, either within or outside the State of Delaware, as the Corporation's board of directors (the "Board") shall from time to time determine or the business of the Corporation may from time to time require.

ARTICLE II - MEETINGS OF STOCKHOLDERS

2.1 PLACE OF MEETINGS.

Meetings of stockholders shall be held at any place, within or outside the State of Delaware, designated by the Board. The Board may, in its sole discretion, determine that a meeting of stockholders shall not be held at any place, but may instead be held solely by means of remote communication as authorized by Section 211(a) of the General Corporation Law of the State of Delaware (the "DGCL"). In the absence of any such designation or determination, stockholders' meetings shall be held at the Corporation's principal executive office.

2.2 ANNUAL MEETING.

The Board shall designate the date and time of the annual meeting. At the annual meeting, directors shall be elected and other proper business properly brought before the meeting in accordance with Section 2.4 of these bylaws may be transacted.

2.3 SPECIAL MEETING.

A special meeting of the stockholders may be called at any time by the Board, chairperson of the Board, chief executive officer or president (in the absence of a chief executive officer) of the Corporation, but such special meetings may not be called by any other person or persons.

No business may be transacted at such special meeting other than the business specified in such notice to stockholders. Nothing contained in this paragraph of this Section 2.3 shall be construed as limiting, fixing, or affecting the time when a meeting of stockholders called by action of the Board may be held.

2.4 ADVANCE NOTICE PROCEDURES FOR BUSINESS BROUGHT BEFORE A MEETING.

(a) At an annual meeting of the stockholders, only such business shall be conducted as shall have been properly brought before the meeting. To be properly brought before an annual meeting, business must be (i) brought before the meeting by the Corporation and specified in a notice of meeting given by or at the direction of the Board, (ii) brought before the meeting by or at the direction of the Board (or a committee thereof) or (iii) otherwise properly brought before the meeting by a stockholder who (A) was a stockholder of record of the Corporation (and, with respect to any beneficial owner, if different, on whose behalf such business is proposed, only if such beneficial owner was the beneficial owner of shares of the Corporation) both at the time of giving the notice provided for in this Section 2.4 and at the time of the meeting, (B) is entitled to vote at the meeting and (C) has complied with this Section 2.4 as to such business. Except for proposals properly made in accordance with Rule 14a-8 under the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder (as so amended and inclusive of such rules and regulations, the "Exchange Act"), and included in the notice of meeting given by or at the direction of the Board, the foregoing clause (iii) shall be the exclusive means for a stockholder to propose business to be brought before an annual meeting of the stockholders. Stockholders shall not be permitted to propose business to be brought before a special meeting of the stockholders, and the only matters that may be brought before a special meeting are the matters specified in the notice of meeting given by or at the direction of the person calling the meeting pursuant to Section 2.3 of these bylaws. Stockholders seeking to nominate persons for election to the Board must comply with Section 2.5 of these bylaws, and this Section 2.4 shall not be applicable to nominations except as expressly provided in Section 2.5 of these bylaws.

(b) Without qualification, for business to be properly brought before an annual meeting by a stockholder pursuant to clause (iii) of the second sentence of Section 2.4(a) of these bylaws, the stockholder must (i) provide Timely Notice (as defined below) thereof in writing and in proper form to the secretary of the Corporation and (ii) provide any updates or supplements to such notice at the times and in the forms required by this Section 2.4. To be timely, a stockholder's notice must be delivered to, or mailed and received by the Secretary at, the principal executive offices of the Corporation not less than ninety (90) days nor more than one hundred twenty (120) days prior to the first anniversary of the preceding year's annual meeting; ***provided, however***, that (x) if the date of the annual meeting is more than thirty (30) days before or more than sixty (60) days after such anniversary date or (y) with respect to the first annual meeting held after the Company's initial public offering of its shares pursuant to a

registration statement on Form S-1, notice by the stockholder to be timely must be so delivered, or mailed and received, not earlier than the close of business on the one hundred twentieth (120th) day prior to such annual meeting and not later than the later of the close of business on the ninetieth (90th) day prior to such annual meeting and the close of business on the tenth (10th) day following the day on which public disclosure of the date of such annual meeting was first made (such notice within such time periods, "Timely Notice"). In no event shall any adjournment or postponement of an annual meeting or the announcement thereof commence a new time period (or extend any time period) for the giving of Timely Notice as described above.

(c) To be in proper form for purposes of this Section 2.4, a stockholder's notice to the secretary of the Corporation shall set forth:

(i) As to each Proposing Person (as defined below), (A) the name and address of such Proposing Person (including, without limitation, if applicable, the name and address that appear on the Corporation's books and records) and (B) the class or series and number of shares of the Corporation that are, directly or indirectly, owned of record or beneficially owned (within the meaning of Rule 13d-3 under the Exchange Act) by such Proposing Person, except that such Proposing Person shall in all events be deemed to beneficially own any shares of any class or series of the Corporation as to which such Proposing Person has a right to acquire beneficial ownership at any time in the future (the disclosures to be made pursuant to the foregoing clauses (A) and (B) are referred to as "Stockholder Information");

(ii) As to each Proposing Person, (A) any derivative, swap or other transaction or series of transactions engaged in, directly or indirectly, by such Proposing Person, the purpose or effect of which is to give such Proposing Person economic risk similar to ownership of shares of any class or series of the Corporation, including, without limitation, due to the fact that the value of such derivative, swap or other transactions are determined by reference to the price, value or volatility of any shares of any class or series of the Corporation, or which derivative, swap or other transactions provide, directly or indirectly, the opportunity to profit from any increase in the price or value of shares of any class or series of the Corporation ("Synthetic Equity Interests"), which Synthetic Equity Interests shall be disclosed without regard to whether (x) the derivative, swap or other transactions convey any voting rights in such shares to such Proposing Person, (y) the derivative, swap or other transactions are required to be, or are capable of being, settled through delivery of such shares or (z) such Proposing Person may have entered into other transactions that hedge or mitigate the economic effect of such derivative, swap or other transactions, (B) any proxy (other than a revocable proxy or consent given in response to a solicitation made pursuant to, and in accordance with, Section 14(a) of the Exchange Act by way of

a solicitation statement filed on Schedule 14A), agreement, arrangement, understanding or relationship pursuant to which such Proposing Person has or shares a right to vote any shares of any class or series of the Corporation, (C) any agreement, arrangement, understanding or relationship, including, without limitation, any repurchase or similar so-called "stock borrowing" agreement or arrangement, engaged in, directly or indirectly, by such Proposing Person, the purpose or effect of which is to mitigate loss to, reduce the economic risk (of ownership or otherwise) of shares of any class or series of the Corporation by, manage the risk of share price changes for, or increase or decrease the voting power of, such Proposing Person with respect to the shares of any class or series of the Corporation, or which provides, directly or indirectly, the opportunity to profit from any decrease in the price or value of the shares of any class or series of the Corporation ("Short Interests"), (D) any rights to dividends on the shares of any class or series of the Corporation owned beneficially by such Proposing Person that are separated or separable from the underlying shares of the Corporation, (E) any performance related fees (other than an asset based fee) that such Proposing Person is entitled to based on any increase or decrease in the price or value of shares of any class or series of the Corporation, or any Synthetic Equity Interests or Short Interests, if any, (F)(x) if such Proposing Person is not a natural person, the identity of the natural person or persons associated with such Proposing Person responsible for the formulation of and decision to propose the business to be brought before the meeting (such person or persons, the "Responsible Person"), the manner in which such Responsible Person was selected, any fiduciary duties owed by such Responsible Person to the equity holders or other beneficiaries of such Proposing Person, the qualifications and background of such Responsible Person and any material interests or relationships of such Responsible Person that are not shared generally by any other record or beneficial holder of the shares of any class or series of the Corporation and that reasonably could have influenced the decision of such Proposing Person to propose such business to be brought before the meeting, and (y) if such Proposing Person is a natural person, the qualifications and background of such natural person and any material interests or relationships of such natural person that are not shared generally by any other record or beneficial holder of the shares of any class or series of the Corporation and that reasonably could have influenced the decision of such Proposing Person to propose such business to be brought before the meeting, (G) any significant equity interests or any Synthetic Equity Interests or Short Interests in any principal competitor of the Corporation held by such Proposing Persons, (H) any direct or indirect interest of such Proposing Person in any contract with the Corporation, any affiliate of the Corporation or any principal competitor of the Corporation (including, without limitation, in any such case, any employment agreement, collective bargaining agreement or consulting agreement), (I) any pending or threatened litigation in which such Proposing

Person is a party or material participant involving the Corporation or any of its officers or directors, or any affiliate of the Corporation, (J) any material transaction occurring during the prior twelve months between such Proposing Person, on the one hand, and the Corporation, any affiliate of the Corporation or any principal competitor of the Corporation, on the other hand, (K) a summary of any material discussions regarding the business proposed to be brought before the meeting (x) between or among any of the Proposing Persons or (y) between or among any Proposing Person and any other record or beneficial holder of the shares of any class or series of the Corporation (including, without limitation, their names) and (L) any other information relating to such Proposing Person that would be required to be disclosed in a proxy statement or other filing required to be made in connection with solicitations of proxies or consents by such Proposing Person in support of the business proposed to be brought before the meeting pursuant to Section 14(a) of the Exchange Act (the disclosures to be made pursuant to the foregoing clauses (A) through (L) are referred to as "Disclosable Interests"); *provided, however*, that Disclosable Interests shall not include any such disclosures with respect to the ordinary course business activities of any broker, dealer, commercial bank, trust company or other nominee who is a Proposing Person solely as a result of being the stockholder directed to prepare and submit the notice required by these bylaws on behalf of a beneficial owner; and

(iii) As to each item of business that the stockholder proposes to bring before the annual meeting, (A) a reasonably brief description of the business desired to be brought before the annual meeting, the reasons for conducting such business at the annual meeting and any material interest in such business of each Proposing Person, (B) the text of the proposal or business (including, without limitation, the text of any resolutions proposed for consideration and in the event that such business includes a proposal to amend the bylaws of the Corporation, the language of the proposed amendment), (C) a reasonably detailed description of all agreements, arrangements and understandings between or among any of the Proposing Persons or between or among any Proposing Person and any other person or entity (including, without limitation, their names) in connection with the proposal of such business by such stockholder, (D) a representation that the stockholder is a holder of record of stock of the Corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to propose such business, (E) a representation whether the Proposing Person intends or is part of a group which intends (1) to deliver a proxy statement and/or form of proxy to holders of at least the percentage of the Corporation's outstanding capital stock required to approve or adopt the proposal and/or (2) otherwise to solicit proxies or votes from stockholders in support of such proposal and (F) any other information relating to such item of business that would be required to be

disclosed in a proxy statement or other filing required to be made in connection with solicitations of proxies in support of the business proposed to be brought before the meeting pursuant to Section 14(a) of the Exchange Act; *provided*, *however*, that the disclosures required by this paragraph (c)(iii) shall not include any disclosures with respect to any broker, dealer, commercial bank, trust company or other nominee who is a Proposing Person solely as a result of being the stockholder directed to prepare and submit the notice required by these bylaws on behalf of a beneficial owner.

(d) For purposes of this Section 2.4, the term "Proposing Person" shall mean (i) the stockholder providing the notice of business proposed to be brought before an annual meeting, (ii) the beneficial owner or beneficial owners, if different, on whose behalf the notice of the business proposed to be brought before the annual meeting is made, (iii) any affiliate or associate (each within the meaning of Rule 12b-2 under the Exchange Act for the purposes of these bylaws) of such stockholder or beneficial owner and (iv) any other person with whom such stockholder or beneficial owner (or any of their respective affiliates or associates) is Acting in Concert (as defined below).

(e) A person shall be deemed to be "Acting in Concert" with another person for purposes of these bylaws if such person knowingly acts (whether or not pursuant to an express agreement, arrangement or understanding) in concert with, or towards a common goal relating to the management, governance or control of the Corporation in parallel with, such other person where (i) each person is conscious of the other person's conduct or intent and this awareness is an element in their decision-making processes and (ii) at least one additional factor suggests that such persons intend to act in concert or in parallel, which such additional factors may include, without limitation, exchanging information (whether publicly or privately), attending meetings, conducting discussions, or making or soliciting invitations to act in concert or in parallel; *provided*, that a person shall not be deemed to be Acting in Concert with any other person solely as a result of the solicitation or receipt of revocable proxies or consents from such other person in response to a solicitation made pursuant to, and in accordance with, Section 14(a) of the Exchange Act by way of a proxy or consent solicitation statement filed on Schedule 14A. A person Acting in Concert with another person shall be deemed to be Acting in Concert with any third party who is also Acting in Concert with such other person.

(f) A stockholder providing notice of business proposed to be brought before an annual meeting shall further update and supplement such notice, if necessary, so that the information provided or required to be provided in such notice pursuant to this Section 2.4 shall be true and correct as of the record date for determining stockholders entitled to notice of the annual meeting and as of the date that is ten (10) business days prior to the meeting or any adjournment or postponement thereof, and such update and supplement shall be delivered to, or mailed and received by, the secretary of the Corporation at the principal executive offices of the Corporation not later than five (5) business days after the record date for determining

stockholders entitled to notice of the annual meeting (in the case of the update and supplement required to be made as of the record date), and not later than eight (8) business days prior to the date for the meeting or, if practicable, any adjournment or postponement thereof (and, if not practicable, on the first practicable date prior to the date to which the meeting has been adjourned or postponed) (in the case of the update and supplement required to be made as of ten (10) business days prior to the meeting or any adjournment or postponement thereof).

(g) Notwithstanding anything in these bylaws to the contrary and except as otherwise expressly provided in any applicable rule or regulation promulgated under the Exchange Act, no business shall be conducted at an annual meeting except in accordance with this Section 2.4. The presiding officer of an annual meeting of stockholders shall have the power and duty (a) to determine that any business was not properly brought before the meeting in accordance with this Section 2.4 (including whether the stockholder or beneficial owner, if any, on whose behalf the business proposed to be brought before the annual meeting is made, solicited (or is part of a group which solicited) or did not so solicit, as the case may be, proxies or votes in support of such stockholder's business in compliance with such stockholder's representation as required by clause (c)(iii)(E) of this Section 2.4); and (b) if any proposed business was not proposed in compliance with this Section 2.4 to declare to the meeting that any such business not properly brought before the meeting shall not be transacted.

(h) The foregoing notice requirements of this Section 2.4 shall be deemed satisfied by a stockholder with respect to business other than a nomination if the stockholder has notified the Corporation of his, her or its intention to present a proposal at an annual meeting in compliance with applicable rules and regulations promulgated under the Exchange Act and such stockholder's proposal has been included in a proxy statement that has been prepared by the Corporation to solicit proxies for such annual meeting. Nothing in this Section 2.4 shall be deemed to affect the rights of stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act.

(i) For purposes of these bylaws, "public disclosure" shall mean disclosure in a press release reported by a national news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Sections 13, 14 or 15(d) of the Exchange Act.

(j) Notwithstanding the foregoing provisions of this Section 2.4, unless otherwise required by law, if the stockholder (or a qualified representative of the stockholder) does not appear at the annual meeting to present proposed business, such proposed business shall not be transacted, notwithstanding that proxies in respect of such vote may have been received by the Corporation. For purposes of this Section 2.4, except as provided under Rule 14a-8 under the Exchange Act, to be considered a qualified representative of the stockholder, a person must be a duly authorized officer, manager or partner of such stockholder or must be authorized by a writing executed by such stockholder or an electronic transmission delivered by such stockholder to act for such stockholder as proxy at the annual meeting and such person must produce such writing or electronic transmission, or a reliable reproduction of the writing or electronic transmission, at the annual meeting.

(k) Notwithstanding the foregoing provisions of this Section 2.4, a stockholder shall also comply with all applicable requirements of the Exchange Act with respect to the matters set forth in this Section 2.4; provided however, that any references in these bylaws to the Exchange Act are not intended to and shall not limit any requirements applicable to proposals as to any business to be considered pursuant to this Section 2.4 (including paragraph (a)(iii) hereof), and compliance with paragraph (a)(iii) of this Section 2.4 shall be the exclusive means for a stockholder to submit business (other than, as provided in the first sentence of paragraph (h) of this Section 2.4, business brought properly under and in compliance with Rule 14a-8 of the Exchange Act, as may be amended from time to time).

2.5 ADVANCE NOTICE PROCEDURES FOR NOMINATIONS OF DIRECTORS.

(a) Nominations of any person for election to the Board at an annual meeting or at a special meeting (but, in the case of a special meeting, only if the election of directors is a matter specified in the notice of meeting given by or at the direction of the person calling such special meeting) may be made at such meeting only (i) by or at the direction of the Board or any committee thereof, or (ii) by a stockholder who (A) was a stockholder of record of the Corporation (and, with respect to any beneficial owner, if different, on whose behalf such nomination is proposed to be made, only if such beneficial owner was the beneficial owner of shares of the Corporation) both at the time of giving the notice provided for in this Section 2.5 and at the time of the meeting, (B) is entitled to vote at the meeting and (C) has complied with this Section 2.5 as to such nomination. The foregoing clause (ii) shall be the exclusive means for a stockholder to make any nomination of a person or persons for election to the Board to be considered by the stockholders at an annual meeting or special meeting.

(b) Without qualification, for a stockholder to make any nomination of a person or persons for election to the Board at an annual meeting, the stockholder must (i) provide Timely Notice (as defined in Section 2.4(b) of these bylaws) thereof in writing and in proper form to the secretary of the Corporation and (ii) provide any updates or supplements to such notice at the times and in the forms required by this Section 2.5. Notwithstanding anything in this paragraph to the contrary, in the event that the number of directors to be elected to the Board at an annual meeting is increased effective after the time period for which nominations would otherwise by due under this paragraph (b) and there is no public announcement by the Corporation naming the nominees for the additional directorships at least one hundred (100) days prior to the first anniversary of the preceding year's annual meeting, a stockholder's notice required by paragraph (b) of this Section 2.5 shall also be considered timely, but only with

respect to nominees for the additional directorships, if it shall be delivered to the Secretary at the principal executive offices of the Corporation not later than the close of business on the tenth (10th) day following the day on which such public announcement is first made by the Corporation. Without qualification, if the election of directors is a matter specified in the notice of meeting given by or at the direction of the person calling such special meeting, then for a stockholder to make any nomination of a person or persons for election to such position(s) as specified in the notice of the special meeting, the stockholder must (i) provide timely notice thereof in writing and in proper form to the secretary of the Corporation at the principal executive offices of the Corporation and (ii) provide any updates or supplements to such notice at the times and in the forms required by this Section 2.5. To be timely, a stockholder's notice for nominations to be made at a special meeting must be delivered to, or mailed and received at, the principal executive offices of the Corporation not earlier than the close of business on the one hundred twentieth (120th) day prior to such special meeting and not later than the later of the close of business on the ninetieth (90th) day prior to such special meeting and the close of business on the tenth (10th) day following the day on which public disclosure (as defined in Section 2.4(i) of these bylaws) of the date of such special meeting was first made. In no event shall any adjournment or postponement of an annual meeting or special meeting or the announcement thereof commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above.

(c) To be in proper form for purposes of this Section 2.5, a stockholder's notice to the secretary of the Corporation shall set forth:

(i) As to each Nominating Person (as defined below), the Stockholder Information (as defined in Section 2.4(c)(i) of these bylaws) except that for purposes of this Section 2.5, the term "Nominating Person" shall be substituted for the term "Proposing Person" in all places it appears in Section 2.4(c)(i);

(ii) As to each Nominating Person, any Disclosable Interests (as defined in Section 2.4(c)(ii), except that for purposes of this Section 2.5 the term "Nominating Person" shall be substituted for the term "Proposing Person" in all places it appears in Section 2.4(c)(ii) and the disclosure in clause (L) of Section 2.4(c)(ii) shall be made with respect to the election of directors at the meeting) *provided*, *however*, that Disclosable Interests shall not include any such disclosures with respect to the ordinary course business activities of any broker, dealer, commercial bank, trust company or other nominee who is a Nominating Person solely as a result of being the stockholder directed to prepare and submit the notice required by these bylaws on behalf of a beneficial owner; and;

(iii) As to each person whom a Nominating Person proposes to nominate for election as a director, (A) all information with respect to such proposed nominee that would be required to be set forth in a stockholder's notice pursuant to this Section 2.5 if such proposed nominee were a Nominating Person, (B) all information relating to such proposed nominee that is required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors in a contested election pursuant to Section 14(a) under the Exchange Act (including, without limitation, such proposed nominee's written consent to being named in the proxy statement as a nominee and to serving as a director if elected), (C) a description of all direct and indirect compensation and other material monetary agreements, arrangements and understandings during the past three (3) years, and any other material relationships, between or among any Nominating Person, on the one hand, and each proposed nominee, his or her respective affiliates and associates and any other persons with whom such proposed nominee (or any of his or her respective affiliates and associates) is Acting in Concert (as defined in Section 2.4(e) of these bylaws), on the other hand, including, without limitation, all information that would be required to be disclosed pursuant to Item 404 under Regulation S-K if such Nominating Person were the "registrant" for purposes of such rule and the proposed nominee were a director or executive officer of such registrant (the disclosures to be made pursuant to the foregoing clauses (A) through (C) are referred to as "Nominee Information"), (D) a representation that the Nominating Person is a holder of record of stock of the Corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to propose such nomination, (E) a representation whether the Nominating Person intends or is part of a group which intends (1) to deliver a proxy statement and/or form of proxy to holders of at least the percentage of the Corporation's outstanding capital stock required to elect the nominee and/or (2) otherwise to solicit proxies or votes from stockholders in support of such nomination and (F) a completed and signed questionnaire, representation and agreement as provided in Section 2.5(g); and

(iv) The Corporation may require any proposed nominee to furnish such other information (A) as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as an independent director of the Corporation in accordance with the Corporation's Corporate Governance Guidelines or (B) that could be material to a reasonable stockholder's understanding of the independence or lack of independence of such proposed nominee.

(d) For purposes of this Section 2.5, the term "Nominating Person" shall mean (i) the stockholder providing the notice of the nomination proposed to be made at the meeting, (ii) the beneficial owner or beneficial owners, if different, on whose behalf the notice of the nomination proposed to be made at the meeting is made, (iii) any affiliate or associate of such stockholder or beneficial owner and (iv) any other person with whom such stockholder or such beneficial owner (or any of their respective affiliates or associates) is Acting in Concert.

(e) A stockholder providing notice of any nomination proposed to be made at a meeting shall further update and supplement such notice, if necessary, so that the information provided or required to be provided in such notice pursuant to this Section 2.5 shall be true and correct as of the record date for determining stockholders entitled to notice of the meeting and as of the date that is ten (10) business days prior to the meeting or any adjournment or postponement thereof, and such update and supplement shall be delivered to, or mailed and received by, the secretary of the Corporation at the principal executive offices of the Corporation not later than five (5) business days after the record date for determining stockholders entitled to notice of the meeting (in the case of the update and supplement required to be made as of the record date), and not later than eight (8) business days prior to the date for the meeting or, if practicable, any adjournment or postponement thereof (and, if not practicable, on the first practicable date prior to the date to which the meeting has been adjourned or postponed) (in the case of the update and supplement required to be made as of ten (10) business days prior to the meeting or any adjournment or postponement thereof).

(f) Notwithstanding anything in these bylaws to the contrary, no person shall be eligible for election as a director of the Corporation unless nominated in accordance with this Section 2.5, except as otherwise expressly provided in any applicable rule or regulation promulgated under the Exchange Act. The presiding officer at any meeting of stockholders shall have the power and duty to (a) determine that a nomination was not properly made in accordance with this Section 2.5 (including whether the stockholder or beneficial owner, if any, on whose behalf the nomination was made, solicited or is part of a group which solicited) or did not so solicit, as the case may be, proxies or votes in support of such stockholder's nomination in compliance with such stockholder's representation as required by clause (c)(iii)(E) of this Section 2.5); and (b) if any proposed nomination was not made in compliance with this Section 2.5 to declare such determination to the meeting that the defective nomination shall be disregarded.

(g) To be eligible to be a nominee for election as a director of the Corporation, the proposed nominee must deliver (in accordance with the time periods prescribed for delivery of notice under this Section 2.5) to the secretary of the Corporation at the principal executive offices of the Corporation a written questionnaire with respect to the background and qualification of such proposed nominee (which questionnaire shall be provided by the secretary upon written request) and a written representation and agreement (in form provided by the secretary upon written request) that such proposed nominee (i) is not and will not become a party to (A) any agreement, arrangement or understanding with, and has not given any commitment or assurance to, any person or entity as to how such proposed nominee, if elected as a director of the Corporation, will act or vote on any issue or question (a "Voting Commitment") that has not been disclosed to the Corporation or (B) any Voting Commitment that could limit or interfere with such proposed nominee's ability to comply, if elected as a director of the Corporation, with such proposed nominee's fiduciary duties under applicable law, (ii) is not, and will not become a party to, any agreement, arrangement or understanding with any person or entity other than the

Corporation with respect to any direct or indirect compensation, reimbursement or indemnification in connection with candidacy, service or action as a director that has not been disclosed to the Corporation and (iii) in such proposed nominee's individual capacity and on behalf of the stockholder (and the beneficial owner, if different, on whose behalf the nomination is made) would be in compliance, if elected as a director of the Corporation, and will comply with applicable publicly disclosed corporate governance, conflict of interest, confidentiality and stock ownership and trading policies and guidelines of the Corporation.

(h) In addition to the requirements of this Section 2.5 with respect to any nomination proposed to be made at a meeting, each Nominating Person shall comply with all applicable requirements of the Exchange Act with respect to any such nominations.

(i) Notwithstanding the foregoing provisions of this Section 2.5, unless otherwise required by law, if the stockholder (or a qualified representative of the stockholder) does not appear at the meeting to present the proposed nomination, such proposed nomination shall not be considered, notwithstanding that proxies in respect of such vote may have been received by the Corporation. For purposes of this Section 2.5, to be considered a qualified representative of the stockholder, a person must be a duly authorized officer, manager or partner of such stockholder or must be authorized by a writing executed by such stockholder or an electronic transmission delivered by such stockholder to act for such stockholder as proxy at the meeting of stockholders and such person must produce such writing or electronic transmission, or a reliable reproduction of the writing or electronic transmission, at the meeting.

2.6 NOTICE OF STOCKHOLDERS' MEETINGS.

Unless otherwise provided by law, the certificate of incorporation or these bylaws, the notice of any meeting of stockholders shall be given in accordance with either Section 2.7 or Section 8.1 of these bylaws not less than ten (10) nor more than sixty (60) days before the date of the meeting to each stockholder entitled to vote at such meeting as of the record date for determining the stockholders entitled to notice of the meeting. The notice shall specify the place, if any, date and hour of the meeting, the record date for determining the stockholders entitled to vote at the meeting (if such date is different from the record date for stockholders entitled to notice of the meeting), the means of remote communication, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such meeting, and, in the case of a special meeting, the purpose or purposes for which the meeting is called.

2.7 MANNER OF GIVING NOTICE; AFFIDAVIT OF NOTICE.

Notice of any meeting of stockholders shall be deemed given:

(a) if mailed, when deposited in the United States mail, postage prepaid, directed to the stockholder at such stockholder's address as it appears on the Corporation's records; or

(b) if electronically transmitted, as provided in Section 8.1 of these bylaws.

An affidavit of the secretary or an assistant secretary of the Corporation or of the transfer agent or any other agent of the Corporation that the notice has been given by mail or by a form of electronic transmission, as applicable, shall, in the absence of fraud, be prima facie evidence of the facts stated therein.

2.8 QUORUM.

Unless otherwise provided by law, the certificate of incorporation or these bylaws, the holders of a majority in voting power of the capital stock issued and outstanding and entitled to vote, present in person, or by remote communication, if applicable, or represented by proxy, shall constitute a quorum for the transaction of business at all meetings of the stockholders. A quorum, once established at a meeting, shall not be broken by the withdrawal of enough votes to leave less than a quorum. If, however, a quorum is not present or represented at any meeting of the stockholders, then either (a) the chairperson of the meeting or (b) a majority in voting power of the stockholders entitled to vote thereon, present in person, or by remote communication, if applicable, or represented by proxy, shall have power to adjourn the meeting from time to time in the manner provided in Section 2.9 of these bylaws until a quorum is present or represented. At such adjourned meeting at which a quorum is present or represented, any business may be transacted that might have been transacted at the meeting as originally noticed.

2.9 ADJOURNED MEETING; NOTICE.

When a meeting is adjourned to another time or place, unless these bylaws otherwise require, notice need not be given of the adjourned meeting if the time, place, if any, thereof, and the means of remote communications, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such adjourned meeting are announced at the meeting at which the adjournment is taken. At the adjourned meeting, the Corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than thirty (30) days, or if after the adjournment a new record date for determining the stockholders entitled to vote is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the adjourned meeting as of the record date for determining the stockholders entitled to notice of the adjourned meeting.

2.10 CONDUCT OF BUSINESS.

The date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote at a meeting shall be announced at the meeting by the person presiding over the meeting. The Board may adopt by resolution such rules and regulations for the conduct of the meeting of stockholders as it shall deem appropriate. Except to the extent inconsistent with such rules and regulations as adopted by the Board, the person presiding over any meeting of stockholders shall have the right and authority to convene and (for any or no reason) to recess

and/or adjourn the meeting, to prescribe such rules, regulations and procedures (which need not be in writing) and to do all such acts as, in the judgment of such presiding person, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board or prescribed by the presiding person of the meeting, may include, without limitation, the following: (a) the establishment of an agenda or order of business for the meeting; (b) rules and procedures for maintaining order at the meeting and the safety of those present (including, without limitation, rules and procedures for removal of disruptive persons from the meeting); (c) limitations on attendance at or participation in the meeting to stockholders entitled to vote at the meeting, their duly authorized and constituted proxies or such other persons as the presiding person of the meeting shall determine; (d) restrictions on entry to the meeting after the time fixed for the commencement thereof; and (e) limitations on the time allotted to questions or comments by participants. The presiding person at any meeting of stockholders, in addition to making any other determinations that may be appropriate to the conduct of the meeting (including, without limitation, determinations with respect to the administration and/or interpretation of any of the rules, regulations or procedures of the meeting, whether adopted by the Board or prescribed by the person presiding over the meeting), shall, if the facts warrant, determine and declare to the meeting that a matter or business was not properly brought before the meeting and if such presiding person should so determine, such presiding person shall so declare to the meeting and any such matter or business not properly brought before the meeting shall not be transacted or considered. Unless and to the extent determined by the Board or the person presiding over the meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure.

2.11 VOTING.

The stockholders entitled to vote at any meeting of stockholders shall be determined in accordance with the provisions of Section 2.13 of these bylaws, subject to Section 217 (relating to voting rights of fiduciaries, pledgors and joint owners of stock) and Section 218 (relating to voting trusts and other voting agreements) of the DGCL.

Except as may be otherwise provided in the certificate of incorporation or these bylaws, each stockholder shall be entitled to one (1) vote for each share of capital stock held by such stockholder.

At all duly called or convened meetings of stockholders, at which a quorum is present, for the election of directors, a plurality of the votes cast shall be sufficient to elect a director. All other elections and questions presented to the stockholders at a duly called or convened meeting, at which a quorum is present, shall, unless a different or minimum vote is required by the certificate of incorporation, these bylaws, the rules or regulations of any stock exchange applicable to the Corporation, or any law or regulation applicable to the Corporation or its securities, in which case such different or minimum vote shall be the applicable vote on the matter, be decided by the affirmative vote of the holders of a majority in voting power of the votes cast affirmatively or negatively (excluding abstentions) at the meeting by the holders entitled to vote thereon.

2.12 STOCKHOLDER ACTION BY WRITTEN CONSENT WITHOUT A MEETING.

Any action required or permitted to be taken by the stockholders of the Corporation must be effected at a duly called annual or special meeting of stockholders of the Corporation and may not be effected by any consent in writing by such stockholders.

2.13 RECORD DATE FOR STOCKHOLDER NOTICE; VOTING.

In order that the Corporation may determine the stockholders entitled to notice of any meeting of stockholders or any adjournment thereof, the Board may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board, and which record date shall, unless otherwise required by law, not be more than sixty (60) nor less than ten (10) days before the date of such meeting. If the Board so fixes a date, such date shall also be the record date for determining the stockholders entitled to vote at such meeting unless the Board determines, at the time it fixes such record date, that a later date on or before the date of the meeting shall be the date for making such determination. If no record date is fixed by the Board, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; ***provided***, ***however***, that the Board may fix a new record date for determination of stockholders entitled to vote at the adjourned meeting, and in such case shall also fix as the record date for stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote in accordance herewith at the adjourned meeting.

In order that the Corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board may fix a record date, which shall not be more than sixty (60) days prior to such other action. If no such record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the Board adopts the resolution relating thereto.

2.14 PROXIES.

Each stockholder entitled to vote at a meeting of stockholders may authorize another person or persons to act for such stockholder by proxy, but no such proxy shall be voted or acted upon after three (3) years from its date, unless the proxy provides for a longer period. The revocability of a proxy that states on its face that it is irrevocable shall be governed by the provisions of Section 212 of the DGCL. A proxy may be in the form of a telegram, cablegram or other means of electronic transmission which sets forth or is submitted with information from which it can be determined that the telegram, cablegram or other means of electronic transmission was authorized by the stockholder.

2.15 LIST OF STOCKHOLDERS ENTITLED TO VOTE.

The Corporation shall prepare, at least ten (10) days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting (*provided, however*, if the record date for determining the stockholders entitled to vote is less than ten (10) days before the date of the meeting, the list shall reflect the stockholders entitled to vote as of the tenth day before the date of the meeting), arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. The Corporation shall not be required to include electronic mail addresses or other electronic contact information on such list. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting for a period of at least ten (10) days prior to the meeting: (a) on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of the meeting, or (b) during ordinary business hours, at the Corporation's principal executive office. In the event that the Corporation determines to make the list available on an electronic network, the Corporation may take reasonable steps to ensure that such information is available only to stockholders of the Corporation. If the meeting is to be held at a place, then the list shall be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present. If the meeting is to be held solely by means of remote communication, then the list shall also be open to the examination of any stockholder during the whole time of the meeting on a reasonably accessible electronic network, and the information required to access such list shall be provided with the notice of the meeting. Except as otherwise provided by law, the stock ledger shall be the only evidence as to the identity of the stockholders entitled to vote in person or by proxy and the number of shares held by each of them, and as to the stockholders entitled to examine the list of stockholders.

2.16 POSTPONEMENT, ADJOURNMENT AND CANCELLATION OF MEETING.

Any previously scheduled annual or special meeting of the stockholders may be postponed or adjourned, and any previously scheduled annual or special meeting of the stockholders may be canceled, by resolution of the Board.

2.17 INSPECTORS OF ELECTION.

Before any meeting of stockholders, the Board shall appoint an inspector or inspectors of election to act at the meeting or its adjournment or postponement and make a written report thereof. The number of inspectors shall be either one (1) or three (3). If any person appointed as inspector fails to appear or fails or refuses to act, then the chairperson of the meeting may, and upon the request of any stockholder or a stockholder's proxy shall, appoint a person to fill that vacancy. Unless otherwise required by law, inspectors may be officers, employees or agents of the Corporation. Such inspectors shall have the duties prescribed by law. Each inspector, before entering upon the discharge of his or her duties, shall take and sign an oath to execute faithfully the duties of inspector with strict impartiality and according to the best of his or her ability. If there are three (3) inspectors of election, the decision, act or certificate of a majority is effective in all respects as the decision, act or certificate of all. Any report or certificate made by the inspectors of election is prima facie evidence of the facts stated therein.

ARTICLE III - DIRECTORS

3.1 POWERS.

Subject to the provisions of the DGCL and any limitations in the certificate of incorporation, the business and affairs of the Corporation shall be managed and all corporate powers shall be exercised by or under the direction of the Board.

3.2 NUMBER OF DIRECTORS.

The authorized number of directors shall be determined from time to time by resolution of the Board, provided the Board shall consist of at least one (1) member. No reduction of the authorized number of directors shall have the effect of removing any director before that director's term of office expires.

3.3 ELECTION, QUALIFICATION AND TERM OF OFFICE OF DIRECTORS.

Except as provided in Section 3.4 of these bylaws, each director, including, without limitation, a director elected to fill a vacancy, shall hold office until the expiration of the term for which elected and until such director's successor is elected and qualified or until such director's earlier death, resignation or removal. Directors need not be stockholders unless so required by the certificate of incorporation or these bylaws. The Corporation may also have, at the discretion of the Board, a chairperson of the Board and a vice chairperson of the Board. The certificate of incorporation or these bylaws may prescribe other qualifications for directors.

3.4 RESIGNATION AND VACANCIES.

Any director may resign at any time upon notice given in writing or by electronic transmission to the chairperson of the Board or the Corporation's chief executive officer, president or secretary. When one or more directors so resigns and the resignation is effective at a future date, a majority of the directors then in office, including those who have so resigned, shall have power to fill such vacancy or vacancies, the vote thereon to take effect when such resignation or resignations shall become effective, and each director so chosen shall hold office as provided in this section in the filling of other vacancies.

Unless otherwise provided in the certificate of incorporation or these bylaws, vacancies and newly created directorships resulting from any increase in the authorized number of directors shall, unless the Board determines by resolution that any such vacancies or newly created directorships shall be filled by stockholders, be filled only by a majority of the directors then in office, although less than a quorum, or by a sole remaining director. Any director elected in accordance with the preceding sentence shall hold office for the remainder of the full term of the director for which the vacancy was created or occurred and until such director's successor shall have been elected and qualified. A vacancy in the Board shall be deemed to exist under these bylaws in the case of the death, removal or resignation of any director.

3.5 PLACE OF MEETINGS; MEETINGS BY TELEPHONE.

The Board may hold meetings, both regular and special, either within or outside the State of Delaware.

Unless otherwise restricted by the certificate of incorporation or these bylaws, members of the Board, or any committee designated by the Board, may participate in a meeting of the Board, or any committee, by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting pursuant to this bylaw shall constitute presence in person at the meeting.

3.6 REGULAR MEETINGS.

Regular meetings of the Board may be held without notice at such time and at such place as shall from time to time be determined by the Board; ***provided*** that any director who is absent when such determination is made shall be given notice of the determination. A regular meeting of the Board may be held without notice immediately after and at the same place as the annual meeting of stockholders.

3.7 SPECIAL MEETINGS; NOTICE.

Special meetings of the Board for any purpose or purposes may be called at any time by the chairperson of the Board, the chief executive officer, the president, the secretary or a majority of the authorized number of directors.

Notice of the time and place of special meetings shall be:

(a) delivered personally by hand, by courier or by telephone;

(b) sent by United States first-class mail, postage prepaid;

(c) sent by facsimile; or

(d) sent by electronic mail, electronic transmission or other similar means,

directed to each director at that director's address, telephone number, facsimile number or electronic mail or other electronic address, as the case may be, as shown on the Corporation's records.

If the notice is (a) delivered personally by hand, by courier or by telephone, (b) sent by facsimile or (c) sent by electronic mail or electronic transmission, it shall be delivered or sent at least twenty-four (24) hours before the time of the holding of the meeting. If the notice is sent by United States mail, it shall be deposited in the United States mail at least four (4) days before the time of the holding of the meeting. Any oral notice may be communicated to the director. The notice need not specify the place of the meeting (if the meeting is to be held at the Corporation's principal executive office) nor the purpose of the meeting.

3.8 QUORUM.

The greater of (a) a majority of the directors at any time in office and (b) one-third of the number of directors established by the Board pursuant to Section 3.2 of these bylaws shall constitute a quorum of the Board for the transaction of business. The vote of a majority of the directors present at any meeting at which a quorum is present shall be the act of the Board, except as may be otherwise specifically provided by statute, the certificate of incorporation or these bylaws. If a quorum is not present at any meeting of the Board, then the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present.

3.9 BOARD ACTION BY CONSENT WITHOUT A MEETING.

Unless otherwise restricted by the certificate of incorporation or these bylaws, any action required or permitted to be taken at any meeting of the Board, or of any committee thereof, may be taken without a meeting if all members of the Board or committee, as the case may be, consent thereto in writing or by electronic transmission and the writing or writings or electronic transmission or transmissions are filed with the minutes of proceedings of the Board or committee. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

3.10 FEES AND COMPENSATION OF DIRECTORS.

Unless otherwise restricted by the certificate of incorporation or these bylaws, the Board shall have the authority to fix the compensation of directors.

3.11 REMOVAL OF DIRECTORS.

Subject to the rights of the holders of the shares of any series of preferred stock of the Corporation, the Board or any individual director may be removed from office only for cause and only by the affirmative vote of the holders of at least two-thirds in voting power of the outstanding shares of capital stock of the Corporation entitled to vote thereon.

ARTICLE IV - COMMITTEES

4.1 COMMITTEES OF DIRECTORS.

The Board may designate one (1) or more committees, each committee to consist of one (1) or more of the directors of the Corporation. The Board may designate one (1) or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the Board to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent provided in the resolution of the Board or in these bylaws, shall have and may exercise all the powers and authority of the Board in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers that may require it; but no such committee shall have the power or authority to (a) approve or adopt, or recommend to the stockholders, any action or matter (other than the election or removal of directors) expressly required by the DGCL to be submitted to stockholders for approval, or (b) adopt, amend or repeal any bylaw of the Corporation.

4.2 COMMITTEE MINUTES.

Each committee shall keep regular minutes of its meetings and report the same to the Board when required.

4.3 MEETINGS AND ACTION OF COMMITTEES.

Meetings and actions of committees shall be governed by, and held and taken in accordance with, the provisions of:

(a) Section 3.5 of these bylaws (place of meetings and meetings by telephone);

(b) Section 3.6 of these bylaws (regular meetings);

(c) Section 3.7 of these bylaws (special meetings and notice);

(d) Section 3.8 of these bylaws (quorum);

(e) Section 7.12 of these bylaws (waiver of notice); and

(f) Section 3.9 of these bylaws (action without a meeting),

with such changes in the context of those bylaws as are necessary to substitute the committee and its members for the Board and its members. *However*:

(i) the time of regular meetings of committees may be determined either by resolution of the Board or by resolution of the committee;

(ii) special meetings of committees may also be called by resolution of the Board; and

(iii) notice of special meetings of committees shall also be given to all alternate members, who shall have the right to attend all meetings of the committee. The Board may adopt rules for the governance of any committee not inconsistent with the provisions (or any part thereof) of these bylaws.

ARTICLE V - OFFICERS

5.1 OFFICERS.

The officers of the Corporation shall be a president and a secretary. The Corporation may also have, at the discretion of the Board, a chief executive officer, a chief financial officer or treasurer, one (1) or more vice presidents, one (1) or more assistant vice presidents, one (1) or more assistant treasurers, one (1) or more assistant secretaries, and any such other officers as may be appointed in accordance with the provisions of these bylaws. Any number of offices may be held by the same person.

5.2 APPOINTMENT OF OFFICERS.

The Board shall appoint the officers of the Corporation, except such officers as may be appointed in accordance with the provisions of Section 5.3 of these bylaws, subject to the rights, if any, of an officer under any contract of employment.

5.3 SUBORDINATE OFFICERS.

The Board may appoint, or empower the chief executive officer or, in the absence of a chief executive officer, the president, to appoint, such other officers and agents as the business of the Corporation may require. Each of such officers shall hold office for such period, as is provided in these bylaws or as the Board may from time to time determine.

5.4 REMOVAL AND RESIGNATION OF OFFICERS.

Subject to the rights, if any, of an officer under any contract of employment, any officer may be removed, either with or without cause, by the Board at any regular or special meeting of the Board or, except in the case of an officer chosen by the Board, by any officer upon whom such power of removal may be conferred by the Board.

Any officer may resign at any time by giving written notice to the Corporation. Any resignation shall take effect at the date of the receipt of that notice or at any later time specified in that notice. Unless otherwise specified in the notice of resignation, the acceptance of the resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights, if any, of the Corporation under any contract to which the officer is a party.

5.5 VACANCIES IN OFFICES.

Any vacancy occurring in any office of the Corporation shall be filled by the Board or as provided in Section 5.3 of these bylaws.

5.6 REPRESENTATION OF SHARES OF OTHER ENTITIES.

The chairperson of the Board, the president, any vice president, the treasurer, the secretary or assistant secretary of this Corporation, or any other person authorized by the Board or the president or a vice president, is authorized to vote, represent and exercise on behalf of this Corporation all rights incident to any and all securities of any other entity or entities standing in the name of this Corporation. The authority granted herein may be exercised either by such person directly or by any other person authorized to do so by proxy or power of attorney duly executed by such person having the authority.

5.7 AUTHORITY AND DUTIES OF OFFICERS.

All officers of the Corporation shall respectively have such authority and perform such duties in the management of the business of the Corporation as may be designated from time to time by the Board and, to the extent not so provided, as generally pertain to their respective offices, subject to the control of the Board.

ARTICLE VI - RECORDS AND REPORTS

6.1 MAINTENANCE OF RECORDS.

Subject to applicable law, the Corporation shall, either at its principal executive office or at such place or places as designated by the Board, keep a record of its stockholders listing their names and addresses and the number and class of shares held by each stockholder, a copy of these bylaws as amended to date, accounting books and other records.

ARTICLE VII - GENERAL MATTERS

7.1 EXECUTION OF CORPORATE CONTRACTS AND INSTRUMENTS.

The Board, except as otherwise provided in these bylaws, may authorize any officer or officers, or agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the Corporation; such authority may be general or confined to specific instances. Unless so authorized or ratified by the Board or within the agency power of an officer, no officer, agent or employee shall have any power or authority to bind the Corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or for any amount.

7.2 STOCK CERTIFICATES; PARTLY PAID SHARES.

The shares of the Corporation shall be represented by certificates provided that the Board may provide by resolution or resolutions that some or all of any or all classes or series of stock shall be uncertificated shares. Certificates for the shares of stock, if any, shall be in such form as is consistent with the certificate of incorporation and applicable law. Every holder of stock represented by a certificate shall be entitled to have a certificate signed by, or in the name of the Corporation by any two authorized officers of the Corporation representing the number of shares registered in certificate form. Any or all of the signatures on the certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate has ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if he were such officer, transfer agent or registrar at the date of issue.

The Corporation may issue the whole or any part of its shares as partly paid and subject to call for the remainder of the consideration to be paid therefor. Upon the face or back of each stock certificate issued to represent any such partly paid shares, or upon the books and records of the Corporation in the case of uncertificated partly paid shares, the total amount of the consideration to be paid therefor and the amount paid thereon shall be stated. Upon the declaration of any dividend on fully paid shares, the Corporation shall declare a dividend upon partly paid shares of the same class, but only upon the basis of the percentage of the consideration actually paid thereon.

7.3 MULTIPLES CLASSES OR SERIES OF STOCK.

If the Corporation is authorized to issue more than one class of stock or more than one series of any class, then the powers, the designations, the preferences and the relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights shall be set forth in full or summarized on the face or back of the certificate that the Corporation shall issue to represent such class or series of stock; *provided*, *however*, that, except as otherwise provided in Section 202 of the DGCL, in lieu of the foregoing requirements, there may be set forth on the face or back of the certificate that the Corporation shall issue to represent such class or series of stock a statement that the Corporation will furnish without charge to each stockholder who so requests the powers, the designations, the preferences and the relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights. Within a reasonable time after the issuance or transfer of uncertificated stock, the Corporation shall send to the registered owner thereof a written notice containing the information required to be set forth or stated on certificates pursuant to the DGCL or a statement that the Corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights.

7.4 LOST CERTIFICATES.

Except as provided in this Section 7.4, no new certificates for shares shall be issued to replace a previously issued certificate unless the latter is surrendered to the Corporation in accordance with applicable law. The Corporation may issue a new certificate of stock or uncertificated shares in the place of any certificate theretofore issued by it, alleged to have been lost, stolen or destroyed, and the Corporation may require the owner of the lost, stolen or destroyed certificate, or such owner's legal representative, to give the Corporation a bond sufficient to indemnify it against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate or uncertificated shares.

7.5 CONSTRUCTION; DEFINITIONS.

Unless the context requires otherwise, the general provisions, rules of construction and definitions in the DGCL shall govern the construction of these bylaws. Without limiting the generality of this provision, the singular number includes the plural, the plural number includes the singular, and the term "person" includes both a corporation and a natural person.

7.6 DIVIDENDS.

The Board, subject to any restrictions contained in either (a) the DGCL or (b) the certificate of incorporation, may declare and pay dividends upon the shares of its capital stock. Dividends may be paid in cash, in property or in shares of the Corporation's capital stock.

The Board may set apart out of any of the funds of the Corporation available for dividends a reserve or reserves for any proper purpose and may abolish any such reserve. Such purposes shall include but not be limited to equalizing dividends, repairing or maintaining any property of the Corporation, and meeting contingencies.

7.7 FISCAL YEAR.

The fiscal year of the Corporation shall be fixed by resolution of the Board and may be changed by the Board.

7.8 SEAL.

The Corporation may adopt a corporate seal, which shall be adopted and which may be altered by the Board. The Corporation may use the corporate seal by causing it or a facsimile thereof to be impressed or affixed or in any other manner reproduced.

7.9 TRANSFER OF STOCK.

Shares of the Corporation shall be transferable in the manner prescribed by law and in these bylaws. Shares of stock of the Corporation shall be transferred on the books of the Corporation only by the holder of record thereof or by such holder's attorney duly authorized in writing, upon surrender to the Corporation of the certificate or certificates representing such shares endorsed by the appropriate person or persons (or by delivery of duly executed instructions with respect to uncertificated shares), with such evidence of the authenticity of such endorsement or execution, transfer, authorization and other matters as the Corporation may reasonably require, and accompanied by all necessary stock transfer stamps. To the fullest extent permitted by law, no transfer of stock shall be valid as against the Corporation for any purpose until it shall have been entered in the stock records of the Corporation by an entry showing the names of the persons from and to whom it was transferred.

7.10 STOCK TRANSFER AGREEMENTS.

The Corporation shall have power to enter into and perform any agreement with any number of stockholders of any one or more classes of stock of the Corporation to restrict the transfer of shares of stock of the Corporation of any one or more classes owned by such stockholders in any manner not prohibited by the DGCL.

7.11 REGISTERED STOCKHOLDERS.

The Corporation, to the fullest extent permitted by law,:

(a) shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends and to vote as such owner;

(b) shall be entitled to hold liable for calls and assessments the person registered on its books as the owner of shares; and

(c) shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of another person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Delaware.

7.12 WAIVER OF NOTICE.

Whenever notice is required to be given under any provision of the DGCL, the certificate of incorporation or these bylaws, a written waiver, signed by the person entitled to notice, or a waiver by electronic transmission by the person entitled to notice, whether before or after the time of the event for which notice is to be given, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the stockholders need be specified in any written waiver of notice or any waiver by electronic transmission unless so required by the certificate of incorporation or these bylaws.

ARTICLE VIII - NOTICE BY ELECTRONIC TRANSMISSION

8.1 NOTICE BY ELECTRONIC TRANSMISSION.

Without limiting the manner by which notice otherwise may be given effectively to stockholders pursuant to the DGCL, the certificate of incorporation or these bylaws, any notice to stockholders given by the Corporation under any provision of the DGCL, the certificate of incorporation or these bylaws shall be effective if given by a form of electronic transmission consented to by the stockholder to whom the notice is given. Any such consent shall be revocable by the stockholder by written notice to the Corporation. Any such consent shall be deemed revoked if:

(a) the Corporation is unable to deliver by electronic transmission two (2) consecutive notices given by the Corporation in accordance with such consent; and

(b) such inability becomes known to the secretary or an assistant secretary of the Corporation or to the transfer agent, or other person responsible for the giving of notice.

However, the inadvertent failure to treat such inability as a revocation shall not invalidate any meeting or other action.

Any notice given pursuant to the preceding paragraph shall be deemed given:

(a) if by facsimile telecommunication, when directed to a number at which the stockholder has consented to receive notice;

(b) if by electronic mail, when directed to an electronic mail address at which the stockholder has consented to receive notice;

(c) if by a posting on an electronic network together with separate notice to the stockholder of such specific posting, upon the later of (i) such posting and (ii) the giving of such separate notice; and

(d) if by any other form of electronic transmission, when directed to the stockholder.

An affidavit of the secretary or an assistant secretary of the Corporation or of the transfer agent or other agent of the Corporation that the notice has been given by a form of electronic transmission shall, in the absence of fraud, be prima facie evidence of the facts stated therein.

8.2 DEFINITION OF ELECTRONIC TRANSMISSION.

For the purposes of these bylaws, an "electronic transmission" means any form of communication, not directly involving the physical transmission of paper, that creates a record that may be retained, retrieved and reviewed by a recipient thereof, and that may be directly reproduced in paper form by such a recipient through an automated process.

ARTICLE IX - INDEMNIFICATION AND ADVANCEMENT

9.1 ACTIONS, SUITS AND PROCEEDINGS OTHER THAN BY OR IN THE RIGHT OF THE CORPORATION.

The Corporation shall indemnify each person who was or is a party or threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of the fact that he or she is or was, or has agreed to become, a director or officer of the Corporation, or, while a director or officer of the Corporation, is or was serving, or has agreed to serve, at the request of the Corporation, as a director, officer, partner, employee or trustee of, or in a similar capacity with, another corporation, partnership, joint venture, trust or other enterprise (including, without limitation, any employee benefit plan) (all such persons being referred to hereafter as an "Indemnitee"), or by reason of any action alleged to have been taken or omitted in such capacity, against all expenses (including, without limitation, attorneys' fees), liabilities, losses, judgments, fines (including, without limitation, excise taxes and penalties arising under the Employee Retirement Income Security Act of 1974), and amounts paid in settlement actually and reasonably incurred by or on behalf of Indemnitee in connection

with such action, suit or proceeding and any appeal therefrom, if Indemnitee acted in good faith and in a manner which Indemnitee reasonably believed to be in, or not opposed to, the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that Indemnitee did not act in good faith and in a manner which Indemnitee reasonably believed to be in, or not opposed to, the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.

9.2 ACTIONS OR SUITS BY OR IN THE RIGHT OF THE CORPORATION.

The Corporation shall indemnify any Indemnitee who was or is a party to or threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that Indemnitee is or was, or has agreed to become, a director or officer of the Corporation, or, while a director or officer of the Corporation, is or was serving, or has agreed to serve, at the request of the Corporation, as a director, officer, partner, employee or trustee of, or in a similar capacity with, another corporation, partnership, joint venture, trust or other enterprise (including, without limitation, any employee benefit plan), or by reason of any action alleged to have been taken or omitted in such capacity, against all expenses (including, without limitation, attorneys' fees) actually and reasonably incurred by or on behalf of Indemnitee in connection with such action, suit or proceeding and any appeal therefrom, if Indemnitee acted in good faith and in a manner which Indemnitee reasonably believed to be in, or not opposed to, the best interests of the Corporation, except that no indemnification shall be made under this Section 9.2 in respect of any claim, issue or matter as to which Indemnitee shall have been adjudged to be liable to the Corporation, unless, and only to the extent, that the Court of Chancery of Delaware or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of such liability but in view of all the circumstances of the case, Indemnitee is fairly and reasonably entitled to indemnity for such expenses (including, without limitation, attorneys' fees) which the Court of Chancery of Delaware or such other court shall deem proper.

9.3 INDEMNIFICATION FOR EXPENSES OF SUCCESSFUL PARTY.

Notwithstanding any other provisions of this Article IX, to the extent that an Indemnitee has been successful, on the merits or otherwise, in defense of any action, suit or proceeding referred to in Sections 9.1 and 9.2 of these bylaws, or in defense of any claim, issue or matter therein, or on appeal from any such action, suit or proceeding, Indemnitee shall be indemnified to the fullest extent permitted by law against all expenses (including, without limitation, attorneys' fees) actually and reasonably incurred by or on behalf of Indemnitee in connection therewith.

9.4 NOTIFICATION AND DEFENSE OF CLAIM.

As a condition precedent to an Indemnitee's right to be indemnified, such Indemnitee must notify the Corporation in writing as soon as practicable of any action, suit, proceeding or investigation involving such Indemnitee for which indemnity will or could be sought. With respect to any action, suit, proceeding or investigation of which the Corporation is so notified, the Corporation will be entitled to participate therein at its own expense and/or to assume the defense thereof at its own expense, with legal counsel reasonably acceptable to Indemnitee. After notice from the Corporation to Indemnitee of its election so to assume such defense, the Corporation shall not be liable to Indemnitee for any legal or other expenses subsequently incurred by Indemnitee in connection with such action, suit, proceeding or investigation, other than as provided below in this Section 9.4. Indemnitee shall have the right to employ his or her own counsel in connection with such action, suit, proceeding or investigation, but the fees and expenses of such counsel incurred after notice from the Corporation of its assumption of the defense thereof shall be at the expense of Indemnitee unless (a) the employment of counsel by Indemnitee has been authorized by the Corporation, (b) counsel to Indemnitee shall have reasonably concluded that there may be a conflict of interest or position on any significant issue between the Corporation and Indemnitee in the conduct of the defense of such action, suit, proceeding or investigation or (c) the Corporation shall not in fact have employed counsel to assume the defense of such action, suit, proceeding or investigation, in each of which cases the fees and expenses of counsel for Indemnitee shall be at the expense of the Corporation, except as otherwise expressly provided by this Article IX. The Corporation shall not be entitled, without the consent of Indemnitee, to assume the defense of any claim brought by or in the right of the Corporation or as to which counsel for Indemnitee shall have reasonably made the conclusion provided for in clause (b) above. The Corporation shall not be required to indemnify Indemnitee under this Article IX for any amounts paid in settlement of any action, suit, proceeding or investigation effected without its written consent. The Corporation shall not settle any action, suit, proceeding or investigation in any manner which would impose any penalty or limitation on Indemnitee without Indemnitee's written consent. Neither the Corporation nor Indemnitee will unreasonably withhold or delay its consent to any proposed settlement.

9.5 ADVANCE OF EXPENSES.

Subject to the provisions of Sections 9.4 and 9.6 of these bylaws, in the event of any threatened or pending action, suit, proceeding or investigation of which the Corporation receives notice under this Article IX, any expenses (including, without limitation, attorneys' fees) incurred by or on behalf of Indemnitee in defending an action, suit, proceeding or investigation or any appeal therefrom shall be paid by the Corporation in advance of the final disposition of such matter to the fullest extent permitted by law; *provided, however*, that, to the extent required by law, the payment of such expenses incurred by or on behalf of Indemnitee in advance of the final disposition of such matter shall be made only upon receipt of an undertaking by or on

behalf of Indemnitee to repay all amounts so advanced in the event that it shall ultimately be determined by final judicial decision from which there is no further right to appeal that Indemnitee is not entitled to be indemnified by the Corporation as authorized in this Article IX or otherwise; and *provided further* that no such advancement of expenses shall be made under this Article IX if it is determined (in the manner described in Section 9.6 of these bylaws) that (a) Indemnitee did not act in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the Corporation, or (b) with respect to any criminal action or proceeding, Indemnitee had reasonable cause to believe his or her conduct was unlawful. Such undertaking shall be accepted without reference to the financial ability of Indemnitee to make such repayment.

9.6 PROCEDURE FOR INDEMNIFICATION AND ADVANCEMENT OF EXPENSES.

In order to obtain indemnification or advancement of expenses pursuant to Section 9.1, 9.2, 9.3 or 9.5 of these bylaws, an Indemnitee shall submit to the Corporation a written request. Any such advancement of expenses shall be made promptly, and in any event within 60 days after receipt by the Corporation of the written request of Indemnitee, unless (a) the Corporation has assumed the defense pursuant to Section 9.4 of these bylaws (and none of the circumstances described in Section 9.4 of these bylaws that would nonetheless entitle the Indemnitee to indemnification for the fees and expenses of separate counsel have occurred) or (b) the Corporation determines within such 60-day period that Indemnitee did not meet the applicable standard of conduct set forth in Section 9.1, 9.2 or 9.5 of these bylaws, as the case may be. Any such indemnification, unless ordered by a court, shall be made with respect to requests under Section 9.1 or 9.2 of these bylaws only as authorized in the specific case upon a determination by the Corporation that the indemnification of Indemnitee is proper because Indemnitee has met the applicable standard of conduct set forth in Section 9.1 or 9.2 of these bylaws, as the case may be. Such determination shall be made in each instance (a) by a majority vote of the directors of the Corporation consisting of persons who are not at that time parties to the action, suit or proceeding in question ("disinterested directors"), whether or not a quorum, (b) by a committee of disinterested directors designated by majority vote of disinterested directors, whether or not a quorum, (c) if there are no disinterested directors, or if the disinterested directors so direct, by independent legal counsel (who may, to the extent permitted by law, be regular legal counsel to the Corporation) in a written opinion or (d) by the stockholders of the Corporation.

9.7 REMEDIES.

To the fullest extent permitted by law, the right to indemnification or advancement of expenses as granted by this Article IX shall be enforceable by Indemnitee in any court of competent jurisdiction. Neither the failure of the Corporation to have made a determination prior to the commencement of such action that indemnification is proper in the circumstances because

Indemnitee has met the applicable standard of conduct, nor an actual determination by the Corporation pursuant to Section 9.6 of these bylaws that Indemnitee has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that Indemnitee has not met the applicable standard of conduct. In any suit brought by Indemnitee to enforce a right to indemnification or advancement, or brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the Corporation shall have the burden of proving that Indemnitee is not entitled to be indemnified, or to such advancement of expenses, under this Article IX. Indemnitee's expenses (including, without limitation, attorneys' fees) reasonably incurred in connection with successfully establishing Indemnitee's right to indemnification or advancement, in whole or in part, in any such proceeding shall also be indemnified by the Corporation to the fullest extent permitted by law. Notwithstanding the foregoing, in any suit brought by Indemnitee to enforce a right to indemnification hereunder it shall be a defense that the Indemnitee has not met any applicable standard for indemnification set forth in the DGCL.

9.8 LIMITATIONS.

Notwithstanding anything to the contrary in this Article IX, except as set forth in Section 9.7 of these bylaws, the Corporation shall not indemnify an Indemnitee pursuant to this Article IX in connection with a proceeding (or part thereof) initiated by such Indemnitee unless the initiation thereof was approved by the Board. Notwithstanding anything to the contrary in this Article IX, the Corporation shall not indemnify (or advance expenses to) an Indemnitee to the extent such Indemnitee is reimbursed (or advanced expenses) from the proceeds of insurance, and in the event the Corporation makes any indemnification (or advancement) payments to an Indemnitee and such Indemnitee is subsequently reimbursed from the proceeds of insurance, such Indemnitee shall promptly refund indemnification (or advancement) payments to the Corporation to the extent of such insurance reimbursement.

9.9 SUBSEQUENT AMENDMENT.

No amendment, termination or repeal of this Article IX or of the relevant provisions of the DGCL or any other applicable laws shall adversely affect or diminish in any way the rights of any Indemnitee to indemnification or advancement of expenses under the provisions hereof with respect to any action, suit, proceeding or investigation arising out of or relating to any actions, transactions or facts occurring prior to the final adoption of such amendment, termination or repeal.

9.10 OTHER RIGHTS.

The indemnification and advancement of expenses provided by this Article IX shall not be deemed exclusive of any other rights to which an Indemnitee seeking indemnification or advancement of expenses may be entitled under any law (common or statutory), agreement or vote of stockholders or disinterested directors or otherwise, both as to action in Indemnitee's

official capacity and as to action in any other capacity while holding office for the Corporation, and shall continue as to an Indemnitee who has ceased to be a director or officer, and shall inure to the benefit of the estate, heirs, executors and administrators of Indemnitee. Nothing contained in this Article IX shall be deemed to prohibit, and the Corporation is specifically authorized to enter into, agreements with officers and directors providing indemnification and advancement rights and procedures different from those set forth in this Article IX. In addition, the Corporation may, to the extent authorized from time to time by the Board, grant indemnification and advancement rights to other employees or agents of the Corporation or other persons serving the Corporation and such rights may be equivalent to, or greater or less than, those set forth in this Article IX.

9.11 PARTIAL INDEMNIFICATION.

If an Indemnitee is entitled under any provision of this Article IX to indemnification by the Corporation for some or a portion of the expenses (including, without limitation, attorneys' fees), liabilities, losses, judgments, fines (including, without limitation, excise taxes and penalties arising under the Employee Retirement Income Security Act of 1974, as amended) or amounts paid in settlement actually and reasonably incurred by or on behalf of Indemnitee in connection with any action, suit, proceeding or investigation and any appeal therefrom but not, however, for the total amount thereof, the Corporation shall nevertheless indemnify Indemnitee for the portion of such expenses (including, without limitation, attorneys' fees), liabilities, losses, judgments, fines (including, without limitation, excise taxes and penalties arising under the Employee Retirement Income Security Act of 1974, as amended) or amounts paid in settlement to which Indemnitee is entitled.

9.12 INSURANCE.

The Corporation may purchase and maintain insurance, at its expense, to protect itself and any director, officer, employee or agent of the Corporation or another corporation, partnership, joint venture, trust or other enterprise (including, without limitation, any employee benefit plan) against any expense, liability or loss incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the DGCL.

9.13 SAVINGS CLAUSE.

If this Article IX or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the Corporation shall nevertheless indemnify each Indemnitee as to any expenses (including, without limitation, attorneys' fees), liabilities, losses, judgments, fines (including, without limitation, excise taxes and penalties arising under the Employee Retirement Income Security Act of 1974, as amended) and amounts paid in settlement in connection with any action, suit, proceeding or investigation, whether civil, criminal or administrative, including, without limitation, an action by or in the right of the Corporation, to the fullest extent permitted by any applicable portion of this Article IX that shall not have been invalidated and to the fullest extent permitted by applicable law.

9.14 DEFINITIONS.

Terms used in this Article IX and defined in Section 145(h) and Section 145(i) of the DGCL shall have the respective meanings assigned to such terms in such Section 145(h) and Section 145(i).

ARTICLE X - AMENDMENTS.

Subject to the limitations set forth in Section 9.9 of these bylaws or the provisions of the certificate of incorporation, the Board is expressly empowered to adopt, amend or repeal the bylaws of the Corporation. The stockholders also shall have power to adopt, amend or repeal the bylaws of the Corporation; *provided*, *however*, that, in addition to any vote of the holders of any class or series of stock of the Corporation required by law or by the certificate of incorporation, such action by stockholders shall require the affirmative vote of the holders of at least two-thirds in voting power of the outstanding shares of capital stock of the Corporation entitled to vote thereon.

Exhibit 4.1

Execution Version

FOURTH AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT

THIS FOURTH AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT (the "**Agreement**") is made as of February 9, 2018, by and among Evelo Biosciences, Inc., a Delaware corporation (the "**Company**"), and each of the investors listed on Schedule A hereto (each, an "**Investor**," and together with any subsequent investors, or transferees, who become parties hereto as "Investors" pursuant to Subsection 6.9, the "**Investors**").

WHEREAS, certain of the Investors (the "**Existing Investors**") possess registration rights, information rights, rights of first offer, and other rights pursuant to a Third Amended and Restated Investors' Rights Agreement, dated as of January 5, 2017, among the Company and such Investors (the "**Prior Agreement**");

WHEREAS, the Existing Investors desire to amend and restate the Prior Agreement in its entirety and to accept the rights created pursuant to this Agreement in lieu of the rights granted to them under the Prior Agreement; and

WHEREAS, concurrently with the execution of this Agreement, the Company and certain of the Investors are entering into a Series C Preferred Stock Purchase Agreement (as the same may be amended and/or restated from time to time, the "**Purchase Agreement**"), pursuant to which such Investors have agreed to purchase shares of Series C Preferred Stock (as defined below).

NOW, THEREFORE, the Company and the Existing Investors hereby agree to amend and restate the Prior Agreement in its entirety as set forth herein, and all of the parties hereto further agree as follows:

1. Definitions. For purposes of this Agreement:

1.1 "**Affiliate**" means, with respect to any specified Person, any other Person who, directly or indirectly, controls, is controlled by, or is under common control with such Person, including without limitation any general partner, managing member, officer or director of such Person or any venture capital or other investment fund now or hereafter existing that is controlled by one or more general partners or managing members of, or shares the same management company or investment advisor with, such Person.

1.2 "**Common Stock**" means shares of the Company's common stock, par value $0.001 per share.

1.3 "**Damages**" means any loss, damage, claim, or liability (joint or several) to which a party hereto may become subject under the Securities Act, the Exchange Act, or other federal or state law, insofar as such loss, damage, claim, or liability (or any action in respect thereof) arises out of or is based upon (i) any untrue statement or alleged untrue statement of a material fact contained in any registration statement of the Company, including any preliminary prospectus or final prospectus contained therein or any amendments or supplements thereto; (ii) an omission or alleged omission to state therein a material fact required to be stated therein, or necessary to make the statements therein not misleading; or (iii) any violation or alleged violation by the indemnifying party (or any of its agents or Affiliates) of the Securities Act, the Exchange Act, any state securities law, or any rule or regulation promulgated under the Securities Act, the Exchange Act, or any state securities law.

1.4 "**Derivative Securities**" means any securities or rights convertible into, or exercisable or exchangeable for (in each case, directly or indirectly), Common Stock, including options and warrants.

1.5 "**Exchange Act**" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

1.6 "**Excluded Registration**" means (i) a registration relating to the sale of securities to employees of the Company or a subsidiary pursuant to a stock option, stock purchase, or similar plan; (ii) a registration relating to an SEC Rule 145 transaction; (iii) a registration on any form that does not include substantially the same information as would be required to be included in a registration statement covering the sale of the Registrable Securities; or (iv) a registration in which the only Common Stock being registered is Common Stock issuable upon conversion of debt securities that are also being registered.

1.7 "**Form S-1**" means such form under the Securities Act as in effect on the date hereof or any successor registration form under the Securities Act subsequently adopted by the SEC.

1.8 "**Form S-3**" means such form under the Securities Act as in effect on the date hereof or any registration form under the Securities Act subsequently adopted by the SEC that permits incorporation of substantial information by reference to other documents filed by the Company with the SEC.

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

1.10 "**Holder**" means any holder of Registrable Securities who is a party to this Agreement.

1.11 "**Immediate Family Member**" means a child, stepchild, grandchild, parent, stepparent, grandparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law, including adoptive relationships, of a natural person referred to herein.

1.12 "**Initiating Holders**" means, collectively, Holders who properly initiate a registration request under this Agreement.

1.13 "**IPO**" means the Company's first underwritten public offering of its Common Stock under the Securities Act.

1.14 "**Key Employee**" means any executive-level employee (including division director and vice president-level positions) as well as any employee who, either alone or in concert with others, develops, invents, programs, or designs any Company Intellectual Property (as defined in the Purchase Agreement).

1.15 "**Major Investor**" means any Investor that, individually or together with such Investor's Affiliates, holds at least 862,068 shares of Series C Preferred Stock (as adjusted for any stock split, stock dividend, combination, or other recapitalization or reclassification effected after the date hereof).

1.16 "**New Securities**" means, collectively, equity securities of the Company, whether or not currently authorized, as well as rights, options, or warrants to purchase such equity securities, or securities of any type whatsoever that are, or may become, convertible or exchangeable into or exercisable for such equity securities.

1.17 "**Person**" means any individual, corporation, partnership, trust, limited liability company, association or other entity.

1.18 "**Preferred Director**" means any director of the Company that the holders of record of the Preferred Stock are entitled to elect as a separate class pursuant to the Company's Certificate of Incorporation.

1.19 "**Preferred Stock**" means shares of Series A Preferred Stock, Series A-1 Preferred Stock, Series A-2 Preferred Stock, Series A-3 Preferred Stock, Series B Preferred Stock and Series C Preferred Stock.

1.20 "**Registrable Securities**" means (i) the Common Stock issuable or issued upon conversion of the Preferred Stock; (ii) any Common Stock, or any Common Stock issued or issuable (directly or indirectly) upon conversion and/or exercise of any other securities of the Company, held by the Investors as of the date hereof or acquired by the Investors after the date hereof; and (iii) any Common Stock issued as (or issuable upon the conversion or exercise of any warrant, right, or other security that is issued as) a dividend or other distribution with respect to, or in exchange for or in replacement of, the shares referenced in clause (i) and (ii) above; excluding in all cases, however, any Registrable Securities sold by a Person in a transaction in which the applicable rights under this Agreement are not assigned pursuant to Subsection 6.1, and excluding for purposes of Section 2 any shares for which registration rights have terminated pursuant to Subsection 2.13 of this Agreement.

1.21 "**Registrable Securities then outstanding**" means the number of shares determined by adding the number of shares of outstanding Common Stock that are Registrable Securities and the number of shares of Common Stock issuable (directly or indirectly) pursuant to then exercisable and/or convertible securities that are Registrable Securities.

1.22 "**Restricted Securities**" means the securities of the Company required to be notated with the legend set forth in Subsection 2.12(b) hereof.

1.23 "**SEC**" means the Securities and Exchange Commission.

1.24 "**SEC Rule 144**" means Rule 144 promulgated by the SEC under the Securities Act.

1.25 "**SEC Rule 145**" means Rule 145 promulgated by the SEC under the Securities Act.

1.26 "**Securities Act**" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

1.27 "**Selling Expenses**" means all underwriting discounts, selling commissions, and stock transfer taxes applicable to the sale of Registrable Securities, and fees and disbursements of counsel for any Holder, except for the fees and disbursements of the Selling Holder Counsel borne and paid by the Company as provided in Subsection 2.6.

1.28 "**Series A Preferred Stock**" means shares of the Company's Series A Preferred Stock, par value $0.001 per share.

1.29 "**Series A-1 Preferred Stock**" means shares of the Company's Series A-1 Preferred Stock, par value $0.001 per share.

1.30 "**Series A-2 Preferred Stock**" means shares of the Company's Series A-2 Preferred Stock, par value $0.001 per share.

1.31 "**Series A-3 Preferred Stock**" means shares of the Company's Series A-3 Preferred Stock, par value $0.001 per share.

1.32 "**Series B Preferred Stock**" means shares of the Company's Series B Preferred Stock, par value $0.001 per share.

1.33 "**Series C Preferred Stock**" means shares of the Company's Series C Preferred Stock, par value $0.001 per share.

2. Registration Rights. The Company covenants and agrees as follows:

2.1 Demand Registration.

(a) Form S-1 Demand. If at any time after the earlier of (i) five (5) years after the date of this Agreement or (ii) one hundred eighty (180) days after the effective date of the registration statement for the IPO, the Company receives a request from Holders of a majority of the Registrable Securities then outstanding that the Company file a Form S-1 registration statement for which the anticipated aggregate offering price would exceed $5,000,000, then the Company shall (i) within ten (10) days after the date such request is given, give notice thereof (the "**Demand Notice**") to all Holders other than the Initiating Holders; and (ii) as soon as practicable, and in any event within sixty (60) days after the date such request is given by the Initiating Holders, file a Form S-1 registration statement under the Securities Act covering all Registrable Securities that the Initiating Holders requested to be registered and any additional Registrable Securities requested to be included in such registration by any other Holders, as specified by notice given by each such Holder to the Company within twenty (20) days of the date the Demand Notice is given, and in each case, subject to the limitations of Subsection 2.1(c) and Subsection 2.3.

(b) Form S-3 Demand. If at any time when it is eligible to use a Form S-3 registration statement, the Company receives a request from Holders of at least thirty percent (30%) of the Registrable Securities then outstanding that the Company file a Form S-3 registration statement with respect to outstanding Registrable Securities of such Holders having an anticipated

aggregate offering price of at least $5,000,000, then the Company shall (i) within ten (10) days after the date such request is given, give a Demand Notice to all Holders other than the Initiating Holders; and (ii) as soon as practicable, and in any event within forty-five (45) days after the date such request is given by the Initiating Holders, file a Form S-3 registration statement under the Securities Act covering all Registrable Securities requested to be included in such registration by any other Holders, as specified by notice given by each such Holder to the Company within twenty (20) days of the date the Demand Notice is given, and in each case, subject to the limitations of Subsection 2.1(c) and Subsection 2.3.

(c) Notwithstanding the foregoing obligations, if the Company furnishes to Holders requesting a registration pursuant to this Subsection 2.1 a certificate signed by the Company's chief executive officer stating that in the good faith judgment of the Company's Board of Directors it would be materially detrimental to the Company and its stockholders for such registration statement to either become effective or remain effective for as long as such registration statement otherwise would be required to remain effective, because such action would (i) materially interfere with a significant acquisition, corporate reorganization, or other similar transaction involving the Company; (ii) require premature disclosure of material information that the Company has a bona fide business purpose for preserving as confidential; or (iii) render the Company unable to comply with requirements under the Securities Act or Exchange Act, then the Company shall have the right to defer taking action with respect to such filing, and any time periods with respect to filing or effectiveness thereof shall be tolled correspondingly, for a period of not more than ninety (90) days after the request of the Initiating Holders is given; provided, however, that the Company may not invoke this right more than once in any twelve (12) month period; and provided further that the Company shall not register any securities for its own account or that of any other stockholder during such ninety (90) day period other than an Excluded Registration.

(d) The Company shall not be obligated to effect, or to take any action to effect, any registration pursuant to Subsection 2.1(a)(i) during the period that is sixty (60) days before the Company's good faith estimate of the date of filing of, and ending on a date that is one hundred eighty (180) days after the effective date of, a Company-initiated registration, provided, that the Company is actively employing in good faith commercially reasonable efforts to cause such registration statement to become effective; (ii) after the Company has effected two registrations pursuant to Subsection 2.1(a); or (iii) if the Initiating Holders propose to dispose of shares of Registrable Securities that may be immediately registered on Form S-3 pursuant to a request made pursuant to Subsection 2.1(b). The Company shall not be obligated to effect, or to take any action to effect, any registration pursuant to Subsection 2.1(b) (i) during the period that is thirty (30) days before the Company's good faith estimate of the date of filing of, and ending on a date that is ninety (90) days after the effective date of, a Company-initiated registration, provided, that the Company is actively employing in good faith commercially reasonable efforts to cause such registration statement to become effective; or (ii) if the Company has effected two registrations pursuant to Subsection 2.1(b) within the twelve (12) month period immediately preceding the date of such request. A registration shall not be counted as "effected" for purposes of this Subsection 2.1(d) until such time as the applicable registration statement has been declared effective by the SEC, unless the Initiating Holders withdraw their request for such registration, elect not to pay the registration expenses therefor, and forfeit their right to one demand registration statement pursuant to Subsection 2.6, in which case such withdrawn registration statement shall be counted as "effected" for purposes of this Subsection 2.1(d).

2.2 Company Registration. If the Company proposes to register (including, for this purpose, a registration effected by the Company for stockholders other than the Holders) any of its securities under the Securities Act in connection with the public offering of such securities solely for cash (other than in an Excluded Registration or the IPO), the Company shall, at such time, promptly give each Holder notice of such registration. Upon the request of each Holder given within twenty (20) days after such notice is given by the Company, the Company shall, subject to the provisions of Subsection 2.3, cause to be registered all of the Registrable Securities that each such Holder has requested to be included in such registration. The Company shall have the right to terminate or withdraw any registration initiated by it under this Subsection 2.2 before the effective date of such registration, whether or not any Holder has elected to include Registrable Securities in such registration. The expenses (other than Selling Expenses) of such withdrawn registration shall be borne by the Company in accordance with Subsection 2.6.

2.3 Underwriting Requirements.

(a) If, pursuant to Subsection 2.1, the Initiating Holders intend to distribute the Registrable Securities covered by their request by means of an underwriting, they shall so advise the Company as a part of their request made pursuant to Subsection 2.1, and the Company shall include such information in the Demand Notice. The underwriter(s) will be selected by a majority in interest of the Initiating Holders, subject only to the reasonable approval of the Company. In such event, the right of any Holder to include such Holder's Registrable Securities in such registration shall be conditioned upon such Holder's participation in such underwriting and the inclusion of such Holder's Registrable Securities in the underwriting to the extent provided herein. All Holders proposing to distribute their securities through such underwriting shall (together with the Company as provided in Subsection 2.4(e)) enter into an underwriting agreement in customary form with the underwriter(s) selected for such underwriting. Notwithstanding any other provision of this Subsection 2.3, if the managing underwriter(s) advise(s) the Initiating Holders in writing that marketing factors require a limitation on the number of shares to be underwritten, then the Initiating Holders shall so advise all Holders of Registrable Securities that otherwise would be underwritten pursuant hereto, and the number of Registrable Securities that may be included in the underwriting shall be allocated among such Holders of Registrable Securities, including the Initiating Holders, in proportion (as nearly as practicable) to the number of Registrable Securities owned by each Holder or in such other proportion as shall mutually be agreed to by all such selling Holders; provided, however, that the number of Registrable Securities held by the Holders to be included in such underwriting shall not be reduced unless all other securities are first entirely excluded from the underwriting. To facilitate the allocation of shares in accordance with the above provisions, the Company or the underwriters may round the number of shares allocated to any Holder to the nearest one hundred (100) shares.

(b) In connection with any offering involving an underwriting of shares of the Company's capital stock pursuant to Subsection 2.2, the Company shall not be required to include any of the Holders' Registrable Securities in such underwriting unless the Holders accept the terms of the underwriting as agreed upon between the Company and its underwriters, and then only in such quantity as the underwriters in their sole discretion determine will not jeopardize the success of the offering by the Company. If the total number of securities, including Registrable Securities, requested by stockholders to be included in such offering exceeds the number of securities to be sold (other than by the Company) that the underwriters in their reasonable

discretion determine is compatible with the success of the offering, then the Company shall be required to include in the offering only that number of such securities, including Registrable Securities, which the underwriters and the Company in their sole discretion determine will not jeopardize the success of the offering. If the underwriters determine that less than all of the Registrable Securities requested to be registered can be included in such offering, then the Registrable Securities that are included in such offering shall be allocated among the selling Holders in proportion (as nearly as practicable to) the number of Registrable Securities owned by each selling Holder or in such other proportions as shall mutually be agreed to by all such selling Holders. To facilitate the allocation of shares in accordance with the above provisions, the Company or the underwriters may round the number of shares allocated to any Holder to the nearest 100 shares. Notwithstanding the foregoing, in no event shall (i) the number of Registrable Securities included in the offering be reduced unless all other securities (other than securities to be sold by the Company) are first entirely excluded from the offering, or (ii) the number of Registrable Securities included in the offering be reduced below thirty percent (30%) of the total number of securities included in such offering, unless such offering is the IPO, in which case the selling Holders may be excluded further if the underwriters make the determination described above and no other stockholder's securities are included in such offering. For purposes of the provision in this Subsection 2.3(b) concerning apportionment, for any selling Holder that is a partnership, limited liability company, or corporation, the partners, members, retired partners, retired members, stockholders, and Affiliates of such Holder, or the estates and Immediate Family Members of any such partners, retired partners, members, and retired members and any trusts for the benefit of any of the foregoing Persons, shall be deemed to be a single "selling Holder," and any pro rata reduction with respect to such "selling Holder" shall be based upon the aggregate number of Registrable Securities owned by all Persons included in such "selling Holder," as defined in this sentence.

(c) For purposes of Subsection 2.1, a registration shall not be counted as "effected" if, as a result of an exercise of the underwriter's cutback provisions in Subsection 2.3(a), fewer than fifty percent (50%) of the total number of Registrable Securities that Holders have requested to be included in such registration statement are actually included.

2.4 Obligations of the Company. Whenever required under this Section 2 to effect the registration of any Registrable Securities, the Company shall, as expeditiously as reasonably possible:

(a) prepare and file with the SEC a registration statement with respect to such Registrable Securities and use its commercially reasonable efforts to cause such registration statement to become effective and, upon the request of the Holders of a majority of the Registrable Securities registered thereunder, keep such registration statement effective for a period of up to one hundred twenty (120) days or, if earlier, until the distribution contemplated in the registration statement has been completed; provided, however, that (i) such one hundred twenty (120) day period shall be extended for a period of time equal to the period the Holder refrains, at the request of an underwriter of Common Stock (or other securities) of the Company, from selling any securities included in such registration, and (ii) in the case of any registration of Registrable Securities on Form S-3 that are intended to be offered on a continuous or delayed basis, subject to compliance with applicable SEC rules, such one hundred twenty (120) day period shall be extended, if necessary, to keep the registration statement effective until all such Registrable Securities are sold;

(b) prepare and file with the SEC such amendments and supplements to such registration statement, and the prospectus used in connection with such registration statement, as may be necessary to comply with the Securities Act in order to enable the disposition of all securities covered by such registration statement;

(c) furnish to the selling Holders such numbers of copies of a prospectus, including a preliminary prospectus, as required by the Securities Act, and such other documents as the Holders may reasonably request in order to facilitate their disposition of their Registrable Securities;

(d) use its commercially reasonable efforts to register and qualify the securities covered by such registration statement under such other securities or blue-sky laws of such jurisdictions as shall be reasonably requested by the selling Holders; provided that the Company shall not be required to qualify to do business or to file a general consent to service of process in any such states or jurisdictions, unless the Company is already subject to service in such jurisdiction and except as may be required by the Securities Act;

(e) in the event of any underwritten public offering, enter into and perform its obligations under an underwriting agreement, in usual and customary form, with the underwriter(s) of such offering;

(f) use its commercially reasonable efforts to cause all such Registrable Securities covered by such registration statement to be listed on a national securities exchange or trading system and each securities exchange and trading system (if any) on which similar securities issued by the Company are then listed;

(g) provide a transfer agent and registrar for all Registrable Securities registered pursuant to this Agreement and provide a CUSIP number for all such Registrable Securities, in each case not later than the effective date of such registration;

(h) promptly make available for inspection by the selling Holders, any managing underwriter(s) participating in any disposition pursuant to such registration statement, and any attorney or accountant or other agent retained by any such underwriter or selected by the selling Holders, all financial and other records, pertinent corporate documents, and properties of the Company, and cause the Company's officers, directors, employees, and independent accountants to supply all information reasonably requested by any such seller, underwriter, attorney, accountant, or agent, in each case, as necessary or advisable to verify the accuracy of the information in such registration statement and to conduct appropriate due diligence in connection therewith;

(i) notify each selling Holder, promptly after the Company receives notice thereof, of the time when such registration statement has been declared effective or a supplement to any prospectus forming a part of such registration statement has been filed; and

(j) after such registration statement becomes effective, notify each selling Holder of any request by the SEC that the Company amend or supplement such registration statement or prospectus.

In addition, the Company shall ensure that, at all times after any registration statement covering a public offering of securities of the Company under the Securities Act shall have become effective, its insider trading policy shall provide that the Company's directors may implement a trading program under Rule 10b5-1 of the Exchange Act.

2.5 Furnish Information. It shall be a condition precedent to the obligations of the Company to take any action pursuant to this Section 2 with respect to the Registrable Securities of any selling Holder that such Holder shall furnish to the Company such information regarding itself, the Registrable Securities held by it, and the intended method of disposition of such securities as is reasonably required to effect the registration of such Holder's Registrable Securities.

2.6 Expenses of Registration. All expenses (other than Selling Expenses) incurred in connection with registrations, filings or qualifications pursuant to Section 2, including all registration, filing, and qualification fees; printers' and accounting fees; fees and disbursements of counsel for the Company; and the reasonable fees and disbursements of one counsel for the selling Holders selected by the Holders of a majority of the Registrable Securities to be registered ("**Selling Holder Counsel**"), shall be borne and paid by the Company; provided, however, that the Company shall not be required to pay for any expenses of any registration proceeding begun pursuant to Subsection 2.1 if the registration request is subsequently withdrawn at the request of the Holders of a majority of the Registrable Securities to be registered (in which case all selling Holders shall bear such expenses pro rata based upon the number of Registrable Securities that were to be included in the withdrawn registration), unless the Holders of a majority of the Registrable Securities agree to forfeit their right to one registration pursuant to Subsection 2.1(a) or Subsection 2.1(b), as the case may be; provided further that if, at the time of such withdrawal, the Holders shall have learned of a material adverse change in the condition, business, or prospects of the Company from that known to the Holders at the time of their request and have withdrawn the request with reasonable promptness after learning of such information then the Holders shall not be required to pay any of such expenses and shall not forfeit their right to one registration pursuant to Subsection 2.1(a) or Subsection 2.1(b). All Selling Expenses relating to Registrable Securities registered pursuant to this Section 2 shall be borne and paid by the Holders pro rata on the basis of the number of Registrable Securities registered on their behalf.

2.7 Delay of Registration. No Holder shall have any right to obtain or seek an injunction restraining or otherwise delaying any registration pursuant to this Agreement as the result of any controversy that might arise with respect to the interpretation or implementation of this Section 2.

2.8 Indemnification. If any Registrable Securities are included in a registration statement under this Section 2:

(a) To the extent permitted by law, the Company will indemnify and hold harmless each selling Holder and the partners, members, officers, directors and stockholders of each such Holder; legal counsel and accountants for each such Holder; any underwriter (as defined in the Securities Act) for each such Holder; and each Person, if any, who controls such Holder or underwriter within the meaning of the Securities Act or the Exchange Act, against any Damages, and the Company will pay to each such Holder, underwriter, controlling Person or other aforementioned Person any legal or other expenses reasonably incurred thereby in connection with investigating or defending any claim or proceeding from which Damages may result, as such expenses are incurred; provided, however, that the indemnity agreement contained in this Subsection 2.8(a) shall not apply to amounts paid in settlement of any such claim or proceeding if such settlement is effected without the consent of the Company, which consent shall not be unreasonably withheld, nor shall the Company be liable for any Damages to the extent that they arise out of or are based upon actions or omissions made in reliance upon and in conformity with written information furnished by or on behalf of any such Holder, underwriter, controlling Person or other aforementioned Person expressly for use in connection with such registration.

(b) To the extent permitted by law, each selling Holder, severally and not jointly, will indemnify and hold harmless the Company, and each of its directors, each of its officers who has signed the registration statement, each Person (if any), who controls the Company within the meaning of the Securities Act, legal counsel and accountants for the Company, any underwriter (as defined in the Securities Act), any other Holder selling securities in such registration statement and any controlling Person of any such underwriter or other Holder, against any Damages, in each case only to the extent that such Damages arise out of or are based upon actions or omissions made in reliance upon and in conformity with written information furnished by or on behalf of such selling Holder expressly for use in connection with such registration; and each such selling Holder will pay to the Company and each other aforementioned Person any legal or other expenses reasonably incurred thereby in connection with investigating or defending any claim or proceeding from which Damages may result, as such expenses are incurred; provided, however, that the indemnity agreement contained in this Subsection 2.8(b) shall not apply to amounts paid in settlement of any such claim or proceeding if such settlement is effected without the consent of the Holder, which consent shall not be unreasonably withheld; and provided further that in no event shall the aggregate amounts payable by any Holder by way of indemnity or contribution under Subsections 2.8(b) and 2.8(d) exceed the proceeds from the offering received by such Holder (net of any Selling Expenses paid by such Holder), except in the case of fraud or willful misconduct by such Holder.

(c) Promptly after receipt by an indemnified party under this Subsection 2.8 of notice of the commencement of any action (including any governmental action) for which a party may be entitled to indemnification hereunder, such indemnified party will, if a claim in respect thereof is to be made against any indemnifying party under this Subsection 2.8, give the indemnifying party notice of the commencement thereof. The indemnifying party shall have the right to participate in such action and, to the extent the indemnifying party so desires, participate jointly with any other indemnifying party to which notice has been given, and to assume the defense thereof with counsel mutually satisfactory to the parties; provided, however, that an indemnified party (together with all other indemnified parties that may be represented without conflict by one counsel) shall have the right to retain one separate counsel, with the fees and expenses to be paid by the indemnifying party, if representation of such indemnified party by the counsel retained by the indemnifying party would be inappropriate due to actual or potential differing interests between such indemnified party and any other party represented by such counsel

in such action. The failure to give notice to the indemnifying party within a reasonable time of the commencement of any such action shall relieve such indemnifying party of any liability to the indemnified party under this Subsection 2.8, to the extent that such failure materially prejudices the indemnifying party's ability to defend such action. The failure to give notice to the indemnifying party will not relieve it of any liability that it may have to any indemnified party otherwise than under this Subsection 2.8.

(d) To provide for just and equitable contribution to joint liability under the Securities Act in any case in which either (i) any party otherwise entitled to indemnification hereunder makes a claim for indemnification pursuant to this Subsection 2.8 but it is judicially determined (by the entry of a final judgment or decree by a court of competent jurisdiction and the expiration of time to appeal or the denial of the last right of appeal) that such indemnification may not be enforced in such case, notwithstanding the fact that this Subsection 2.8 provides for indemnification in such case, or (ii) contribution under the Securities Act may be required on the part of any party hereto for which indemnification is provided under this Subsection 2.8, then, and in each such case, such parties will contribute to the aggregate losses, claims, damages, liabilities or expenses to which they may be subject (after contribution from others) in such proportion as is appropriate to reflect the relative fault of each of the indemnifying party and the indemnified party in connection with the statements, omissions, or other actions that resulted in such loss, claim, damage, liability or expense, as well as to reflect any other relevant equitable considerations. The relative fault of the indemnifying party and of the indemnified party shall be determined by reference to, among other things, whether the untrue or allegedly untrue statement of a material fact, or the omission or alleged omission of a material fact, relates to information supplied by the indemnifying party or by the indemnified party and the parties' relative intent, knowledge, access to information, and opportunity to correct or prevent such statement or omission; provided, however, that, in any such case, (x) no Holder will be required to contribute any amount in excess of the public offering price of all such Registrable Securities offered and sold by such Holder pursuant to such registration statement, and (y) no Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) will be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation; and provided further that in no event shall a Holder's liability pursuant to this Subsection 2.8(d), when combined with the amounts paid or payable by such Holder pursuant to Subsection 2.8(b), exceed the proceeds from the offering received by such Holder (net of any Selling Expenses paid by such Holder), except in the case of willful misconduct or fraud by such Holder.

(e) Notwithstanding the foregoing, to the extent that the provisions on indemnification and contribution contained in the underwriting agreement entered into in connection with the underwritten public offering are in conflict with the foregoing provisions, the provisions in the underwriting agreement shall control.

(f) Unless otherwise superseded by an underwriting agreement entered into in connection with the underwritten public offering, the obligations of the Company and Holders under this Subsection 2.8 shall survive the completion of any offering of Registrable Securities in a registration under this Section 2, and otherwise shall survive the termination of this Agreement.

2.9 Reports Under Exchange Act. With a view to making available to the Holders the benefits of SEC Rule 144 and any other rule or regulation of the SEC that may at any time permit a Holder to sell securities of the Company to the public without registration or pursuant to a registration on Form S-3, the Company shall:

(a) make and keep available adequate current public information, as those terms are understood and defined in SEC Rule 144, at all times after the effective date of the registration statement filed by the Company for the IPO;

(b) use commercially reasonable efforts to file with the SEC in a timely manner all reports and other documents required of the Company under the Securities Act and the Exchange Act (at any time after the Company has become subject to such reporting requirements); and

(c) furnish to any Holder, so long as the Holder owns any Registrable Securities, forthwith upon request (i) to the extent accurate, a written statement by the Company that it has complied with the reporting requirements of SEC Rule 144 (at any time after ninety (90) days after the effective date of the registration statement filed by the Company for the IPO), the Securities Act and the Exchange Act (at any time after the Company has become subject to such reporting requirements), or that it qualifies as a registrant whose securities may be resold pursuant to Form S 3 (at any time after the Company so qualifies); (ii) a copy of the most recent annual or quarterly report of the Company and such other reports and documents so filed by the Company; and (iii) such other information as may be reasonably requested in availing any Holder of any rule or regulation of the SEC that permits the selling of any such securities without registration (at any time after the Company has become subject to the reporting requirements under the Exchange Act) or pursuant to Form S-3 (at any time after the Company so qualifies to use such form).

2.10 Limitations on Subsequent Registration Rights. From and after the date of this Agreement, the Company shall not, without the prior written consent of the Holders of at least fifty percent (50%) of the Registrable Securities then outstanding, enter into any agreement with any holder or prospective holder of any securities of the Company that (i) would provide to such holder the right to include securities in any registration on other than a subordinate basis after all Holders have had the opportunity to include in the registration and offering all shares of Registrable Securities that they wish to so include or (ii) allow such holder or prospective holder to initiate a demand for registration of any securities held by such holder or prospective holder; provided that this limitation shall not apply to any additional Investor who becomes a party to this Agreement in accordance with Subsection 6.9.

2.11 "Market Stand off" Agreement. Each Holder hereby agrees that it will not, without the prior written consent of the managing underwriter, during the period commencing on the date of the final prospectus relating to the IPO and ending on the date specified by the Company and the managing underwriter (such period not to exceed one hundred eighty (180) days plus such additional period up to eighteen (18) additional days as may be requested by the Company or an underwriter to accommodate regulatory restrictions on (1) the publication or other distribution of research reports and (2) analyst recommendations and opinions, including, but not limited to, the restrictions contained in FINRA Rule 2711(f)(4) or NYSE Rule 472(f)(4), or any successor provisions or amendments thereto), (i) lend; offer; pledge; sell; contract to sell; sell any option or

contract to purchase; purchase any option or contract to sell; grant any option, right, or warrant to purchase; or otherwise transfer or dispose of, directly or indirectly, any shares of Common Stock or any securities convertible into or exercisable or exchangeable (directly or indirectly) for Common Stock held immediately before the effective date of the registration statement for such offering or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of such securities, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Common Stock or other securities, in cash, or otherwise. The foregoing provisions of this Subsection 2.11 shall apply only to the IPO, shall not apply to the sale of any shares to an underwriter pursuant to an underwriting agreement for such IPO and shall be applicable to the Holders only if all officers and directors of the Company and holders of at least five percent (5%) of the outstanding Common Stock (after giving effect to conversion into Common Stock of all outstanding shares of Preferred Stock) are subject to the same restrictions. The underwriters in connection with such registration are intended third party beneficiaries of this Subsection 2.11 and shall have the right, power and authority to enforce the provisions hereof as though they were a party hereto. Each Holder further agrees to execute such agreements as may be reasonably requested by the underwriters in connection with such registration that are consistent with this Subsection 2.11 or that are necessary to give further effect thereto.

2.12 Restrictions on Transfer.

(a) The Preferred Stock and the Registrable Securities shall not be sold, pledged, or otherwise transferred in violation of this Agreement, and the Company shall not recognize and shall issue stop-transfer instructions to its transfer agent with respect to any such sale, pledge, or transfer, except upon the conditions specified in this Agreement, which conditions are intended to ensure compliance with the provisions of the Securities Act. A transferring Holder will cause any proposed purchaser, pledgee, or transferee of the Preferred Stock and the Registrable Securities held by such Holder to agree to take and hold such securities subject to the provisions and upon the conditions specified in this Agreement.

(b) Each certificate, instrument or book entry representing (i) the Preferred Stock, (ii) the Registrable Securities, and (iii) any other securities issued in respect of the securities referenced in clauses (i) and (ii), upon any stock split, stock dividend, recapitalization, merger, consolidation, or similar event, shall (unless otherwise permitted by the provisions of Subsection 2.12(c)) be notated with a legend substantially in the following form:

THE SECURITIES REPRESENTED HEREBY HAVE BEEN ACQUIRED FOR INVESTMENT AND HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED. SUCH SHARES MAY NOT BE SOLD, PLEDGED, OR TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR A VALID EXEMPTION FROM THE REGISTRATION AND PROSPECTUS DELIVERY REQUIREMENTS OF SAID ACT.

THE SECURITIES REPRESENTED HEREBY MAY BE TRANSFERRED ONLY IN ACCORDANCE WITH THE TERMS OF AN AGREEMENT BETWEEN THE COMPANY AND THE STOCKHOLDER, A COPY OF WHICH IS ON FILE WITH THE SECRETARY OF THE COMPANY.

The Holders consent to the Company making a notation in its records and giving instructions to any transfer agent of the Restricted Securities in order to implement the restrictions on transfer set forth in this Subsection 2.12.

(c) The holder of such Restricted Securities, by acceptance thereof, agrees to comply in all respects with the provisions of this Section 2. Before any proposed sale, pledge or transfer of any Restricted Securities, unless there is in effect a registration statement under the Securities Act covering the proposed transaction, the Holder thereof shall give notice to the Company of such Holder's intention to effect such sale, pledge or transfer. Each such notice shall describe the manner and circumstances of the proposed sale, pledge or transfer in sufficient detail and, if reasonably requested by the Company, shall be accompanied at such Holder's expense by either (i) a written opinion of legal counsel who shall, and whose legal opinion shall, be reasonably satisfactory to the Company, addressed to the Company, to the effect that the proposed transaction may be effected without registration under the Securities Act; (ii) a "no action" letter from the SEC to the effect that the proposed sale, pledge or transfer of such Restricted Securities without registration will not result in a recommendation by the staff of the SEC that action be taken with respect thereto; or (iii) any other evidence reasonably satisfactory to counsel to the Company to the effect that the proposed sale, pledge or transfer of the Restricted Securities may be effected without registration under the Securities Act, whereupon the Holder of such Restricted Securities shall be entitled to sell, pledge or transfer such Restricted Securities in accordance with the terms of the notice given by the Holder to the Company. The Company will not require such a legal opinion or "no action" letter (x) in any transaction in compliance with SEC Rule 144 or (y) in any transaction in which such Holder distributes Restricted Securities to an Affiliate of such Holder for no consideration; provided that each transferee agrees in writing to be subject to the terms of this Subsection 2.12. Each certificate, instrument or book entry representing the Restricted Securities transferred as above provided shall be notated with, except if such transfer is made pursuant to SEC Rule 144, the appropriate restrictive legend set forth in Subsection 2.12(b), except that such certificate, instrument or book entry shall not be notated with such restrictive legend if, in the opinion of counsel for such Holder and the Company, such legend is not required in order to establish compliance with any provisions of the Securities Act.

2.13 Termination of Registration Rights. The right of any Holder to request registration or inclusion of Registrable Securities in any registration pursuant to Subsection 2.1 or Subsection 2.2 shall terminate upon the earliest to occur of:

(a) immediately before the closing of a Deemed Liquidation Event, as such term is defined in the Company's Certificate of Incorporation;

(b) such time after the IPO as SEC Rule 144 or another similar exemption under the Securities Act is available for the sale of all of such Holder's shares without limitation during a three-month period without registration; and

(c) the seventh (7^{th}) anniversary of the IPO.

3. Information and Observer Rights.

3.1 Delivery of Financial Statements. The Company shall deliver to each Major Investor, provided that the Board of Directors has not reasonably determined that such Major Investor is (or, in the case of a Major Investor that is an individual, is employed by or serves as a consultant to) a competitor of the Company:

(a) as soon as practicable, but in any event within one hundred twenty (120) days after the end of each fiscal year of the Company, (i) a balance sheet as of the end of such year, (ii) statements of income and of cash flows for such year, and a comparison between (x) the actual amounts as of and for such fiscal year and (y) the comparable amounts for the prior year and as included in the Budget (as defined in Subsection 3.1(e)) for such year, with an explanation of any material differences between such amounts and a schedule as to the sources and applications of funds for such year, and (iii) a statement of stockholders' equity as of the end of such year, all such financial statements audited and certified by independent public accountants selected by the Company and approved by the Board of Directors, including the Preferred Directors;

(b) as soon as practicable, but in any event within forty-five (45) days after the end of each of the first three (3) quarters of each fiscal year of the Company, unaudited statements of income and of cash flows for such fiscal quarter, and an unaudited balance sheet and a statement of stockholders' equity as of the end of such fiscal quarter, all prepared in accordance with GAAP (except that such financial statements may (i) be subject to normal year-end audit adjustments and (ii) not contain all notes thereto that may be required in accordance with GAAP);

(c) as soon as practicable, but in any event within forty-five (45) days after the end of each of the first three (3) quarters of each fiscal year of the Company, a statement showing the number of shares of each class and series of capital stock and securities convertible into or exercisable for shares of capital stock outstanding at the end of the period, the Common Stock issuable upon conversion or exercise of any outstanding securities convertible or exercisable for Common Stock and the exchange ratio or exercise price applicable thereto, and the number of shares of issued stock options and stock options not yet issued but reserved for issuance, if any, all in sufficient detail as to permit any Major Investor to calculate its percentage equity ownership in the Company, and certified by the chief financial officer or chief executive officer of the Company as being true, complete and correct;

(d) as soon as practicable, but in any event thirty (30) days before the end of each fiscal year, a budget and business plan for the next fiscal year (collectively, the "**Budget**"), approved by the Board of Directors and prepared on a quarterly basis, including balance sheets, income statements, and statements of cash flow for such quarters and, promptly after prepared, any other budgets or revised budgets prepared by the Company; and

(e) such other information relating to the financial condition, business, prospects or corporate affairs of the Company as any Major Investor may from time to time reasonably request; provided, however, that the Company shall not be obligated under this Subsection 3.1 to provide information (i) that the Company reasonably determines in good faith to be a trade secret or confidential information (unless covered by an enforceable confidentiality agreement, in form acceptable to the Company) or (ii) the disclosure of which would adversely affect the attorney-client privilege between the Company and its counsel.

If, for any period, the Company has any subsidiary whose accounts are consolidated with those of the Company, then in respect of such period the financial statements delivered pursuant to the foregoing sections shall be the consolidated and consolidating financial statements of the Company and all such consolidated subsidiaries.

Notwithstanding anything else in this Subsection 3.1 to the contrary, the Company may cease providing the information set forth in this Subsection 3.1 during the period starting with the date sixty (60) days before the Company's good-faith estimate of the date of filing of a registration statement if it reasonably concludes it must do so to comply with the SEC rules applicable to such registration statement and related offering; provided that the Company's covenants under this Subsection 3.1 shall be reinstated at such time as the Company is no longer actively employing its commercially reasonable efforts to cause such registration statement to become effective.

3.2 Inspection. The Company shall permit each Major Investor (provided that the Board of Directors has not reasonably determined that such Major Investor is, or, in the case of a Major Investor that is an individual, is employed by or serves as a consultant to, a competitor of the Company), at such Major Investor's expense, to visit and inspect the Company's properties; examine its books of account and records; and discuss the Company's affairs, finances, and accounts with its officers, during normal business hours of the Company as may be reasonably requested by the Major Investor; provided, however, that the Company shall not be obligated pursuant to this Subsection 3.2 to provide access to any information that it reasonably and in good faith considers to be a trade secret or confidential information (unless covered by an enforceable confidentiality agreement, in form acceptable to the Company) or the disclosure of which would adversely affect the attorney-client privilege between the Company and its counsel.

3.3 Termination of Information Rights. The covenants set forth in Subsection 3.1 and Subsection 3.2 shall terminate and be of no further force or effect (i) immediately before the consummation of the IPO, (ii) when the Company first becomes subject to the periodic reporting requirements of Section 12(g) or 15(d) of the Exchange Act, or (iii) immediately before a Deemed Liquidation Event, as such term is defined in the Company's Certificate of Incorporation, whichever event occurs first.

3.4 Confidentiality. Each Investor agrees that such Investor will keep confidential and will not disclose, divulge or use for any purpose (other than to monitor its investment in the Company) any confidential information obtained from the Company pursuant to the terms of this Agreement (including notice of the Company's intention to file a registration statement), unless such confidential information (a) is known or becomes known to the public in general (other than as a result of a breach of this Subsection 3.4 by such Investor), (b) is or has been independently developed or conceived by any Investor without use of the Company's confidential information, or (c) is or has been made known or disclosed to any Investor by a third party without a breach of any obligation of confidentiality such third party may have to the Company; provided, however, that an Investor may disclose confidential information (i) to its attorneys, accountants, consultants, and other professionals to the extent necessary to obtain their services in connection with monitoring its investment in the Company; (ii) to any prospective

purchaser of any Registrable Securities from such Investor, if such prospective purchaser agrees to be bound by the provisions of this Subsection 3.4; (iii) to any existing or prospective Affiliate, partner, member, stockholder or wholly owned subsidiary of such Investor in the ordinary course of business, provided that such Investor informs such Person that such information is confidential and directs such Person to maintain the confidentiality of such information; or (iv) as may otherwise be required by law, provided that such Investor promptly notifies the Company of such disclosure and takes reasonable steps to minimize the extent of any such required disclosure.

4. Rights to Future Stock Issuances.

4.1 Right of First Offer. Subject to the terms and conditions of this Subsection 4.1 and applicable securities laws, if the Company proposes to offer or sell any New Securities, the Company shall first offer such New Securities to each Major Investor. A Major Investor shall be entitled to apportion the right of first offer hereby granted to it among itself and its Affiliates in such proportions as it deems appropriate.

(a) The Company shall give notice (the "**Offer Notice**") to each Major Investor, stating (i) its bona fide intention to offer such New Securities, (ii) the number of such New Securities to be offered, and (iii) the price and terms, if any, upon which it proposes to offer such New Securities.

(b) By notification to the Company within twenty (20) days after the Offer Notice is given, each Major Investor may elect to purchase or otherwise acquire, at the price and on the terms specified in the Offer Notice, up to that portion of such New Securities which equals the proportion that the Common Stock then held, or issuable (directly or indirectly) upon conversion and/or exercise, as applicable, of the Preferred Stock and any other Derivative Securities then held, by such Major Investor bears to the total Common Stock of the Company then outstanding (assuming full conversion and/or exercise, as applicable, of all Preferred Stock and other Derivative Securities). At the expiration of such twenty (20) day period, the Company shall promptly notify each Major Investor that elects to purchase or acquire all the shares available to it (each, a "**Fully Exercising Investor**") of any other Major Investor's failure to do likewise. During the ten (10) day period commencing after the Company has given such notice, each Fully Exercising Investor may, by giving notice to the Company, elect to purchase or acquire, in addition to the number of shares specified above, up to that portion of the New Securities for which Major Investors were entitled to subscribe but that were not subscribed for by the Major Investors which is equal to the proportion that the Common Stock issued and held, or issuable (directly or indirectly) upon conversion and/or exercise, as applicable, of Preferred Stock and any other Derivative Securities then held, by such Fully Exercising Investor bears to the Common Stock issued and held, or issuable (directly or indirectly) upon conversion and/or exercise, as applicable, of the Preferred Stock and any other Derivative Securities then held, by all Fully Exercising Investors who wish to purchase such unsubscribed shares. The closing of any sale pursuant to this Subsection 4.1(b) shall occur within the later of ninety (90) days of the date that the Offer Notice is given and the date of initial sale of New Securities pursuant to Subsection 4.1(c).

(c) If all New Securities referred to in the Offer Notice are not elected to be purchased or acquired as provided in Subsection 4.1(b), the Company may, during the ninety (90) day period following the expiration of the periods provided in Subsection 4.1(b), offer and sell the remaining unsubscribed portion of such New Securities to any Person or Persons at a price not less than, and upon terms no more favorable to the offeree than, those specified in the Offer Notice. If the Company does not enter into an agreement for the sale of the New Securities within such period, or if such agreement is not consummated within thirty (30) days of the execution thereof, the right provided hereunder shall be deemed to be revived and such New Securities shall not be offered unless first reoffered to the Major Investors in accordance with this Subsection 4.1.

(d) The right of first offer in this Subsection 4.1 shall not be applicable to (i) Exempted Securities (as defined in the Company's Certificate of Incorporation) or (ii) shares of Series C Preferred Stock issued after the date hereof pursuant to the Purchase Agreement.

4.2 Termination. The covenants set forth in Subsection 4.1 shall terminate and be of no further force or effect (i) immediately before the consummation of the IPO, (ii) when the Company first becomes subject to the periodic reporting requirements of Section 12(g) or 15(d) of the Exchange Act, or (iii) immediately before a Deemed Liquidation Event, as such term is defined in the Company's Certificate of Incorporation, whichever event occurs first.

5. Additional Covenants.

5.1 Insurance. The Company shall use its commercially reasonable efforts to maintain in effect, from financially sound and reputable insurers, Directors and Officers liability insurance and term "key person" insurance on the Chief Executive Officer, each in an amount and on terms and conditions satisfactory to the Board of Directors, until such time as the Board of Directors determines that such insurance should be discontinued. The key person policy shall name the Company as loss payee, and neither policy shall be cancelable by the Company without prior approval by the Board of Directors including the Preferred Directors.

5.2 Employee Agreements. The Company will cause (i) each person now or hereafter employed by it or by any subsidiary (or engaged by the Company or any subsidiary as a consultant/independent contractor) with access to confidential information and/or trade secrets to enter into a nondisclosure and proprietary rights assignment agreement and (ii) each Key Employee to enter into a one (1) year noncompetition and nonsolicitation agreement, each in a form acceptable to the Investors holding a majority of the Registrable Securities. In addition, the Company shall not amend, modify, terminate, waive, or otherwise alter, in whole or in part, any of the above-referenced agreements, any noncompetition or nonsolicitation agreement or any restricted stock agreement between the Company and any employee, without the consent of the Board of Directors, including at least one of the Preferred Directors.

5.3 Employee Stock. Unless otherwise approved by the Board of Directors, including at least one of the Preferred Directors, all future employees and consultants of the Company who purchase, receive options to purchase, or receive awards of shares of the Company's capital stock after the date hereof shall be required to execute restricted stock or option agreements, as applicable, providing for (i) vesting of shares over a four (4) year period, with the first twenty-five percent (25%) of such shares vesting following twelve (12) months of continued employment or service, and the remaining shares vesting in equal quarterly installments over the following thirty-six (36) months, and (ii) a market stand-off provision substantially similar to that

in Subsection 2.11. In addition, unless otherwise approved by the Board of Directors, including at least one of the Preferred Directors, the Company shall retain a "right of first refusal" on employee transfers until the Company's IPO and shall have the right to repurchase unvested shares at cost upon termination of employment of a holder of restricted stock.

5.4 Qualified Small Business Stock. The Company shall use commercially reasonable efforts to cause the shares of Preferred Stock issued on or prior to June 16, 2017 (the date of the last closing held under that certain Series B Preferred Stock Purchase Agreement, dated as of January 5, 2017, by and among the Company and the other parties thereto), as well as any shares into which such shares are converted, within the meaning of Section 1202(f) of the Internal Revenue Code (the "**Code**"), to constitute "qualified small business stock" as defined in Section 1202(c) of the Code; provided, however, that such requirement shall not be applicable if the Board of Directors of the Company determines, in its good-faith business judgment, that such qualification is inconsistent with the best interests of the Company. The Company shall submit to its stockholders (including the Investors) and to the Internal Revenue Service any reports that may be required under Section 1202(d)(1)(C) of the Code and the regulations promulgated thereunder. In addition, within twenty (20) business days after any Investor's written request therefor, the Company shall, at its option, either (i) deliver to such Investor a written statement indicating whether (and what portion of) such Investor's interest in the Company constitutes "qualified small business stock" as defined in Section 1202(c) of the Code or (ii) deliver to such Investor such factual information in the Company's possession as is reasonably necessary to enable such Investor to determine whether (and what portion of) such Investor's interest in the Company constitutes "qualified small business stock" as defined in Section 1202(c) of the Code.

5.5 Matters Requiring Investor Director Approval. So long as the holders of Preferred Stock are entitled to elect a Preferred Director, the Company hereby covenants and agrees with the Investors that it shall not, nor shall it permit any subsidiary to, without approval of the Board of Directors, which approval must include the affirmative vote of at least one of the Preferred Directors:

(a) make any loan or advance to, or own any stock or other securities of, any subsidiary or other corporation, partnership, or other entity unless it is wholly owned by the Company;

(b) make any loan or advance to any Person, including, without limitation, any employee or director of the Company or any subsidiary, except advances and similar expenditures in the ordinary course of business or under the terms of an employee stock or option plan approved by the Board of Directors, including at least one of the Preferred Directors;

(c) guarantee, directly or indirectly, any indebtedness except for trade accounts of the Company or any subsidiary arising in the ordinary course of business;

(d) make any investment inconsistent with any investment policy approved by the Board of Directors;

(e) incur any aggregate indebtedness in excess of $250,000 that is not already included in a budget approved by the Board of Directors, other than trade credit incurred in the ordinary course of business;

(f) otherwise enter into or be a party to any transaction with any director, officer, or employee of the Company or any "associate" (as defined in Rule 12b-2 promulgated under the Exchange Act) of any such Person, except for transactions contemplated by this Agreement and the Purchase Agreement; transactions resulting in payments to or by the Company in an aggregate amount less than $100,000 per year; or transactions made in the ordinary course of business and pursuant to reasonable requirements of the Company's business and upon fair and reasonable terms that are approved by a majority of the Board of Directors;

(g) hire, terminate, or change the compensation of the executive officers, including approving any option grants or stock awards to executive officers;

(h) change the principal business of the Company, enter new lines of business, or exit the current line of business;

(i) sell, assign, license, pledge, or encumber material technology or intellectual property, other than licenses granted in the ordinary course of business;

(j) increase the shares of Common Stock reserved for issuance under the Company's 2015 Stock Incentive Plan or adopt any other equity incentive plan; or

(k) enter into any corporate strategic relationship involving the payment, contribution, or assignment by the Company or to the Company of money or assets greater than $250,000.

5.6 Board Matters. Unless otherwise determined by the vote of a majority of the directors then in office, the Board of Directors shall meet at least quarterly in accordance with an agreed-upon schedule, unless agreed by a majority of the Board of Directors, including at least one of the Preferred Directors. The Company shall reimburse the nonemployee directors for all reasonable out-of-pocket travel expenses incurred (consistent with the Company's travel policy) in connection with attending meetings of the Board of Directors. The Company shall cause to be established, as soon as practicable after such request, and will maintain, an audit and compensation committee, each of which shall consist solely of non-management directors. Each non-employee director shall be entitled in such person's discretion to be a member of any Board committee. Each committee of the Board of Directors shall include at least one Preferred Director.

5.7 Successor Indemnification. If the Company or any of its successors or assignees consolidates with or merges into any other Person and is not the continuing or surviving corporation or entity of such consolidation or merger, then to the extent necessary, proper provision shall be made so that the successors and assignees of the Company assume the obligations of the Company with respect to indemnification of members of the Board of Directors as in effect immediately before such transaction, whether such obligations are contained in the Company's Bylaws, its Certificate of Incorporation, or elsewhere, as the case may be.

5.8 Indemnification Matters. The Company hereby acknowledges that one (1) or more of the directors nominated to serve on the Board of Directors by the Investors (each a "**Fund Director**") may have certain rights to indemnification, advancement of expenses and/or insurance provided by one or more of the Investors and certain of their affiliates (collectively, the "**Fund Indemnitors**"). The Company hereby agrees (i) that it is the indemnitor of first resort (i.e., its obligations to any such Fund Director are primary and any obligation of the Fund Indemnitors to advance expenses or to provide indemnification for the same expenses or liabilities incurred by such Fund Director are secondary), (ii) that it shall be required to advance the full amount of expenses incurred by such Fund Director and shall be liable for the full amount of all expenses, judgments, penalties, fines and amounts paid in settlement by or on behalf of any such Fund Director to the extent legally permitted and as required by the Company's Certificate of Incorporation or Bylaws of the Company (or any agreement between the Company and such Fund Director), without regard to any rights such Fund Director may have against the Fund Indemnitors, and, (iii) that it irrevocably waives, relinquishes and releases the Fund Indemnitors from any and all claims against the Fund Indemnitors for contribution, subrogation or any other recovery of any kind in respect thereof. The Company further agrees that no advancement or payment by the Fund Indemnitors on behalf of any such Fund Director with respect to any claim for which such Fund Director has sought indemnification from the Company shall affect the foregoing and the Fund Indemnitors shall have a right of contribution and/or be subrogated to the extent of such advancement or payment to all of the rights of recovery of such Fund Director against the Company.

5.9 Right to Conduct Activities. The Company acknowledges that certain of the Investors are in the business of venture capital investing and therefore review the business plans and related proprietary information of many enterprises, including enterprises which may have products or services which compete directly or indirectly with those of the Company. Nothing in this Agreement shall preclude or in any way restrict the Investors from investing or participating in any particular enterprise whether or not such enterprise has products or services which compete with those of the Company. The Company hereby agrees and acknowledges that such Investors (together with their affiliates) invest in numerous portfolio companies, some of which may be deemed competitive with the Company's business (as currently conducted or as currently propose to be conducted). The Company hereby agrees that, to the extent permitted under applicable law, such Investors shall not be liable to the Company for any claim arising out of, or based upon, (i) the investment by such Investors in any entity competitive with the Company, or (ii) actions taken by any partner, officer or other representative of such Investors to assist any such competitive company, whether or not such action was taken as a member of the board of directors of such competitive company or otherwise, and whether or not such action has a detrimental effect on the Company; provided, however, that the foregoing shall not relieve (x) any of the Investors from liability associated with the unauthorized disclosure of the Company's confidential information obtained pursuant to this Agreement, or (y) any director or officer of the Company from any liability associated with his or her fiduciary duties to the Company.

5.10 Termination of Covenants. The covenants set forth in this Section 5, except for Subsection 5.7, shall terminate and be of no further force or effect (i) immediately before the consummation of the IPO, (ii) when the Company first becomes subject to the periodic reporting requirements of Section 12(g) or 15(d) of the Exchange Act, or (iii) immediately before a Deemed Liquidation Event, as such term is defined in the Company's Certificate of Incorporation, whichever event occurs first.

6. Miscellaneous.

6.1 Successors and Assigns. The rights under this Agreement may be assigned (but only with all related obligations) by a Holder to a transferee of Registrable Securities that (i) is an Affiliate of a Holder; (ii) is a Holder's Immediate Family Member or trust for the benefit of an individual Holder or one or more of such Holder's Immediate Family Members; or (iii) after such transfer, holds at least 100,000 shares of Registrable Securities (subject to appropriate adjustment for stock splits, stock dividends, combinations, and other recapitalizations); provided, however, that (x) the Company is, within a reasonable time after such transfer, furnished with written notice of the name and address of such transferee and the Registrable Securities with respect to which such rights are being transferred; and (y) such transferee agrees in a written instrument delivered to the Company to be bound by and subject to the terms and conditions of this Agreement, including the provisions of Subsection 2.11. For the purposes of determining the number of shares of Registrable Securities held by a transferee, the holdings of a transferee (1) that is an Affiliate or stockholder of a Holder; (2) who is a Holder's Immediate Family Member; or (3) that is a trust for the benefit of an individual Holder or such Holder's Immediate Family Member shall be aggregated together and with those of the transferring Holder; provided further that all transferees who would not qualify individually for assignment of rights shall have a single attorney-in-fact for the purpose of exercising any rights, receiving notices, or taking any action under this Agreement. The terms and conditions of this Agreement inure to the benefit of and are binding upon the respective successors and permitted assignees of the parties. Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and permitted assignees any rights, remedies, obligations or liabilities under or by reason of this Agreement, except as expressly provided herein.

6.2 Governing Law. This Agreement and any controversy arising out of or relating to this Agreement shall be governed by and construed in accordance with the internal laws of the Commonwealth of Massachusetts, without regard to conflict of law principles that would result in the application of any law other than the law of the Commonwealth of Massachusetts.

6.3 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

6.4 Titles and Subtitles. The titles and subtitles used in this Agreement are for convenience only and are not to be considered in construing or interpreting this Agreement.

6.5 Notices. All notices and other communications given or made pursuant to this Agreement shall be in writing and shall be deemed effectively given upon the earlier of actual receipt or: (i) personal delivery to the party to be notified; (ii) when sent, if sent by electronic mail or facsimile during the recipient's normal business hours, and if not sent during normal business

hours, then on the recipient's next business day; (iii) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid; or (iv) one (1) business day after the business day of deposit with a nationally recognized overnight courier, freight prepaid, specifying next-day delivery, with written verification of receipt. All communications shall be sent to the respective parties at their addresses as set forth on Schedule A hereto, or to the principal office of the Company at 620 Memorial Drive, Suite 200 West, Cambridge, MA, 02139, ATTN: Chief Executive Officer, in the case of the Company, or to such email address, facsimile number, or address as subsequently modified by written notice given in accordance with this Subsection 6.5. If notice is given to the Company, a copy (which shall not constitute notice) shall also be given to Peter N. Handrinos, Latham & Watkins LLP, 200 Clarendon Street, Boston, Massachusetts 02116, (617) 948-6001 (fax), peter.handrinos@lw.com.

6.6 Amendments and Waivers. Any term of this Agreement may be amended and the observance of any term of this Agreement may be waived (either generally or in a particular instance, and either retroactively or prospectively) only with the written consent of the Company and the holders of a majority of the Registrable Securities then outstanding; provided that the Company may in its sole discretion waive compliance with Subsection 2.12(c) (and the Company's failure to object promptly in writing after notification of a proposed assignment allegedly in violation of Subsection 2.12(c) shall be deemed to be a waiver); and provided further that any provision hereof may be waived by any waiving party on such party's own behalf, without the consent of any other party. Notwithstanding the foregoing, this Agreement may not be amended or terminated and the observance of any term hereof may not be waived with respect to any Investor without the written consent of such Investor, unless such amendment, termination, or waiver applies to all Investors in the same fashion (it being agreed that a waiver of the provisions of Section 4 with respect to a particular transaction shall be deemed to apply to all Investors in the same fashion if such waiver does so by its terms, notwithstanding the fact that certain Investors may nonetheless, by agreement with the Company, purchase securities in such transaction). The Company shall give prompt notice of any amendment or termination hereof or waiver hereunder to any party hereto that did not consent in writing to such amendment, termination, or waiver. Any amendment, termination, or waiver effected in accordance with this Subsection 6.6 shall be binding on all parties hereto, regardless of whether any such party has consented thereto. No waivers of or exceptions to any term, condition, or provision of this Agreement, in any one or more instances, shall be deemed to be or construed as a further or continuing waiver of any such term, condition, or provision.

6.7 Severability. In case any one or more of the provisions contained in this Agreement is for any reason held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Agreement, and such invalid, illegal, or unenforceable provision shall be reformed and construed so that it will be valid, legal, and enforceable to the maximum extent permitted by law.

6.8 Aggregation of Stock. All shares of Registrable Securities held or acquired by Affiliates shall be aggregated together for the purpose of determining the availability of any rights under this Agreement and such Affiliated persons may apportion such rights as among themselves in any manner they deem appropriate.

6.9 Additional Investors. Notwithstanding anything to the contrary contained herein, if the Company issues additional shares of Preferred Stock on or after the date hereof, whether pursuant to the Purchase Agreement or otherwise, any purchaser of such shares of Preferred Stock may become a party to this Agreement by executing and delivering an additional counterpart signature page to this Agreement, and thereafter shall be deemed an "Investor" for all purposes hereunder. No action or consent by the Investors shall be required for such joinder to this Agreement by such additional Investor, so long as such additional Investor has agreed in writing to be bound by all of the obligations as an "Investor" hereunder, and the Company may amend Schedule A to add such additional purchaser as an Investor without requiring the consent of any other party hereto.

6.10 Entire Agreement. This Agreement (including any Schedules and/or Exhibits hereto) constitutes the full and entire understanding and agreement among the parties with respect to the subject matter hereof, and any other written or oral agreement relating to the subject matter hereof existing between the parties is expressly canceled. Upon the effectiveness of this Agreement, the Prior Agreement shall be deemed amended and restated and superseded and replaced in its entirety by this Agreement, and shall be of no further force or effect.

6.11 Dispute Resolution. The parties (a) hereby irrevocably and unconditionally submit to the jurisdiction of the state courts of the Commonwealth of Massachusetts and to the jurisdiction of the United States District Court for the District of Massachusetts for the purpose of any suit, action or other proceeding arising out of or based upon this Agreement, (b) agree not to commence any suit, action or other proceeding arising out of or based upon this Agreement except in the state courts of the Commonwealth of Massachusetts or the United States District Court for the District of Massachusetts, and (c) hereby waive, and agree not to assert, by way of motion, as a defense, or otherwise, in any such suit, action or proceeding, any claim that it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that this Agreement or the subject matter hereof may not be enforced in or by such court.

6.12 Waiver of Jury Trial. EACH PARTY HEREBY WAIVES ITS RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT, THE OTHER TRANSACTION DOCUMENTS, THE SECURITIES OR THE SUBJECT MATTER HEREOF OR THEREOF. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL-ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS TRANSACTION, INCLUDING, WITHOUT LIMITATION, CONTRACT CLAIMS, TORT CLAIMS (INCLUDING NEGLIGENCE), BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. THIS SECTION HAS BEEN FULLY DISCUSSED BY EACH OF THE PARTIES HERETO AND THESE PROVISIONS WILL NOT BE SUBJECT TO ANY EXCEPTIONS. EACH PARTY HERETO HEREBY FURTHER WARRANTS AND REPRESENTS THAT SUCH PARTY HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL, AND THAT SUCH PARTY KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL.

6.13 Delays or Omissions. No delay or omission to exercise any right, power, or remedy accruing to any party under this Agreement, upon any breach or default of any other party under this Agreement, shall impair any such right, power, or remedy of such nonbreaching or nondefaulting party, nor shall it be construed to be a waiver of or acquiescence to any such breach or default, or to any similar breach or default thereafter occurring, nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. All remedies, whether under this Agreement or by law or otherwise afforded to any party, shall be cumulative and not alternative.

6.14 Further Assurances. At any time or from time to time after the date hereof, the parties agree to cooperate with each other, and at the request of any other party, to execute and deliver any further instruments or documents and to take all such further action as the other party may reasonably request in order to evidence or effectuate the consummation of the transactions contemplated hereby and to otherwise carry out the intent of the parties hereunder.

6.15 Acknowledgment. The Company acknowledges that each Investor is in the business of venture capital investing and therefore reviews the business plans and related proprietary information of many enterprises, including enterprises which may have products or services which compete directly or indirectly with those of the Company. Nothing in this Agreement shall preclude or in any way restrict any Investor from investing or participating in any particular enterprise whether or not such enterprise has products or services which compete with those of the Company.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties have executed this Fourth Amended and Restated Investors' Rights Agreement as of the date first written above.

EVELO BIOSCIENCES, INC.

By: /s/ Balkrishan (Simba) Gill, Ph.D.
Name: Balkrishan (Simba) Gill, Ph.D.
Title: President and Chief Executive Officer

IN WITNESS WHEREOF, the parties have executed this Fourth Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTORS:

FLAGSHIP VENTURES FUND IV, L.P.
FLAGSHIP VENTURES FUND IV-RX, L.P.

Each by its General Partner,
Flagship Ventures Fund IV General Partner LLC

By: /s/ Noubar B. Afeyan, Ph.D.
Name: Noubar B. Afeyan, Ph.D.
Title: Manager

FLAGSHIP VENTURES FUND V, L.P.
FLAGSHIP V VENTURELABS RX FUND, L.P.
NUTRITIONAL HEALTH DISRUPTIVE INNOVATION FUND, L.P.
NUTRITIONAL HEALTH SIDE FUND, L.P.

Each by its General Partner,
Flagship Ventures Fund V General Partner LLC

By: /s/ Noubar B. Afeyan, Ph.D.
Name: Noubar B. Afeyan, Ph.D.
Title: Manager

FLAGSHIP VENTURES OPPORTUNITIES FUND I, L.P.

By its General Partner,
Flagship Ventures Opportunities Fund I General Partner LLC

By: /s/ Noubar B. Afeyan, Ph.D.
Name: Noubar B. Afeyan, Ph.D.
Title: Member

IN WITNESS WHEREOF, the parties have executed this Fourth Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTORS:

MAYO CLINIC

By: /s/ Harry N. Hoffman
Name: Harry N. Hoffman
Title: Treasurer & Co-Chief Investment Officer

IN WITNESS WHEREOF, the parties have executed this Fourth Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTORS:

GHF INC.

By: /s/ Theo Melas-Kyriazi
Name: Theo Melas-Kyriazi
Title: Director

IN WITNESS WHEREOF, the parties have executed this Fourth Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTORS:

CELGENE SWITZERLAND LLC

By: /s/ Kevin Mello
Name: Kevin Mello
Title: Manager

IN WITNESS WHEREOF, the parties have executed this Fourth Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTORS:

GV 2016, L.P.

By: GV 2016 GP, L.P., its General Partner
By: GV 2016 GP, L.L.C., its General Partner

By: /s/ Daphne M. Chang
Name: Daphne M. Chang
Title: Authorized Signatory

GV 2017, L.P.

By: GV 2017 GP, L.P., its General Partner
By: GV 2017 GP, L.L.C., its General Partner

By: /s/ Daphne M. Chang
Name: Daphne M. Chang
Title: Authorized Signatory

IN WITNESS WHEREOF, the parties have executed this Fourth Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTORS:

LEICHESTER FINANCE LIMITED

By: /s/ Harald McPike
Name:
Title:

SIGNATURE PAGE TO FOURTH AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT

IN WITNESS WHEREOF, the parties have executed this Fourth Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTORS:

ALEXANDRIA VENTURE INVESTMENTS, LLC,
a Delaware limited liability company

By: ALEXANDRIA REAL ESTATE EQUITIES, INC., a Maryland corporation, managing member

By: /s/ Aaron Jacobson
Name: Aaron Jacobson
Title: VP – Corporate Counsel

SIGNATURE PAGE TO FOURTH AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT

IN WITNESS WHEREOF, the parties have executed this Fourth Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTORS:

/s/ Bhagwant Gill /s/ Krishna Gill

Bhagwant and Krishna Gill, jointly

IN WITNESS WHEREOF, the parties have executed this Fourth Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTORS:

DEMENTIA DISCOVERY LP

By: Dementia Discovery GP LP, Its Sole General Partner

By: Dementia Discovery General Partner LLP,
Its Sole General Partner

By: /s/ Nick Coleman
Name: Nick Coleman
Title: Member

DDF PARALLEL LLP

By: Dementia Discovery General Partner LLP, Its Managing Member

By: /s/ Nick Coleman
Name: Nick Coleman
Title: Member

IN WITNESS WHEREOF, the parties have executed this Fourth Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTORS:

SMRS-TOPE LLC

By: HVST-TOPE LLC,
Its Managing Member

By: HarbourVest Partners L.P.
Its Manager

By: HarbourVest Partners, LLC
Its General Partner

By: /s/ Alex A. Rogers
Name: Alex A. Rogers
Title: Managing Director

IN WITNESS WHEREOF, the parties have executed this Fourth Amended and Restated Investors' Rights Agreement as of the date set forth below.

INVESTORS:

FIDELITY MT. VERNON STREET TRUST:
FIDELITY SERIES GROWTH COMPANY FUND

Date: March 9, 2018

By: /s/ Colm Hogan
Name: Colm Hogan
Title: Authorized Signatory

FIDELITY GROWTH COMPANY COMMINGLED POOL

By: Fidelity Management Trust Company, as Trustee

Date: March 9, 2018

By: /s/ Colm Hogan
Name: Colm Hogan
Title: Authorized Signatory

FIDELITY MT. VERNON STREET TRUST:
FIDELITY GROWTH COMPANY FUND

Date: March 9, 2018

By: /s/ Colm Hogan
Name: Colm Hogan
Title: Authorized Signatory

IN WITNESS WHEREOF, the parties have executed this Fourth Amended and Restated. Investors' Rights Agreement as of the date set forth below.

INVESTORS:

THE TRUSTEES OF COLUMBIA UNIVERSITY IN THE CITY OF NEW YORK

Date: March 9, 2018

By: /s/ Sanjeev Daga
Name: Sanjeev Daga, Chief Operating Officer
Title: Columbia Investment Management Company, L.L.C.

SIGNATURE PAGE TO FOURTH AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT

SCHEDULE A

Investors

Flagship Ventures Fund V, L.P.
c/o Flagship Pioneering
55 Cambridge Parkway, 8th Floor
Cambridge, MA 02142
T: XXXXXX
F: XXXXXX
Email: XXXXXX

Flagship V VentureLabs Rx Fund, L.P.
c/o Flagship Pioneering
55 Cambridge Parkway, 8th Floor
Cambridge, MA 02142
T: XXXXXX
F: XXXXXX
Email: XXXXXX

Nutritional Health Side Fund, L.P.
c/o Flagship Pioneering
55 Cambridge Parkway, 8th Floor
Cambridge, MA 02142
T: XXXXXX
F: XXXXXX
Email: XXXXXX

Flagship Ventures Fund IV, L.P.
c/o Flagship Pioneering
55 Cambridge Parkway, 8th Floor
Cambridge, MA 02142
T: XXXXXX
F: XXXXXX
Email: XXXXXX

Flagship Ventures Fund IV-Rx, L.P.
c/o Flagship Pioneering
55 Cambridge Parkway, 8th Floor
Cambridge, MA 02142
T: XXXXXX
F: XXXXXX
Email: XXXXXX

Nutritional Health Disruptive Innovation Fund, L.P.
c/o Flagship Pioneering
55 Cambridge Parkway, 8th Floor
Cambridge, MA 02142
T: XXXXXX
F: XXXXXX
Email: XXXXXX

Alexandria Venture Investments, LLC
385 East Colorado Boulevard, Suite 299
Pasadena, CA 91101
T: XXXXXX
Email: XXXXXXXX

Bhagwant and Krishna Gill
P.O. Box 6296
Sharjah, UAE
Email: XXXXXX
XXXXXXXX

Flagship Ventures Opportunities Fund I, L.P
c/o Flagship Pioneering
55 Cambridge Parkway, 8th Floor
Cambridge, MA 02142
T: XXXXXX
F: XXXXXX
Email: XXXXXX

Mayo Clinic
200 First Street SW
Rochester, MN 55905
Attn: Treasury Services
Email: XXXXXX

GHF Inc.
190 Elgin Avenue
George Town, Grand Cayman KY1-9005
Cayman Islands
Email: XXXXXX
XXXXXX

With a notice to:

c/o Mr. Theo Melas-Kyriazi
15 Norfolk Road
Chestnut Hill, MA 02467
Email: XXXXXX
XXXXXX

Celgene Switzerland LLC
AON House
30 Woodbourne Ave
Pemborke HM 08
Bermuda
Attention: Kevin Mello
T: XXXXXX
Email: XXXXXX

Leichester Finance Limited
C/O Trident Chambers
PO Box 146
Road Town
Tortola
British Virgin Islands
T: XXXXXX
F: XXXXXX
Email: XXXXXX

Dementia Discovery LP
71 Kingsway
London
WC2B 6ST
UK
Email: XXXXXX
XXXXXX
T: XXXXXX
F: XXXXXX

SMRS-TOPE LLC
c/o HarbourVest Partners, LLC
One Financial Center, 44th Floor
Boston, MA 02111
Attention: Lenny Li
Email: XXXXXX
Fax: XXXXXX

with copy to:

Debevoise & Plimpton LLP
919 Third Avenue
New York, New York 10022
Attention: David J. Schwartz
Email: XXXXXX
Facsimile: XXXXXX

GV 2016, L.P.
Attn: GV Legal Department
1600 Amphitheatre Parkway
Mountain View, CA 94043
Email: XXXXXX

GV 2017, L.P.
Attn: GV Legal Department
1600 Amphitheatre Parkway
Mountain View, CA 94043
Email: XXXXXX

DF Parallel LLP
71 Kingsway
London
WC2B 6ST
UK
Email: XXXXXX
XXXXXX
T: XXXXXX
F: XXXXXX

Fidelity Mt. Vernon Street Trust: Fidelity
Series Growth Company Fund
State Street Bank & Trust
PO Box 5756
Boston, Massachusetts 02206
Attn: WAVELENGTH + CO Fidelity Mt.
Vernon Street Trust: Fidelity Series Growth Company Fund
Email: SSBCORPACTIONS@StateStreet.com
Fax number: 617-988-9110

Fidelity Growth Company Commingled Pool
Mag & Co.
c/o Brown Brothers Harriman & Co.
Attn: Corporate Actions /Vault
140 Broadway
New York, NY 10005
BBH.Fidelity.CA.Notifications@BBH.com

Fidelity Mt. Vernon Street Trust: Fidelity
Growth Company Fund
BNY Mellon
Attn: Stacey Wolfe
525 William Penn Place Rm 0400
Pittsburgh, PA 15259
Email: FidelityCorporateEvents@bnymellon.com
Fax number: 412-236-1012

The Trustees of Columbia University in the
City of New York
405 Lexington Avenue, 63rd Floor
New York, NY 10174
Attn: Sanjeev K. Daga
T: (212) 851-2051
F: (212) 851-2040

AMENDMENT NO. 1
TO
FOURTH AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT

THIS AMENDMENT NO. 1 TO FOURTH AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT (this "Amendment") is made and entered into as of April 30, 2018, by and among Evelo Biosciences, Inc., a Delaware corporation (the "Company"), and the undersigned parties to that certain Fourth Amended and Restated Investors' Rights Agreement, dated as of February 9, 2018 (as amended, the "Agreement"), by and among the Company and the investors named therein;

WHEREAS, pursuant to Section 6.6 of the Agreement, the Agreement may be amended by written agreement of the Company and the holders of a majority of the Registrable Securities then outstanding (collectively, the "Requisite Parties");

WHEREAS, the Company and the undersigned parties to the Agreement constitute the Requisite Parties; and

WHEREAS, the parties hereto desire to amend the Agreement as set forth herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto hereby covenant and agree to be bound as follows:

Section 1. Capitalized Terms. Capitalized terms used herein and not otherwise defined herein shall have the respective meanings assigned to them in the Agreement.

Section 2. Amendment. Subsection 1.20 of the Agreement is hereby amended and restated in its entirety to read as follows:

> ""**Registrable Securities**" means (i) the Common Stock issuable or issued upon conversion of the Preferred Stock; (ii) any Common Stock, or any Common Stock issued or issuable (directly or indirectly) upon conversion and/or exercise of any other securities of the Company, held by the Investors as of the date of the effectiveness of the Company's Registration Statement on Form S-1 (Reg. No. 333-224278) filed by the Company under the Securities Act; (iii) the Common Stock acquired by the Investors in the IPO, provided, however, that for the purpose of Subsection 6.6 of this Agreement, Common Stock acquired in the IPO shall not be deemed Registrable Securities; and (iv) any Common Stock issued as (or issuable upon the conversion or exercise of any warrant, right, or other security that is issued as) a dividend or other distribution with respect to, or in exchange for or in replacement of, the shares referenced in clause (i), (ii) and (iii) above; excluding in all cases, however, any Registrable Securities sold by a Person in a transaction in which the applicable rights under this Agreement are not assigned pursuant to Subsection 6.1, and excluding for purposes of Section 2 and, following the consummation of the IPO, Subsection 6.6, any shares for which registration rights have terminated pursuant to Subsection 2.13 of this Agreement."

Section 3. No Other Amendments; Conflicts. No term or provision of the Agreement shall be affected by this Amendment, unless specifically set forth herein and any term or provision not affected by this Amendment shall remain in full force and effect following the date hereof. In the event of a conflict between the terms of the Agreement and the terms of this Amendment, the terms of this Amendment shall control.

Section 4. Governing Law. This Amendment shall be governed by, and construed and enforced in accordance with, the internal laws of the Commonwealth of Massachusetts, without regard to conflict of law principles that would result in the application of any law other than the law of the Commonwealth of Massachusetts.

Section 5. Captions; Pronouns. All articles and section headings or captions contained in this Amendment are inserted only as a matter of convenience and for reference and in no way define, limit, extend or describe the scope of this Amendment or the intent of any provision thereof. References in the Agreement to the Agreement shall mean the Agreement, as amended by this Amendment.

Section 6. Severability. If any provision of this Amendment or application to any party or circumstance shall be determined by any court of competent jurisdiction to be invalid or unenforceable to any extent, the remainder of this Amendment or the application of such provision to any other party or circumstances shall not be affected thereby, and each provision shall be valid and shall be enforced to the fullest extent permitted by law.

Section 7. Counterparts. This Amendment may be executed in multiple counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument. The exchange of copies of this Amendment and of signature pages by facsimile transmission or other electronic means shall constitute effective execution and delivery of this Amendment as to the parties and may be used in lieu of the original Amendment for all purposes.

[*Signature Pages Follows*]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed as of the date first written above.

EVELO BIOSCIENCES, INC.

By: /s/ Balkrishan (Simba) Gill, Ph.D.
Name: Balkrishan (Simba) Gill, Ph.D.
Title: President and Chief Executive Officer

INVESTORS:

FLAGSHIP VENTURES FUND IV, L.P.
FLAGSHIP VENTURES FUND IV-RX, L.P.

Each by its General Partner,
Flagship Ventures Fund IV General Partner LLC

By: /s/ Noubar B. Afeyan, Ph.D.
Name: Noubar B. Afeyan, Ph.D.
Title: Manager

FLAGSHIP VENTURES FUND V, L.P.
FLAGSHIP V VENTURELABS RX FUND, L.P.
NUTRITIONAL HEALTH DISRUPTIVE INNOVATION FUND, L.P.
NUTRITIONAL HEALTH SIDE FUND, L.P.

Each by its General Partner,
Flagship Ventures Fund V General Partner LLC

By: /s/ Noubar B. Afeyan, Ph.D.
Name: Noubar B. Afeyan, Ph.D.
Title: Manager

FLAGSHIP VENTURES OPPORTUNITIES FUND I, L.P.

By its General Partner,
Flagship Ventures Opportunities Fund I General Partner LLC

By: /s/ Noubar B. Afeyan, Ph.D.
Name: Noubar B. Afeyan, Ph.D.
Title: Member

MAYO CLINIC

By: _____
Name:
Title:

GHF INC.

By: _____
Name: Theo Melas-Kyriazi
Title: Director

CELGENE SWITZERLAND LLC

By: _____
Name:
Title:

GV 2016, L.P.

By: GV 2016 GP, L.P., its General Partner
By: GV 2016 GP, L.L.C., its General Partner

By: _____
Name: Daphne M. Chang
Title: Authorized Signatory

GV 2017, L.P.

By: GV 2017 GP, L.P., its General Partner
By: GV 2017 GP, L.L.C., its General Partner

By: _____
Name: Daphne M. Chang
Title: Authorized Signatory

LEICHESTER FINANCE LIMITED

By: _____

Name:
Title:

Signature Page to Amendment No. 1 to Fourth Amended and Restated Investors' Rights Agreement

ALEXANDRIA VENTURE INVESTMENTS, LLC,
a Delaware limited liability company

By: ALEXANDRIA REAL ESTATE EQUITIES, INC.,
a Maryland corporation, managing member

By: _____
Name:
Title:

_____
Bhagwant and Krishna Gill, jointly

DEMENTIA DISCOVERY LP

By: Dementia Discovery GP LP, Its Sole General Partner

By: Dementia Discovery General Partner LLP,
Its Sole General Partner

By: _____
Name:
Title:

DDF PARALLEL LLP

By: Dementia Discovery General Partner LLP, Its Managing Member

By: _____
Name:
Title:

SMRS-TOPE LLC

By: HVST-TOPE LLC,
Its Managing Member

By: HarbourVest Partners L.P.
Its Manager

By: HarbourVest Partners, LLC
Its General Partner

By: _____
Name:
Title:

FIDELITY MT. VERNON STREET TRUST:
FIDELITY SERIES GROWTH COMPANY FUND

By: _____
Name:
Title:

FIDELITY GROWTH COMPANY COMMINGLED POOL

By: Fidelity Management Trust Company, as Trustee

By: _____
Name:
Title:

FIDELITY MT. VERNON STREET TRUST: FIDELITY GROWTH COMPANY FUND

By: _____
Name:
Title:

NUMBER
CS

EVELO

SHARES
SPECIMEN

COMMON STOCK

EVELO BIOSCIENCES, INC.

INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE

SEE REVERSE FOR CERTAIN DEFINITIONS

CUSIP 299734 10 3

THIS CERTIFIES THAT:

SPECIMEN - NOT NEGOTIABLE

IS THE OWNER OF

FULLY PAID AND NON-ASSESSABLE SHARES OF COMMON STOCK OF $0.001 PAR VALUE EACH OF

EVELO BIOSCIENCES, INC.

transferable on the books of the Corporation in person or by duly authorized attorney upon surrender of this certificate duly endorsed or assigned. This certificate and the shares represented hereby are subject to the laws of the State of Delaware, and to the Certificate of Incorporation and Bylaws of the Corporation, as now or hereafter amended.

This certificate is not valid until countersigned by the Transfer Agent and registered by the Registrar.
WITNESS the facsimile seal of the Corporation and the facsimile signatures of its duly authorized officers.

DATED:

SPECIMEN
NOT NEGOTIABLE

CHIEF FINANCIAL OFFICER

EVELO BIOSCIENCES, INC. CORPORATE SEAL 2014 DELAWARE

PRESIDENT AND CHIEF EXECUTIVE OFFICER

COUNTERSIGNED AND REGISTERED:
AMERICAN STOCK TRANSFER & TRUST COMPANY, LLC
BROOKLYN, NY

BY:

TRANSFER AGENT AND REGISTRAR

AUTHORIZED SIGNATURE

THE CORPORATION WILL FURNISH TO ANY STOCKHOLDER, UPON REQUEST AND WITHOUT CHARGE, A FULL STATEMENT OF THE DESIGNATIONS, RELATIVE RIGHTS, PREFERENCES AND LIMITATIONS OF THE SHARES OF EACH CLASS AND SERIES AUTHORIZED TO BE ISSUED, SO FAR AS THE SAME HAVE BEEN DETERMINED, AND OF THE AUTHORITY, IF ANY, OF THE BOARD TO DIVIDE THE SHARES INTO CLASSES OR SERIES AND TO DETERMINE AND CHANGE THE RELATIVE RIGHTS, PREFERENCES AND LIMITATIONS OF ANY CLASS OR SERIES. SUCH REQUEST MAY BE MADE TO THE SECRETARY OF THE CORPORATION OR TO THE TRANSFER AGENT NAMED ON THIS CERTIFICATE.

The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM	-	*as tenants in common*
TEN ENT	-	*as tenants by the entireties*
JT TEN	-	*as joint tenants with right of survivorship and not as tenants in common*

UNIF GIFT MIN ACT - .....Custodian.....
(Cust) (Minor)
under Uniform Gifts to Minors

Act.....
(State)

Additional abbreviations may also be used though not in the above list.

For Value Received, _____ hereby sell, assign and transfer unto

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

_____

(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING ZIP CODE, OF ASSIGNEE)

_____

_____

_____ *Shares*

of the stock represented by the within Certificate, and do hereby irrevocably constitute and appoint

_____ *Attorney*

to transfer the said stock on the books of the within named Corporation with full power of substitution in the premises.

Dated _____

NOTICE: THE SIGNATURE(S) TO THIS ASSIGNMENT MUST CORRESPOND WITH THE NAME(S) AS WRITTEN UPON THE FACE OF THE CERTIFICATE, IN EVERY PARTICULAR, WITHOUT ALTERATION OR ENLARGEMENT OR ANY CHANGE WHATSOEVER.

Signature(s) Guaranteed

By _____

The Signature(s) must be guaranteed by an eligible guarantor institution (Banks, Stockbrokers, Savings and Loan Associations and Credit Unions with membership in an approved Signature Guarantee Medallion Program), pursuant to SEC Rule 17Ad-15.

Exhibit 5.1

200 Clarendon Street
Boston, Massachusetts 02116
Tel: +1.617.948.6000 Fax: +1.617.948.6001
www.lw.com

LATHAM&WATKINS LLP

April 30, 2018

Evelo Biosciences, Inc.
620 Memorial Drive, Suite 200
Cambridge, MA 02139

Re: Registration Statement No. 333-224278;
6,109,375 shares of Common Stock, $0.001 par value per share

Ladies and Gentlemen:

We have acted as special counsel to Evelo Biosciences, Inc., a Delaware corporation (the "***Company***"), in connection with the proposed issuance of up to 6,109,375 shares (including shares subject to the underwriters' option to purchase additional shares) of common stock, $0.001 par value per share (the "***Shares***"). The Shares are included in a registration statement on Form S–1 under the Securities Act of 1933, as amended (the "Act"), filed with the Securities and Exchange Commission (the "***Commission***") on April 13, 2018 (Registration No. 333-224278) (as amended, the "***Registration Statement***"). The term "Shares" shall include any additional shares of common stock registered by the Company pursuant to Rule 462(b) under the Act in connection with the offering contemplated by the Registration Statement. This opinion is being furnished in connection with the requirements of Item 601(b)(5) of Regulation S-K under the Act, and no opinion is expressed herein as to any matter pertaining to the contents of the Registration Statement or related Prospectus, other than as expressly stated herein with respect to the issue of the Shares.

As such counsel, we have examined such matters of fact and questions of law as we have considered appropriate for purposes of this letter. With your consent, we have relied upon certificates and other assurances of officers of the Company and others as to factual matters without having independently verified such factual matters. We are opining herein as to the General Corporation Law of the State of Delaware and we express no opinion with respect to any other laws.

Subject to the foregoing and the other matters set forth herein, it is our opinion that, as of the date hereof, when the Shares shall have been duly registered on the books of the transfer agent and registrar therefor in the name or on behalf of the purchasers, and have been issued by the Company against payment therefor (not less than par value) in total numbers that do not exceed the total number of shares available under the Company's certificate of incorporation and

in the circumstances contemplated by the form of underwriting agreement most recently filed as an exhibit to the Registration Statement, the issue and sale of the Shares will have been duly authorized by all necessary corporate action of the Company, and the Shares will be validly issued, fully paid and nonassessable. In rendering the foregoing opinion, we have assumed that the Company will comply with all applicable notice requirements regarding uncertificated shares provided in the General Corporation Law of the State of Delaware.

This opinion is for your benefit in connection with the Registration Statement and may be relied upon by you and by persons entitled to rely upon it pursuant to the applicable provisions of the Act. We consent to your filing this opinion as an exhibit to the Registration Statement and to the reference to our firm in the Prospectus under the heading "Legal Matters." We further consent to the incorporation by reference of this letter and consent into any registration statement filed pursuant to Rule 462(b) with respect to the Shares. In giving such consent, we do not thereby admit that we are in the category of persons whose consent is required under Section 7 of the Act or the rules and regulations of the Commission thereunder.

Very truly yours,

/s/ LATHAM & WATKINS LLP

EVELO BIOSCIENCES, INC.

2015 STOCK INCENTIVE PLAN
(AS AMENDED THROUGH APRIL 27, 2018)

1. Purpose

The purpose of this 2015 Stock Incentive Plan (the "**Plan**") of Evelo Biosciences, Inc., a Delaware corporation (the "**Company**"), is to advance the interests of the Company's stockholders by enhancing the Company's ability to attract, retain and motivate persons who are expected to make important contributions to the Company and by providing such persons with equity ownership opportunities and performance-based incentives that are intended to better align the interests of such persons with those of the Company's stockholders. Except where the context otherwise requires, the term "**Company**" shall include any of the Company's present or future parent or subsidiary corporations as defined in Sections 424(e) or (f) of the Internal Revenue Code of 1986, as amended, and any regulations thereunder (the "**Code**") and any other business venture (including, without limitation, joint venture or limited liability company) in which the Company has a controlling interest, as determined by the Board of Directors of the Company (the "**Board**"); *provided*, *however*, that such other business ventures shall be limited to entities that, where required by Section 409A of the Code, are eligible issuers of service recipient stock (as defined in Treas. Reg. Section 1.409A-1(b)(5)(iii)(E), or applicable successor regulation).

2. Eligibility

All of the Company's employees, officers and directors, as well as consultants and advisors to the Company (as such terms consultants and advisors are defined and interpreted for purposes of Rule 701 under the Securities Act of 1933, as amended (the "**Securities Act**") (or any successor rule)) are eligible to be granted Awards under the Plan. Each person who is granted an Award under the Plan is deemed a "**Participant**." "**Award**" means Options (as defined in Section 5), SARs (as defined in Section 6), Restricted Stock (as defined in Section 7), Restricted Stock Units (as defined in Section 7) and Other Stock-Based Awards (as defined in Section 8).

3. Administration and Delegation

(a) Administration by the Board. The Plan will be administered by the Board. The Board shall have authority to grant Awards and to adopt, amend and repeal such administrative rules, guidelines and practices relating to the Plan as it shall deem advisable. The Board may construe and interpret the terms of the Plan and any Award agreements entered into under the Plan. The Board may correct any defect, supply any omission or reconcile any inconsistency in the Plan or any Award in the manner and to the extent it shall deem expedient to carry the Plan into effect and it shall be the sole and final judge of such expediency. All decisions by the Board shall be made in the Board's sole discretion and shall be final and binding on all persons having or claiming any interest in the Plan or in any Award.

(b) Appointment of Committees. To the extent permitted by applicable law, the Board may delegate any or all of its powers under the Plan to one or more committees or subcommittees of the Board (each, a "**Committee**"). All references in the Plan to the "**Board**" shall mean the Board or a Committee of the Board to the extent that the Board's powers or authority under the Plan have been delegated to such Committee.

4. Stock Available for Awards

(a) Number of Shares. Subject to adjustment under Section 9, Awards may be made under the Plan for up to 5,417,044 shares of common stock, $0.001 par value per share, of the Company (the "**Common Stock**"), any or all of which Awards may be in the form of Incentive Stock Options (as defined in Section 5(b)). If any Award expires or is terminated, surrendered or canceled without having been fully exercised, is forfeited in whole or in part (including as the result of shares of Common Stock subject to such Award being repurchased by the Company at the original issuance price pursuant to a contractual repurchase right), or results in any Common Stock not being issued, the unused Common Stock covered by such Award shall again be available for the grant of Awards under the Plan. Further, shares of Common Stock tendered to the Company by a Participant to exercise an Award or to satisfy tax withholding obligations arising with respect to an Award shall be added to the number of shares of Common Stock available for the grant of Awards under the Plan. However, in the case of Incentive Stock Options, the two immediately preceding sentences shall be subject to any limitations under the Code. Shares issued under the Plan may consist in whole or in part of authorized but unissued shares or treasury shares.

(b) Substitute Awards. In connection with a merger or consolidation of an entity with the Company or the acquisition by the Company of property or stock of an entity, the Board may grant Awards in substitution for any options or other stock or stock-based awards granted by such entity or an affiliate thereof. Substitute Awards may be granted on such terms as the Board deems appropriate in the circumstances, notwithstanding any limitations on Awards contained in the Plan. Substitute Awards shall not count against the overall share limit set forth in Section 4(a), except as may be required by reason of Section 422 and related provisions of the Code.

5. Stock Options

(a) General. The Board may grant options to purchase Common Stock (each, an "**Option**") and determine the number of shares of Common Stock to be covered by each Option, the exercise price of each Option and the conditions and limitations applicable to the exercise of each Option, including conditions relating to applicable federal or state securities laws, as it considers necessary or advisable.

(b) Incentive Stock Options. An Option that the Board intends to be an "incentive stock option" as defined in Section 422 of the Code (an "**Incentive Stock Option**") shall only be granted to employees of Evelo Biosciences, Inc., any of Evelo Biosciences, Inc.'s present or future parent or subsidiary corporations as defined in Sections 424(e) or (f) of the Code, and any other entities the employees of which are eligible to receive Incentive Stock Options under the Code, and shall be subject to and shall be construed consistently with the requirements of Section 422 of the Code. An Option that is not intended to be an Incentive Stock Option shall be designated a "**Nonstatutory Stock Option**." The Company shall have no liability to a Participant, or any other party, if an Option (or any part thereof) that is intended to be an Incentive Stock Option is not an Incentive Stock Option or if the Company converts an Incentive Stock Option to a Nonstatutory Stock Option.

(c) Exercise Price. The Board shall establish the exercise price of each Option and specify the exercise price in the applicable Option agreement. The exercise price shall be not less than 100% of the fair market value per share of Common Stock, as determined by (or in a manner approved by) the Board ("**Fair Market Value**"), on the date the Option is granted. "**Fair Market Value**" of a share of Common Stock for purposes of the Plan will be determined as follows:

(1) if the Common Stock is not publicly traded, the Board will determine the Fair Market Value for purposes of the Plan using any measure of value it determines to be appropriate (including, as it considers appropriate, relying on appraisals) in a manner consistent with the valuation principles under Code Section 409A, except as the Board may expressly determine otherwise;

(2) if the Common Stock trades on a national securities exchange, the closing sale price (for the primary trading session) on the date of grant; or

(3) if the Common Stock does not trade on any such exchange, the average of the closing bid and asked prices as reported by an authorized OTCBB market data vendor as listed on the OTCBB website (otcbb.com) on the date of grant.

For any date that is not a trading day, the Fair Market Value of a share of Common Stock for such date will be determined by using the closing sale price or average of the bid and asked prices, as appropriate, for the immediately preceding trading day and with the timing in the formulas above adjusted accordingly. The Board can substitute a particular time of day or other measure of "closing sale price" or "bid and asked prices" if appropriate because of exchange or market procedures or can, in its sole discretion, use weighted averages either on a daily basis or such longer period as complies with Code Section 409A.

The Board has sole discretion to determine the Fair Market Value for purposes of the Plan, and all Awards are conditioned on the participants' agreement that the Administrator's determination is conclusive and binding even though others might make a different determination.

(d) Duration of Options. Each Option shall be exercisable at such times and subject to such terms and conditions as the Board may specify in the applicable option agreement; *provided*, *however*, that no Option will be granted with a term in excess of 10 years.

(e) Exercise of Options. Options may be exercised by delivery to the Company of a notice of exercise in a form of notice (which may be electronic) approved by the Company, together with payment in full (in a manner specified in Section 5(f)) of the exercise price for the number of shares for which the Option is exercised. Shares of Common Stock subject to the Option will be delivered by the Company as soon as practicable following exercise.

(f) Payment upon Exercise. Common Stock purchased upon the exercise of an Option granted under the Plan shall be paid for as follows:

(1) in cash or by check, payable to the order of the Company;

(2) when the Common Stock is registered under the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), except as may otherwise be provided in the applicable Option agreement or approved by the Board, in its sole discretion, by (i) delivery of an irrevocable and unconditional undertaking by a creditworthy broker to deliver promptly to the Company sufficient funds to pay the exercise price and any required tax withholding or (ii) delivery by the Participant to the Company of a copy of irrevocable and unconditional instructions to a creditworthy broker to deliver promptly to the Company cash or a check sufficient to pay the exercise price and any required tax withholding;

(3) when the Common Stock is registered under the Exchange Act and to the extent provided for in the applicable Option agreement or approved by the Board, in its sole discretion, by delivery (either by actual delivery or attestation) of shares of Common Stock owned by the Participant valued at their Fair Market Value, *provided* (i) such method of payment is then permitted under applicable law, (ii) such Common Stock, if acquired directly from the Company, was owned by the Participant for such minimum period of time, if any, as may be established by the Board in its discretion and (iii) such Common Stock is not subject to any repurchase, forfeiture, unfulfilled vesting or other similar requirements;

(4) to the extent provided for in the applicable Nonstatutory Stock Option agreement or approved by the Board in its sole discretion, by delivery of a notice of "net exercise" to the Company, as a result of which the Participant would pay the exercise price for the portion of the Option being exercised by cancelling a portion of the Option for such number of shares as is equal to the exercise price divided by the excess of the Fair Market Value on the date of exercise over the Option exercise price per share.

(5) to the extent permitted by applicable law and provided for in the applicable Option agreement or approved by the Board, in its sole discretion, by (i) delivery of a promissory note of the Participant to the Company on terms determined by the Board, or (ii) payment of such other lawful consideration as the Board may determine; or

(6) by any combination of the above permitted forms of payment.

6. Stock Appreciation Rights

(a) General. The Board may grant Awards consisting of stock appreciation rights ("**SARs**") entitling the holder, upon exercise, to receive an amount of Common Stock or cash or a combination thereof (such form to be determined by the Board) determined by reference to appreciation, from and after the date of grant, in the Fair Market Value of a share of Common Stock over the measurement price established pursuant to Section 6(b). The date as of which such appreciation is determined shall be the exercise date.

(b) Measurement Price. The Board shall establish the measurement price of each SAR and specify it in the applicable SAR agreement. The measurement price shall not be less than 100% of the Fair Market Value on the date the SAR is granted.

(c) Duration of SARs. Each SAR shall be exercisable at such times and subject to such terms and conditions as the Board may specify in the applicable SAR agreement; *provided, however*, that no SAR will be granted with a term in excess of 10 years.

(d) Exercise of SARs. SARs may be exercised by delivery to the Company of a notice of exercise in a form (which may be electronic) approved by the Company, together with any other documents required by the Board.

7. Restricted Stock; Restricted Stock Units

(a) General. The Board may grant Awards entitling recipients to acquire shares of Common Stock ("**Restricted Stock**"), subject to the right of the Company to repurchase all or part of such shares at their issue price or other stated or formula price (or to require forfeiture of such shares if issued at no cost) from the recipient in the event that conditions specified by the Board in the applicable Award are not satisfied prior to the end of the applicable restriction period or periods established by the Board for such Award. The Board may also grant Awards entitling the recipient to receive shares of Common Stock or cash to be delivered at the time such Award vests ("**Restricted Stock Units**") (Restricted Stock and Restricted Stock Units are each referred to herein as a "**Restricted Stock Award**").

(b) Terms and Conditions for All Restricted Stock Awards. The Board shall determine the terms and conditions of a Restricted Stock Award, including the conditions for vesting and repurchase (or forfeiture) and the issue price, if any.

(c) Additional Provisions Relating to Restricted Stock.

(1) Dividends. Unless otherwise provided in the applicable Award agreement, any dividends (whether paid in cash, stock or property) declared and paid by the Company with respect to shares of Restricted Stock ("**Accrued Dividends**") shall be paid to the Participant only if and when such shares become free from the restrictions on transferability and forfeitability that apply to such shares. Each payment of Accrued Dividends will be made no later than the end of the calendar year in which the dividends are paid to stockholders of that class of stock or, if later, the 15th day of the third month following the lapsing of the restrictions on transferability and the forfeitability provisions applicable to the underlying shares of Restricted Stock.

(2) Stock Certificates. The Company may require that any stock certificates issued in respect of shares of Restricted Stock, as well as dividends or distributions paid on such Restricted Stock, shall be deposited in escrow by the Participant, together with a stock power endorsed in blank, with the Company (or its designee). At the expiration of the applicable restriction periods, the Company (or such designee) shall deliver the certificates no longer subject to such restrictions to the Participant or if the Participant has died, to Participant's Designated Beneficiary. "**Designated Beneficiary**" means (i) the beneficiary designated, in a manner determined by the Board, by a Participant to receive amounts due or exercise rights of the Participant in the event of the Participant's death or (ii) in the absence of an effective designation by a Participant, "**Designated Beneficiary**" the Participant's estate.

(d) Additional Provisions Relating to Restricted Stock Units.

(1) Settlement. Upon the vesting of and/or lapsing of any other restrictions (i.e., settlement) with respect to each Restricted Stock Unit, the Participant shall be entitled to receive from the Company one share of Common Stock or (if so provided in the applicable Award agreement) an amount of cash equal to the Fair Market Value of one share of Common Stock. The Board may, in its discretion, provide that settlement of Restricted Stock Units shall be deferred, on a mandatory basis or at the election of the Participant in a manner that complies with Section 409A of the Code.

(2) Voting Rights. A Participant shall have no voting rights with respect to any Restricted Stock Units.

(3) Dividend Equivalents. The Award agreement for Restricted Stock Units may provide Participants with the right to receive an amount equal to any dividends or other distributions declared and paid on an equal number of outstanding shares of Common Stock ("**Dividend Equivalents**"). Dividend Equivalents may be paid currently or credited to an account for the Participants, may be settled in cash and/or shares of Common Stock and may be subject to the same restrictions on transfer and forfeitability as the Restricted Stock Units with respect to which paid, in each case to the extent provided in the applicable Award agreement.

8. Other Stock-Based Awards

(a) General. Other Awards of shares of Common Stock, and other Awards that are valued in whole or in part by reference to, or are otherwise based on, shares of Common Stock or other property, may be granted hereunder to Participants ("**Other Stock-Based Awards**"). Such Other Stock-Based Awards shall also be available as a form of payment in the settlement of other Awards granted under the Plan or as payment in lieu of compensation to which a Participant is otherwise entitled. Other Stock-Based Awards may be paid in shares of Common Stock or cash, as the Board shall determine.

(b) Terms and Conditions. Subject to the provisions of the Plan, the Board shall determine the terms and conditions of each Other Stock-Based Award, including any purchase price applicable thereto.

9. Adjustments for Changes in Common Stock and Certain Other Events

(a) Changes in Capitalization. In the event of any stock split, reverse stock split, stock dividend, recapitalization, combination of shares, reclassification of shares, spin-off or other similar change in capitalization or event, or any dividend or distribution to holders of Common Stock other than an ordinary cash dividend, (i) the number and class of securities available under the Plan, (ii) the number and class of securities and exercise price per share of each outstanding Option, (iii) the share and per-share provisions and the measurement price of each outstanding SAR, (iv) the number of shares subject to and the repurchase price per share subject to each outstanding Restricted Stock Award and (v) the share and per-share-related provisions and the purchase price, if any, of each outstanding Other Stock-Based Award, shall be equitably adjusted by the Company (or substituted Awards may be made, if applicable) in the manner determined by the Board. Without limiting the generality of the foregoing, in the event the Company effects a split of the Common Stock by means of a stock dividend and the exercise price of and the number of shares subject to an outstanding Option are adjusted as of the date of the distribution of the dividend (rather than as of the record date for such dividend), then an optionee who exercises an Option between the record date and the distribution date for such stock dividend shall be entitled to receive, on the distribution date, the stock dividend with respect to the shares of Common Stock acquired upon such Option exercise, notwithstanding the fact that such shares were not outstanding as of the close of business on the record date for such stock dividend.

(b) Reorganization Events.

(1) Definition. A "**Reorganization Event**" shall mean: (a) any merger or consolidation of the Company with or into another entity as a result of which all of the Common Stock of the Company is converted into or exchanged for the right to receive cash, securities or other property or is cancelled, (b) any transfer or disposition of all of the Common Stock of the Company for cash, securities or other property pursuant to a share exchange or other transaction or (c) any liquidation or dissolution of the Company.

(2) Consequences of a Reorganization Event on Awards Other than Restricted Stock.

(i) In connection with a Reorganization Event, the Board may take any one or more of the following actions as to all or any (or any portion of) outstanding Awards other than Restricted Stock on such terms as the Board determines (except to the extent specifically provided otherwise in an applicable Award agreement or another agreement between the Company and the Participant): (i) provide that such Awards shall be assumed, or substantially equivalent Awards shall be substituted, by the acquiring or succeeding corporation (or an affiliate thereof), (ii) upon written notice to a Participant, provide that all of the Participant's unexercised Awards will terminate immediately prior to the consummation of such Reorganization Event unless exercised by the Participant (to the extent then exercisable) within a specified period following the date of such notice, (iii) provide that outstanding Awards shall become exercisable, realizable, or deliverable, or restrictions applicable to an Award shall lapse, in whole or in part prior to or upon such Reorganization Event, (iv) in the event of a Reorganization Event under the terms of which holders of Common Stock will receive upon

consummation thereof a cash payment for each share surrendered in the Reorganization Event (the "**Acquisition Price**"), make or provide for a cash payment to Participants with respect to each Award held by a Participant equal to (A) the number of shares of Common Stock subject to the vested portion of the Award (after giving effect to any acceleration of vesting that occurs upon or immediately prior to such Reorganization Event) multiplied by (B) the excess, if any, of (I) the Acquisition Price over (II) the exercise, measurement or purchase price of such Award and any applicable tax withholdings, in exchange for the termination of such Award, (v) provide that, in connection with a liquidation or dissolution of the Company, Awards shall convert into the right to receive liquidation proceeds (if applicable, net of the exercise, measurement or purchase price thereof and any applicable tax withholdings) and (vi) any combination of the foregoing. In taking any of the actions permitted under this Section 9(b)(2), the Board shall not be obligated by the Plan to treat all Awards, all Awards held by a Participant, or all Awards of the same type, identically.

(ii) Notwithstanding the terms of Section 9(b)(2)(i), in the case of outstanding Restricted Stock Units that are subject to Section 409A of the Code: (i) if the applicable Restricted Stock Unit agreement provides that the Restricted Stock Units shall be settled upon a "change in control event" within the meaning of Treasury Regulation Section 1.409A-3(i)(5)(i), and the Reorganization Event constitutes such a "change in control event", then no assumption or substitution shall be permitted pursuant to Section 9(b)(2)(i)(i) and the Restricted Stock Units shall instead be settled in accordance with the terms of the applicable Restricted Stock Unit agreement; and (ii) the Board may only undertake the actions set forth in clauses (iii), (iv) or (v) of Section 9(b)(2)(i) if the Reorganization Event constitutes a "change in control event" as defined under Treasury Regulation Section 1.409A-3(i)(5)(i) and such action is permitted or required by Section 409A of the Code; if the Reorganization Event is not a "change in control event" as so defined or such action is not permitted or required by Section 409A of the Code, and the acquiring or succeeding corporation does not assume or substitute the Restricted Stock Units pursuant to clause (i) of Section 9(b)(2)(i), then the unvested Restricted Stock Units shall terminate immediately prior to the consummation of the Reorganization Event without any payment in exchange therefor.

(iii) For purposes of Section 9(b)(2)(i)(i), an Award (other than Restricted Stock) shall be considered assumed if, following consummation of the Reorganization Event, such Award confers the right to purchase or receive pursuant to the terms of such Award, for each share of Common Stock subject to the Award immediately prior to the consummation of the Reorganization Event, the consideration (whether cash, securities or other property) received as a result of the Reorganization Event by holders of Common Stock for each share of Common Stock held immediately prior to the consummation of the Reorganization Event (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding shares of Common Stock); *provided*, *however*, that if the consideration received as a result of the Reorganization Event is not solely common stock of the acquiring or succeeding corporation (or an affiliate thereof), the Company may, with the consent of the acquiring or succeeding corporation, provide for the consideration to be received upon the exercise or settlement of the Award to consist solely of such number of shares of common stock of the acquiring or succeeding corporation (or an affiliate thereof) that the Board determined to be equivalent in value (as of the date of such determination or another date specified by the Board) to the per share consideration received by holders of outstanding shares of Common Stock as a result of the Reorganization Event.

(3) Consequences of a Reorganization Event on Restricted Stock. Upon the occurrence of a Reorganization Event other than a liquidation or dissolution of the Company, the repurchase and other rights of the Company with respect to outstanding Restricted Stock shall inure to the benefit of the Company's successor and shall, unless the Board determines otherwise, apply to the cash, securities or other property which the Common Stock was converted into or exchanged for pursuant to such Reorganization Event in the same manner and to the same extent as they applied to such Restricted Stock; *provided*, *however*, that the Board may provide for termination or deemed satisfaction of such repurchase or other rights under the instrument evidencing any Restricted Stock or any other agreement between a Participant and the Company, either initially or by amendment. Upon the occurrence of a Reorganization Event involving the liquidation or dissolution of the Company, except to the extent specifically provided to the contrary in the instrument evidencing any Restricted Stock or any other agreement between a Participant and the Company, all restrictions and conditions on all Restricted Stock then outstanding shall automatically be deemed terminated or satisfied.

10. General Provisions Applicable to Awards.

(a) Transferability of Awards. Awards (or any interest in an Award, including, prior to exercise, any interest in shares of Common Stock issuable upon exercise of an Option or SAR) shall not be sold, assigned, transferred (including by establishing any short position, put equivalent position (as defined in Rule 16a-1 issued under the Exchange Act) or call equivalent position (as defined in Rule 16a-1 issued under the Exchange Act)), pledged, hypothecated or otherwise encumbered by the person to whom they are granted, either voluntarily or by operation of law, and, during the life of the Participant, shall be exercisable only by the Participant; except that Awards, other than Awards subject to Section 409A of the Code, may be transferred to family members (as defined in Rule 701(c)(3) under the Securities Act) through gifts or (other than Incentive Stock Options) domestic relations orders or to an executor or guardian upon the death or disability of the Participant. The Company shall not be required to recognize any such permitted transfer until such time as such permitted transferee shall deliver to the Company a written instrument, as a condition to such transfer, in form and substance satisfactory to the Company confirming that such transferee shall be bound by all of the terms and conditions of the Award. References to a Participant, to the extent relevant in the context, shall include references to authorized transferees. For the avoidance of doubt, nothing contained in this Section 10(a) shall be deemed to restrict a transfer to the Company.

(b) Documentation. Each Award shall be evidenced in such form (written, electronic or otherwise) as the Board shall determine. Each Award may contain terms and conditions in addition to those set forth in the Plan.

(c) Board Discretion. Except as otherwise provided by the Plan, each Award may be made alone or in addition or in relation to any other Award. The terms of each Award need not be identical, and the Board need not treat Participants uniformly.

(d) Termination of Status. The Board shall determine the effect on an Award of the disability, death, termination or other cessation of employment, authorized leave of absence or other change in the employment or other status of a Participant and the extent to which, and the period during which, the Participant, or the Participant's legal representative, conservator, guardian or Designated Beneficiary, may exercise rights under the Award.

(e) Withholding. The Participant must satisfy all applicable federal, state, and local or other income and employment tax withholding obligations before the Company will deliver stock certificates or otherwise recognize ownership of Common Stock under an Award. The Company may decide to satisfy the withholding obligations through additional withholding on salary or wages. If the Company elects not to or cannot withhold from other compensation, the Participant must pay the Company the full amount, if any, required for withholding or have a broker tender to the Company cash equal to the withholding obligations. Payment of withholding obligations is due before the Company will issue any shares on exercise, vesting or release from forfeiture of an Award or at the same time as payment of the exercise or purchase price unless the Company determines otherwise. If provided for in an Award or approved by the Board in its sole discretion, a Participant may satisfy such tax obligations in whole or in part by delivery (either by actual delivery or attestation) of shares of Common Stock, including shares retained from the Award creating the tax obligation, valued at their Fair Market Value; *provided*, *however*, except as otherwise provided by the Board, that the total tax withholding where stock is being used to satisfy such tax obligations cannot exceed the Company's minimum statutory withholding obligations (based on minimum statutory withholding rates for federal and state tax purposes, including payroll taxes, that are applicable to such supplemental taxable income). Shares used to satisfy tax withholding requirements cannot be subject to any repurchase, forfeiture, unfulfilled vesting or other similar requirements.

(f) Amendment of Award.

(1) The Board may amend, modify or terminate any outstanding Award, including but not limited to, substituting therefor another Award of the same or a different type, changing the date of exercise or realization, and converting an Incentive Stock Option to a Nonstatutory Stock Option. The Participant's consent to such action shall be required unless (i) the Board determines that the action, taking into account any related action, does not materially and adversely affect the Participant's rights under the Plan or (ii) the change is permitted under Section 9.

(2) The Board may, without stockholder approval, amend any outstanding Award granted under the Plan to provide an exercise price per share that is lower than the then-current exercise price per share of such outstanding Award. The Board may also, without stockholder approval, cancel any outstanding award (whether or not granted under the Plan) and grant in substitution therefor new Awards under the Plan covering the same or a different number of shares of Common Stock and having an exercise price per share lower than the then-current exercise price per share of the cancelled award.

(g) Conditions on Delivery of Stock. The Company will not be obligated to deliver any shares of Common Stock pursuant to the Plan or to remove restrictions from shares previously issued or delivered under the Plan until (i) all conditions of the Award have been met or removed to the satisfaction of the Company, (ii) in the opinion of the Company's counsel, all other legal matters in connection with the issuance and delivery of such shares have been satisfied, including any applicable securities laws and regulations and any applicable stock exchange or stock market rules and regulations, and (iii) the Participant has executed and delivered to the Company such representations or agreements as the Company may consider appropriate to satisfy the requirements of any applicable laws, rules or regulations.

(h) Acceleration. The Board may at any time provide that any Award shall become immediately exercisable in whole or in part, free of some or all restrictions or conditions, or otherwise realizable in whole or in part, as the case may be.

11. Miscellaneous.

(a) No Right to Employment or Other Status. No person shall have any claim or right to be granted an Award by virtue of the adoption of the Plan, and the grant of an Award shall not be construed as giving a Participant the right to continued employment or any other relationship with the Company. The Company expressly reserves the right at any time to dismiss or otherwise terminate its relationship with a Participant free from any liability or claim under the Plan, except as expressly provided in the applicable Award.

(b) No Rights as Stockholder. Subject to the provisions of the applicable Award, no Participant or Designated Beneficiary shall have any rights as a stockholder with respect to any shares of Common Stock to be distributed with respect to an Award until becoming the record holder of such shares.

(c) Effective Date and Term of Plan. The Plan shall become effective on the date on which it is adopted by the Board. No Awards shall be granted under the Plan after the expiration of 10 years from the earlier of (i) the date on which the Plan was adopted by the Board or (ii) the date the Plan was approved by the Company's stockholders, but Awards previously granted may extend beyond that date.

(d) Amendment of Plan. The Board may amend, suspend or terminate the Plan or any portion thereof at any time; *provided* that if at any time the approval of the Company's stockholders is required as to any modification or amendment under Section 422 of the Code or any successor provision with respect to Incentive Stock Options, the Board may not effect such modification or amendment without such approval. Unless otherwise specified in the amendment, any amendment to the Plan adopted in accordance with this Section 11(d) shall apply to, and be binding on the holders of, all Awards outstanding under the Plan at the time the amendment is adopted, provided the Board determines that such amendment, taking into account any related action, does not materially and adversely affect the rights of Participants under the Plan.

(e) Authorization of Sub-Plans (including Grants to non-U.S. Employees). The Board may from time to time establish one or more sub-plans under the Plan for purposes of satisfying applicable securities, tax or other laws of various jurisdictions. The Board shall establish such sub-plans by adopting supplements to the Plan containing (i) such limitations on the Board's discretion under the Plan as the Board deems necessary or desirable or (ii) such

additional terms and conditions not otherwise inconsistent with the Plan as the Board shall deem necessary or desirable. All supplements adopted by the Board shall be deemed to be part of the Plan, but each supplement shall apply only to Participants within the affected jurisdiction and the Company shall not be required to provide copies of any supplement to Participants in any jurisdiction which is not the subject of such supplement.

(f) Compliance with Section 409A of the Code. Except as provided in individual Award agreements initially or by amendment, if and to the extent (i) any portion of any payment, compensation or other benefit provided to a Participant pursuant to the Plan in connection with Participant's employment termination constitutes "nonqualified deferred compensation" within the meaning of Section 409A of the Code and (ii) the Participant is a specified employee as defined in Section 409A(a)(2)(B)(i) of the Code, in each case as determined by the Company in accordance with its procedures, by which determinations the Participant (through accepting the Award) agrees that the Participant is bound, such portion of the payment, compensation or other benefit shall not be paid before the day that is six months plus one day after the date of "separation from service" (as determined under Section 409A of the Code) (the "**New Payment Date**"), except as Section 409A of the Code may then permit. The aggregate of any payments that otherwise would have been paid to the Participant during the period between the date of separation from service and the New Payment Date shall be paid to the Participant in a lump sum on such New Payment Date, and any remaining payments will be paid on their original schedule.

The Company makes no representations or warranty and shall have no liability to the Participant or any other person if any provisions of or payments, compensation or other benefits under the Plan are determined to constitute nonqualified deferred compensation subject to Section 409A of the Code but do not to satisfy the conditions of that section.

(g) Limitations on Liability. Notwithstanding any other provisions of the Plan, no individual acting as a director, officer, other employee, or agent of the Company will be liable to any Participant, former Participant, spouse, beneficiary, or any other person for any claim, loss, liability, or expense incurred in connection with the Plan, nor will such individual be personally liable with respect to the Plan because of any contract or other instrument such individual executes in such individual's capacity as a director, officer, other employee, or agent of the Company. The Company will indemnify and hold harmless each director, officer, other employee, or agent of the Company to whom any duty or power relating to the administration or interpretation of the Plan has been or will be delegated, against any cost or expense (including attorneys' fees) or liability (including any sum paid in settlement of a claim with the Board's approval) arising out of any act or omission to act concerning the Plan unless arising out of such person's own fraud or bad faith.

(h) Governing Law. The provisions of the Plan and all Awards made hereunder shall be governed by and interpreted in accordance with the laws of the State of Delaware, excluding choice-of-law principles of the law of such state that would require the application of the laws of a jurisdiction other than the State of Delaware.

* * * *

EVELO BIOSCIENCES, INC.
2015 STOCK INCENTIVE PLAN

CALIFORNIA SUPPLEMENT

Pursuant to Section 11(e) of the Plan, the Board has adopted this supplement for purposes of satisfying the requirements of Section 25102(o) of the California Law:

Any Awards granted under the Plan to a Participant who is a resident of the State of California on the date of grant (a "**California Participant**") shall be subject to the following additional limitations, terms and conditions:

1. Additional Limitations on Options.

(a) Maximum Duration of Options. No Options granted to California Participants shall have a term in excess of 10 years measured from the Option grant date.

(b) Minimum Exercise Period Following Termination. Unless a California Participant's employment is terminated for cause (as defined by applicable law, the terms of the Plan or option grant or a contract of employment), in the event of termination of employment of such Participant, such Participant shall have the right to exercise an Option, to the extent that such Participant is entitled to exercise such Option on the date employment terminated, until the earlier of: (i) at least six months from the date of termination, if termination was caused by such Participant's death or disability, (ii) at least 30 days from the date of termination, if termination was caused other than by such Participant's death or disability and (iii) the Option expiration date.

2. Additional Limitations for Other Stock-Based Awards. The terms of all Awards granted to a California Participant under Section 8 of the Plan shall comply, to the extent applicable, with Sections 260.140.42, 260.140.45 and 260.140.46 of the California Code of Regulations.

3. Additional Limitations on Timing of Awards. No Award granted to a California Participant shall become exercisable, vested or realizable, as applicable to such Award, unless the Plan has been approved by the holders of a majority of the Company's outstanding voting securities by the later of (i) within 12 months before or after the date the Plan was adopted by the Board, or (ii) prior to or within 12 months of the granting of any Award to a California Participant.

4. Additional Restriction Regarding Recapitalizations, Stock Splits, Etc. For purposes of Section 9 of the Plan, in the event of a stock split, reverse stock split, stock dividend, recapitalization, combination, reclassification or other distribution of the Company's securities underlying the Award without the receipt of consideration by the Company, the number of securities purchasable, and in the case of Options, the exercise price of such Options, must be proportionately adjusted.

5. Additional Limitations on Transferability of Awards. Notwithstanding the provisions of Section 10(a) of the Plan, an Award granted to a California Participant may not be transferred to an executor or guardian upon the disability of the Participant.

* * * *

EVELO BIOSCIENCES, INC.

NONSTATUTORY STOCK OPTION AGREEMENT
GRANTED UNDER 2015 STOCK INCENTIVE PLAN

1. Grant of Option.

This Nonstatutory Stock Option Agreement (the "**Agreement**") evidences the grant by Evelo Biosciences, Inc., a Delaware corporation (the "**Company**"), on [, 20] (the "**Grant Date**") to [ ], an employee, consultant or director of the Company (the "**Participant**"), of an option to purchase, in whole or in part, on the terms provided herein and in the Company's 2015 Stock Incentive Plan (the "**Plan**"), a total of [ ] shares (the "**Shares**") of common stock, $0.001 par value per share, of the Company ("**Common Stock**") at $[ ] per Share. Unless earlier terminated, this option shall expire at 5:00 p.m., Eastern time, on [, 20] [date is ten years minus one day from grant date] (the "**Final Exercise Date**").

It is intended that the option evidenced by this Agreement shall not be an incentive stock option as defined in Section 422 of the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder (the "**Code**"). Except as otherwise indicated by the context, the term "**Participant**", as used in this option, shall be deemed to include any person who acquires the right to exercise this option validly under its terms.

2. Vesting Schedule.

This option will become exercisable ("**vest**") as to 25% of the original number of Shares on the first anniversary of the Vesting Commencement Date (as defined below) and as to an additional 6.25% of the original number of Shares at the end of each successive quarter following the first anniversary of the Vesting Commencement Date until the fourth anniversary of the Vesting Commencement Date. On the fourth anniversary of the Vesting Commencement Date, this option will be exercisable as to all Shares. For purposes of this Agreement, "**Vesting Commencement Date**" shall mean [ ].

The right of exercise shall be cumulative so that to the extent the option is not exercised in any period to the maximum extent permissible it shall continue to be exercisable, in whole or in part, with respect to all Shares for which it is vested until the earlier of the Final Exercise Date or the termination of this option under Section 3 hereof or the Plan.

3. Exercise of Option.

(a) Form of Exercise. Each election to exercise this option shall be accompanied by a completed Notice of Stock Option Exercise in the form attached hereto as Exhibit A, signed by the Participant, and received by the Company at its principal office, accompanied by this Agreement, and payment in full in the manner provided in the Plan. The Participant may purchase less than the number of Shares covered hereby, provided that no partial exercise of this option may be for any fractional share or for fewer than ten whole shares.

(b) Continuous Relationship with the Company Required. Except as otherwise provided in this Section 3, this option may not be exercised unless the Participant, at the time he or she exercises this option, is, and has been at all times since the Grant Date, an employee, officer or director of, or consultant or advisor to, the Company or any other entity the employees, officers, directors, consultants, or advisors of which are eligible to receive option grants under the Plan (an "**Eligible Participant**").

(c) Termination of Relationship with the Company. If the Participant ceases to be an Eligible Participant for any reason, then, except as provided in paragraphs (d) and (e) below, the right to exercise this option shall terminate three months after such cessation (but in no event after the Final Exercise Date), provided that this option shall be exercisable only to the extent that the Participant was entitled to exercise this option on the date of such cessation. Notwithstanding the foregoing, if the Participant, prior to the Final Exercise Date, violates the non-competition or confidentiality provisions of any employment contract, confidentiality and nondisclosure agreement or other agreement between the Participant and the Company, the right to exercise this option shall terminate immediately upon such violation.

(d) Exercise Period Upon Death or Disability. If the Participant dies or becomes disabled (within the meaning of Section 22(e)(3) of the Code) prior to the Final Exercise Date while he or she is an Eligible Participant and the Company has not terminated such relationship for "cause" as specified in paragraph (e) below, this option shall be exercisable, within the period of one year following the date of death or disability of the Participant, by the Participant (or in the case of death by an authorized transferee), provided that this option shall be exercisable only to the extent that this option was exercisable by the Participant on the date of his or her death or disability, and further provided that this option shall not be exercisable after the Final Exercise Date.

(e) Termination for Cause. If, prior to the Final Exercise Date, the Participant's employment or other relationship with the Company is terminated by the Company for Cause (as defined below), the right to exercise this option shall terminate immediately upon the effective date of such termination of employment or other relationship. If, prior to the Final Exercise Date, the Participant is given notice by the Company of the termination of his or her employment or other relationship by the Company for Cause, and the effective date of such employment or other termination is subsequent to the date of the delivery of such notice, the right to exercise this option shall be suspended from the time of the delivery of such notice until the earlier of (i) such time as it is determined or otherwise agreed that the Participant's employment or other relationship shall not be terminated for Cause as provided in such notice or (ii) the effective date of such termination of employment or other relationship (in which case the right to exercise this option shall, pursuant to the preceding sentence, terminate immediately upon the effective date of such termination of employment or other relationship). If the Participant is party to an employment, consulting or severance agreement with the Company that contains a definition of "cause" for termination of employment or other relationship, "Cause" shall have the meaning ascribed to such term in such agreement. Otherwise, "Cause" shall mean willful misconduct by the Participant or willful failure by the Participant to perform his or her responsibilities to the Company (including, without limitation, breach by the Participant of any provision of any employment, consulting, advisory, nondisclosure, non-competition or other similar agreement between the Participant and the Company), as determined by the Company, which determination shall be conclusive. The Participant's employment or other relationship shall be considered to have been terminated for "Cause" if the Company determines, within 30 days after the Participant's resignation, that termination for Cause was warranted.

4. Company Right of First Refusal.

(a) Notice of Proposed Transfer. If the Participant proposes to sell, assign, transfer, pledge, hypothecate or otherwise dispose of, by operation of law or otherwise (collectively, "transfer") any Shares acquired upon exercise of this option, then the Participant shall first give written notice of the proposed transfer (the "**Transfer Notice**") to the Company. The Transfer Notice shall name the proposed transferee and state the number of such Shares the Participant proposes to transfer (the "**Offered Shares**"), the price per share and all other material terms and conditions of the transfer.

(b) Company Right to Purchase. For 30 days following its receipt of such Transfer Notice, the Company shall have the option to purchase all or part of the Offered Shares at the price and upon the terms set forth in the Transfer Notice. In the event the Company elects to purchase all or part of the Offered Shares, it shall give written notice of such election to the Participant within such 30-day period. Within 10 days after his or her receipt of such notice, the Participant shall tender to the Company at its principal offices the certificate or certificates representing the Offered Shares to be purchased by the Company, duly endorsed in blank by the Participant or with duly endorsed stock powers attached thereto, all in a form suitable for transfer of the Offered Shares to the Company. Promptly following receipt of such certificate or certificates, the Company shall deliver or mail to the Participant a check in payment of the purchase price for such Offered Shares; provided that if the terms of payment set forth in the Transfer Notice were other than cash against delivery, the Company may pay for the Offered Shares on the same terms and conditions as were set forth in the Transfer Notice; and provided further that any delay in making such payment shall not invalidate the Company's exercise of its option to purchase the Offered Shares.

(c) Shares Not Purchased By Company. If the Company does not elect to acquire all of the Offered Shares, the Participant may, within the 30-day period following the expiration of the option granted to the Company under subsection (b) above, transfer the Offered Shares which the Company has not elected to acquire to the proposed transferee, provided that such transfer shall not be on terms and conditions more favorable to the transferee than those contained in the Transfer Notice. Notwithstanding any of the above, all Offered Shares transferred pursuant to this Section 4 shall remain subject to the right of first refusal set forth in this Section 4 and such transferee shall, as a condition to such transfer, deliver to the Company a written instrument confirming that such transferee shall be bound by all of the terms and conditions of this Section 4.

(d) Consequences of Non-Delivery. After the time at which the Offered Shares are required to be delivered to the Company for transfer to the Company pursuant to subsection (b) above, the Company shall not pay any dividend to the Participant on account of such Offered Shares or permit the Participant to exercise any of the privileges or rights of a stockholder with respect to such Offered Shares, but shall, insofar as permitted by law, treat the Company as the owner of such Offered Shares.

(e) Exempt Transactions. The following transactions shall be exempt from the provisions of this Section 4:

(1) any transfer of Shares to or for the benefit of any spouse, child or grandchild of the Participant, or to a trust for their benefit;

(2) any transfer pursuant to an effective registration statement filed by the Company under the Securities Act of 1933, as amended (the "**Securities Act**"); and

(3) the sale of all or substantially all of the outstanding shares of capital stock of the Company (including pursuant to a merger or consolidation);

provided, however, that in the case of a transfer pursuant to clause (1) above, such Shares shall remain subject to the right of first refusal set forth in this Section 4.

(f) Assignment of Company Right. The Company may assign its rights to purchase Offered Shares in any particular transaction under this Section 4 to one or more persons or entities.

(g) Termination. The provisions of this Section 4 shall terminate upon the earlier of the following events:

(1) the closing of the sale of shares of Common Stock in an underwritten public offering pursuant to an effective registration statement filed by the Company under the Securities Act; or

(2) the sale of all or substantially all of the outstanding shares of capital stock, assets or business of the Company, by merger, consolidation, sale of assets or otherwise (other than a merger or consolidation in which all or substantially all of the individuals and entities who were beneficial owners of the Company's voting securities immediately prior to such transaction beneficially own, directly or indirectly, more than 75% (determined on an as-converted basis) of the outstanding securities entitled to vote generally in the election of directors of the resulting, surviving or acquiring corporation in such transaction).

(h) No Obligation to Recognize Invalid Transfer. The Company shall not be required (1) to transfer on its books any of the Shares which shall have been sold or transferred in violation of any of the provisions set forth in this Section 4, or (2) to treat as owner of such Shares or to pay dividends to any transferee to whom any such Shares shall have been so sold or transferred.

(i) Legends. The certificate representing Shares shall bear a legend substantially in the following form (in addition to, or in combination with, any legend required by applicable federal and state securities laws and agreements relating to the transfer of the Company securities):

"The shares represented by this certificate are subject to a right of first refusal in favor of the Company, as provided in a certain stock option agreement with the Company."

5. Agreement in Connection with Initial Public Offering.

The Participant agrees, in connection with the initial underwritten public offering of the Common Stock pursuant to a registration statement under the Securities Act, (i) not to (a) offer, pledge, announce the intention to sell, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any shares of Common Stock or any other securities of the Company or (b) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of shares of Common Stock or other securities of the Company, whether any transaction described in clause (a) or (b) is to be settled by delivery of securities, in cash or otherwise, during the period beginning on the date of the filing of such registration statement with the Securities and Exchange Commission and ending 180 days after the date of the final prospectus relating to the offering (plus up to an additional 34 days to the extent requested by the managing underwriters for such offering in order to address FINRA Rule 2241 or NYSE Rule 472(f)(4) or any similar successor provision), and (ii) to execute any agreement reflecting clause (i) above as may be requested by the Company or the managing underwriters at the time of such offering. The Company may impose stop-transfer instructions with respect to the shares of Common Stock or other securities subject to the foregoing restriction until the end of the "lock-up" period.

6. Withholding.

No Shares will be issued pursuant to the exercise of this option unless and until the Participant pays to the Company, or makes provision satisfactory to the Company for payment of, any federal, state or local withholding taxes required by law to be withheld in respect of this option.

7. Transfer Restrictions.

(a) This option may not be sold, assigned, transferred, pledged or otherwise encumbered by the Participant, either voluntarily or by operation of law, except by will or the laws of descent and distribution, and, during the lifetime of the Participant, this option shall be exercisable only by the Participant.

(b) The Participant agrees that he or she will not transfer any Shares issued pursuant to the exercise of this option unless the transferee, as a condition to such transfer, delivers to the Company a written instrument confirming that such transferee shall be bound by all of the terms and conditions of Section 4 and Section 5; provided that such a written confirmation shall not be required with respect to (1) Section 4 after such provision has terminated in accordance with Section 4(g) or (2) Section 5 after the completion of the lock-up period in connection with the Company's initial underwritten public offering.

8. Provisions of the Plan.

This option is subject to the provisions of the Plan (including the provisions relating to amendments to the Plan), a copy of which is furnished to the Participant with this option. Participant hereby agrees to execute such further instruments and to take such further action as the Company requests to carry out the purposes and intent of the Plan, including, without limitation, restrictions on the transferability of shares of Common Stock, the right of the Company to repurchase shares of Common Stock, the right of the Company to require that shares of Common Stock be transferred in the event of certain transactions, tag-along rights, bring-along rights, redemption and co-sale rights and voting requirements.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written. The Participant hereby accepts the foregoing option and agrees to the terms and conditions thereof. The Participant hereby acknowledges receipt of a copy of the Company's 2015 Stock Incentive Plan.

COMPANY:

Evelo Biosciences, Inc.

By: _____

Name: _____

Title: _____

PARTICIPANT:

By: _____

[Name]

Address: [_____]

[_____]

SPOUSAL CONSENT:[1]

By: _____

Name: _____

Address: [_____]

[_____]

1 If the Participant resides in a community property state, it is desirable to have the Participant's spouse also accept the option. The following are community property states: Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, and Washington. Although Wisconsin is not formally a community property state, it has laws governing the division of marital property similar to community property states and it may be desirable to have a Wisconsin Participant's spouse accept the option.

EXHIBIT A

NOTICE OF STOCK OPTION EXERCISE

[DATE][1]

Evelo Biosciences, Inc.
One Memorial Drive

Cambridge, MA 02142

Attention: Treasurer

Dear Sir or Madam:

I am the holder of a Nonstatutory Stock Option granted to me under the Evelo Biosciences, Inc. (the "**Company**") 2015 Stock Incentive Plan on [ ][2] for the purchase of [ ][3] shares of Common Stock of the Company at a purchase price of $[ ][4] per share.

I hereby exercise my option to purchase [ ][5] shares of Common Stock (the "**Shares**"), for which I have enclosed [ ][6] in the amount of [ ][7]. Please register my stock certificate as follows:

Name(s): _____[8]

_____

Address: _____

_____

1 Enter date of exercise.
2 Enter the date of grant.
3 Enter the total number of shares of Common Stock for which the option was granted.
4 Enter the option exercise price per share of Common Stock.
5 Enter the number of shares of Common Stock to be purchased upon exercise of all or part of the option.
6 Enter "cash", "personal check" or if permitted by the option or Plan, "stock certificates No. XXXX and XXXX".
7 Enter the dollar amount (price per share of Common Stock times the number of shares of Common Stock to be purchased), or the number of shares tendered. Fair market value of shares tendered, together with cash or check, must cover the purchase price of the shares issued upon exercise.
8 Enter name(s) to appear on stock certificate in one of the following formats: (a) your name only (i.e., John Doe); (b) your name and other name (i.e., John Doe and Jane Doe, Joint Tenants with Right to Survivorship); or for Nonstatutory Stock Options only, (c) a child's name, with you as custodian (i.e. Jane Doe, Custodian for Tommy Doe). Note: There may be income and/or gift tax consequences for registering shares in a child's name.

I represent, warrant and covenant as follows:

1. I am purchasing the Shares for my own account for investment only, and not with a view to, or for sale in connection with, any distribution of the Shares in violation of the Securities Act of 1933 (the "**Securities Act**"), or any rule or regulation under the Securities Act.

2. I have had such opportunity as I have deemed adequate to obtain from representatives of the Company such information as is necessary to permit me to evaluate the merits and risks of my investment in the Company.

3. I have sufficient experience in business, financial and investment matters to be able to evaluate the risks involved in the purchase of the Shares and to make an informed investment decision with respect to such purchase.

4. I can afford a complete loss of the value of the Shares and am able to bear the economic risk of holding such Shares for an indefinite period.

5. I understand that (i) the Shares have not been registered under the Securities Act and are "restricted securities" within the meaning of Rule 144 under the Securities Act, (ii) the Shares cannot be sold, transferred or otherwise disposed of unless they are subsequently registered under the Securities Act or an exemption from registration is then available; (iii) in any event, the exemption from registration under Rule 144 will not be available for at least one year and even then will not be available unless a public market then exists for the Common Stock, adequate information concerning the Company is then available to the public, and other terms and conditions of Rule 144 are complied with; and (iv) there is now no registration statement on file with the Securities and Exchange Commission with respect to any stock of the Company and the Company has no obligation or current intention to register the Shares under the Securities Act.

Very truly yours,

_____

[Name]

EVELO BIOSCIENCES, INC.

INCENTIVE STOCK OPTION AGREEMENT
GRANTED UNDER 2015 STOCK INCENTIVE PLAN

1. Grant of Option.

This Incentive Stock Option Agreement (the "**Agreement**") evidences the grant by Evelo Biosciences, Inc., a Delaware corporation (the "**Company**"), on [, 20] (the "**Grant Date**") to [ ], an employee of the Company (the "**Participant**"), of an option to purchase, in whole or in part, on the terms provided herein and in the Company's 2015 Stock Incentive Plan (the "**Plan**"), a total of [ ] shares (the "**Shares**") of common stock, $0.001 par value per share, of the Company ("**Common Stock**") at $[ ] per Share. Unless earlier terminated, this option shall expire at 5:00 p.m., Eastern time, on [, 20] [date is ten years minus one day from grant date] (the "**Final Exercise Da**te").

It is intended that the option evidenced by this Agreement shall be an incentive stock option as defined in Section 422 of the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder (the "**Code**"). Except as otherwise indicated by the context, the term "**Participant**", as used in this option, shall be deemed to include any person who acquires the right to exercise this option validly under its terms.

2. Vesting Schedule.

This option will become exercisable ("**vest**") as to 25% of the original number of Shares on the first anniversary of the Vesting Commencement Date (as defined below) and as to an additional 6.25% of the original number of Shares at the end of each successive quarter following the first anniversary of the Vesting Commencement Date until the fourth anniversary of the Vesting Commencement Date. On the fourth anniversary of the Vesting Commencement Date, this option will be exercisable as to all Shares. For purposes of this Agreement, "**Vesting Commencement Date**" shall mean [ ].

The right of exercise shall be cumulative so that to the extent the option is not exercised in any period to the maximum extent permissible it shall continue to be exercisable, in whole or in part, with respect to all Shares for which it is vested until the earlier of the Final Exercise Date or the termination of this option under Section 3 hereof or the Plan.

3. Exercise of Option.

(a) Form of Exercise. Each election to exercise this option shall be accompanied by a completed Notice of Stock Option Exercise in the form attached hereto as Exhibit A, signed by the Participant, and received by the Company at its principal office, accompanied by this Agreement, and payment in full in the manner provided in the Plan. The Participant may purchase less than the number of Shares covered hereby, provided that no partial exercise of this option may be for any fractional share or for fewer than ten whole shares.

(b) Continuous Relationship with the Company Required. Except as otherwise provided in this Section 3, this option may not be exercised unless the Participant, at the time he or she exercises this option, is, and has been at all times since the Grant Date, an employee or officer of, or consultant or advisor to, the Company or any parent or subsidiary of the Company as defined in Section 424(e) or (f) of the Code (an "**Eligible Participant**").

(c) Termination of Relationship with the Company. If the Participant ceases to be an Eligible Participant for any reason, then, except as provided in paragraphs (d) and (e) below, the right to exercise this option shall terminate three months after such cessation (but in no event after the Final Exercise Date), provided that this option shall be exercisable only to the extent that the Participant was entitled to exercise this option on the date of such cessation. Notwithstanding the foregoing, if the Participant, prior to the Final Exercise Date, violates the non-competition or confidentiality provisions of any employment contract, confidentiality and nondisclosure agreement or other agreement between the Participant and the Company, the right to exercise this option shall terminate immediately upon such violation.

(d) Exercise Period Upon Death or Disability. If the Participant dies or becomes disabled (within the meaning of Section 22(e)(3) of the Code) prior to the Final Exercise Date while he or she is an Eligible Participant and the Company has not terminated such relationship for "cause" as specified in paragraph (e) below, this option shall be exercisable, within the period of one year following the date of death or disability of the Participant, by the Participant (or in the case of death by an authorized transferee), provided that this option shall be exercisable only to the extent that this option was exercisable by the Participant on the date of his or her death or disability, and further provided that this option shall not be exercisable after the Final Exercise Date.

(e) Termination for Cause. If, prior to the Final Exercise Date, the Participant's employment is terminated by the Company for Cause (as defined below), the right to exercise this option shall terminate immediately upon the effective date of such termination of employment. If, prior to the Final Exercise Date, the Participant is given notice by the Company of the termination of his or her employment by the Company for Cause, and the effective date of such employment termination is subsequent to the date of delivery of such notice, the right to exercise this option shall be suspended from the time of the delivery of such notice until the earlier of (i) such time as it is determined or otherwise agreed that the Participant's employment shall not be terminated for Cause as provided in such notice or (ii) the effective date of such termination of employment (in which case the right to exercise this option shall, pursuant to the preceding sentence, terminate upon the effective date of such termination of employment). If the Participant is party to an employment or severance agreement with the Company that contains a definition of "cause" for termination of employment, "Cause" shall have the meaning ascribed to such term in such agreement. Otherwise, "Cause" shall mean willful misconduct by the Participant or willful failure by the Participant to perform his or her responsibilities to the Company (including, without limitation, breach by the Participant of any provision of any employment, consulting, advisory, nondisclosure, non-competition or other similar agreement between the Participant and the Company), as determined by the Company, which determination shall be conclusive. The Participant's employment shall be considered to have been terminated for Cause if the Company determines, within 30 days after the Participant's resignation, that termination for Cause was warranted.

4. Company Right of First Refusal.

(a) Notice of Proposed Transfer. If the Participant proposes to sell, assign, transfer, pledge, hypothecate or otherwise dispose of, by operation of law or otherwise (collectively, "transfer") any Shares acquired upon exercise of this option, then the Participant shall first give written notice of the proposed transfer (the "**Transfer Notice**") to the Company. The Transfer Notice shall name the proposed transferee and state the number of such Shares the Participant proposes to transfer (the "**Offered Shares**"), the price per share and all other material terms and conditions of the transfer.

(b) Company Right to Purchase. For 30 days following its receipt of such Transfer Notice, the Company shall have the option to purchase all or part of the Offered Shares at the price and upon the terms set forth in the Transfer Notice. In the event the Company elects to purchase all or part of the Offered Shares, it shall give written notice of such election to the Participant within such 30-day period. Within 10 days after his or her receipt of such notice, the Participant shall tender to the Company at its principal offices the certificate or certificates representing the Offered Shares to be purchased by the Company, duly endorsed in blank by the Participant or with duly endorsed stock powers attached thereto, all in a form suitable for transfer of the Offered Shares to the Company. Promptly following receipt of such certificate or certificates, the Company shall deliver or mail to the Participant a check in payment of the purchase price for such Offered Shares; provided that if the terms of payment set forth in the Transfer Notice were other than cash against delivery, the Company may pay for the Offered Shares on the same terms and conditions as were set forth in the Transfer Notice; and provided further that any delay in making such payment shall not invalidate the Company's exercise of its option to purchase the Offered Shares.

(c) Shares Not Purchased By Company. If the Company does not elect to acquire all of the Offered Shares, the Participant may, within the 30-day period following the expiration of the option granted to the Company under subsection (b) above, transfer the Offered Shares which the Company has not elected to acquire to the proposed transferee, provided that such transfer shall not be on terms and conditions more favorable to the transferee than those contained in the Transfer Notice. Notwithstanding any of the above, all Offered Shares transferred pursuant to this Section 4 shall remain subject to the right of first refusal set forth in this Section 4 and such transferee shall, as a condition to such transfer, deliver to the Company a written instrument confirming that such transferee shall be bound by all of the terms and conditions of this Section 4.

(d) Consequences of Non-Delivery. After the time at which the Offered Shares are required to be delivered to the Company for transfer to the Company pursuant to subsection (b) above, the Company shall not pay any dividend to the Participant on account of such Offered Shares or permit the Participant to exercise any of the privileges or rights of a stockholder with respect to such Offered Shares, but shall, insofar as permitted by law, treat the Company as the owner of such Offered Shares.

(e) Exempt Transactions. The following transactions shall be exempt from the provisions of this Section 4:

(1) any transfer of Shares to or for the benefit of any spouse, child or grandchild of the Participant, or to a trust for their benefit;

(2) any transfer pursuant to an effective registration statement filed by the Company under the Securities Act of 1933, as amended (the "**Securities Act**"); and

(3) the sale of all or substantially all of the outstanding shares of capital stock of the Company (including pursuant to a merger or consolidation);

provided, however, that in the case of a transfer pursuant to clause (1) above, such Shares shall remain subject to the right of first refusal set forth in this Section 4.

(f) Assignment of Company Right. The Company may assign its rights to purchase Offered Shares in any particular transaction under this Section 4 to one or more persons or entities.

(g) Termination. The provisions of this Section 4 shall terminate upon the earlier of the following events:

(1) the closing of the sale of shares of Common Stock in an underwritten public offering pursuant to an effective registration statement filed by the Company under the Securities Act; or

(2) the sale of all or substantially all of the outstanding shares of capital stock, assets or business of the Company, by merger, consolidation, sale of assets or otherwise (other than a merger or consolidation in which all or substantially all of the individuals and entities who were beneficial owners of the Company's voting securities immediately prior to such transaction beneficially own, directly or indirectly, more than 75% (determined on an as-converted basis) of the outstanding securities entitled to vote generally in the election of directors of the resulting, surviving or acquiring corporation in such transaction).

(h) No Obligation to Recognize Invalid Transfer. The Company shall not be required (1) to transfer on its books any of the Shares which shall have been sold or transferred in violation of any of the provisions set forth in this Section 4, or (2) to treat as owner of such Shares or to pay dividends to any transferee to whom any such Shares shall have been so sold or transferred.

(i) Legends. The certificate representing Shares shall bear a legend substantially in the following form (in addition to, or in combination with, any legend required by applicable federal and state securities laws and agreements relating to the transfer of the Company securities):

"The shares represented by this certificate are subject to a right of first refusal in favor of the Company, as provided in a certain stock option agreement with the Company."

5. Agreement in Connection with Initial Public Offering.

The Participant agrees, in connection with the initial underwritten public offering of the Common Stock pursuant to a registration statement under the Securities Act, (i) not to (a) offer, pledge, announce the intention to sell, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any shares of Common Stock or any other securities of the Company or (b) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of shares of Common Stock or other securities of the Company, whether any transaction described in clause (a) or (b) is to be settled by delivery of securities, in cash or otherwise, during the period beginning on the date of the filing of such registration statement with the Securities and Exchange Commission and ending 180 days after the date of the final prospectus relating to the offering (plus up to an additional 34 days to the extent requested by the managing underwriters for such offering in order to address FINRA Rule 2241 or NYSE Rule 472(f)(4) or any similar successor provision), and (ii) to execute any agreement reflecting clause (i) above as may be requested by the Company or the managing underwriters at the time of such offering. The Company may impose stop-transfer instructions with respect to the shares of Common Stock or other securities subject to the foregoing restriction until the end of the "lock-up" period.

6. Tax Matters.

(a) Withholding. No Shares will be issued pursuant to the exercise of this option unless and until the Participant pays to the Company, or makes provision satisfactory to the Company for payment of, any federal, state or local withholding taxes required by law to be withheld in respect of this option.

(b) Disqualifying Disposition. If the Participant disposes of Shares acquired upon exercise of this option within two years from the Grant Date or one year after such Shares were acquired pursuant to exercise of this option, the Participant shall notify the Company in writing of such disposition.

7. Transfer Restrictions.

(a) This option may not be sold, assigned, transferred, pledged or otherwise encumbered by the Participant, either voluntarily or by operation of law, except by will or the laws of descent and distribution, and, during the lifetime of the Participant, this option shall be exercisable only by the Participant.

(b) The Participant agrees that he or she will not transfer any Shares issued pursuant to the exercise of this option unless the transferee, as a condition to such transfer, delivers to the Company a written instrument confirming that such transferee shall be bound by all of the terms and conditions of Section 4 and Section 5; provided that such a written confirmation shall not be required with respect to (1) Section 4 after such provision has terminated in accordance with Section 4(g) or (2) Section 5 after the completion of the lock-up period in connection with the Company's initial underwritten public offering.

8. Provisions of the Plan.

This option is subject to the provisions of the Plan (including the provisions relating to amendments to the Plan), a copy of which is furnished to the Participant with this option. Participant hereby agrees to execute such further instruments and to take such further action as the Company requests to carry out the purposes and intent of the Plan, including, without limitation, restrictions on the transferability of shares of Common Stock, the right of the Company to repurchase shares of Common Stock, the right of the Company to require that shares of Common Stock be transferred in the event of certain transactions, tag-along rights, bring-along rights, redemption and co-sale rights and voting requirements.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written. The Participant hereby accepts the foregoing option and agrees to the terms and conditions thereof. The Participant hereby acknowledges receipt of a copy of the Company's 2015 Stock Incentive Plan.

COMPANY:

Evelo Biosciences, Inc.

By: _____
Name: _____
Title: _____

PARTICIPANT:

By: _____
[Name]

Address: [_____]
[_____]

SPOUSAL CONSENT:[1]

By: _____
Name:

Address: [_____]
[_____]

1 If the Participant resides in a community property state, it is desirable to have the Participant's spouse also accept the option. The following are community property states: Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, and Washington. Although Wisconsin is not formally a community property state, it has laws governing the division of marital property similar to community property states and it may be desirable to have a Wisconsin Participant's spouse accept the option.

EXHIBIT A

NOTICE OF STOCK OPTION EXERCISE

[DATE][1]

Evelo Biosciences, Inc.
One Memorial Drive, 7th Floor
Cambridge, MA 02142

Attention: Treasurer

Dear Sir or Madam:

I am the holder of an Incentive Stock Option granted to me under the Evelo Biosciences, Inc. (the "**Company**") 2015 Stock Incentive Plan on [2] for the purchase of [3] shares of Common Stock of the Company at a purchase price of $ [4] per share.

I hereby exercise my option to purchase [5] shares of Common Stock (the "**Shares**"), for which I have enclosed [6] in the amount of [7]. Please register my stock certificate as follows:

Name(s): _____ [8]

_____

Address: _____

_____

I represent, warrant and covenant as follows:

---

1 Enter date of exercise.
2 Enter the date of grant.
3 Enter the total number of shares of Common Stock for which the option was granted.
4 Enter the option exercise price per share of Common Stock.
5 Enter the number of shares of Common Stock to be purchased upon exercise of all or part of the option.
6 Enter "cash", "personal check" or if permitted by the option or Plan, "stock certificates No. XXXX and XXXX".
7 Enter the dollar amount (price per share of Common Stock times the number of shares of Common Stock to be purchased), or the number of shares tendered. Fair market value of shares tendered, together with cash or check, must cover the purchase price of the shares issued upon exercise.
8 Enter name(s) to appear on stock certificate in one of the following formats: (a) your name only (i.e., John Doe); (b) your name and other name (i.e., John Doe and Jane Doe, Joint Tenants with Right to Survivorship); or for Nonstatutory Stock Options only, (c) a child's name, with you as custodian (i.e. Jane Doe, Custodian for Tommy Doe). Note: There may be income and/or gift tax consequences for registering shares in a child's name.

1. I am purchasing the Shares for my own account for investment only, and not with a view to, or for sale in connection with, any distribution of the Shares in violation of the Securities Act of 1933 (the "**Securities Act**"), or any rule or regulation under the Securities Act.

2. I have had such opportunity as I have deemed adequate to obtain from representatives of the Company such information as is necessary to permit me to evaluate the merits and risks of my investment in the Company.

3. I have sufficient experience in business, financial and investment matters to be able to evaluate the risks involved in the purchase of the Shares and to make an informed investment decision with respect to such purchase.

4. I can afford a complete loss of the value of the Shares and am able to bear the economic risk of holding such Shares for an indefinite period.

5. I understand that (i) the Shares have not been registered under the Securities Act and are "restricted securities" within the meaning of Rule 144 under the Securities Act, (ii) the Shares cannot be sold, transferred or otherwise disposed of unless they are subsequently registered under the Securities Act or an exemption from registration is then available; (iii) in any event, the exemption from registration under Rule 144 will not be available for at least one year and even then will not be available unless a public market then exists for the Common Stock, adequate information concerning the Company is then available to the public, and other terms and conditions of Rule 144 are complied with; and (iv) there is now no registration statement on file with the Securities and Exchange Commission with respect to any stock of the Company and the Company has no obligation or current intention to register the Shares under the Securities Act.

6. I agree to take such further action and to execute such further instruments as the Company requests relating to the Shares, including, without limitation, to implement restrictions on the transferability of Shares, the right of the Company to repurchase Shares, the right of the Company to require that Shares be transferred in the event of certain transactions, tag-along rights, bring-along rights, redemption and co-sale rights and voting requirements.

Very truly yours,

_____

[Name]

EVELO BIOSCIENCES, INC.

2015 STOCK INCENTIVE PLAN

SUB-PLAN FOR UK EMPLOYEES

1. Purpose for Construction

(a) Pursuant to the powers granted by the Board in Section 11(e) of the Evelo Biosciences, Inc. 2015 Stock Incentive Plan (as amended or restated from time to time, the "**Plan**"), the Board has adopted this UK Sub-Plan (the "**Sub-Plan**"). The purpose of the Sub-Plan is to promote the success and enhance the value of Evelo Biosciences, Inc. (the "**Company**"), by linking the individual interests of Employees, to those of Company stockholders and by providing such individuals with an incentive for outstanding performance to generate superior returns to Company stockholders. The Sub-Plan is further intended to provide flexibility to the Company in its ability to motivate, attract, and retain the services of Employees upon whose judgment, interest, and special effort the successful conduct of the Company's operation is largely dependent. Only Employees (and not officers, directors and consultants) may receive Awards under the Sub-Plan.

(b) Capitalized terms used in the Sub-Plan which are not defined herein shall have the meaning given in the Plan, and where the context requires any references to the "Plan" in those definitions shall be a reference to the Sub-Plan. The singular pronoun shall include the plural where the context so indicates. Wherever the following terms are: (i) used in the Sub-Plan; or (ii) used in the Plan but apply to Awards made under the Sub-Plan, they shall have the meanings specified below, unless the context clearly indicates otherwise:

(i) "Award" means, individually, or collectively, a grant under the Sub-Plan of an Option, a Stock Appreciation Right, a Restricted Stock award, a Restricted Stock Unit award or an Other Stock Based Award; and

(ii) "Employee" shall mean any person who is an employee of the Company or its Subsidiaries as determined by the Board.

2. Eligibility

(a) The provisions of Section 2 of the Plan shall apply to this Sub-Plan as if references to the Plan are references to the Sub-Plan except that only Employees (and not officers, directors or consultants) shall be eligible to receive Awards under the Sub-Plan.

(b) The Sub-Plan forms the rules of the employee share scheme applicable to Awards made under the Sub-Plan to Employees.

(c) The following language set out below is in addition to the terms of Section 2:

"*Neither the Sub-Plan nor any Award made under the Sub-Plan shall give the Participant any rights to compensation or damages including for any loss or potential loss that the Participant may suffer by reason of being unable to exercise any Option or forfeiting any Award or shares of Common Stock as a result of the termination of the Sub-Plan, the lapsing or termination of an Award or the Participant's termination of employment including where any termination of employment is subsequently held to be wrongful or unfair*."

3. Administration and Delegation

The provisions of Section 3 of the Plan shall apply to this Sub-Plan as if references to the Plan are references to the Sub-Plan.

4. Stock Available for Awards

(a) Subject to the terms of Section 4(b) of this Sub-Plan, the provisions of Section 4 of the Plan shall apply to this Sub-Plan as if references to the Plan are references to the Sub-Plan.

(b) The aggregate number of Shares which may be issued or transferred pursuant to Awards under the Sub-Plan, when taken together with the number of Shares which may be issued or transferred pursuant to Awards under the Plan or any other sub-plan shall not exceed the limits specified by Section 4 of the Plan, as amended from time to time.

5. Stock Options

The provisions of Section 5 of the Plan shall apply to this Sub-Plan as if references to the Plan were references to the Sub-Plan.

6. Stock Appreciation Rights

The provisions of Section 6 (Stock Appreciation Rights) of the Plan shall apply to this Sub-Plan as if references to the Plan are references to the Sub-Plan.

7. Restricted Stock; Restricted Stock Units

The provisions of Section 7 of the Plan shall apply to this Sub-Plan as if references to the Plan are references to the Sub-Plan. On request by the Company, Employees tax resident in the United Kingdom will be required to make an election under Section 431 of Chapter 2 Income Tax (Earnings and Pensions) Act 2003 ("**ITEPA**") for full disapplication of ITEPA. Employees tax resident in other jurisdictions may be required to make equivalent elections appropriate to their jurisdictions.

8. Other Stock-Based Awards

The provisions of Section 8 of the Plan shall apply to this Sub-Plan as if references to the Plan are references to the Sub-Plan.

9. Adjustment for Changes in Common Stock and Certain Other Events

The provisions of Section 9 of the Plan shall apply to this Sub-Plan as if references to the Plan are references to the Sub-Plan.

10. General Provisions Applicable to Awards

(a) Except as set out below, the provisions of Section 10 of the Plan shall apply to this Sub-Plan as if references to the Plan are references to the Sub-Plan.

(b) Section 10(e) of the Plan (Withholding) shall be amended so that the term "all applicable federal, state, and local or other income and employment tax withholding obligations" when used in Section 10(e) shall include:

"*income tax, employee's National Insurance contributions and (at the discretion of the Company) employer's National Insurance contributions or other similar taxes arising in any jurisdiction (any, a "**Tax Liability**")*"

(c) At the end of Section 10(e), the following shall be added:

"*The Participant will indemnify and keep indemnified the Company and his/her employing company, if different, from and against any liability for or obligation to pay any Tax Liability*."

11. Miscellaneous

Except as set out below, the provisions of Section 11(d) of the Plan shall apply to this Sub-Plan as if references to the Plan are references to the Sub-Plan.

12. Additional Provisions

In the event of a conflict between the terms of the Sub-Plan and the Plan with respect to Awards granted to Employees under the Sub-Plan, the terms of the Sub-Plan will control.

EVELO BIOSCIENCES, INC.

NONSTATUTORY OPTION AGREEMENT
GRANTED UNDER 2015 STOCK INCENTIVE PLAN UK SUB-PLAN FOR UNITED KINGDOM PARTICIPANTS

1. Grant of Option.

This UK Option Agreement, which incorporates the form in Exhibit A attached hereto (collectively, the "**UK Option Agreement**") evidences the grant by Evelo Biosciences, Inc., a Delaware corporation (the "**Company**"), on [, 20] (the "**Grant Date**") to [ ], an employee of the Company (the "**Participant**"), of an option to purchase, in whole or in part, on the terms provided herein and in the Company's 2015 Stock Incentive Plan UK Sub-Plan (incorporating terms from the Evelo Biosciences, Inc. 2015 Stock Incentive Plan) (respectively, the "**UK Sub-Plan**" and the "**Plan**"), a total of [ ] shares (the "**Shares**") of common stock, $0.001 par value per share, of the Company ("**Common Stock**") at $[ ] per Share. Unless earlier terminated, this option shall expire at 5:00 p.m., Eastern time, on [, 20] [date is ten years minus one day from grant date] (the "**Final Exercise Date**").

It is intended that the option evidenced by this UK Option Agreement shall not be an incentive stock option as defined in Section 422 of the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder (the "**Code**"). Except as otherwise indicated by the context, the term "**Participant**", as used in this option, shall be deemed to include any person who acquires the right to exercise this option validly under its terms. This UK Option Agreement forms the rules of the employee share scheme applicable to the United Kingdom based employees of the Company.

2. Vesting Schedule.

This option will become exercisable ("**vest**") as to 25% of the original number of Shares on the first anniversary of the Vesting Commencement Date (as defined below) and as to an additional 6.25% of the original number of Shares at the end of each successive quarter following the first anniversary of the Vesting Commencement Date until the fourth anniversary of the Vesting Commencement Date. On the fourth anniversary of the Vesting Commencement Date, this option will be exercisable as to all Shares. For purposes of this UK Option Agreement, "**Vesting Commencement Date**" shall mean [ ].

The right of exercise shall be cumulative so that to the extent the option is not exercised in any period to the maximum extent permissible it shall continue to be exercisable, in whole or in part, with respect to all Shares for which it is vested until the earlier of the Final Exercise Date or the termination of this option under Section 3 hereof or the UK Sub-Plan.

3. Exercise of Option.

(a) Form of Exercise. Each election to exercise this option shall be accompanied by a completed Notice of Option Exercise in the form attached hereto as Exhibit A, signed by the

Participant, and received by the Company at its principal office, accompanied by this UK Option Agreement, and payment in full in the manner provided in the UK Sub-Plan. The Participant may purchase less than the number of Shares covered hereby, provided that no partial exercise of this option may be for any fractional share or for fewer than ten whole shares.

(b) Continuous Employment with the Company Required. Except as otherwise provided in this Section 3, this option may not be exercised unless the Participant, at the time he or she exercises this option, is, and has been at all times since the Grant Date, an employee of the Company or any other entity the employees of which are eligible to receive option grants under the UK Sub-Plan (an "**Eligible Participant**").

(c) Termination of Employment with the Company. If the Participant ceases to be an Eligible Participant for any reason, then, except as provided in paragraphs (d) and (e) below, the right to exercise this option shall terminate three months after such cessation (but in no event after the Final Exercise Date), provided that this option shall be exercisable only to the extent that the Participant was entitled to exercise this option on the date of such cessation. Notwithstanding the foregoing, if the Participant, prior to the Final Exercise Date, violates the non-competition or confidentiality provisions of any employment contract, confidentiality and nondisclosure agreement or other agreement between the Participant and the Company, the right to exercise this option shall terminate immediately upon such violation.

(d) Exercise Period Upon Death or Disability. If the Participant dies or becomes disabled (within the meaning of Section 22(e)(3) of the Code) prior to the Final Exercise Date while he or she is an Eligible Participant and the Company has not terminated such relationship for "cause" as specified in paragraph (e) below, this option shall be exercisable, within the period of one year following the date of death or disability of the Participant, by the Participant (or in the case of death by an authorized transferee), provided that this option shall be exercisable only to the extent that this option was exercisable by the Participant on the date of his or her death or disability, and further provided that this option shall not be exercisable after the Final Exercise Date.

(e) Termination for Cause. If, prior to the Final Exercise Date, the Participant's employment with the Company is terminated by the Company for Cause (as defined below), the right to exercise this option shall terminate immediately upon the effective date of such termination of employment. If, prior to the Final Exercise Date, the Participant is given notice by the Company of the termination of his or her employment by the Company for Cause, and the effective date of such employment termination is subsequent to the date of the delivery of such notice, the right to exercise this option shall be suspended from the time of the delivery of such notice until the earlier of (i) such time as it is determined or otherwise agreed that the Participant's employment shall not be terminated for Cause as provided in such notice or (ii) the effective date of such termination of employment (in which case the right to exercise this option shall, pursuant to the preceding sentence, terminate immediately upon the effective date of such termination of employment). If the Participant is party to an employment, consulting or severance agreement with the Company that contains a definition of "cause" for termination of employment, "Cause" shall have the meaning ascribed to such term in such agreement. Otherwise, "Cause" shall mean willful misconduct by the Participant or willful failure by the Participant to perform his or her responsibilities to the Company (including, without limitation, breach by the Participant of any

provision of any employment, nondisclosure, non-competition or other similar agreement between the Participant and the Company), as determined by the Company, which determination shall be conclusive. The Participant's employment shall be considered to have been terminated for "Cause" if the Company determines, within 30 days after the Participant's resignation, that termination for Cause was warranted.

4. Company Right of First Refusal.

(a) Notice of Proposed Transfer. If the Participant proposes to sell, assign, transfer, pledge, hypothecate or otherwise dispose of, by operation of law or otherwise (collectively, "transfer") any Shares acquired upon exercise of this option, then the Participant shall first give written notice of the proposed transfer (the "**Transfer Notice**") to the Company. The Transfer Notice shall name the proposed transferee and state the number of such Shares the Participant proposes to transfer (the "**Offered Shares**"), the price per share and all other material terms and conditions of the transfer.

(b) Company Right to Purchase. For 30 days following its receipt of such Transfer Notice, the Company shall have the option to purchase all or part of the Offered Shares at the price and upon the terms set forth in the Transfer Notice. In the event the Company elects to purchase all or part of the Offered Shares, it shall give written notice of such election to the Participant within such 30-day period. Within 10 days after his or her receipt of such notice, the Participant shall tender to the Company at its principal offices the certificate or certificates representing the Offered Shares to be purchased by the Company, duly endorsed in blank by the Participant or with duly endorsed stock powers attached thereto, all in a form suitable for transfer of the Offered Shares to the Company. Promptly following receipt of such certificate or certificates, the Company shall deliver or mail to the Participant a check in payment of the purchase price for such Offered Shares; provided that if the terms of payment set forth in the Transfer Notice were other than cash against delivery, the Company may pay for the Offered Shares on the same terms and conditions as were set forth in the Transfer Notice; and provided further that any delay in making such payment shall not invalidate the Company's exercise of its option to purchase the Offered Shares.

(c) Shares Not Purchased By Company. If the Company does not elect to acquire all of the Offered Shares, the Participant may, within the 30-day period following the expiration of the option granted to the Company under subsection (b) above, transfer the Offered Shares which the Company has not elected to acquire to the proposed transferee, provided that such transfer shall not be on terms and conditions more favorable to the transferee than those contained in the Transfer Notice. Notwithstanding any of the above, all Offered Shares transferred pursuant to this Section 4 shall remain subject to the right of first refusal set forth in this Section 4 and such transferee shall, as a condition to such transfer, deliver to the Company a written instrument confirming that such transferee shall be bound by all of the terms and conditions of this Section 4.

(d) Consequences of Non-Delivery. After the time at which the Offered Shares are required to be delivered to the Company for transfer to the Company pursuant to subsection (b) above, the Company shall not pay any dividend to the Participant on account of such Offered Shares or permit the Participant to exercise any of the privileges or rights of a stockholder with respect to such Offered Shares, but shall, insofar as permitted by law, treat the Company as the owner of such Offered Shares.

(e) Exempt Transactions. The following transactions shall be exempt from the provisions of this Section 4:

(1) any transfer of Shares to or for the benefit of any spouse, child or grandchild of the Participant, or to a trust for their benefit;

(2) any transfer pursuant to an effective registration statement filed by the Company under the Securities Act of 1933, as amended (the "**Securities Act**"); and

(3) the sale of all or substantially all of the outstanding shares of capital stock of the Company (including pursuant to a merger or consolidation);

provided, however, that in the case of a transfer pursuant to clause (1) above, such Shares shall remain subject to the right of first refusal set forth in this Section 4.

(f) Assignment of Company Right. The Company may assign its rights to purchase Offered Shares in any particular transaction under this Section 4 to one or more persons or entities.

(g) Termination. The provisions of this Section 4 shall terminate upon the earlier of the following events:

(1) the closing of the sale of shares of Common Stock in an underwritten public offering pursuant to an effective registration statement filed by the Company under the Securities Act; or

(2) the sale of all or substantially all of the outstanding shares of capital stock, assets or business of the Company, by merger, consolidation, sale of assets or otherwise (other than a merger or consolidation in which all or substantially all of the individuals and entities who were beneficial owners of the Company's voting securities immediately prior to such transaction beneficially own, directly or indirectly, more than 75% (determined on an as-converted basis) of the outstanding securities entitled to vote generally in the election of directors of the resulting, surviving or acquiring corporation in such transaction).

(h) No Obligation to Recognize Invalid Transfer. The Company shall not be required (1) to transfer on its books any of the Shares which shall have been sold or transferred in violation of any of the provisions set forth in this Section 4, or (2) to treat as owner of such Shares or to pay dividends to any transferee to whom any such Shares shall have been so sold or transferred.

(i) Legends. The certificate representing Shares shall bear a legend substantially in the following form (in addition to, or in combination with, any legend required by applicable federal and state securities laws and agreements relating to the transfer of the Company securities):

"The shares represented by this certificate are subject to a right of first refusal in favor of the Company, as provided in a certain option agreement with the Company."

5. Agreement in Connection with Initial Public Offering.

The Participant agrees, in connection with the initial underwritten public offering of the Common Stock pursuant to a registration statement under the Securities Act, (i) not to (a) offer, pledge, announce the intention to sell, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any shares of Common Stock or any other securities of the Company or (b) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of shares of Common Stock or other securities of the Company, whether any transaction described in clause (a) or (b) is to be settled by delivery of securities, in cash or otherwise, during the period beginning on the date of the filing of such registration statement with the Securities and Exchange Commission and ending 180 days after the date of the final prospectus relating to the offering (plus up to an additional 34 days to the extent requested by the managing underwriters for such offering in order to address NASD Rule 2711(f)(4) or NYSE Rule 472(f)(4) or any similar successor provision), and (ii) to execute any agreement reflecting clause (i) above as may be requested by the Company or the managing underwriters at the time of such offering. The Company may impose stop-transfer instructions with respect to the shares of Common Stock or other securities subject to the foregoing restriction until the end of the "lock-up" period.

6. UK Tax Obligations.

(a) No Shares will be issued pursuant to the exercise of this option unless and until the Participant pays to the Company, or makes provision satisfactory to the Company for payment of, any federal, state or local withholding taxes (including employee's and, at the Company's discretion, employer's National Insurance contributions or other social security contributions (any a "**Tax Liability**")), whether arising in the United Kingdom or any other jurisdiction in connection with (1) grant, vesting or exercise of the option or any benefit derived by the Participant from the option; (2) the transfer or issue of Shares to Participant on satisfaction of the option; (3) the lapse or removal of any or all of the restrictions that apply to the Shares; or (4) the disposal of any Shares (each of those events referred to as a "**Taxable Event**"). The Company shall not be required to issue, allot or transfer shares until the Participant has made such arrangements as the Company may require for the satisfaction of any Tax Liability that may arise in connection with a Taxable Event.

(b) The Participant agrees to indemnify and keep indemnified the Company and his/her employing company ("**Employer**"), if different, from and against any liability for or obligation to pay any Tax Liability that is attributable to a Taxable Event.

(c) The Participant undertakes that, upon request by the Company, he/she will join with his/her Employer in electing, pursuant to Section 431 of the Income Tax (Earnings and Pensions) Act 2003 ("ITEPA") that, for relevant tax purposes, the market value of this option on any occasion will be calculated as if this option was not restricted and Sections 425 to 430 (inclusive) of ITEPA are not to apply to such shares.

7. Transfer Restrictions.

(a) This option may not be sold, assigned, transferred, pledged or otherwise encumbered by the Participant, either voluntarily or by operation of law, except by will or the laws of descent and distribution, and, during the lifetime of the Participant, this option shall be exercisable only by the Participant.

(b) The Participant agrees that he or she will not transfer any Shares issued pursuant to the exercise of this option unless the transferee, as a condition to such transfer, delivers to the Company a written instrument confirming that such transferee shall be bound by all of the terms and conditions of Section 4 and Section 5; provided that such a written confirmation shall not be required with respect to (1) Section 4 after such provision has terminated in accordance with Section 4(g) or (2) Section 5 after the completion of the lock-up period in connection with the Company's initial underwritten public offering.

8. Provisions of the UK Sub-Plan.

This option is subject to the provisions of the UK Sub-Plan which is incorporated herein by reference, a copy of which is furnished to the Participant with this option, save that in the United Kingdom only employees are eligible to be granted options. Consultants and advisors are not eligible to be granted options in the United Kingdom. In the event of a conflict between the terms of the UK Option Agreement and the UK Sub-Plan, the terms of the UK Option Agreement shall control.

9. Compliance with Federal Anti-Kickback Statute.

The parties acknowledge and agree that this option represents the fair market value of the services provided by the Participant to the Company, negotiated in an arm's-length transaction, and does not take into account the volume or value of any referrals or business otherwise generated by the Participant. The parties acknowledge and agree that this UK Option Agreement is intended to comply in all respects with the federal Anti-Kickback Statute, 42 U.S.C. § 1320a-7b(b), including any applicable statutory and regulatory exceptions or safe harbors.

10. Data Protection.

By signing this UK Option Agreement, the Participant acknowledges and agrees that:

(a) the Company and any parent, subsidiary or affiliate are permitted to hold and process personal (and sensitive) information and data about the Optionee as part of their personnel and other business records and may use such information in the course of its business;

(b) the Company and any parent, subsidiary or affiliate may disclose such information (as described in (a) above) to third parties, including where they are situated outside the European Economic Area, in the event that such disclosure is in their view required for the proper conduct of their business; and

(c) this section applies to information held, used or disclosed in any medium.

11. Not a Contract of Employment.

Nothing in this UK Option Agreement or in the UK Sub-Plan shall confer upon the Participant any right to continue to serve as an employee of the Company or any of its affiliates. The terms of the Participant's employment with the Company or its affiliates are not affected or changed in any way by this option and neither the UK Sub-Plan nor this UK Option Agreement afford the Participant any rights to compensation or damages including for loss or potential loss that the Participant may suffer in respect of this option as a result of the termination of the UK Sub-Plan or the termination of the Participant's employment.

12. Agreement Severable

In the event that any provision in this UK Option Agreement is held illegal or invalid, the provision will be severable from, and the illegality or invalidity of the provision will not be construed to have any effect on, the remaining provisions of this UK Option Agreement.

13. Acknowledgement

Participant acknowledges that neither this UK Option Agreement nor the UK Sub-Plan has been issued, nor has it been approved by an authorised person within the meaning of the Financial Services and Markets Act 2000 of the United Kingdom and is being directed at the Participant because the offer to which this UK Option Agreement and the UK Sub-Plan relate has been determined as having regard to the Participant's circumstances as an employee of the Company. This UK Option Agreement is strictly confidential and is not for distribution to, and may not be acted upon by, any other person other than the person to whom it has been specifically addressed.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have executed this UK Option Agreement as of the day and year first above written. The Participant hereby accepts the foregoing option and agrees to the terms and conditions of the UK Sub-Plan and the UK Option Agreement. Participant has reviewed the UK Sub-Plan and the UK Option Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this UK Option Agreement and fully understands all provisions of the UK Sub-Plan and the UK Option Agreement. Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions arising under the UK Sub-Plan or the UK Option Agreement. The Participant hereby acknowledges receipt of a copy of the UK Sub-Plan.

COMPANY:

Evelo Biosciences, Inc.

By: _____
Name:
Title:

PARTICIPANT:

By: _____
[Name]

Address: [ ]
[ ]

EXHIBIT A

NOTICE OF OPTION EXERCISE

[DATE][1]

Evelo Biosciences, Inc.
One Memorial Drive
Cambridge, MA 02142

Attention: Treasurer

Dear Sir or Madam:

I am the holder of an Option granted to me under the Evelo Biosciences, Inc. (the "**Company**") 2015 Stock Incentive Plan UK Sub-Plan on [ ][2] for the purchase of [ ][3] shares of Common Stock of the Company at a purchase price of $[ ][4] per share.

I hereby exercise my option to purchase [ ][5] shares of Common Stock (the "**Shares**"), for which I have enclosed [ ][6] in the amount of [ ][7]. Please register my stock certificate as follows:

Name(s): _____[8]

_____

Address: _____

_____

1 Enter date of exercise.
2 Enter the date of grant.
3 Enter the total number of shares of Common Stock for which the option was granted.
4 Enter the option exercise price per share of Common Stock.
5 Enter the number of shares of Common Stock to be purchased upon exercise of all or part of the option.
6 Enter "cash", "personal check" or if permitted by the option or Plan, "stock certificates No. XXXX and XXXX".
7 Enter the dollar amount (price per share of Common Stock times the number of shares of Common Stock to be purchased), or the number of shares tendered. Fair market value of shares tendered, together with cash or check, must cover the purchase price of the shares issued upon exercise.
8 Enter name(s) to appear on stock certificate in one of the following formats: (a) your name only (i.e., John Doe); (b) your name and other name (i.e., John Doe and Jane Doe, Joint Tenants with Right to Survivorship); or for Nonstatutory Stock Options only, (c) a child's name, with you as custodian (i.e. Jane Doe, Custodian for Tommy Doe). Note: There may be income and/or gift tax consequences for registering shares in a child's name.

I represent, warrant and covenant as follows:

1. I am purchasing the Shares for my own account for investment only, and not with a view to, or for sale in connection with, any distribution of the Shares in violation of the Securities Act of 1933 (the "**Securities Act**"), or any rule or regulation under the Securities Act.

2. I have had such opportunity as I have deemed adequate to obtain from representatives of the Company such information as is necessary to permit me to evaluate the merits and risks of my investment in the Company.

3. I have sufficient experience in business, financial and investment matters to be able to evaluate the risks involved in the purchase of the Shares and to make an informed investment decision with respect to such purchase.

4. I can afford a complete loss of the value of the Shares and am able to bear the economic risk of holding such Shares for an indefinite period.

5. I understand that (i) the Shares have not been registered under the Securities Act and are "restricted securities" within the meaning of Rule 144 under the Securities Act, (ii) the Shares cannot be sold, transferred or otherwise disposed of unless they are subsequently registered under the Securities Act or an exemption from registration is then available; (iii) in any event, the exemption from registration under Rule 144 will not be available for at least one year and even then will not be available unless a public market then exists for the Common Stock, adequate information concerning the Company is then available to the public, and other terms and conditions of Rule 144 are complied with; and (iv) there is now no registration statement on file with the Securities and Exchange Commission with respect to any stock of the Company and the Company has no obligation or current intention to register the Shares under the Securities Act.

6. I agree to take such further action and to execute such further instruments as the Company requests relating to the Shares, including, without limitation, to implement restrictions on the transferability of Shares, the right of the Company to repurchase Shares, the right of the Company to require that Shares be transferred in the event of certain transactions, tag-along rights, bring-along rights, redemption and co-sale rights and voting requirements.

Very truly yours,

_____

[Name]

EVELO BIOSCIENCES, INC.
2018 INCENTIVE AWARD PLAN

ARTICLE I.
PURPOSE

The Plan's purpose is to enhance the Company's ability to attract, retain and motivate persons who make (or are expected to make) important contributions to the Company by providing these individuals with equity ownership opportunities. Capitalized terms used in the Plan are defined in Article XI.

ARTICLE II.
ELIGIBILITY

Service Providers are eligible to be granted Awards under the Plan, subject to the limitations described herein.

ARTICLE III.
ADMINISTRATION AND DELEGATION

3.1 Administration. The Plan is administered by the Administrator. The Administrator has authority to determine which Service Providers receive Awards, grant Awards and set Award terms and conditions, subject to the conditions and limitations in the Plan. The Administrator also has the authority to take all actions and make all determinations under the Plan, to interpret the Plan and Award Agreements and to adopt, amend and repeal Plan administrative rules, guidelines and practices as it deems advisable. The Administrator may correct defects and ambiguities, supply omissions and reconcile inconsistencies in the Plan or any Award as it deems necessary or appropriate to administer the Plan and any Awards. The Administrator's determinations under the Plan are in its sole discretion and will be final and binding on all persons having or claiming any interest in the Plan or any Award.

3.2 Appointment of Committees. To the extent Applicable Laws permit, the Board may delegate any or all of its powers under the Plan to one or more Committees or officers of the Company or any of its Subsidiaries. The Board may abolish any Committee or re-vest in itself any previously delegated authority at any time.

ARTICLE IV.

STOCK AVAILABLE FOR AWARDS

4.1 Number of Shares. Subject to adjustment under Article VIII and the terms of this Article IV, Awards may be made under the Plan covering up to the Overall Share Limit. As of the Plan's effective date under Section 10.3, the Company will cease granting awards under the Prior Plans; however, Prior Plan Awards will remain subject to the terms of the applicable Prior Plan. Shares issued under the Plan may consist of authorized but unissued Shares, Shares purchased on the open market or treasury Shares.

4.2 Share Recycling. If all or any part of an Award or Prior Plan Award expires, lapses or is terminated, exchanged for cash, surrendered, repurchased, canceled without having been fully exercised or forfeited, in any case, in a manner that results in the Company acquiring Shares covered by the Award or Prior Plan Award at a price not greater than the price (as adjusted to reflect any Equity Restructuring) paid by the Participant for such Shares or not issuing any Shares covered by the Award or Prior Plan Award, the

unused Shares covered by the Award or Prior Plan Award will, as applicable, become or again be available for Award grants under the Plan. Further, Shares delivered (either by actual delivery or attestation) to the Company by a Participant to satisfy the applicable exercise or purchase price of an Award or Prior Plan Award and/or to satisfy any applicable tax withholding obligation (including Shares retained by the Company from the Award or Prior Plan Award being exercised or purchased and/or creating the tax obligation) will, as applicable, become or again be available for Award grants under the Plan. The payment of Dividend Equivalents in cash in conjunction with any outstanding Awards or Prior Plan Awards shall not count against the Overall Share Limit.

4.3 Incentive Stock Option Limitations. Notwithstanding anything to the contrary herein, no more than 74,000,000 Shares may be issued pursuant to the exercise of Incentive Stock Options.

4.4 Substitute Awards. In connection with an entity's merger or consolidation with the Company or the Company's acquisition of an entity's property or stock, the Administrator may grant Awards in substitution for any options or other stock or stock-based awards granted before such merger or consolidation by such entity or its affiliate. Substitute Awards may be granted on such terms as the Administrator deems appropriate, notwithstanding limitations on Awards in the Plan. Substitute Awards will not count against the Overall Share Limit (nor shall Shares subject to a Substitute Award be added to the Shares available for Awards under the Plan as provided above), except that Shares acquired by exercise of substitute Incentive Stock Options will count against the maximum number of Shares that may be issued pursuant to the exercise of Incentive Stock Options under the Plan. Additionally, in the event that a company acquired by the Company or any Subsidiary or with which the Company or any Subsidiary combines has shares available under a pre-existing plan approved by stockholders and not adopted in contemplation of such acquisition or combination, the shares available for grant pursuant to the terms of such pre-existing plan (as adjusted, to the extent appropriate, using the exchange ratio or other adjustment or valuation ratio or formula used in such acquisition or combination to determine the consideration payable to the holders of common stock of the entities party to such acquisition or combination) may be used for Awards under the Plan and shall not reduce the Shares authorized for grant under the Plan (and Shares subject to such Awards shall not be added to the Shares available for Awards under the Plan as provided above); provided that Awards using such available shares shall not be made after the date awards or grants could have been made under the terms of the pre-existing plan, absent the acquisition or combination, and shall only be made to individuals who were not Employees or Directors prior to such acquisition or combination.

4.5 Non-Employee Director Compensation. Notwithstanding any provision to the contrary in the Plan, the Administrator may establish compensation for non-employee Directors from time to time, subject to the limitations in the Plan. The Administrator will from time to time determine the terms, conditions and amounts of all such non-employee Director compensation in its discretion and pursuant to the exercise of its business judgment, taking into account such factors, circumstances and considerations as it shall deem relevant from time to time, provided that the sum of any cash compensation, or other compensation, and the value (determined as of the grant date in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718, or any successor thereto) of Awards granted to a non-employee Director as compensation for services as a non-employee Director during any fiscal year of the Company may not exceed $320,000 (other than the fiscal year of a non-employee Director's initial service as a non-employee Director, which may not exceed $750,000). The Administrator may make exceptions to this limit for individual non-employee Directors in extraordinary circumstances, as the Administrator may determine in its discretion, provided that the non-employee Director receiving such additional compensation may not participate in the decision to award such compensation or in other contemporaneous compensation decisions involving non-employee Directors.

ARTICLE V.
STOCK OPTIONS AND STOCK APPRECIATION RIGHTS

5.1 General. The Administrator may grant Options or Stock Appreciation Rights to Service Providers subject to the limitations in the Plan, including any limitations in the Plan that apply to Incentive Stock Options. The Administrator will determine the number of Shares covered by each Option and Stock Appreciation Right, the exercise price of each Option and Stock Appreciation Right and the conditions and limitations applicable to the exercise of each Option and Stock Appreciation Right. A Stock Appreciation Right will entitle the Participant (or other person entitled to exercise the Stock Appreciation Right) to receive from the Company upon exercise of the exercisable portion of the Stock Appreciation Right an amount determined by multiplying the excess, if any, of the Fair Market Value of one Share on the date of exercise over the exercise price per Share of the Stock Appreciation Right by the number of Shares with respect to which the Stock Appreciation Right is exercised, subject to any limitations of the Plan or that the Administrator may impose and payable in cash, Shares valued at Fair Market Value or a combination of the two as the Administrator may determine or provide in the Award Agreement.

5.2 Exercise Price. The Administrator will establish each Option's and Stock Appreciation Right's exercise price and specify the exercise price in the Award Agreement. The exercise price will not be less than 100% of the Fair Market Value on the grant date of the Option or Stock Appreciation Right.

5.3 Duration. Each Option or Stock Appreciation Right will be exercisable at such times and as specified in the Award Agreement, provided that the term of an Option or Stock Appreciation Right will not exceed ten years. Notwithstanding the foregoing and unless determined otherwise by the Company, in the event that on the last business day of the term of an Option or Stock Appreciation Right (other than an Incentive Stock Option) (i) the exercise of the Option or Stock Appreciation Right is prohibited by Applicable Law, as determined by the Company, or (ii) Shares may not be purchased or sold by the applicable Participant due to any Company insider trading policy (including blackout periods) or a "lock-up" agreement undertaken in connection with an issuance of securities by the Company, the term of the Option or Stock Appreciation Right shall be extended until the date that is thirty (30) days after the end of the legal prohibition, black-out period or lock-up agreement, as determined by the Company; provided, however, in no event shall the extension last beyond the ten year term of the applicable Option or Stock Appreciation Right. Notwithstanding the foregoing, if the Participant, prior to the end of the term of an Option or Stock Appreciation Right, violates the non-competition, non-solicitation, confidentiality or other similar restrictive covenant provisions of any employment contract, confidentiality and nondisclosure agreement or other agreement between the Participant and the Company or any of its Subsidiaries, the right of the Participant and the Participant's transferees to exercise any Option or Stock Appreciation Right issued to the Participant shall terminate immediately upon such violation, unless the Company otherwise determines. In addition, if, prior to the end of the term of an Option or Stock Appreciation Right, the Participant is given notice by the Company or any of its Subsidiaries of the Participant's Termination of Service by the Company or any of its Subsidiaries for Cause, and the effective date of such Termination of Service is subsequent to the date of the delivery of such notice, the right of the Participant and the Participant's transferees to exercise any Option or Stock Appreciation Right issued to the Participant shall be suspended from the time of the delivery of such notice until the earlier of (i) such time as it is determined or otherwise agreed that the Participant's service as a Service Provider will not be terminated for Cause as provided in such notice or (ii) the effective date of the Participant's Termination of Service by the Company or any of its Subsidiaries for Cause (in which case the right of the Participant and the Participant's transferees to exercise any Option or Stock Appreciation Right issued to the Participant will terminate immediately upon the effective date of such termination of Service).

5.4 Exercise. Options and Stock Appreciation Rights may be exercised by delivering to the Company a written notice of exercise, in a form the Administrator approves (which may be electronic), signed by the person authorized to exercise the Option or Stock Appreciation Right, together with, as applicable, payment in full (i) as specified in Section 5.5 for the number of Shares for which the Award is exercised and (ii) as specified in Section 9.5 for any applicable taxes. Unless the Administrator otherwise determines, an Option or Stock Appreciation Right may not be exercised for a fraction of a Share.

5.5 Payment Upon Exercise. Subject to Section 10.8, any Company insider trading policy (including blackout periods) and Applicable Laws, the exercise price of an Option must be paid by:

(a) cash, wire transfer of immediately available funds or by check payable to the order of the Company, provided that the Company may limit the use of one of the foregoing payment forms if one or more of the payment forms below is permitted;

(b) if there is a public market for Shares at the time of exercise, unless the Company otherwise determines, (A) delivery (including telephonically to the extent permitted by the Company) of an irrevocable and unconditional undertaking by a broker acceptable to the Company to deliver promptly to the Company sufficient funds to pay the exercise price, or (B) the Participant's delivery to the Company of a copy of irrevocable and unconditional instructions to a broker acceptable to the Company to deliver promptly to the Company cash or a check sufficient to pay the exercise price; provided that such amount is paid to the Company at such time as may be required by the Administrator;

(c) to the extent permitted by the Administrator, delivery (either by actual delivery or attestation) of Shares owned by the Participant valued at their Fair Market Value;

(d) to the extent permitted by the Administrator, surrendering Shares then issuable upon the Option's exercise valued at their Fair Market Value on the exercise date;

(e) to the extent permitted by the Administrator, delivery of a promissory note or any other property that the Administrator determines is good and valuable consideration; or

(f) to the extent permitted by the Company, any combination of the above payment forms approved by the Administrator.

ARTICLE VI.
RESTRICTED STOCK; RESTRICTED STOCK UNITS

6.1 General. The Administrator may grant Restricted Stock, or the right to purchase Restricted Stock, to any Service Provider, subject to the Company's right to repurchase all or part of such shares at their issue price or other stated or formula price from the Participant (or to require forfeiture of such shares) if conditions the Administrator specifies in the Award Agreement are not satisfied before the end of the applicable restriction period or periods that the Administrator establishes for such Award. In addition, the Administrator may grant to Service Providers Restricted Stock Units, which may be subject to vesting and forfeiture conditions during the applicable restriction period or periods, as set forth in an Award Agreement. The Administrator will determine and set forth in the Award Agreement the terms and conditions for each Restricted Stock and Restricted Stock Unit Award, subject to the conditions and limitations contained in the Plan.

6.2 Restricted Stock.

(a) Dividends. Participants holding shares of Restricted Stock will be entitled to all ordinary cash dividends paid with respect to such Shares, unless the Administrator provides otherwise in the Award Agreement. In addition, unless the Administrator provides otherwise, if any dividends or

distributions are paid in Shares, or consist of a dividend or distribution to holders of Common Stock of property other than an ordinary cash dividend, the Shares or other property will be subject to the same restrictions on transferability and forfeitability as the shares of Restricted Stock with respect to which they were paid.

(b) Stock Certificates. The Company may require that the Participant deposit in escrow with the Company (or its designee) any stock certificates issued in respect of shares of Restricted Stock, together with a stock power endorsed in blank.

6.3 Restricted Stock Units.

(a) Settlement. The Administrator may provide that settlement of Restricted Stock Units will occur upon or as soon as reasonably practicable after the Restricted Stock Units vest or will instead be deferred, on a mandatory basis or at the Participant's election, in a manner intended to comply with Section 409A.

(b) Stockholder Rights. A Participant will have no rights of a stockholder with respect to Shares subject to any Restricted Stock Unit unless and until the Shares are delivered in settlement of the Restricted Stock Unit.

(c) Dividend Equivalents. If the Administrator provides, a grant of Restricted Stock Units may provide a Participant with the right to receive Dividend Equivalents. Dividend Equivalents may be paid currently or credited to an account for the Participant, settled in cash or Shares and subject to the same restrictions on transferability and forfeitability as the Restricted Stock Units with respect to which the Dividend Equivalents are granted and subject to other terms and conditions as set forth in the Award Agreement.

ARTICLE VII.
OTHER STOCK OR CASH BASED AWARDS

Other Stock or Cash Based Awards may be granted to Participants, including Awards entitling Participants to receive Shares to be delivered in the future and including annual or other periodic or long-term cash bonus awards (whether based on specified Performance Criteria or otherwise), in each case subject to any conditions and limitations in the Plan. Such Other Stock or Cash Based Awards will also be available as a payment form in the settlement of other Awards, as standalone payments and as payment in lieu of compensation to which a Participant is otherwise entitled. Other Stock or Cash Based Awards may be paid in Shares, cash or other property, as the Administrator determines. Subject to the provisions of the Plan, the Administrator will determine the terms and conditions of each Other Stock or Cash Based Award, including any purchase price, performance goal (which may be based on the Performance Criteria), transfer restrictions, and vesting conditions, which will be set forth in the applicable Award Agreement.

ARTICLE VIII.
ADJUSTMENTS FOR CHANGES IN COMMON STOCK AND CERTAIN OTHER EVENTS

8.1 Equity Restructuring. In connection with any Equity Restructuring, notwithstanding anything to the contrary in this Article VIII, the Administrator will equitably adjust each outstanding Award as it deems appropriate to reflect the Equity Restructuring, which may include adjusting the number and type of securities subject to each outstanding Award and/or the Award's exercise price or grant price (if applicable), granting new Awards to Participants, and making a cash payment to Participants. The adjustments provided under this Section 8.1 will be nondiscretionary and final and binding on the affected Participant and the Company; provided that the Administrator will determine whether an adjustment is equitable.

8.2 Corporate Transactions. In the event of any dividend or other distribution (whether in the form of cash, Common Stock, other securities, or other property), reorganization, merger, consolidation, combination, amalgamation, repurchase, recapitalization, liquidation, dissolution, or sale, transfer, exchange or other disposition of all or substantially all of the assets of the Company, or sale or exchange of Common Stock or other securities of the Company, Change in Control, issuance of warrants or other rights to purchase Common Stock or other securities of the Company, other similar corporate transaction or event, other unusual or nonrecurring transaction or event affecting the Company or its financial statements or any change in any Applicable Laws or accounting principles, the Administrator, on such terms and conditions as it deems appropriate, either by the terms of the Award or by action taken prior to the occurrence of such transaction or event (except that action to give effect to a change in Applicable Law or accounting principles may be made within a reasonable period of time after such change) and either automatically or upon the Participant's request, is hereby authorized to take any one or more of the following actions whenever the Administrator determines that such action is appropriate in order to (x) prevent dilution or enlargement of the benefits or potential benefits intended by the Company to be made available under the Plan or with respect to any Award granted or issued under the Plan, (y) to facilitate such transaction or event or (z) give effect to such changes in Applicable Laws or accounting principles:

(a) To provide for the cancellation of any such Award in exchange for either an amount of cash or other property with a value equal to the amount that could have been obtained upon the exercise or settlement of the vested portion of such Award or realization of the Participant's rights under the vested portion of such Award, as applicable; provided that, if the amount that could have been obtained upon the exercise or settlement of the vested portion of such Award or realization of the Participant's rights, in any case, is equal to or less than zero, then the Award may be terminated without payment;

(b) To provide that such Award shall vest and, to the extent applicable, be exercisable as to all shares covered thereby, notwithstanding anything to the contrary in the Plan or the provisions of such Award;

(c) To provide that such Award be assumed by the successor or survivor corporation, or a parent or subsidiary thereof, or shall be substituted for by awards covering the stock of the successor or survivor corporation, or a parent or subsidiary thereof, with appropriate adjustments as to the number and kind of shares and/or applicable exercise or purchase price, in all cases, as determined by the Administrator;

(d) To make adjustments in the number and type of shares of Common Stock (or other securities or property) subject to outstanding Awards and/or with respect to which Awards may be granted under the Plan (including, but not limited to, adjustments of the limitations in Article IV hereof on the maximum number and kind of shares which may be issued) and/or in the terms and conditions of (including the grant or exercise price), and the criteria included in, outstanding Awards;

(e) To replace such Award with other rights or property selected by the Administrator; and/or

(f) To provide that the Award will terminate and cannot vest, be exercised or become payable after the applicable event.

8.3 Administrative Stand Still. In the event of any pending stock dividend, stock split, combination or exchange of shares, merger, consolidation or other distribution (other than normal cash dividends) of Company assets to stockholders, or any other extraordinary transaction or change affecting the Shares or the share price of Common Stock, including any Equity Restructuring or any securities offering or other similar transaction, for administrative convenience, the Administrator may refuse to permit the exercise of any Award for up to sixty days before or after such transaction.

8.4 General. Except as expressly provided in the Plan or the Administrator's action under the Plan, no Participant will have any rights due to any subdivision or consolidation of Shares of any class, dividend payment, increase or decrease in the number of Shares of any class or dissolution, liquidation, merger, or consolidation of the Company or other corporation. Except as expressly provided with respect to an Equity Restructuring under Section 8.1 above or the Administrator's action under the Plan, no issuance by the Company of Shares of any class, or securities convertible into Shares of any class, will affect, and no adjustment will be made regarding, the number of Shares subject to an Award or the Award's grant or exercise price. The existence of the Plan, any Award Agreements and the Awards granted hereunder will not affect or restrict in any way the Company's right or power to make or authorize (i) any adjustment, recapitalization, reorganization or other change in the Company's capital structure or its business, (ii) any merger, consolidation dissolution or liquidation of the Company or sale of Company assets or (iii) any sale or issuance of securities, including securities with rights superior to those of the Shares or securities convertible into or exchangeable for Shares. The Administrator may treat Participants and Awards (or portions thereof) differently under this Article VIII.

ARTICLE IX.
GENERAL PROVISIONS APPLICABLE TO AWARDS

9.1 Transferability. Except as the Administrator may determine or provide in an Award Agreement or otherwise for Awards other than Incentive Stock Options, Awards may not be sold, assigned, transferred, pledged or otherwise encumbered, either voluntarily or by operation of law, except by will or the laws of descent and distribution, or, subject to the Administrator's consent, pursuant to a domestic relations order, and, during the life of the Participant, will be exercisable only by the Participant. References to a Participant, to the extent relevant in the context, will include references to a Participant's authorized transferee that the Administrator specifically approves.

9.2 Documentation. Each Award will be evidenced in an Award Agreement, which may be written or electronic, as the Administrator determines. Each Award may contain terms and conditions in addition to those set forth in the Plan.

9.3 Discretion. Except as the Plan otherwise provides, each Award may be made alone or in addition or in relation to any other Award. The terms of each Award to a Participant need not be identical, and the Administrator need not treat Participants or Awards (or portions thereof) uniformly.

9.4 Termination of Status. The Administrator will determine how the disability, death, retirement, authorized leave of absence or any other change or purported change in a Participant's Service Provider status affects an Award and the extent to which, and the period during which, the Participant, the Participant's legal representative, conservator, guardian or Designated Beneficiary may exercise rights under the Award, if applicable.

9.5 Withholding. Each Participant must pay the Company, or make provision satisfactory to the Administrator for payment of, any taxes required by law to be withheld in connection with such Participant's Awards by the date of the event creating the tax liability. The Company may deduct an amount sufficient to satisfy such tax obligations based on the applicable statutory withholding rates (or such other rate as may be determined by the Company after considering any accounting consequences or costs) from any payment of any kind otherwise due to a Participant. Subject to Section 10.8 and any Company insider

trading policy (including blackout periods), Participants may satisfy such tax obligations (i) in cash, by wire transfer of immediately available funds, by check made payable to the order of the Company, provided that the Company may limit the use of the foregoing payment forms if one or more of the payment forms below is permitted, (ii) to the extent permitted by the Administrator, in whole or in part by delivery of Shares, including Shares retained from the Award creating the tax obligation, valued at their Fair Market Value, (iii) if there is a public market for Shares at the time the tax obligations are satisfied, unless the Company otherwise determines, (A) delivery (including telephonically to the extent permitted by the Company) of an irrevocable and unconditional undertaking by a broker acceptable to the Company to deliver promptly to the Company sufficient funds to satisfy the tax obligations, or (B) delivery by the Participant to the Company of a copy of irrevocable and unconditional instructions to a broker acceptable to the Company to deliver promptly to the Company cash or a check sufficient to satisfy the tax withholding; provided that such amount is paid to the Company at such time as may be required by the Administrator, or (iv) to the extent permitted by the Company, any combination of the foregoing payment forms approved by the Administrator. If any tax withholding obligation will be satisfied under clause (ii) of the immediately preceding sentence by the Company's retention of Shares from the Award creating the tax obligation and there is a public market for Shares at the time the tax obligation is satisfied, the Company may elect to instruct any brokerage firm determined acceptable to the Company for such purpose to sell on the applicable Participant's behalf some or all of the Shares retained and to remit the proceeds of the sale to the Company or its designee, and each Participant's acceptance of an Award under the Plan will constitute the Participant's authorization to the Company and instruction and authorization to such brokerage firm to complete the transactions described in this sentence.

9.6 Amendment of Award; Repricing. The Administrator may amend, modify or terminate any outstanding Award, including by substituting another Award of the same or a different type, changing the exercise or settlement date, and converting an Incentive Stock Option to a Non-Qualified Stock Option. The Participant's consent to such action will be required unless (i) the action, taking into account any related action, does not materially and adversely affect the Participant's rights under the Award, or (ii) the change is permitted under Article VIII or pursuant to Section 10.6. Notwithstanding the foregoing or anything in the Plan to the contrary, the Administrator may not except pursuant to Article VIII, without the approval of the stockholders of the Company, reduce the exercise price per share of outstanding Options or Stock Appreciation Rights or cancel outstanding Options or Stock Appreciation Rights in exchange for cash, other Awards or Options or Stock Appreciation Rights with an exercise price per share that is less than the exercise price per share of the original Options or Stock Appreciation Rights.

9.7 Conditions on Delivery of Stock. The Company will not be obligated to deliver any Shares under the Plan or remove restrictions from Shares previously delivered under the Plan until (i) all Award conditions have been met or removed to the Company's satisfaction, (ii) as determined by the Company, all other legal matters regarding the issuance and delivery of such Shares have been satisfied, including any applicable securities laws and stock exchange or stock market rules and regulations, and (iii) the Participant has executed and delivered to the Company such representations or agreements as the Administrator deems necessary or appropriate to satisfy any Applicable Laws. The Company's inability to obtain authority from any regulatory body having jurisdiction, which the Administrator determines is necessary to the lawful issuance and sale of any securities, will relieve the Company of any liability for failing to issue or sell such Shares as to which such requisite authority has not been obtained.

9.8 Acceleration. The Administrator may at any time provide that any Award will become immediately vested and fully or partially exercisable, free of some or all restrictions or conditions, or otherwise fully or partially realizable.

9.9 Additional Terms of Incentive Stock Options. The Administrator may grant Incentive Stock Options only to employees of the Company, any of its present or future parent or subsidiary corporations, as defined in Sections 424(e) or (f) of the Code, respectively, and any other entities the employees of which are eligible to receive Incentive Stock Options under the Code. If an Incentive Stock Option is granted to a Greater Than 10% Stockholder, the exercise price will not be less than 110% of the Fair Market Value on the Option's grant date, and the term of the Option will not exceed five years. All Incentive Stock Options will be subject to and construed consistently with Section 422 of the Code. By accepting an Incentive Stock Option, the Participant agrees to give prompt notice to the Company of dispositions or other transfers (other than in connection with a Change in Control) of Shares acquired under the Option made within (i) two years from the grant date of the Option or (ii) one year after the transfer of such Shares to the Participant, specifying the date of the disposition or other transfer and the amount the Participant realized, in cash, other property, assumption of indebtedness or other consideration, in such disposition or other transfer. Neither the Company nor the Administrator will be liable to a Participant, or any other party, if an Incentive Stock Option fails or ceases to qualify as an "incentive stock option" under Section 422 of the Code. Any Incentive Stock Option or portion thereof that fails to qualify as an "incentive stock option" under Section 422 of the Code for any reason, including becoming exercisable with respect to Shares having a fair market value exceeding the $100,000 limitation under Treasury Regulation Section 1.422-4, will be a Non-Qualified Stock Option.

ARTICLE X.
MISCELLANEOUS

10.1 No Right to Employment or Other Status. No person will have any claim or right to be granted an Award, and the grant of an Award will not be construed as giving a Participant the right to continued employment or any other relationship with the Company. The Company expressly reserves the right at any time to dismiss or otherwise terminate its relationship with a Participant free from any liability or claim under the Plan or any Award, except as expressly provided in an Award Agreement.

10.2 No Rights as Stockholder; Certificates. Subject to the Award Agreement, no Participant or Designated Beneficiary will have any rights as a stockholder with respect to any Shares to be distributed under an Award until becoming the record holder of such Shares. Notwithstanding any other provision of the Plan, unless the Administrator otherwise determines or Applicable Laws require, the Company will not be required to deliver to any Participant certificates evidencing Shares issued in connection with any Award and instead such Shares may be recorded in the books of the Company (or, as applicable, its transfer agent or stock plan administrator). The Company may place legends on stock certificates issued under the Plan that the Administrator deems necessary or appropriate to comply with Applicable Laws.

10.3 Effective Date and Term of Plan. Unless earlier terminated by the Board, the Plan will become effective on the day prior to the Public Trading Date and will remain in effect until the tenth anniversary of the earlier of (i) the date the Board adopted the Plan or (ii) the date the Company's stockholders approved the Plan, but Awards previously granted may extend beyond that date in accordance with the Plan. If the Plan is not approved by the Company's stockholders, the Plan will not become effective, no Awards will be granted under the Plan and the Prior Plans will continue in full force and effect in accordance with their terms.

10.4 Amendment of Plan. The Administrator may amend, suspend or terminate the Plan at any time; provided that no amendment, other than an increase to the Overall Share Limit, may materially and adversely affect any Award outstanding at the time of such amendment without the affected Participant's consent. No Awards may be granted under the Plan during any suspension period or after Plan termination. Awards outstanding at the time of any Plan suspension or termination will continue to be governed by the Plan and the Award Agreement, as in effect before such suspension or termination. The Board will obtain stockholder approval of any Plan amendment to the extent necessary to comply with Applicable Laws.

10.5 Provisions for Foreign Participants. The Administrator may modify Awards granted to Participants who are foreign nationals or employed outside the United States or establish subplans or procedures under the Plan to address differences in laws, rules, regulations or customs of such foreign jurisdictions with respect to tax, securities, currency, employee benefit or other matters.

10.6 Section 409A.

(a) General. The Company intends that all Awards be structured to comply with, or be exempt from, Section 409A, such that no adverse tax consequences, interest, or penalties under Section 409A apply. Notwithstanding anything in the Plan or any Award Agreement to the contrary, the Administrator may, without a Participant's consent, amend this Plan or Awards, adopt policies and procedures, or take any other actions (including amendments, policies, procedures and retroactive actions) as are necessary or appropriate to preserve the intended tax treatment of Awards, including any such actions intended to (A) exempt this Plan or any Award from Section 409A, or (B) comply with Section 409A, including regulations, guidance, compliance programs and other interpretative authority that may be issued after an Award's grant date. The Company makes no representations or warranties as to an Award's tax treatment under Section 409A or otherwise. The Company will have no obligation under this Section 10.6 or otherwise to avoid the taxes, penalties or interest under Section 409A with respect to any Award and will have no liability to any Participant or any other person if any Award, compensation or other benefits under the Plan are determined to constitute noncompliant "nonqualified deferred compensation" subject to taxes, penalties or interest under Section 409A.

(b) Separation from Service. If an Award constitutes "nonqualified deferred compensation" under Section 409A, any payment or settlement of such Award upon a termination of a Participant's Service Provider relationship will, to the extent necessary to avoid taxes under Section 409A, be made only upon the Participant's "separation from service" (within the meaning of Section 409A), whether such "separation from service" occurs upon or after the termination of the Participant's Service Provider relationship. For purposes of this Plan or any Award Agreement relating to any such payments or benefits, references to a "termination," "termination of employment" or like terms means a "separation from service."

(c) Payments to Specified Employees. Notwithstanding any contrary provision in the Plan or any Award Agreement, any payment(s) of "nonqualified deferred compensation" required to be made under an Award to a "specified employee" (as defined under Section 409A and as the Administrator determines) due to his or her "separation from service" will, to the extent necessary to avoid taxes under Section 409A(a)(2)(B)(i) of the Code, be delayed for the six-month period immediately following such "separation from service" (or, if earlier, until the specified employee's death) and will instead be paid (as set forth in the Award Agreement) on the day immediately following such six-month period or as soon as administratively practicable thereafter (without interest). Any payments of "nonqualified deferred compensation" under such Award payable more than six months following the Participant's "separation from service" will be paid at the time or times the payments are otherwise scheduled to be made.

10.7 Limitations on Liability. Notwithstanding any other provisions of the Plan, no individual acting as a director, officer, other employee or agent of the Company or any Subsidiary will be liable to any Participant, former Participant, spouse, beneficiary, or any other person for any claim, loss, liability, or expense incurred in connection with the Plan or any Award, and such individual will not be personally liable with respect to the Plan because of any contract or other instrument executed in his or her capacity as an Administrator, director, officer, other employee or agent of the Company or any Subsidiary. The Company will indemnify and hold harmless each director, officer, other employee and agent of the Company or any Subsidiary that has been or will be granted or delegated any duty or power relating to the Plan's administration or interpretation, against any cost or expense (including attorneys' fees) or liability (including any sum paid in settlement of a claim with the Administrator's approval) arising from any act or omission concerning this Plan unless arising from such person's own fraud or bad faith.

10.8 Lock-Up Period. The Company may, at the request of any underwriter representative or otherwise, in connection with registering the offering of any Company securities under the Securities Act, prohibit Participants from, directly or indirectly, selling or otherwise transferring any Shares or other Company securities during a period of up to one hundred eighty days following the effective date of a Company registration statement filed under the Securities Act, or such longer period as determined by the underwriter.

10.9 Data Privacy. As a condition for receiving any Award, each Participant explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of personal data as described in this section by and among the Company and its Subsidiaries and affiliates exclusively for implementing, administering and managing the Participant's participation in the Plan. The Company and its Subsidiaries and affiliates may hold certain personal information about a Participant, including the Participant's name, address and telephone number; birthdate; social security, insurance number or other identification number; salary; nationality; job title(s); any Shares held in the Company or its Subsidiaries and affiliates; and Award details, to implement, manage and administer the Plan and Awards (the "***Data***"). The Company and its Subsidiaries and affiliates may transfer the Data amongst themselves as necessary to implement, administer and manage a Participant's participation in the Plan, and the Company and its Subsidiaries and affiliates may transfer the Data to third parties assisting the Company with Plan implementation, administration and management. These recipients may be located in the Participant's country, or elsewhere, and the Participant's country may have different data privacy laws and protections than the recipients' country. By accepting an Award, each Participant authorizes such recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, to implement, administer and manage the Participant's participation in the Plan, including any required Data transfer to a broker or other third party with whom the Company or the Participant may elect to deposit any Shares. The Data related to a Participant will be held only as long as necessary to implement, administer, and manage the Participant's participation in the Plan. A Participant may, at any time, view the Data that the Company holds regarding such Participant, request additional information about the storage and processing of the Data regarding such Participant, recommend any necessary corrections to the Data regarding the Participant or refuse or withdraw the consents in this Section 10.9 in writing, without cost, by contacting the local human resources representative. The Company may cancel Participant's ability to participate in the Plan and, in the Administrator's discretion, the Participant may forfeit any outstanding Awards if the Participant refuses or withdraws the consents in this Section 10.9. For more information on the consequences of refusing or withdrawing consent, Participants may contact their local human resources representative.

10.10 Severability. If any portion of the Plan or any action taken under it is held illegal or invalid for any reason, the illegality or invalidity will not affect the remaining parts of the Plan, and the Plan will be construed and enforced as if the illegal or invalid provisions had been excluded, and the illegal or invalid action will be null and void.

10.11 Governing Documents. If any contradiction occurs between the Plan and any Award Agreement or other written agreement between a Participant and the Company (or any Subsidiary) that the Administrator has approved, the Plan will govern, unless it is expressly specified in such Award Agreement or other written document that a specific provision of the Plan will not apply.

10.12 Governing Law. The Plan and all Awards will be governed by and interpreted in accordance with the laws of the State of Delaware, disregarding any state's choice-of-law principles requiring the application of a jurisdiction's laws other than the State of Delaware.

10.13 Claw-back Provisions. All Awards (including any proceeds, gains or other economic benefit the Participant actually or constructively receives upon receipt or exercise of any Award or the receipt or resale of any Shares underlying the Award) will be subject to any Company claw-back policy, including any claw-back policy adopted to comply with Applicable Laws (including the Dodd-Frank Wall Street Reform and Consumer Protection Act and any rules or regulations promulgated thereunder) as set forth in such claw-back policy or the Award Agreement.

10.14 Titles and Headings. The titles and headings in the Plan are for convenience of reference only and, if any conflict, the Plan's text, rather than such titles or headings, will control.

10.15 Conformity to Securities Laws. Participant acknowledges that the Plan is intended to conform to the extent necessary with Applicable Laws. Notwithstanding anything herein to the contrary, the Plan and all Awards will be administered only in conformance with Applicable Laws. To the extent Applicable Laws permit, the Plan and all Award Agreements will be deemed amended as necessary to conform to Applicable Laws.

10.16 Relationship to Other Benefits. No payment under the Plan will be taken into account in determining any benefits under any pension, retirement, savings, profit sharing, group insurance, welfare or other benefit plan of the Company or any Subsidiary except as expressly provided in writing in such other plan or an agreement thereunder.

10.17 Broker-Assisted Sales. In the event of a broker-assisted sale of Shares in connection with the payment of amounts owed by a Participant under or with respect to the Plan or Awards, including amounts to be paid under the final sentence of Section 9.5: (a) any Shares to be sold through the broker-assisted sale will be sold on the day the payment first becomes due, or as soon thereafter as practicable; (b) such Shares may be sold as part of a block trade with other Participants in the Plan in which all participants receive an average price; (c) the applicable Participant will be responsible for all broker's fees and other costs of sale, and by accepting an Award, each Participant agrees to indemnify and hold the Company harmless from any losses, costs, damages, or expenses relating to any such sale; (d) to the extent the Company or its designee receives proceeds of such sale that exceed the amount owed, the Company will pay such excess in cash to the applicable Participant as soon as reasonably practicable; (e) the Company and its designees are under no obligation to arrange for such sale at any particular price; and (f) in the event the proceeds of such sale are insufficient to satisfy the Participant's applicable obligation, the Participant may be required to pay immediately upon demand to the Company or its designee an amount in cash sufficient to satisfy any remaining portion of the Participant's obligation.

ARTICLE XI.
DEFINITIONS

As used in the Plan, the following words and phrases will have the following meanings:

11.1 "***Administrator***" means the Board or a Committee to the extent that the Board's powers or authority under the Plan have been delegated to such Committee.

11.2 "***Applicable Laws***" means the requirements relating to the administration of equity incentive plans under U.S. federal and state securities, tax and other applicable laws, rules and regulations, the applicable rules of any stock exchange or quotation system on which the Common Stock is listed or quoted and the applicable laws and rules of any foreign country or other jurisdiction where Awards are granted.

11.3 "***Award***" means, individually or collectively, a grant under the Plan of Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units or Other Stock or Cash Based Awards.

11.4 "***Award Agreement***" means a written agreement evidencing an Award, which may be electronic, that contains such terms and conditions as the Administrator determines, consistent with and subject to the terms and conditions of the Plan.

11.5 "***Board***" means the Board of Directors of the Company.

11.6 "***Cause***" means (i) if a Participant is a party to a written employment or consulting agreement with the Company or any of its Subsidiaries or an Award Agreement in which the term "cause" is defined (a "***Relevant Agreement***"), "Cause" as defined in the Relevant Agreement, and (ii) if no Relevant Agreement exists, (A) the Administrator's determination that the Participant failed to substantially perform the Participant's duties (other than a failure resulting from the Participant's Disability); (B) the Administrator's determination that the Participant failed to carry out, or comply with any lawful and reasonable directive of the Board or the Participant's immediate supervisor; (C) the occurrence of any act or omission by the Participant that could reasonably be expected to result in (or has resulted in) the Participant's conviction, plea of no contest, plea of nolo contendere, or imposition of unadjudicated probation for any felony or indictable offense or crime involving moral turpitude; (D) the Participant's unlawful use (including being under the influence) or possession of illegal drugs on the premises of the Company or any of its Subsidiaries or while performing the Participant's duties and responsibilities for the Company or any of its Subsidiaries; or (E) the Participant's commission of an act of fraud, embezzlement, misappropriation, misconduct, or breach of fiduciary duty against the Company or any of its Subsidiaries.

11.7 "***Change in Control***" means and includes each of the following:

(a) A transaction or series of transactions (other than an offering of Common Stock to the general public through a registration statement filed with the Securities and Exchange Commission or a transaction or series of transactions that meets the requirements of clauses (i) and (ii) of subsection (c) below) whereby any "person" or related "group" of "persons" (as such terms are used in Sections 13(d) and 14(d)(2) of the Exchange Act) (other than the Company, any of its Subsidiaries, an employee benefit plan maintained by the Company or any of its Subsidiaries or a "person" that, prior to such transaction, directly or indirectly controls, is controlled by, or is under common control with, the Company) directly or indirectly acquires beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act) of securities of the Company possessing more than 50% of the total combined voting power of the Company's securities outstanding immediately after such acquisition; or

(b) During any period of two consecutive years, individuals who, at the beginning of such period, constitute the Board together with any new Director(s) (other than a Director designated by a person who shall have entered into an agreement with the Company to effect a transaction described in subsections (a) or (c)) whose election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds of the Directors then still in office who either were Directors at the beginning of the two-year period or whose election or nomination for election was previously so approved, cease for any reason to constitute a majority thereof; or

(c) The consummation by the Company (whether directly involving the Company or indirectly involving the Company through one or more intermediaries) of (x) a merger, consolidation, reorganization, or business combination or (y) a sale or other disposition of all or substantially all of the Company's assets in any single transaction or series of related transactions or (z) the acquisition of assets or stock of another entity, in each case other than a transaction:

(i) which results in the Company's voting securities outstanding immediately before the transaction continuing to represent (either by remaining outstanding or by being converted into voting securities of the Company or the person that, as a result of the transaction, controls, directly or indirectly, the Company or owns, directly or indirectly, all or substantially all of the Company's assets or otherwise succeeds to the business of the Company (the Company or such person, the "***Successor Entity***")) directly or indirectly, at least a majority of the combined voting power of the Successor Entity's outstanding voting securities immediately after the transaction, and

(ii) after which no person or group beneficially owns voting securities representing 50% or more of the combined voting power of the Successor Entity; provided, however, that no person or group shall be treated for purposes of this clause (ii) as beneficially owning 50% or more of the combined voting power of the Successor Entity solely as a result of the voting power held in the Company prior to the consummation of the transaction.

Notwithstanding the foregoing, if a Change in Control constitutes a payment event with respect to any Award (or portion of any Award) that provides for the deferral of compensation that is subject to Section 409A, to the extent required to avoid the imposition of additional taxes under Section 409A, the transaction or event described in subsection (a), (b) or (c) with respect to such Award (or portion thereof) shall only constitute a Change in Control for purposes of the payment timing of such Award if such transaction also constitutes a "change in control event," as defined in Treasury Regulation Section 1.409A-3(i)(5).

The Administrator shall have full and final authority, which shall be exercised in its discretion, to determine conclusively whether a Change in Control has occurred pursuant to the above definition, the date of the occurrence of such Change in Control and any incidental matters relating thereto; provided that any exercise of authority in conjunction with a determination of whether a Change in Control is a "change in control event" as defined in Treasury Regulation Section 1.409A-3(i)(5) shall be consistent with such regulation.

11.8 "***Code***" means the Internal Revenue Code of 1986, as amended, and the regulations issued thereunder.

11.9 "***Committee***" means one or more committees or subcommittees of the Board, which may include one or more Company directors or executive officers, to the extent Applicable Laws permit. To the extent required to comply with the provisions of Rule 16b-3, it is intended that each member of the Committee will be, at the time the Committee takes any action with respect to an Award that is subject to Rule 16b-3, a "non-employee director" within the meaning of Rule 16b-3; however, a Committee member's failure to qualify as a "non-employee director" within the meaning of Rule 16b-3 will not invalidate any Award granted by the Committee that is otherwise validly granted under the Plan.

11.10 "***Common Stock***" means the common stock of the Company.

11.11 "***Company***" means Evelo Biosciences, Inc., a Delaware corporation, or any successor.

11.12 "***Consultant***" means any person, including any adviser, engaged by the Company or its parent or Subsidiary to render services to such entity if the consultant or adviser: (i) renders bona fide services to the Company; (ii) renders services not in connection with the offer or sale of securities in a capital-raising transaction and does not directly or indirectly promote or maintain a market for the Company's securities; and (iii) is a natural person.

11.13 "***Designated Beneficiary***" means the beneficiary or beneficiaries the Participant designates, in a manner the Administrator determines, to receive amounts due or exercise the Participant's rights if the Participant dies or becomes incapacitated. Without a Participant's effective designation, "Designated Beneficiary" will mean the Participant's estate.

11.14 "***Director***" means a Board member.

11.15 "***Disability***" means a permanent and total disability under Section 22(e)(3) of the Code, as amended.

11.16 "***Dividend Equivalents***" means a right granted to a Participant under the Plan to receive the equivalent value (in cash or Shares) of dividends paid on Shares.

11.17 "***Employee***" means any employee of the Company or its Subsidiaries.

11.18 "***Equity Restructuring***" means a nonreciprocal transaction between the Company and its stockholders, such as a stock dividend, stock split, spin-off or recapitalization through a large, nonrecurring cash dividend, that affects the number or kind of Shares (or other Company securities) or the share price of Common Stock (or other Company securities) and causes a change in the per share value of the Common Stock underlying outstanding Awards.

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

11.20 "***Fair Market Value***" means, as of any date, the value of Common Stock determined as follows: (i) if the Common Stock is listed on any established stock exchange, its Fair Market Value will be the closing sales price for such Common Stock as quoted on such exchange for such date, or if no sale occurred on such date, the last day preceding such date during which a sale occurred, as reported in The Wall Street Journal or another source the Administrator deems reliable; (ii) if the Common Stock is not traded on a stock exchange but is quoted on a national market or other quotation system, the closing sales price on such date, or if no sales occurred on such date, then on the last date preceding such date during which a sale occurred, as reported in The Wall Street Journal or another source the Administrator deems reliable; or (iii) without an established market for the Common Stock, the Administrator will determine the Fair Market Value in its discretion. Notwithstanding the foregoing, with respect to any Award granted on the pricing date of the Company's initial public offering, the Fair Market Value shall mean the initial public offering price of a Share as set forth in the Company's final prospectus relating to its initial public offering filed with the Securities and Exchange Commission.

11.21 "***Greater Than 10% Stockholder***" means an individual then owning (within the meaning of Section 424(d) of the Code) more than 10% of the total combined voting power of all classes of stock of the Company or its parent or subsidiary corporation, as defined in Section 424(e) and (f) of the Code, respectively.

11.22 "***Incentive Stock Option***" means an Option intended to qualify as an "incentive stock option" as defined in Section 422 of the Code.

11.23 "***Non-Qualified Stock Option***" means an Option not intended or not qualifying as an Incentive Stock Option.

11.24 "***Option***" means an option to purchase Shares.

11.25 "***Other Stock or Cash Based Awards***" means cash awards, awards of Shares, and other awards valued wholly or partially by referring to, or are otherwise based on, Shares or other property.

11.26 "***Overall Share Limit***" means the sum of (i) 1,344,692 Shares; (ii) any shares of Common Stock which are subject to Prior Plan Awards which become available for issuance under the Plan pursuant to Article IV and (iii) an annual increase on the first day of each calendar year beginning January 1, 2019 and ending on and including January 1, 2028, equal to the lesser of (A) 4% of the aggregate number of shares of Common Stock outstanding on the final day of the immediately preceding calendar year and (B) such smaller number of Shares as is determined by the Board.

11.27 "***Participant***" means a Service Provider who has been granted an Award.

11.28 "***Performance Criteria***" mean the criteria (and adjustments) that the Administrator may select for an Award to establish performance goals for a performance period, which may include the following: net earnings or losses (either before or after one or more of interest, taxes, depreciation, amortization, and non-cash equity-based compensation expense); gross or net sales or revenue or sales or revenue growth; net income (either before or after taxes) or adjusted net income; profits (including but not limited to gross profits, net profits, profit growth, net operation profit or economic profit), profit return ratios or operating margin; budget or operating earnings (either before or after taxes or before or after allocation of corporate overhead and bonus); cash flow (including operating cash flow and free cash flow or cash flow return on capital); return on assets; return on capital or invested capital; cost of capital; return on stockholders' equity; total stockholder return; return on sales; costs, reductions in costs and cost control measures; expenses; working capital; earnings or loss per share; adjusted earnings or loss per share; price per share or dividends per share (or appreciation in or maintenance of such price or dividends); regulatory achievements or compliance; implementation, completion or attainment of objectives relating to research, development, regulatory, commercial, or strategic milestones or developments; market share; economic value or economic value added models; division, group or corporate financial goals; customer satisfaction/growth; customer service; employee satisfaction; recruitment and maintenance of personnel; human resources management; supervision of litigation and other legal matters; strategic partnerships and transactions; financial ratios (including those measuring liquidity, activity, profitability or leverage); debt levels or reductions; sales-related goals; financing and other capital raising transactions; cash on hand; acquisition activity; investment sourcing activity; and marketing initiatives, any of which may be measured in absolute terms or as compared to any incremental increase or decrease. Such performance goals also may be based solely by reference to the Company's performance or the performance of a Subsidiary, division, business segment or business unit of the Company or a Subsidiary, or based upon performance relative to performance of other companies or upon comparisons of any of the indicators of performance relative to performance of other companies. The Committee may provide for exclusion of the impact of an event or occurrence which the Committee determines should appropriately be excluded, including (a) restructurings, discontinued operations, extraordinary items, and other unusual, infrequently occurring or non-recurring charges or events, (b) asset write-downs, (c) litigation or claim judgments or settlements, (d) acquisitions or divestitures, (e) reorganization or change in the corporate structure or capital structure of the Company, (f) an event either not directly related to the operations of the Company, Subsidiary, division, business segment or business unit or not within the reasonable control of management, (g) foreign exchange gains and losses, (h) a change in the fiscal year of the Company, (i) the refinancing or repurchase of bank loans or debt securities, (j) unbudgeted capital expenditures, (k) the issuance or repurchase of equity securities and other changes in the number of outstanding shares, (l) conversion of some or all of convertible securities to Common Stock, (m) any business interruption event (n) the cumulative effects of tax or accounting changes in accordance with U.S. generally accepted accounting principles, or (o) the effect of changes in other laws or regulatory rules affecting reported results.

11.29 "***Plan***" means this 2018 Incentive Award Plan.

11.30 "***Prior Plans***" means, collectively, the Evelo Biosciences, Inc. 2015 Stock Incentive Plan and any prior equity incentive plans of the Company or its predecessor.

11.31 "***Prior Plan Award***" means an award outstanding under the Prior Plans as of the Plan's effective date in Section 10.3.

11.32 "***Public Trading Date***" means the first date upon which the Common Stock is listed (or approved for listing) upon notice of issuance on any securities exchange or designated (or approved for designation) upon notice of issuance as a national market security on an interdealer quotation system, or, if earlier, the date on which the Company becomes a "publicly held corporation" for purposes of Treasury Regulation Section 1.162-27(c)(1).

11.33 "***Restricted Stock***" means Shares awarded to a Participant under Article VI subject to certain vesting conditions and other restrictions.

11.34 "***Restricted Stock Unit***" means an unfunded, unsecured right to receive, on the applicable settlement date, one Share or an amount in cash or other consideration determined by the Administrator to be of equal value as of such settlement date, subject to certain vesting conditions and other restrictions.

11.35 "***Rule 16b-3***" means Rule 16b-3 promulgated under the Exchange Act.

11.36 "***Section 409A***" means Section 409A of the Code and all regulations, guidance, compliance programs and other interpretative authority thereunder.

11.37 "***Securities Act***" means the Securities Act of 1933, as amended.

11.38 "***Service Provider***" means an Employee, Consultant or Director.

11.39 "***Shares***" means shares of Common Stock.

11.40 "***Stock Appreciation Right***" means a stock appreciation right granted under Article V.

11.41 "***Subsidiary***" means any entity (other than the Company), whether domestic or foreign, in an unbroken chain of entities beginning with the Company if each of the entities other than the last entity in the unbroken chain beneficially owns, at the time of the determination, securities or interests representing at least 50% of the total combined voting power of all classes of securities or interests in one of the other entities in such chain.

11.42 "***Substitute Awards***" shall mean Awards granted or Shares issued by the Company in assumption of, or in substitution or exchange for, awards previously granted, or the right or obligation to make future awards, in each case by a company acquired by the Company or any Subsidiary or with which the Company or any Subsidiary combines.

11.43 "***Termination of Service***" means the date the Participant ceases to be a Service Provider.

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EVELO BIOSCIENCES, INC.
2018 INCENTIVE AWARD PLAN

STOCK OPTION GRANT NOTICE

Capitalized terms not specifically defined in this Stock Option Grant Notice (the "***Grant Notice***") have the meanings given to them in the 2018 Incentive Award Plan (as amended from time to time, the "***Plan***") of Evelo Biosciences, Inc. (the "***Company***").

The Company has granted to the participant listed below ("***Participant***") the stock option described in this Grant Notice (the "***Option***"), subject to the terms and conditions of the Plan and the Stock Option Agreement attached as **Exhibit A** (the "***Agreement***"), both of which are incorporated into this Grant Notice by reference.

Participant:

Grant Date:

Exercise Price per Share:

Shares Subject to the Option:

Final Expiration Date:

Vesting Commencement Date:

Vesting Schedule: [To be specified in individual award agreements]

Type of Option [Incentive Stock Option/Non-Qualified Stock Option]

By Participant's signature below, Participant agrees to be bound by the terms of this Grant Notice, the Plan and the Agreement. Participant has reviewed the Plan, this Grant Notice and the Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Grant Notice and fully understands all provisions of the Plan, this Grant Notice and the Agreement. Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions arising under the Plan, this Grant Notice or the Agreement.

EVELO BIOSCIENCES, INC.

By: _____
Name: _____
Title: _____

PARTICIPANT

_____
[Participant Name]

Exhibit A

STOCK OPTION AGREEMENT

Capitalized terms not specifically defined in this Agreement have the meanings specified in the Grant Notice or, if not defined in the Grant Notice, in the Plan.

ARTICLE I.
GENERAL

1.1 Grant of Option. The Company has granted to Participant the Option effective as of the grant date set forth in the Grant Notice (the "***Grant Date***").

1.2 Incorporation of Terms of Plan. The Option is subject to the terms and conditions set forth in this Agreement and the Plan, which is incorporated herein by reference. In the event of any inconsistency between the Plan and this Agreement, the terms of the Plan will control.

ARTICLE II.
PERIOD OF EXERCISABILITY

2.1 Commencement of Exercisability. The Option will vest and become exercisable according to the vesting schedule in the Grant Notice (the "***Vesting Schedule***") except that any fraction of a Share as to which the Option would be vested or exercisable will be accumulated and will vest and become exercisable only when a whole Share has accumulated. Notwithstanding anything in the Grant Notice, the Plan or this Agreement to the contrary, unless the Administrator otherwise determines, the Option will immediately expire and be forfeited as to any portion that is not vested and exercisable as of Participant's Termination of Service for any reason.

2.2 Duration of Exercisability. The Vesting Schedule is cumulative. Any portion of the Option which vests and becomes exercisable will remain vested and exercisable until the Option expires. The Option will be forfeited immediately upon its expiration.

2.3 Expiration of Option. The Option may not be exercised to any extent by anyone after, and will expire on, the first of the following to occur:

(a) The final expiration date in the Grant Notice;

(b) Except as the Administrator may otherwise approve, the expiration of three (3) months from the date of Participant's Termination of Service, unless Participant's Termination of Service is for Cause or by reason of Participant's death or Disability;

(c) Except as the Administrator may otherwise approve, the expiration of one (1) year from the date of Participant's Termination of Service by reason of Participant's death or Disability; and

(d) Except as the Administrator may otherwise approve, Participant's Termination of Service for Cause.

ARTICLE III.
EXERCISE OF OPTION

3.1 Person Eligible to Exercise. During Participant's lifetime, only Participant may exercise the Option. After Participant's death, any exercisable portion of the Option may, prior to the time the Option expires, be exercised by Participant's Designated Beneficiary as provided in the Plan.

3.2 Partial Exercise. Any exercisable portion of the Option or the entire Option, if then wholly exercisable, may be exercised, in whole or in part, according to the procedures in the Plan at any time prior to the time the Option or portion thereof expires, except that the Option may only be exercised for whole Shares.

3.3 Tax Withholding.

(a) The Company has the right and option, but not the obligation, to treat Participant's failure to provide timely payment in accordance with the Plan of any withholding tax arising in connection with the Option as Participant's election to satisfy all or any portion of the withholding tax by requesting the Company retain Shares otherwise issuable under the Option.

(b) Participant acknowledges that Participant is ultimately liable and responsible for all taxes owed in connection with the Option, regardless of any action the Company or any Subsidiary takes with respect to any tax withholding obligations that arise in connection with the Option. Neither the Company nor any Subsidiary makes any representation or undertaking regarding the treatment of any tax withholding in connection with the awarding, vesting or exercise of the Option or the subsequent sale of Shares. The Company and the Subsidiaries do not commit and are under no obligation to structure the Option to reduce or eliminate Participant's tax liability.

ARTICLE IV.
OTHER PROVISIONS

4.1 Adjustments. Participant acknowledges that the Option is subject to adjustment, modification and termination in certain events as provided in this Agreement and the Plan.

4.2 Notices. Any notice to be given under the terms of this Agreement to the Company must be in writing and addressed to the Company in care of the Company's Secretary at the Company's principal office or the Secretary's then-current email address or facsimile number. Any notice to be given under the terms of this Agreement to Participant must be in writing and addressed to Participant (or, if Participant is then deceased, to the person entitled to exercise the Option) at Participant's last known mailing address, email address or facsimile number in the Company's personnel files. By a notice given pursuant to this Section, either party may designate a different address for notices to be given to that party. Any notice will be deemed duly given when actually received, when sent by email, when sent by certified mail (return receipt requested) and deposited with postage prepaid in a post office or branch post office regularly maintained by the United States Postal Service, when delivered by a nationally recognized express shipping company or upon receipt of a facsimile transmission confirmation.

4.3 Titles. Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

4.4 Conformity to Securities Laws. Participant acknowledges that the Plan, the Grant Notice and this Agreement are intended to conform to the extent necessary with all Applicable Laws and, to the extent Applicable Laws permit, will be deemed amended as necessary to conform to Applicable Laws.

4.5 Successors and Assigns. The Company may assign any of its rights under this Agreement to single or multiple assignees, and this Agreement will inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth in the Plan, this Agreement will be binding upon and inure to the benefit of the heirs, legatees, legal representatives, successors and assigns of the parties hereto.

4.6 Limitations Applicable to Section 16 Persons. Notwithstanding any other provision of the Plan or this Agreement, if Participant is subject to Section 16 of the Exchange Act, the Plan, the Grant Notice, this Agreement and the Option will be subject to any additional limitations set forth in any applicable exemptive rule under Section 16 of the Exchange Act (including any amendment to Rule 16b-3) that are requirements for the application of such exemptive rule. To the extent Applicable Laws permit, this Agreement will be deemed amended as necessary to conform to such applicable exemptive rule.

4.7 Entire Agreement. The Plan, the Grant Notice and this Agreement (including any exhibit hereto) constitute the entire agreement of the parties and supersede in their entirety all prior undertakings and agreements of the Company and Participant with respect to the subject matter hereof.

4.8 Agreement Severable. In the event that any provision of the Grant Notice or this Agreement is held illegal or invalid, the provision will be severable from, and the illegality or invalidity of the provision will not be construed to have any effect on, the remaining provisions of the Grant Notice or this Agreement.

4.9 Limitation on Participant's Rights. Participation in the Plan confers no rights or interests other than as herein provided. This Agreement creates only a contractual obligation on the part of the Company as to amounts payable and may not be construed as creating a trust. Neither the Plan nor any underlying program, in and of itself, has any assets. Participant will have only the rights of a general unsecured creditor of the Company with respect to amounts credited and benefits payable, if any, with respect to the Option, and rights no greater than the right to receive the Shares as a general unsecured creditor with respect to the Option, as and when exercised pursuant to the terms hereof.

4.10 Not a Contract of Employment. Nothing in the Plan, the Grant Notice or this Agreement confers upon Participant any right to continue in the employ or service of the Company or any Subsidiary or interferes with or restricts in any way the rights of the Company and its Subsidiaries, which rights are hereby expressly reserved, to discharge or terminate the services of Participant at any time for any reason whatsoever, with or without Cause, except to the extent expressly provided otherwise in a written agreement between the Company or a Subsidiary and Participant.

4.11 Counterparts. The Grant Notice may be executed in one or more counterparts, including by way of any electronic signature, subject to Applicable Law, each of which will be deemed an original and all of which together will constitute one instrument.

4.12 Incentive Stock Options. If the Option is designated as an Incentive Stock Option:

(a) Participant acknowledges that to the extent the aggregate fair market value of shares (determined as of the time the option with respect to the shares is granted) with respect to which stock options intended to qualify as "incentive stock options" under Section 422 of the Code, including the Option, are exercisable for the first time by Participant during any calendar year exceeds $100,000 or if for any other reason such stock options do not qualify or cease to qualify for treatment as "incentive stock options" under Section 422 of the Code, such stock options (including the Option) will be treated as non-qualified stock options. Participant further acknowledges that the rule set forth in the preceding

sentence will be applied by taking the Option and other stock options into account in the order in which they were granted, as determined under Section 422(d) of the Code. Participant acknowledges that amendments or modifications made to the Option pursuant to the Plan that would cause the Option to become a Non-Qualified Stock Option will not materially or adversely affect Participant's rights under the Option, and that any such amendment or modification shall not require Participant's consent. Participant also acknowledges that if the Option is exercised more than three (3) months after Participant's Termination of Service as an Employee, other than by reason of death or disability, the Option will be taxed as a Non-Qualified Stock Option.

(b) Participant will give prompt written notice to the Company of any disposition or other transfer of any Shares acquired under this Agreement if such disposition or other transfer is made (a) within two (2) years from the Grant Date or (b) within one (1) year after the transfer of such Shares to Participant. Such notice will specify the date of such disposition or other transfer and the amount realized, in cash, other property, assumption of indebtedness or other consideration, by Participant in such disposition or other transfer.

* * * * *

EVELO BIOSCIENCES, INC.
2018 INCENTIVE AWARD PLAN

RESTRICTED STOCK UNIT GRANT NOTICE

Capitalized terms not specifically defined in this Restricted Stock Unit Grant Notice (the "***Grant Notice***") have the meanings given to them in the 2018 Incentive Award Plan (as amended from time to time, the "***Plan***") of Evelo Biosciences, Inc. (the "***Company***").

The Company has granted to the participant listed below ("***Participant***") the Restricted Stock Units described in this Grant Notice (the "***RSUs***"), subject to the terms and conditions of the Plan and the Restricted Stock Unit Agreement attached as **Exhibit A** (the "***Agreement***"), both of which are incorporated into this Grant Notice by reference.

Participant:

Grant Date:

Number of RSUs:

Vesting Commencement Date:

Vesting Schedule: [To be specified in individual award agreements]

By Participant's signature below, Participant agrees to be bound by the terms of this Grant Notice, the Plan and the Agreement. Participant has reviewed the Plan, this Grant Notice and the Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Grant Notice and fully understands all provisions of the Plan, this Grant Notice and the Agreement. Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions arising under the Plan, this Grant Notice or the Agreement.

EVELO BIOSCIENCES, INC.	**PARTICIPANT**
By: _____	_____
Name: _____	[Participant Name]
Title: _____	

Exhibit A

RESTRICTED STOCK UNIT AGREEMENT

Capitalized terms not specifically defined in this Agreement have the meanings specified in the Grant Notice or, if not defined in the Grant Notice, in the Plan.

ARTICLE I.
GENERAL

1.1 Award of RSUs and Dividend Equivalents.

(a) The Company has granted the RSUs to Participant effective as of the grant date set forth in the Grant Notice (the "***Grant Date***"). Each RSU represents the right to receive one Share or, at the option of the Company, an amount of cash, in either case, as set forth in this Agreement. Participant will have no right to the distribution of any Shares or payment of any cash until the time (if ever) the RSUs have vested.

(b) The Company hereby grants to Participant, with respect to each RSU, a Dividend Equivalent for ordinary cash dividends paid to substantially all holders of outstanding Shares with a record date after the Grant Date and prior to the date the applicable RSU is settled, forfeited or otherwise expires. Each Dividend Equivalent entitles Participant to receive the equivalent value of any such ordinary cash dividends paid on a single Share. The Company will establish a separate Dividend Equivalent bookkeeping account (a "***Dividend Equivalent Account***") for each Dividend Equivalent and credit the Dividend Equivalent Account (without interest) on the applicable dividend payment date with the amount of any such cash paid.

1.2 Incorporation of Terms of Plan. The RSUs are subject to the terms and conditions set forth in this Agreement and the Plan, which is incorporated herein by reference. In the event of any inconsistency between the Plan and this Agreement, the terms of the Plan will control.

1.3 Unsecured Promise. The RSUs and Dividend Equivalents will at all times prior to settlement represent an unsecured Company obligation payable only from the Company's general assets.

ARTICLE II.
VESTING; FORFEITURE AND SETTLEMENT

2.1 Vesting; Forfeiture. The RSUs will vest according to the vesting schedule in the Grant Notice except that any fraction of an RSU that would otherwise be vested will be accumulated and will vest only when a whole RSU has accumulated. In the event of Participant's Termination of Service for any reason, all unvested RSUs will immediately and automatically be cancelled and forfeited, except as otherwise determined by the Administrator or provided in a binding written agreement between Participant and the Company. Dividend Equivalents (including any Dividend Equivalent Account balance) will vest or be forfeited, as applicable, upon the vesting or forfeiture of the RSU with respect to which the Dividend Equivalent (including the Dividend Equivalent Account) relates.

2.2 Settlement.

(a) RSUs and Dividend Equivalents (including any Dividend Equivalent Account balance) will be paid in Shares or cash at the Company's option as soon as administratively practicable after the vesting of the applicable RSU, but in no event more than sixty (60) days after the RSU's vesting date. Notwithstanding the foregoing, the Company may delay any payment under this Agreement that the Company reasonably determines would violate Applicable Law until the earliest date the Company

reasonably determines the making of the payment will not cause such a violation (in accordance with Treasury Regulation Section 1.409A-2(b)(7)(ii)), provided the Company reasonably believes the delay will not result in the imposition of excise taxes under Section 409A.

(b) If an RSU is paid in cash, the amount of cash paid with respect to the RSU will equal the Fair Market Value of a Share on the day immediately preceding the payment date. If a Dividend Equivalent is paid in Shares, the number of Shares paid with respect to the Dividend Equivalent will equal the quotient, rounded down to the nearest whole Share, of the Dividend Equivalent Account balance divided by the Fair Market Value of a Share on the day immediately preceding the payment date.

ARTICLE III.
TAXATION AND TAX WITHHOLDING

3.1 Representation. Participant represents to the Company that Participant has reviewed with Participant's own tax advisors the tax consequences of this Award and the transactions contemplated by the Grant Notice and this Agreement. Participant is relying solely on such advisors and not on any statements or representations of the Company or any of its agents.

3.2 Tax Withholding.

(a) The Company has the right and option, but not the obligation, to treat Participant's failure to provide timely payment in accordance with the Plan of any withholding tax arising in connection with the RSUs or Dividend Equivalents as Participant's election to satisfy all or any portion of the withholding tax by requesting the Company retain Shares otherwise issuable under the Award.

(b) Participant acknowledges that Participant is ultimately liable and responsible for all taxes owed in connection with the RSUs and the Dividend Equivalents, regardless of any action the Company or any Subsidiary takes with respect to any tax withholding obligations that arise in connection with the RSUs or Dividend Equivalents. Neither the Company nor any Subsidiary makes any representation or undertaking regarding the treatment of any tax withholding in connection with the awarding, vesting or payment of the RSUs or the Dividend Equivalents or the subsequent sale of Shares. The Company and the Subsidiaries do not commit and are under no obligation to structure the RSUs or Dividend Equivalents to reduce or eliminate Participant's tax liability.

ARTICLE IV.
OTHER PROVISIONS

4.1 Adjustments. Participant acknowledges that the RSUs, the Shares subject to the RSUs and the Dividend Equivalents are subject to adjustment, modification and termination in certain events as provided in this Agreement and the Plan.

4.2 Notices. Any notice to be given under the terms of this Agreement to the Company must be in writing and addressed to the Company in care of the Company's Secretary at the Company's principal office or the Secretary's then-current email address or facsimile number. Any notice to be given under the terms of this Agreement to Participant must be in writing and addressed to Participant at Participant's last known mailing address, email address or facsimile number in the Company's personnel files. By a notice given pursuant to this Section, either party may designate a different address for notices to be given to that party. Any notice will be deemed duly given when actually received, when sent by email, when sent by certified mail (return receipt requested) and deposited with postage prepaid in a post office or branch post office regularly maintained by the United States Postal Service, when delivered by a nationally recognized express shipping company or upon receipt of a facsimile transmission confirmation.

4.3 Titles. Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

4.4 Conformity to Securities Laws. Participant acknowledges that the Plan, the Grant Notice and this Agreement are intended to conform to the extent necessary with all Applicable Laws and, to the extent Applicable Laws permit, will be deemed amended as necessary to conform to Applicable Laws.

4.5 Successors and Assigns. The Company may assign any of its rights under this Agreement to single or multiple assignees, and this Agreement will inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth in the Plan, this Agreement will be binding upon and inure to the benefit of the heirs, legatees, legal representatives, successors and assigns of the parties hereto.

4.6 Limitations Applicable to Section 16 Persons. Notwithstanding any other provision of the Plan or this Agreement, if Participant is subject to Section 16 of the Exchange Act, the Plan, the Grant Notice, this Agreement, the RSUs and the Dividend Equivalents will be subject to any additional limitations set forth in any applicable exemptive rule under Section 16 of the Exchange Act (including any amendment to Rule 16b-3) that are requirements for the application of such exemptive rule. To the extent Applicable Laws permit, this Agreement will be deemed amended as necessary to conform to such applicable exemptive rule.

4.7 Entire Agreement. The Plan, the Grant Notice and this Agreement (including any exhibit hereto) constitute the entire agreement of the parties and supersede in their entirety all prior undertakings and agreements of the Company and Participant with respect to the subject matter hereof.

4.8 Agreement Severable. In the event that any provision of the Grant Notice or this Agreement is held illegal or invalid, the provision will be severable from, and the illegality or invalidity of the provision will not be construed to have any effect on, the remaining provisions of the Grant Notice or this Agreement.

4.9 Limitation on Participant's Rights. Participation in the Plan confers no rights or interests other than as herein provided. This Agreement creates only a contractual obligation on the part of the Company as to amounts payable and may not be construed as creating a trust. Neither the Plan nor any underlying program, in and of itself, has any assets. Participant will have only the rights of a general unsecured creditor of the Company with respect to amounts credited and benefits payable, if any, with respect to the RSUs and Dividend Equivalents, and rights no greater than the right to receive cash or the Shares as a general unsecured creditor with respect to the RSUs and Dividend Equivalents, as and when settled pursuant to the terms of this Agreement.

4.10 Not a Contract of Employment. Nothing in the Plan, the Grant Notice or this Agreement confers upon Participant any right to continue in the employ or service of the Company or any Subsidiary or interferes with or restricts in any way the rights of the Company and its Subsidiaries, which rights are hereby expressly reserved, to discharge or terminate the services of Participant at any time for any reason whatsoever, with or without Cause, except to the extent expressly provided otherwise in a written agreement between the Company or a Subsidiary and Participant.

4.11 Counterparts. The Grant Notice may be executed in one or more counterparts, including by way of any electronic signature, subject to Applicable Law, each of which will be deemed an original and all of which together will constitute one instrument.

* * * * *

EVELO BIOSCIENCES, INC.
2018 INCENTIVE AWARD PLAN

RESTRICTED STOCK GRANT NOTICE

Capitalized terms not specifically defined in this Restricted Stock Grant Notice (the "***Grant Notice***") have the meanings given to them in the 2018 Incentive Award Plan (as amended from time to time, the "***Plan***") of Evelo Biosciences, Inc. (the "***Company***").

The Company has granted to the participant listed below ("***Participant***") the shares of Restricted Stock described in this Grant Notice (the "***Restricted Shares***"), subject to the terms and conditions of the Plan and the Restricted Stock Agreement attached as **Exhibit A** (the "***Agreement***"), both of which are incorporated into this Grant Notice by reference.

Participant:

Grant Date:

Number of Restricted Shares:

Vesting Commencement Date:

Vesting Schedule: [To be specified in individual award agreements]

By Participant's signature below, Participant agrees to be bound by the terms of this Grant Notice, the Plan and the Agreement. Participant has reviewed the Plan, this Grant Notice and the Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Grant Notice and fully understands all provisions of the Plan, this Grant Notice and the Agreement. Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions arising under the Plan, this Grant Notice or the Agreement.

EVELO BIOSCIENCES, INC.

By: _____
Name: _____
Title: _____

PARTICIPANT

_____
[Participant Name]

Exhibit A

RESTRICTED STOCK AGREEMENT

Capitalized terms not specifically defined in this Agreement have the meanings specified in the Grant Notice or, if not defined in the Grant Notice, in the Plan.

ARTICLE I.
GENERAL

1.1 Issuance of Restricted Shares. The Company will issue the Restricted Shares to the Participant effective as of the grant date set forth in the Grant Notice and will cause (a) a stock certificate or certificates representing the Restricted Shares to be registered in Participant's name or (b) the Restricted Shares to be held in book-entry form. If a stock certificate is issued, the certificate will be delivered to, and held in accordance with this Agreement by, the Company or its authorized representatives and will bear the restrictive legends required by this Agreement. If the Restricted Shares are held in book-entry form, then the book-entry will indicate that the Restricted Shares are subject to the restrictions of this Agreement.

1.2 Incorporation of Terms of Plan. The Restricted Shares are subject to the terms and conditions set forth in this Agreement and the Plan, which is incorporated herein by reference. In the event of any inconsistency between the Plan and this Agreement, the terms of the Plan will control.

ARTICLE II.
VESTING, FORFEITURE AND ESCROW

2.1 Vesting. The Restricted Shares will become vested Shares (the "***Vested Shares***") according to the vesting schedule in the Grant Notice except that any fraction of a Share that would otherwise become a Vested Share will be accumulated and will become a Vested Share only when a whole Vested Share has accumulated.

2.2 Forfeiture. In the event of Participant's Termination of Service for any reason, Participant will immediately and automatically forfeit to the Company any Shares that are not Vested Shares (the "***Unvested Shares***") at the time of Participant's Termination of Service, except as otherwise determined by the Administrator or provided in a binding written agreement between Participant and the Company. Upon forfeiture of Unvested Shares, the Company will become the legal and beneficial owner of the Unvested Shares and all related interests and Participant will have no further rights with respect to the Unvested Shares.

2.3 Escrow.

(a) Unvested Shares will be held by the Company or its authorized representatives until (i) they are forfeited, (ii) they become Vested Shares or (iii) this Agreement is no longer in effect. By accepting this Award, Participant appoints the Company and its authorized representatives as Participant's attorney(s)-in-fact to take all actions necessary to effect any transfer of forfeited Unvested Shares (and Retained Distributions (as defined below), if any, paid on such forfeited Unvested Shares) to the Company as may be required pursuant to the Plan or this Agreement and to execute such representations or other documents or assurances as the Company or such representatives deem necessary or advisable in connection with any such transfer. The Company, or its authorized representative, will not be liable for any good faith act or omission with respect to the holding in escrow or transfer of the Restricted Shares.

(b) All cash dividends and other distributions made or declared with respect to Unvested Shares ("***Retained Distributions***") will be held by the Company until the time (if ever) when the Unvested Shares to which such Retained Distributions relate become Vested Shares. The Company will establish a separate Retained Distribution bookkeeping account ("***Retained Distribution Account***") for each Unvested Share with respect to which Retained Distributions have been made or declared in cash and credit the Retained Distribution Account (without interest) on the date of payment with the amount of such cash made or declared with respect to the Unvested Share. Retained Distributions (including any Retained Distribution Account balance) will immediately and automatically be forfeited upon forfeiture of the Unvested Share with respect to which the Retained Distributions were paid or declared.

(c) As soon as reasonably practicable following the date on which an Unvested Share becomes a Vested Share, the Company will (i) cause the certificate (or a new certificate without the legend required by this Agreement, if Participant so requests) representing the Share to be delivered to Participant or, if the Share is held in book-entry form, cause the notations indicating the Share is subject to the restrictions of this Agreement to be removed and (ii) pay to Participant the Retained Distributions relating to the Share.

2.4 Rights as Stockholder. Except as otherwise provided in this Agreement or the Plan, upon issuance of the Restricted Shares by the Company, Participant will have all the rights of a stockholder with respect to the Restricted Shares, including the right to vote the Restricted Shares and to receive dividends or other distributions paid or made with respect to the Restricted Shares.

ARTICLE III.
TAXATION AND TAX WITHHOLDING

3.1 Representation. Participant represents to the Company that Participant has reviewed with Participant's own tax advisors the tax consequences of the Restricted Shares and the transactions contemplated by the Grant Notice and this Agreement. Participant is relying solely on such advisors and not on any statements or representations of the Company or any of its agents.

3.2 Section 83(b) Election. If Participant makes an election under Section 83(b) of the Code with respect to the Restricted Shares, Participant will deliver a copy of the election to the Company promptly after filing the election with the Internal Revenue Service.

3.3 Tax Withholding.

(a) The Company has the right and option, but not the obligation, to treat Participant's failure to provide timely payment in accordance with the Plan of any withholding tax arising in connection with the Restricted Shares as Participant's election to satisfy all or any portion of the withholding tax by requesting the Company retain Shares otherwise deliverable under the Award.

(b) Participant acknowledges that Participant is ultimately liable and responsible for all taxes owed in connection with the Restricted Shares, regardless of any action the Company or any Subsidiary takes with respect to any tax withholding obligations that arise in connection with the Restricted Shares. Neither the Company nor any Subsidiary makes any representation or undertaking regarding the treatment of any tax withholding in connection with the awarding, vesting or payment of the Restricted Shares or the subsequent sale of the Restricted Shares. The Company and the Subsidiaries do not commit and are under no obligation to structure this Award to reduce or eliminate Participant's tax liability.

ARTICLE IV.
RESTRICTIVE LEGENDS AND TRANSFERABILITY

4.1 Legends. Any certificate representing a Restricted Share will bear the following legend until the Restricted Share becomes a Vested Share:

> THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO FORFEITURE IN FAVOR OF THE COMPANY AND MAY BE TRANSFERRED ONLY IN ACCORDANCE WITH THE TERMS OF A RESTRICTED STOCK AGREEMENT BETWEEN THE COMPANY AND THE STOCKHOLDER, A COPY OF WHICH IS ON FILE WITH THE SECRETARY OF THE COMPANY.

4.2 Transferability. The Restricted Shares and any Retained Distributions are subject to the restrictions on transfer in the Plan and may not be sold, assigned or transferred in any manner unless and until they become Vested Shares. Any attempted transfer or disposition of Unvested Shares or related Retained Distributions prior to the time the Unvested Shares become Vested Shares will be null and void. The Company will not be required to (a) transfer on its books any Restricted Share that has been sold or otherwise transferred in violation of this Agreement or (b) treat as owner of such Restricted Share or accord the right to vote or pay dividends to any purchaser or other transferee to whom such Restricted Share has been so transferred. The Company may issue appropriate “stop transfer” instructions to its transfer agent, if any, or make appropriate notations to the same effect in its records.

ARTICLE V.
OTHER PROVISIONS

5.1 Adjustments. Participant acknowledges that the Restricted Shares are subject to adjustment, modification and termination in certain events as provided in this Agreement and the Plan.

5.2 Notices. Any notice to be given under the terms of this Agreement to the Company must be in writing and addressed to the Company in care of the Company’s Secretary at the Company’s principal office or the Secretary’s then-current email address or facsimile number. Any notice to be given under the terms of this Agreement to Participant must be in writing and addressed to Participant at Participant’s last known mailing address, email address or facsimile number in the Company’s personnel files. By a notice given pursuant to this Section, either party may designate a different address for notices to be given to that party. Any notice will be deemed duly given when actually received, when sent by email, when sent by certified mail (return receipt requested) and deposited with postage prepaid in a post office or branch post office regularly maintained by the United States Postal Service, when delivered by a nationally recognized express shipping company or upon receipt of a facsimile transmission confirmation.

5.3 Titles. Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

5.4 Conformity to Securities Laws. Participant acknowledges that the Plan, the Grant Notice and this Agreement are intended to conform to the extent necessary with all Applicable Laws and, to the extent Applicable Laws permit, will be deemed amended as necessary to conform to Applicable Laws.

5.5 Successors and Assigns. The Company may assign any of its rights under this Agreement to single or multiple assignees, and this Agreement will inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth in this Agreement or the Plan, this Agreement will be binding upon and inure to the benefit of the heirs, legatees, legal representatives, successors and assigns of the parties hereto.

5.6 Limitations Applicable to Section 16 Persons. Notwithstanding any other provision of the Plan or this Agreement, if Participant is subject to Section 16 of the Exchange Act, the Plan, the Grant Notice, this Agreement and the Restricted Shares will be subject to any additional limitations set forth in any applicable exemptive rule under Section 16 of the Exchange Act (including any amendment to Rule 16b-3) that are requirements for the application of such exemptive rule. To the extent Applicable Laws permit, this Agreement will be deemed amended as necessary to conform to such applicable exemptive rule.

5.7 Entire Agreement. The Plan, the Grant Notice and this Agreement (including any exhibit hereto) constitute the entire agreement of the parties and supersede in their entirety all prior undertakings and agreements of the Company and Participant with respect to the subject matter hereof.

5.8 Agreement Severable. In the event that any provision of the Grant Notice or this Agreement is held illegal or invalid, the provision will be severable from, and the illegality or invalidity of the provision will not be construed to have any effect on, the remaining provisions of the Grant Notice or this Agreement.

5.9 Limitation on Participant's Rights. Participation in the Plan confers no rights or interests other than as herein provided. This Agreement creates only a contractual obligation on the part of the Company as to amounts payable and may not be construed as creating a trust. Neither the Plan nor any underlying program, in and of itself, has any assets. Participant will have only the rights of a general unsecured creditor of the Company with respect to amounts credited and benefits payable, if any, with respect to the Award.

5.10 Not a Contract of Employment. Nothing in the Plan, the Grant Notice or this Agreement confers upon Participant any right to continue in the employ or service of the Company or any Subsidiary or interferes with or restricts in any way the rights of the Company and its Subsidiaries, which rights are hereby expressly reserved, to discharge or terminate the services of Participant at any time for any reason whatsoever, with or without cause, except to the extent expressly provided otherwise in a written agreement between the Company or a Subsidiary and Participant.

5.11 Counterparts. The Grant Notice may be executed in one or more counterparts, including by way of any electronic signature, subject to Applicable Law, each of which will be deemed an original and all of which together will constitute one instrument.

* * * * *

EVELO BIOSCIENCES, INC. 2018 INCENTIVE AWARD PLAN

SUB-PLAN FOR UK EMPLOYEES

1. Purpose

Pursuant to the powers granted by the Administrator in Article 10.5 of the Evelo Biosciences, Inc. 2018 Incentive Award Plan (as it may be amended or restated from time to time, the "Plan"), the Administrator has adopted this Sub-Plan (the "Sub-Plan"). The purpose of the Sub-Plan is to promote the success and enhance the value of Evelo Biosciences, Inc. (the "Company"), by linking the individual interests of Employees, to those of Company stockholders and by providing such individuals with an incentive for outstanding performance to generate superior returns to Company stockholders. The Sub-Plan is further intended to provide flexibility to the Company in its ability to motivate, attract, and retain the services of Employees upon whose judgment, interest, and special effort the successful conduct of the Company's operation is largely dependent. Only Employees may receive Awards under the Sub-Plan.

2. Definitions, Construction and Eligibility

Capitalized terms used in the Sub-Plan which are not defined herein shall have the meaning given in the Plan, and where the context requires any references to the "Plan" in those definitions shall be a reference to the Sub-Plan. The singular pronoun shall include the plural where the context so indicates.

2.1 Definitions

Wherever the following terms are: (i) used in the Sub-Plan; or (ii) used in the Plan but apply to Awards made under the Sub-Plan, they shall have the meanings specified below, unless the context clearly indicates otherwise:

(a) "Award" means, individually, or collectively, a grant under the Sub-Plan of an Option, a Stock Appreciation Right, a Restricted Stock award, a Restricted Stock Unit award or an Other Stock or Cash Based Award;

(b) "Service Provider" shall mean any person who is an Employee.

2.2 Eligibility

The Sub-Plan forms the rules of the employee share scheme applicable to Awards made under the Sub-Plan to Employees of the Company and any Subsidiaries based in the United Kingdom or in any other jurisdiction at the discretion of the Administrator. Other Service Providers who are not Employees (such as Consultants and non-employee Directors) are not eligible to receive Awards and become Participants under this Sub-Plan. References to the phrase "Service Provider" shall be interpreted as referring only to Employees when that phrase in the Plan is used in the context of the Sub-Plan and Awards granted to Employees under this Sub-Plan.

3. Administration and Delegation

(a) The provisions of Article 3 of the Plan shall apply to this Sub-Plan as if references to the Plan are references to the Sub-Plan.

(b) The following language set out below is in addition to the terms of Article 3:

3.3 "*Neither the Sub-Plan nor any Award made under the Sub-Plan shall give the Participant any rights to compensation or damages including for any loss or potential loss that the Participant may suffer by reason of being unable to exercise any Option or forfeiting any Award or Common Stock as a result of the termination of the Sub-Plan, the lapsing or termination of an Award or the Participant's Termination of Service including where any Termination of Service is subsequently held to be wrongful or unfair*."

4. Stock Available for Awards

(a) Except as set out below, and subject to the terms of 4(c) of this Sub-Plan, the provisions of Article 4 of the Plan shall apply to this Sub-Plan as if references to the Plan are references to the Sub-Plan.

(b) Article 4.5 of the Plan will not apply to the Sub-Plan.

(c) The aggregate number of Shares which may be issued or transferred pursuant to Awards under the Sub-Plan, when taken together with the number of Shares which may be issued or transferred pursuant to Awards under the Plan or any other sub-plan shall not exceed the limits specified by Article 4 of the Plan, as amended from time to time.

5. Stock Options and Stock Appreciation Rights

(a) Except as set out below, the provisions of Article 5 of the Plan shall apply to this Sub-Plan as if references to the Plan are references to the Sub-Plan.

(b) Unless otherwise determined appropriate by the Administrator, any Option granted under this Sub-Plan shall be a Non-Qualified Stock Option.

6. Restricted Stock; Restricted Stock Units

The provisions of Article 6 of the Plan shall apply to this Sub-Plan as if references to the Plan are references to the Sub-Plan. On request by the Company, Participants tax resident in the United Kingdom will be required to make an election under Section 431 of Chapter 2 Income Tax (Earnings and Pensions) Act 2003 ("ITEPA") for full disapplication of ITEPA. Participants tax resident in other jurisdictions may be required to make equivalent elections appropriate to their jurisdictions.

7. Other Stock or Cash Based Awards

The provisions of Article 7 of the Plan shall apply to this Sub-Plan as if references to the Plan are references to the Sub-Plan.

8. Adjustments For Changes In Common Stock And Certain Other Events

The provisions of Article 8 of the Plan shall apply to this Sub-Plan as if references to the Plan are references to the Sub-Plan.

9. General Provisions Applicable To Awards

(a) Except as set out below, the provisions of Article 9 of the Plan shall apply to this Sub-Plan as if references to the Plan are references to the Sub-Plan.

(b) Article 9.5 of the Plan shall be amended so that the term "taxes required by law to be withheld" when used in Article 9.5 shall include income tax, employee's National Insurance contributions and (at the discretion of the Company) employer's National Insurance contributions or other similar taxes arising in any jurisdiction (any a "Tax Liability"). The Participant will indemnify and keep indemnified the Company and his/her employing company, if different, from and against any liability for or obligation to pay any Tax Liability.

(c) In the event of a conflict between the terms of the Sub-Plan and the Plan with respect to Awards granted to Employees based in the United Kingdom under the Sub-Plan, the terms of the Sub-Plan will control.

10. Miscellaneous

The provisions of Article 10 of the Plan shall apply to this Sub-Plan as if references to the Plan are references to the Sub-Plan.

11. Definitions

(a) Except as set out below, the provisions of Article 11 of the Plan shall apply to this Sub-Plan as if references to the Plan are references to the Sub-Plan.

(b) Article 11.12 ("Consultant") shall not apply to this Sub-Plan.

(c) Article 11.38, ("Service Provider") shall mean an Employee.

EVELO BIOSCIENCES, INC.
2018 INCENTIVE AWARD PLAN UK SUB-PLAN

STOCK OPTION GRANT NOTICE FOR UK PARTICIPANTS

Capitalized terms not specifically defined in this Stock Option Grant Notice for UK participants ("***Grant Notice***") have the meanings given to them in the 2018 Incentive Award Plan UK Sub-Plan (incorporating terms from the Evelo Biosciences, Inc. 2018 Incentive Award Plan (respectively the "***UK Sub-Plan***" and the "***Plan***") of Evelo Biosciences, Inc. (the "***Company***").

The Company has granted to the participant listed below ("***Participant***") the stock option described in this Grant Notice (the "***Option***"), subject to the terms and conditions of UK Sub-Plan and the Stock Option Agreement attached as **Exhibit A** (the "***UK Option Agreement***"), both of which are incorporated into this Grant Notice by reference.

The UK Option Agreement forms the rules of the employee share scheme applicable to Employees of the Company and any Subsidiaries resident in the United Kingdom. The UK Option Agreement incorporates the terms of the UK Sub-Plan.

Participant:

Grant Date:

Exercise Price per Share:

Shares Subject to the Option:

Final Expiration Date:

Vesting Commencement Date:

Vesting Schedule: [To be specified in individual award agreements]

Type of Option [Incentive Stock Option/Non-Qualified Stock Option]

By Participant's signature below, Participant agrees to be bound by the terms of this Grant Notice, the UK Sub-Plan and the UK Option Agreement. Participant has reviewed the UK Sub-Plan, this Grant Notice and the UK Option Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Grant Notice and fully understands all provisions of the UK Sub-Plan, this Grant Notice and the UK Option Agreement. Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions arising under the UK Sub-Plan, this Grant Notice or the UK Option Agreement.

EVELO BIOSCIENCES, INC.

By: _____
Name: _____
Title: _____

PARTICIPANT

_____
[Participant Name]

Exhibit A

STOCK OPTION AGREEMENT FOR UK PARTICIPANTS

Capitalized terms not specifically defined in this UK Option Agreement have the meanings specified in the Grant Notice or, if not defined in the Grant Notice, in the UK Sub-Plan.

ARTICLE I.
GENERAL

1.1 Grant of Option. The Company has granted to Participant the Option effective as of the grant date set forth in the Grant Notice (the "***Grant Date***").

1.2 Incorporation of Terms of UK Sub-Plan. The Option is subject to the terms and conditions set forth in this UK Option Agreement and the UK Sub-Plan, which is incorporated herein by reference. In the event of any inconsistency between the UK Sub-Plan and this UK Option Agreement, the terms of the UK Option Agreement will control.

ARTICLE II.
PERIOD OF EXERCISABILITY

2.1 Commencement of Exercisability. The Option will vest and become exercisable according to the vesting schedule in the Grant Notice (the "***Vesting Schedule***") except that any fraction of a Share as to which the Option would be vested or exercisable will be accumulated and will vest and become exercisable only when a whole Share has accumulated. Notwithstanding anything in the Grant Notice, the UK Sub-Plan or this UK Option Agreement to the contrary, unless the Administrator otherwise determines, the Option will immediately expire and be forfeited as to any portion that is not vested and exercisable as of the Participant's Termination of Service for any reason.

2.2 Duration of Exercisability. The Vesting Schedule is cumulative. Any portion of the Option which vests and becomes exercisable will remain vested and exercisable until the Option expires. The Option will be forfeited immediately upon its expiration.

2.3 Expiration of Option. The Option may not be exercised to any extent by anyone after, and will expire on, the first of the following to occur:

(a) The final expiration date in the Grant Notice;

(b) Except as the Administrator may otherwise approve, the expiration of three (3) months from the date of Participant's Termination of Service, unless Participant's Termination of Service is for Cause or by reason of Participant's death or Disability;

(c) Except as the Administrator may otherwise approve, the expiration of one (1) year from the date of Participant's Termination of Service by reason of Participant's death or Disability; and

(d) Except as the Administrator may otherwise approve, Participant's Termination of Service for Cause.

ARTICLE III.
EXERCISE OF OPTION

3.1 Person Eligible to Exercise. During Participant's lifetime, only Participant may exercise the Option. After Participant's death, any exercisable portion of the Option may, prior to the time the Option expires, be exercised by Participant's Designated Beneficiary as provided in the UK Sub-Plan.

3.2 Partial Exercise. Any exercisable portion of the Option or the entire Option, if then wholly exercisable, may be exercised, in whole or in part, according to the procedures in the UK Sub-Plan at any time prior to the time the Option or portion thereof expires, except that the Option may only be exercised for whole Shares.

3.3 UK Tax Obligations.

(a) Tax Indemnity. Participant agrees to indemnify and keep indemnified the Company and his/her employing company ("***Employer***"), if different, from and against any liability for or obligation to pay any Tax Liability (a "***Tax Liability***" being any liability for income tax, employee's National Insurance contributions and (at the discretion of the Company) employer's National Insurance Contributions (or other similar obligations to pay tax and social security wherever in the world arising) that is attributable to: (1) the grant or exercise of, or any benefit derived by Participant from, the Option or the Shares which are the subject of the Option; (2) the transfer or issue of Shares to Participant on satisfaction of the Option or any other benefit on exercise of the Option; (3) any restrictions applicable to the Shares held by the Participant ceasing to apply to those shares; or (4) the disposal of any Shares (each of those events referred to as a "***Taxable Event***").

(b) Tax Liability. The Option cannot be exercised until Participant has made such arrangements as the Company may require for the satisfaction of any Tax Liability that may arise in connection with the exercise of the Option and/or the acquisition of the Shares by the Participant. The Company shall not be required to issue, allot or transfer Shares until Participant has satisfied this obligation.

(c) Election. Participant undertakes that, upon request by the Company, he/she will (on or within 14 days of acquiring the Shares) join with his/her Employer in electing, pursuant to Section 431(1) of the Income Tax (Earnings and Pensions) Act 2003 ("***ITEPA***") that, for relevant tax purposes, the market value of the Shares acquired on exercise of the Option on any occasion will be calculated as if the Shares were not restricted and Sections 425 to 430 (inclusive) of ITEPA are not to apply to such Shares.

(d) The Company has the right and option, but not the obligation, to treat Participant's failure to provide timely payment in accordance with the UK Sub-Plan of any withholding tax arising in connection with the Option as Participant's election to satisfy all or any portion of the withholding tax by requesting the Company retain Shares otherwise issuable under the Option.

(e) Participant acknowledges that Participant is ultimately liable and responsible for all taxes owed in connection with the Option, regardless of any action the Company or any Subsidiary takes with respect to any tax withholding obligations that arise in connection with the Option. Neither the Company nor any Subsidiary makes any representation or undertaking regarding the treatment of any tax withholding in connection with the awarding, vesting or exercise of the Option or the subsequent sale of Shares. The Company and the Subsidiaries do not commit and are under no obligation to structure the Option to reduce or eliminate Participant's Tax Liability.

ARTICLE IV.
OTHER PROVISIONS

4.1 Adjustments. Participant acknowledges that the Option is subject to adjustment, modification and termination in certain events as provided in this UK Option Agreement and the UK Sub-Plan.

4.2 Notices. Any notice to be given under the terms of this UK Option Agreement to the Company must be in writing and addressed to the Company in care of the Company's Secretary at the Company's principal office or the Secretary's then-current email address or facsimile number. Any notice to be given under the terms of this UK Option Agreement to Participant must be in writing and addressed to Participant (or, if Participant is then deceased, to the person entitled to exercise the Option) at Participant's last known mailing address, email address or facsimile number in the Company's personnel files. By a notice given pursuant to this Section, either party may designate a different address for notices to be given to that party. Any notice will be deemed duly given when actually received, when sent by email, when sent by certified mail (return receipt requested) and deposited with postage prepaid in a post office or branch post office regularly maintained by the United States Postal Service, when delivered by a nationally recognized express shipping company or upon receipt of a facsimile transmission confirmation.

4.3 Titles. Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this UK Option Agreement.

4.4 Conformity to Securities Laws. Participant acknowledges that the UK Sub-Plan, the Grant Notice and this UK Option Agreement are intended to conform to the extent necessary with all Applicable Laws and, to the extent Applicable Laws permit, will be deemed amended as necessary to conform to Applicable Laws.

4.5 Successors and Assigns. The Company may assign any of its rights under this UK Option Agreement to single or multiple assignees, and this UK Option Agreement will inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth in the UK Sub-Plan, this UK Option Agreement will be binding upon and inure to the benefit of the heirs, legatees, legal representatives, successors and assigns of the parties hereto.

4.6 Limitations Applicable to Section 16 Persons. Notwithstanding any other provision of the UK Sub-Plan or this UK Option Agreement, if Participant is subject to Section 16 of the Exchange Act, the UK Sub-Plan, the Grant Notice, this UK Option Agreement and the Option will be subject to any additional limitations set forth in any applicable exemptive rule under Section 16 of the Exchange Act (including any amendment to Rule 16b-3) that are requirements for the application of such exemptive rule. To the extent Applicable Laws permit, this UK Option Agreement will be deemed amended as necessary to conform to such applicable exemptive rule.

4.7 Entire Agreement. The UK Sub-Plan, the Grant Notice and this UK Option Agreement (including any exhibit hereto) constitute the entire agreement of the parties and supersede in their entirety all prior undertakings and agreements of the Company and Participant with respect to the subject matter hereof.

4.8 Agreement Severable. In the event that any provision of the Grant Notice or this UK Option Agreement is held illegal or invalid, the provision will be severable from, and the illegality or invalidity of the provision will not be construed to have any effect on, the remaining provisions of the Grant Notice or this UK Option Agreement.

4.9 Limitation on Participant's Rights. Participation in the UK Sub-Plan confers no rights or interests other than as herein provided. This UK Option Agreement creates only a contractual obligation on the part of the Company as to amounts payable and may not be construed as creating a trust. Neither the UK Sub-Plan nor any underlying program, in and of itself, has any assets. Participant will have only the rights of a general unsecured creditor of the Company with respect to amounts credited and benefits payable, if any, with respect to the Option, and rights no greater than the right to receive the Shares as a general unsecured creditor with respect to the Option, as and when exercised pursuant to the terms hereof.

4.10 Not a Contract of Employment. Nothing in the UK Sub-Plan, the Grant Notice or this UK Option Agreement confers upon Participant any right to continue in the employ of the Company or any Subsidiary or interferes with or restricts in any way the rights of the Company and its Subsidiaries, which rights are hereby expressly reserved, to discharge or terminate the services of Participant at any time for any reason whatsoever, with or without Cause, except to the extent expressly provided otherwise in a written agreement between the Company or a Subsidiary and Participant.

4.11 Counterparts. The Grant Notice may be executed in one or more counterparts, including by way of any electronic signature, subject to Applicable Law, each of which will be deemed an original and all of which together will constitute one instrument.

4.12 Incentive Stock Options. If the Option is designated as an Incentive Stock Option:

(a) Participant acknowledges that to the extent the aggregate fair market value of shares (determined as of the time the option with respect to the shares is granted) with respect to which stock options intended to qualify as "incentive stock options" under Section 422 of the Code, including the Option, are exercisable for the first time by Participant during any calendar year exceeds $100,000 or if for any other reason such stock options do not qualify or cease to qualify for treatment as "incentive stock options" under Section 422 of the Code, such stock options (including the Option) will be treated as non-qualified stock options. Participant further acknowledges that the rule set forth in the preceding sentence will be applied by taking the Option and other stock options into account in the order in which they were granted, as determined under Section 422(d) of the Code. Participant acknowledges that amendments or modifications made to the Option pursuant to the UK Sub-Plan that would cause the Option to become a Non-Qualified Stock Option will not materially or adversely affect Participant's rights under the Option, and that any such amendment or modification shall not require Participant's consent. Participant also acknowledges that if the Option is exercised more than three (3) months after Participant's Termination of Service as an Employee, other than by reason of death or Disability, the Option will be taxed as a Non-Qualified Stock Option.

(b) Participant will give prompt written notice to the Company of any disposition or other transfer of any Shares acquired under this UK Option Agreement if such disposition or other transfer is made (a) within two (2) years from the Grant Date or (b) within one (1) year after the transfer of such Shares to Participant. Such notice will specify the date of such disposition or other transfer and the amount realized, in cash, other property, assumption of indebtedness or other consideration, by Participant in such disposition or other transfer.

4.13 Data Protection. By signing this UK Option Agreement, the Participant acknowledges and agrees that:

(a) the Company and any affiliate are permitted to hold and process personal (and sensitive) information and data about the Participant as part of their personnel and other business records and may use such information in the course of its business;

(b) the Company and any affiliate may disclose such information (as described in (a) above) to third parties, including where they are situated outside the European Economic Area, in the event that such disclosure is in their view required for the proper conduct of their business; and

(c) this section applies to information held, used or disclosed in any medium.

4.14 Acknowledgement. Participant acknowledges that neither this UK Option Agreement nor the UK Sub-Plan has been issued, nor has it been approved by, an authorised person within the meaning of the Financial Services and Markets Act 2000 of the United Kingdom and is being directed at the Participant because the offer to which this UK Option Agreement and the UK Sub-Plan relate has been determined as having regard to the Participant's circumstances as an employee of the Company. This UK Option Agreement is strictly confidential and is not for distribution to, and may not be acted upon by, any other person other than the person to whom it has been specifically addressed.

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EVELO BIOSCIENCES, INC.
2018 EMPLOYEE STOCK PURCHASE PLAN

ARTICLE I.
PURPOSE

The purposes of this Evelo Biosciences, Inc. 2018 Employee Stock Purchase Plan (as it may be amended or restated from time to time, the "***Plan***") are to assist Eligible Employees of Evelo Biosciences, Inc., a Delaware corporation (the "***Company***"), and its Designated Subsidiaries in acquiring a stock ownership interest in the Company pursuant to a plan which is intended to qualify as an "employee stock purchase plan" within the meaning of Section 423(b) of the Code, and to help Eligible Employees provide for their future security and to encourage them to remain in the employment of the Company and its Designated Subsidiaries.

ARTICLE II.
DEFINITIONS AND CONSTRUCTION

Wherever the following terms are used in the Plan they shall have the meanings specified below, unless the context clearly indicates otherwise. The singular pronoun shall include the plural where the context so indicates. Masculine, feminine and neuter pronouns are used interchangeably and each comprehends the others.

2.1 "***Administrator***" shall mean the entity that conducts the general administration of the Plan as provided in Article XI. The term "Administrator" shall refer to the Committee unless the Board has assumed the authority for administration of the Plan as provided in Article XI.

2.2 "***Applicable Law***" shall mean the requirements relating to the administration of equity incentive plans under U.S. federal and state securities, tax and other applicable laws, rules and regulations, the applicable rules of any stock exchange or quotation system on which the Common Stock is listed or quoted and the applicable laws and rules of any foreign country or other jurisdiction where rights under this Plan are granted.

2.3 "***Board***" shall mean the Board of Directors of the Company.

2.4 "***Change in Control***" shall mean and include each of the following:

(a) A transaction or series of transactions (other than an offering of Common Stock to the general public through a registration statement filed with the Securities and Exchange Commission or a transaction or series of transactions that meets the requirements of clauses (i) and (ii) of subsection (c) below) whereby any "person" or related "group" of "persons" (as such terms are used in Sections 13(d) and 14(d)(2) of the Exchange Act) (other than the Company, any of its Subsidiaries, an employee benefit plan maintained by the Company or any of its Subsidiaries or a "person" that, prior to such transaction, directly or indirectly controls, is controlled by, or is under common control with, the Company) directly or indirectly acquires beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act) of securities of the Company possessing more than 50% of the total combined voting power of the Company's securities outstanding immediately after such acquisition; or

(b) During any period of two consecutive years, individuals who, at the beginning of such period, constitute the Board together with any new director(s) (other than a director designated by a person who shall have entered into an agreement with the Company to effect a transaction described in

subsections (a) or (c)) whose election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds of the directors then still in office who either were directors at the beginning of the two-year period or whose election or nomination for election was previously so approved, cease for any reason to constitute a majority thereof; or

(c) The consummation by the Company (whether directly involving the Company or indirectly involving the Company through one or more intermediaries) of (x) a merger, consolidation, reorganization, or business combination or (y) a sale or other disposition of all or substantially all of the Company's assets in any single transaction or series of related transactions or (z) the acquisition of assets or stock of another entity, in each case other than a transaction:

(i) which results in the Company's voting securities outstanding immediately before the transaction continuing to represent (either by remaining outstanding or by being converted into voting securities of the Company or the person that, as a result of the transaction, controls, directly or indirectly, the Company or owns, directly or indirectly, all or substantially all of the Company's assets or otherwise succeeds to the business of the Company (the Company or such person, the "***Successor Entity***")) directly or indirectly, at least a majority of the combined voting power of the Successor Entity's outstanding voting securities immediately after the transaction, and

(ii) after which no person or group beneficially owns voting securities representing 50% or more of the combined voting power of the Successor Entity; provided, however, that no person or group shall be treated for purposes of this clause (ii) as beneficially owning 50% or more of the combined voting power of the Successor Entity solely as a result of the voting power held in the Company prior to the consummation of the transaction.

The Administrator shall have full and final authority, which shall be exercised in its discretion, to determine conclusively whether a Change in Control has occurred pursuant to the above definition, the date of the occurrence of such Change in Control and any incidental matters relating thereto.

2.5 "***Code***" shall mean the Internal Revenue Code of 1986, as amended, and the regulations issued thereunder.

2.6 "***Common Stock***" shall mean the common stock of the Company.

2.7 "***Company***" shall mean Evelo Biosciences, Inc., a Delaware corporation, or any successor.

2.8 "***Compensation***" of an Eligible Employee shall mean the gross base compensation received by such Eligible Employee as compensation for services to the Company or any Designated Subsidiary, including overtime payments and excluding sales commissions, incentive compensation, bonuses, expense reimbursements, fringe benefits and other special payments.

2.9 "***Designated Subsidiary***" shall mean any Subsidiary designated by the Administrator in accordance with Section 11.3(b).

2.10 "***Effective Date***" shall mean the day prior to the Public Trading Date.

2.11 "***Eligible Employee***" shall mean an Employee: (a) who does not, immediately after any rights under this Plan are granted, own (directly or through attribution) stock possessing 5% or more of the total combined voting power or value of all classes of Common Stock and other stock of the Company, a Parent or a Subsidiary (as determined under Section 423(b)(3) of the Code); (b) whose customary employment is for more than twenty hours per week; and (c) whose customary employment is for more than five months in any calendar year. For purposes of the foregoing, the rules of Section 424(d) of the Code with regard to the attribution of stock ownership shall apply in determining the stock ownership of an individual, and stock that an Employee may purchase under outstanding options shall be treated as stock owned by the Employee; provided, however, that the Administrator may provide in an Offering Document that an Employee shall not be eligible to participate in an Offering Period if: (i) such Employee is a highly compensated employee within the meaning of Section 423(b)(4)(D) of the Code; and/or (ii) such Employee has not met a service requirement designated by the Administrator pursuant to Section 423(b)(4)(A) of the Code (which service requirement may not exceed two years), and/or (iii) such Employee is a citizen or resident of a foreign jurisdiction and the grant of a right to purchase Common Stock under the Plan to such Employee would be prohibited under the laws of such foreign jurisdiction or the grant of a right to purchase Common Stock under the Plan to such Employee in compliance with the laws of such foreign jurisdiction would cause the Plan to violate the requirements of Section 423 of the Code, as determined by the Administrator in its sole discretion; provided, further, that any exclusion in clauses (i), (ii) or (iii) shall be applied in an identical manner under each Offering Period to all Employees, in accordance with Treasury Regulation Section 1.423-2(e).

2.12 "***Employee***" shall mean any officer or other employee (as defined in accordance with Section 3401(c) of the Code) of the Company or any Designated Subsidiary. "Employee" shall not include any director of the Company or a Designated Subsidiary who does not render services to the Company or a Designated Subsidiary as an employee within the meaning of Section 3401(c) of the Code. For purposes of the Plan, the employment relationship shall be treated as continuing intact while the individual is on sick leave or other leave of absence approved by the Company or Designated Subsidiary and meeting the requirements of Treasury Regulation Section 1.421-1(h)(2). Where the period of leave exceeds three (3) months and the individual's right to reemployment is not guaranteed either by statute or by contract, the employment relationship shall be deemed to have terminated on the first day immediately following such three (3)-month period.

2.13 "***Enrollment Date***" shall mean the first Trading Day of each Offering Period.

2.14 "***Exchange Act***" shall mean the Securities Exchange Act of 1934, as amended.

2.15 "***Fair Market Value***" means, as of any date, the value of Common Stock determined as follows: (i) if the Common Stock is listed on any established stock exchange, its Fair Market Value will be the closing sales price for such Common Stock as quoted on such exchange for such date, or if no sale occurred on such date, the last day preceding such date during which a sale occurred, as reported in The Wall Street Journal or another source the Administrator deems reliable; (ii) if the Common Stock is not traded on a stock exchange but is quoted on a national market or other quotation system, the closing sales price on such date, or if no sales occurred on such date, then on the last date preceding such date during which a sale occurred, as reported in The Wall Street Journal or another source the Administrator deems reliable; or (iii) without an established market for the Common Stock, the Administrator will determine the Fair Market Value in its discretion.

2.16 "***Offering Document***" shall have the meaning given to such term in Section 4.1.

2.17 "***Offering Period***" shall have the meaning given to such term in Section 4.1.

2.18 "***Parent***" shall mean any corporation, other than the Company, in an unbroken chain of corporations ending with the Company if, at the time of the determination, each of the corporations other than the Company owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

2.19 "***Participant***" shall mean any Eligible Employee who has executed a subscription agreement and been granted rights to purchase Common Stock pursuant to the Plan.

2.20 "***Plan***" shall mean this 2018 Employee Stock Purchase Plan.

2.21 "***Public Trading Date***" shall mean the first date upon which the Common Stock is listed (or approved for listing) upon notice of issuance on any securities exchange or designated (or approved for designation) upon notice of issuance as a national market security on an interdealer quotation system, or, if earlier, the date on which the Company becomes a "publicly held corporation" for purposes of Treasury Regulation Section 1.162-27(c)(1).

2.22 "***Purchase Date***" shall mean the last Trading Day of each Offering Period.

2.23 "***Purchase Price***" shall mean the purchase price designated by the Administrator in the applicable Offering Document (which purchase price shall not be less than 85% of the Fair Market Value of a Share on the Enrollment Date or on the Purchase Date, whichever is lower); provided, however, that, in the event no purchase price is designated by the Administrator in the applicable Offering Document, the purchase price for the Offering Periods covered by such Offering Document shall be 85% of the Fair Market Value of a Share on the Enrollment Date or on the Purchase Date, whichever is lower; provided, further, that the Purchase Price may be adjusted by the Administrator pursuant to Article VIII and shall not be less than the par value of a Share.

2.24 "***Securities Act***" shall mean the Securities Act of 1933, as amended.

2.25 "***Share***" shall mean a share of Common Stock.

2.26 "***Subsidiary***" shall mean any corporation, other than the Company, in an unbroken chain of corporations beginning with the Company if, at the time of the determination, each of the corporations other than the last corporation in an unbroken chain owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain; provided, however, that a limited liability company or partnership may be treated as a Subsidiary to the extent either (a) such entity is treated as a disregarded entity under Treasury Regulation Section 301.7701-3(a) by reason of the Company or any other Subsidiary that is a corporation being the sole owner of such entity, or (b) such entity elects to be classified as a corporation under Treasury Regulation Section 301.7701-3(a) and such entity would otherwise qualify as a Subsidiary.

2.25 "***Trading Day***" shall mean a day on which national stock exchanges in the United States are open for trading.

ARTICLE III.
SHARES SUBJECT TO THE PLAN

3.1 Number of Shares. Subject to Article VIII, the aggregate number of Shares that may be issued pursuant to rights granted under the Plan shall be 336,356 Shares. In addition to the foregoing, subject to Article VIII, on the first day of each calendar year beginning on January 1, 2020 and ending on and including January 1, 2028, the number of Shares available for issuance under the Plan shall be increased by that number of Shares equal to the lesser of (a) 1% of the Shares outstanding on the final day of the immediately preceding calendar year and (b) such smaller number of Shares as determined by

the Board. If any right granted under the Plan shall for any reason terminate without having been exercised, the Common Stock not purchased under such right shall again become available for issuance under the Plan. Notwithstanding anything in this Section 3.1 to the contrary, the number of Shares that may be issued or transferred pursuant to the rights granted under the Plan shall not exceed an aggregate of 4,535,425 Shares, subject to Article VIII.

3.2 Stock Distributed. Any Common Stock distributed pursuant to the Plan may consist, in whole or in part, of authorized and unissued Common Stock, treasury stock or Common Stock purchased on the open market.

ARTICLE IV.
OFFERING PERIODS; OFFERING DOCUMENTS; PURCHASE DATES

4.1 Offering Periods. The Administrator may from time to time grant or provide for the grant of rights to purchase Common Stock under the Plan to Eligible Employees during one or more periods (each, an "***Offering Period***") selected by the Administrator. The terms and conditions applicable to each Offering Period shall be set forth in an "***Offering Document***" adopted by the Administrator, which Offering Document shall be in such form and shall contain such terms and conditions as the Administrator shall deem appropriate and shall be incorporated by reference into and made part of the Plan and shall be attached hereto as part of the Plan. The provisions of separate Offering Periods under the Plan need not be identical.

4.2 Offering Documents. Each Offering Document with respect to an Offering Period shall specify (through incorporation of the provisions of this Plan by reference or otherwise):

(a) the length of the Offering Period, which period shall not exceed twenty-seven months;

(b) the maximum number of Shares that may be purchased by any Eligible Employee during such Offering Period, which, in the absence of a contrary designation by the Administrator, shall be 5,000 Shares; and

(c) such other provisions as the Administrator determines are appropriate, subject to the Plan.

ARTICLE V.
ELIGIBILITY AND PARTICIPATION

5.1 Eligibility. Any Eligible Employee who shall be employed by the Company or a Designated Subsidiary on a given Enrollment Date for an Offering Period shall be eligible to participate in the Plan during such Offering Period, subject to the requirements of this Article V and the limitations imposed by Section 423(b) of the Code.

5.2 Enrollment in Plan.

(a) Except as otherwise set forth in an Offering Document or determined by the Administrator, an Eligible Employee may become a Participant in the Plan for an Offering Period by delivering a subscription agreement to the Company by such time prior to the Enrollment Date for such Offering Period (or such other date specified in the Offering Document) designated by the Administrator and in such form as the Company provides.

(b) Each subscription agreement shall designate a whole percentage of such Eligible Employee's Compensation to be withheld by the Company or the Designated Subsidiary employing such Eligible Employee on each payday during the Offering Period as payroll deductions under the Plan. The percentage of Compensation designated by an Eligible Employee may not be less than 1% and may not be more than the maximum percentage specified by the Administrator in the applicable Offering Document (which percentage shall be 25% in the absence of any such designation) as payroll deductions. The payroll deductions made for each Participant shall be credited to an account for such Participant under the Plan and shall be deposited with the general funds of the Company.

(c) A Participant may increase or decrease the percentage of Compensation designated in his or her subscription agreement, subject to the limits of this Section 5.2, or may suspend his or her payroll deductions, at any time during an Offering Period; provided, however, that the Administrator may limit the number of changes a Participant may make to his or her payroll deduction elections during each Offering Period in the applicable Offering Document (and in the absence of any specific designation by the Administrator, a Participant shall be allowed one change to his or her payroll deduction elections during each Offering Period). Any such change or suspension of payroll deductions shall be effective with the first full payroll period following five business days after the Company's receipt of the new subscription agreement (or such shorter or longer period as may be specified by the Administrator in the applicable Offering Document). In the event a Participant suspends his or her payroll deductions, such Participant's cumulative payroll deductions prior to the suspension shall remain in his or her account and shall be applied to the purchase of Shares on the next occurring Purchase Date and shall not be paid to such Participant unless he or she withdraws from participation in the Plan pursuant to Article VII.

(d) Except as otherwise set forth in an Offering Document or determined by the Administrator, a Participant may participate in the Plan only by means of payroll deduction and may not make contributions by lump sum payment for any Offering Period.

5.3 Payroll Deductions. Except as otherwise provided in the applicable Offering Document, payroll deductions for a Participant shall commence on the first payroll following the Enrollment Date and shall end on the last payroll in the Offering Period to which the Participant's authorization is applicable, unless sooner terminated by the Participant as provided in Article VII or suspended by the Participant or the Administrator as provided in Section 5.2 and Section 5.6, respectively.

5.4 Effect of Enrollment. A Participant's completion of a subscription agreement will enroll such Participant in the Plan for each subsequent Offering Period on the terms contained therein until the Participant either submits a new subscription agreement, withdraws from participation under the Plan as provided in Article VII or otherwise becomes ineligible to participate in the Plan.

5.5 Limitation on Purchase of Common Stock. An Eligible Employee may be granted rights under the Plan only if such rights, together with any other rights granted to such Eligible Employee under "employee stock purchase plans" of the Company, any Parent or any Subsidiary, as specified by Section 423(b)(8) of the Code, do not permit such employee's rights to purchase stock of the Company or any Parent or Subsidiary to accrue at a rate that exceeds $25,000 of the fair market value of such stock (determined as of the first day of the Offering Period during which such rights are granted) for each calendar year in which such rights are outstanding at any time. This limitation shall be applied in accordance with Section 423(b)(8) of the Code.

5.6 Decrease or Suspension of Payroll Deductions. Notwithstanding the foregoing, to the extent necessary to comply with Section 423(b)(8) of the Code and Section 5.5 or the other limitations set forth in this Plan, a Participant's payroll deductions may be suspended by the Administrator at any time during an Offering Period. The balance of the amount credited to the account of each Participant that has not been applied to the purchase of Shares by reason of Section 423(b)(8) of the Code, Section 5.5 or the other limitations set forth in this Plan shall be paid to such Participant in one lump sum in cash as soon as reasonably practicable after the Purchase Date.

5.7 Foreign Employees. In order to facilitate participation in the Plan, the Administrator may provide for such special terms applicable to Participants who are citizens or residents of a foreign jurisdiction, or who are employed by a Designated Subsidiary outside of the United States, as the Administrator may consider necessary or appropriate to accommodate differences in local law, tax policy or custom. Such special terms may not be more favorable than the terms of rights granted under the Plan to Eligible Employees who are residents of the United States. Moreover, the Administrator may approve such supplements to, or amendments, restatements or alternative versions of, this Plan as it may consider necessary or appropriate for such purposes without thereby affecting the terms of this Plan as in effect for any other purpose. No such special terms, supplements, amendments or restatements shall include any provisions that are inconsistent with the terms of this Plan as then in effect unless this Plan could have been amended to eliminate such inconsistency without further approval by the stockholders of the Company.

5.8 Leave of Absence. During leaves of absence approved by the Company meeting the requirements of Treasury Regulation Section 1.421-1(h)(2) under the Code, a Participant may continue participation in the Plan by making cash payments to the Company on his or her normal payday equal to his or her authorized payroll deduction.

ARTICLE VI.
GRANT AND EXERCISE OF RIGHTS

6.1 Grant of Rights. On the Enrollment Date of each Offering Period, each Eligible Employee participating in such Offering Period shall be granted a right to purchase the maximum number of Shares specified under Section 4.2, subject to the limits in Section 5.5, and shall have the right to buy, on each Purchase Date during such Offering Period (at the applicable Purchase Price), such number of whole Shares as is determined by dividing (a) such Participant's payroll deductions accumulated prior to such Purchase Date and retained in the Participant's account as of the Purchase Date, by (b) the applicable Purchase Price (rounded down to the nearest Share). The right shall expire on the last day of the Offering Period.

6.2 Exercise of Rights. On each Purchase Date, each Participant's accumulated payroll deductions and any other additional payments specifically provided for in the applicable Offering Document will be applied to the purchase of whole Shares, up to the maximum number of Shares permitted pursuant to the terms of the Plan and the applicable Offering Document, at the Purchase Price. No fractional Shares shall be issued upon the exercise of rights granted under the Plan, unless the Offering Document specifically provides otherwise. Any cash in lieu of fractional Shares remaining after the purchase of whole Shares upon exercise of a purchase right will be credited to a Participant's account and carried forward and applied toward the purchase of whole Shares for the next following Offering Period. Shares issued pursuant to the Plan may be evidenced in such manner as the Administrator may determine and may be issued in certificated form or issued pursuant to book-entry procedures.

6.3 Pro Rata Allocation of Shares. If the Administrator determines that, on a given Purchase Date, the number of Shares with respect to which rights are to be exercised may exceed (a) the number of Shares that were available for issuance under the Plan on the Enrollment Date of the applicable Offering Period, or (b) the number of Shares available for issuance under the Plan on such Purchase Date, the Administrator may in its sole discretion provide that the Company shall make a pro rata

allocation of the Shares available for purchase on such Enrollment Date or Purchase Date, as applicable, in as uniform a manner as shall be practicable and as it shall determine in its sole discretion to be equitable among all Participants for whom rights to purchase Common Stock are to be exercised pursuant to this Article VI on such Purchase Date, and shall either (i) continue all Offering Periods then in effect, or (ii) terminate any or all Offering Periods then in effect pursuant to Article IX. The Company may make pro rata allocation of the Shares available on the Enrollment Date of any applicable Offering Period pursuant to the preceding sentence, notwithstanding any authorization of additional Shares for issuance under the Plan by the Company's stockholders subsequent to such Enrollment Date. The balance of the amount credited to the account of each Participant that has not been applied to the purchase of Shares shall be paid to such Participant in one lump sum in cash as soon as reasonably practicable after the Purchase Date.

6.4 Withholding. At the time a Participant's rights under the Plan are exercised, in whole or in part, or at the time some or all of the Common Stock issued under the Plan is disposed of, the Participant must make adequate provision for the Company's federal, state, or other tax withholding obligations, if any, that arise upon the exercise of the right or the disposition of the Common Stock. At any time, the Company may, but shall not be obligated to, withhold from the Participant's compensation the amount necessary for the Company to meet applicable withholding obligations, including any withholding required to make available to the Company any tax deductions or benefits attributable to sale or early disposition of Common Stock by the Participant.

6.5 Conditions to Issuance of Common Stock. The Company shall not be required to issue or deliver any certificate or certificates for, or make any book entries evidencing, Shares purchased upon the exercise of rights under the Plan prior to fulfillment of all of the following conditions:

(a) The admission of such Shares to listing on all stock exchanges, if any, on which the Common Stock is then listed;

(b) The completion of any registration or other qualification of such Shares under any state or federal law or under the rulings or regulations of the Securities and Exchange Commission or any other governmental regulatory body, that the Administrator shall, in its absolute discretion, deem necessary or advisable;

(c) The obtaining of any approval or other clearance from any state or federal governmental agency that the Administrator shall, in its absolute discretion, determine to be necessary or advisable;

(d) The payment to the Company of all amounts that it is required to withhold under federal, state or local law upon exercise of the rights, if any; and

(e) The lapse of such reasonable period of time following the exercise of the rights as the Administrator may from time to time establish for reasons of administrative convenience.

ARTICLE VII.
WITHDRAWAL; CESSATION OF ELIGIBILITY

7.1 Withdrawal. A Participant may withdraw all but not less than all of the payroll deductions credited to his or her account and not yet used to exercise his or her rights under the Plan at any time by giving written notice to the Company in a form acceptable to the Company no later than one week prior to the end of the Offering Period. All of the Participant's payroll deductions credited to his or her account during an Offering Period shall be paid to such Participant as soon as reasonably practicable

after receipt of notice of withdrawal and such Participant's rights for the Offering Period shall be automatically terminated, and no further payroll deductions for the purchase of Shares shall be made for such Offering Period. If a Participant withdraws from an Offering Period, payroll deductions shall not resume at the beginning of the next Offering Period unless the Participant timely delivers to the Company a new subscription agreement.

7.2 Future Participation. A Participant's withdrawal from an Offering Period shall not have any effect upon his or her eligibility to participate in any similar plan that may hereafter be adopted by the Company or a Designated Subsidiary or in subsequent Offering Periods that commence after the termination of the Offering Period from which the Participant withdraws.

7.3 Cessation of Eligibility. Upon a Participant's ceasing to be an Eligible Employee for any reason, he or she shall be deemed to have elected to withdraw from the Plan pursuant to this Article VII and the payroll deductions credited to such Participant's account during the Offering Period shall be paid to such Participant or, in the case of his or her death, to the person or persons entitled thereto under Section 12.4, as soon as reasonably practicable, and such Participant's rights for the Offering Period shall be automatically terminated.

ARTICLE VIII.
ADJUSTMENTS UPON CHANGES IN STOCK

8.1 Changes in Capitalization. Subject to Section 8.3, in the event that the Administrator determines that any dividend or other distribution (whether in the form of cash, Common Stock, other securities, or other property), Change in Control, reorganization, merger, amalgamation, consolidation, combination, repurchase, recapitalization, liquidation, dissolution, or sale, transfer, exchange or other disposition of all or substantially all of the assets of the Company, or sale or exchange of Common Stock or other securities of the Company, issuance of warrants or other rights to purchase Common Stock or other securities of the Company, or other similar corporate transaction or event, as determined by the Administrator, affects the Common Stock such that an adjustment is determined by the Administrator to be appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended by the Company to be made available under the Plan or with respect to any outstanding purchase rights under the Plan, the Administrator shall make equitable adjustments, if any, to reflect such change with respect to (a) the aggregate number and type of Shares (or other securities or property) that may be issued under the Plan (including, but not limited to, adjustments of the limitations in Section 3.1 and the limitations established in each Offering Document pursuant to Section 4.2 on the maximum number of Shares that may be purchased); (b) the class(es) and number of Shares and price per Share subject to outstanding rights; and (c) the Purchase Price with respect to any outstanding rights.

8.2 Other Adjustments. Subject to Section 8.3, in the event of any transaction or event described in Section 8.1 or any unusual or nonrecurring transactions or events affecting the Company, any affiliate of the Company, or the financial statements of the Company or any affiliate (including without limitation any Change in Control), or of changes in Applicable Law or accounting principles, the Administrator, in its discretion, and on such terms and conditions as it deems appropriate, is hereby authorized to take any one or more of the following actions whenever the Administrator determines that such action is appropriate in order to prevent the dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan or with respect to any right under the Plan, to facilitate such transactions or events or to give effect to such changes in laws, regulations or principles:

(a) To provide for either (i) termination of any outstanding right in exchange for an amount of cash, if any, equal to the amount that would have been obtained upon the exercise of such right had such right been currently exercisable or (ii) the replacement of such outstanding right with other rights or property selected by the Administrator in its sole discretion;

(b) To provide that the outstanding rights under the Plan shall be assumed by the successor or survivor corporation, or a parent or subsidiary thereof, or shall be substituted for by similar rights covering the stock of the successor or survivor corporation, or a parent or subsidiary thereof, with appropriate adjustments as to the number and kind of shares and prices;

(c) To make adjustments in the number and type of Shares (or other securities or property) subject to outstanding rights under the Plan and/or in the terms and conditions of outstanding rights and rights that may be granted in the future;

(d) To provide that Participants' accumulated payroll deductions may be used to purchase Common Stock prior to the next occurring Purchase Date on such date as the Administrator determines in its sole discretion and the Participants' rights under the ongoing Offering Period(s) shall be terminated; and

(e) To provide that all outstanding rights shall terminate without being exercised.

8.3 No Adjustment Under Certain Circumstances. No adjustment or action described in this Article VIII or in any other provision of the Plan shall be authorized to the extent that such adjustment or action would cause the Plan to fail to satisfy the requirements of Section 423 of the Code.

8.4 No Other Rights. Except as expressly provided in the Plan, no Participant shall have any rights by reason of any subdivision or consolidation of shares of stock of any class, the payment of any dividend, any increase or decrease in the number of shares of stock of any class or any dissolution, liquidation, merger, or consolidation of the Company or any other corporation. Except as expressly provided in the Plan or pursuant to action of the Administrator under the Plan, no issuance by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, shall affect, and no adjustment by reason thereof shall be made with respect to, the number of Shares subject to outstanding rights under the Plan or the Purchase Price with respect to any outstanding rights.

ARTICLE IX.
AMENDMENT, MODIFICATION AND TERMINATION

9.1 Amendment, Modification and Termination. The Administrator may amend, suspend or terminate the Plan at any time and from time to time; provided, however, that approval of the Company's stockholders shall be required to amend the Plan to: (a) increase the aggregate number, or change the type, of shares that may be sold pursuant to rights under the Plan under Section 3.1 (other than an adjustment as provided by Article VIII); (b) change the corporations or classes of corporations whose employees may be granted rights under the Plan; or (c) change the Plan in any manner that would cause the Plan to no longer be an "employee stock purchase plan" within the meaning of Section 423(b) of the Code.

9.2 Certain Changes to Plan. Without stockholder consent and without regard to whether any Participant rights may be considered to have been adversely affected, to the extent permitted by Section 423 of the Code, the Administrator shall be entitled to change the Offering Periods, limit the frequency and/or number of changes in the amount withheld from Compensation during an Offering Period, establish the exchange ratio applicable to amounts withheld in a currency other than U.S. dollars, permit payroll withholding in excess of the amount designated by a Participant in order to adjust for delays or mistakes in the Company's processing of withholding elections, establish reasonable waiting and

adjustment periods and/or accounting and crediting procedures to ensure that amounts applied toward the purchase of Common Stock for each Participant properly correspond with amounts withheld from the Participant's Compensation, and establish such other limitations or procedures as the Administrator determines in its sole discretion to be advisable that are consistent with the Plan.

9.3 Actions In the Event of Unfavorable Financial Accounting Consequences. In the event the Administrator determines that the ongoing operation of the Plan may result in unfavorable financial accounting consequences, the Administrator may, in its discretion and, to the extent necessary or desirable, modify or amend the Plan to reduce or eliminate such accounting consequence including, but not limited to:

(a) altering the Purchase Price for any Offering Period including an Offering Period underway at the time of the change in Purchase Price;

(b) shortening any Offering Period so that the Offering Period ends on a new Purchase Date, including an Offering Period underway at the time of the Administrator action; and

(c) allocating Shares.

Such modifications or amendments shall not require stockholder approval or the consent of any Participant.

9.4 Payments Upon Termination of Plan. Upon termination of the Plan, the balance in each Participant's Plan account shall be refunded as soon as practicable after such termination, without any interest thereon.

ARTICLE X.
TERM OF PLAN

The Plan shall be effective on the Effective Date. The effectiveness of the Plan shall be subject to approval of the Plan by the stockholders of the Company within twelve months following the date the Plan is first approved by the Board. No right may be granted under the Plan prior to such stockholder approval. No rights may be granted under the Plan during any period of suspension of the Plan or after termination of the Plan.

ARTICLE XI.
ADMINISTRATION

11.1 Administrator. Unless otherwise determined by the Board, the Administrator of the Plan shall be the Compensation Committee of the Board (or another committee or a subcommittee of the Board to which the Board delegates administration of the Plan) (such committee, the "***Committee***"). The Board may at any time vest in the Board any authority or duties for administration of the Plan.

11.2 Action by the Administrator. Unless otherwise established by the Board or in any charter of the Administrator, a majority of the Administrator shall constitute a quorum. The acts of a majority of the members present at any meeting at which a quorum is present and, subject to Applicable Law and the Bylaws of the Company, acts approved in writing by a majority of the Administrator in lieu of a meeting, shall be deemed the acts of the Administrator. Each member of the Administrator is entitled to, in good faith, rely or act upon any report or other information furnished to that member by any officer or other employee of the Company or any Designated Subsidiary, the Company's independent certified public accountants, or any executive compensation consultant or other professional retained by the Company to assist in the administration of the Plan.

11.3 Authority of Administrator. The Administrator shall have the power, subject to, and within the limitations of, the express provisions of the Plan:

(a) To determine when and how rights to purchase Common Stock shall be granted and the provisions of each offering of such rights (which need not be identical).

(b) To designate from time to time which Subsidiaries of the Company shall be Designated Subsidiaries, which designation may be made without the approval of the stockholders of the Company.

(c) To construe and interpret the Plan and rights granted under it, and to establish, amend and revoke rules and regulations for its administration. The Administrator, in the exercise of this power, may correct any defect, omission or inconsistency in the Plan, in a manner and to the extent it shall deem necessary or expedient to make the Plan fully effective.

(d) To amend, suspend or terminate the Plan as provided in Article IX.

(e) Generally, to exercise such powers and to perform such acts as the Administrator deems necessary or expedient to promote the best interests of the Company and its Subsidiaries and to carry out the intent that the Plan be treated as an "employee stock purchase plan" within the meaning of Section 423 of the Code.

11.4 Decisions Binding. The Administrator's interpretation of the Plan, any rights granted pursuant to the Plan, any subscription agreement and all decisions and determinations by the Administrator with respect to the Plan are final, binding, and conclusive on all parties.

ARTICLE XII.
MISCELLANEOUS

12.1 Restriction upon Assignment. A right granted under the Plan shall not be transferable other than by will or the applicable laws of descent and distribution, and is exercisable during the Participant's lifetime only by the Participant. Except as provided in Section 12.4 hereof, a right under the Plan may not be exercised to any extent except by the Participant. The Company shall not recognize and shall be under no duty to recognize any assignment or alienation of the Participant's interest in the Plan, the Participant's rights under the Plan or any rights thereunder.

12.2 Rights as a Stockholder. With respect to Shares subject to a right granted under the Plan, a Participant shall not be deemed to be a stockholder of the Company, and the Participant shall not have any of the rights or privileges of a stockholder, until such Shares have been issued to the Participant or his or her nominee following exercise of the Participant's rights under the Plan. No adjustments shall be made for dividends (ordinary or extraordinary, whether in cash securities, or other property) or distribution or other rights for which the record date occurs prior to the date of such issuance, except as otherwise expressly provided herein or as determined by the Administrator.

12.3 Interest. No interest shall accrue on the payroll deductions or contributions of a Participant under the Plan.

12.4 Designation of Beneficiary.

(a) A Participant may, in the manner determined by the Administrator, file a written designation of a beneficiary who is to receive any Shares and/or cash, if any, from the Participant's account under the Plan in the event of such Participant's death subsequent to a Purchase Date on which the Participant's rights are exercised but prior to delivery to such Participant of such Shares and cash. In addition, a Participant may file a written designation of a beneficiary who is to receive any cash from the Participant's account under the Plan in the event of such Participant's death prior to exercise of the Participant's rights under the Plan. If the Participant is married and resides in a community property state, a designation of a person other than the Participant's spouse as his or her beneficiary shall not be effective without the prior written consent of the Participant's spouse.

(b) Such designation of beneficiary may be changed by the Participant at any time by written notice to the Company. In the event of the death of a Participant and in the absence of a beneficiary validly designated under the Plan who is living at the time of such Participant's death, the Company shall deliver such Shares and/or cash to the executor or administrator of the estate of the Participant, or if no such executor or administrator has been appointed (to the knowledge of the Company), the Company, in its discretion, may deliver such Shares and/or cash to the spouse or to any one or more dependents or relatives of the Participant, or if no spouse, dependent or relative is known to the Company, then to such other person as the Company may designate.

12.5 Notices. All notices or other communications by a Participant to the Company under or in connection with the Plan shall be deemed to have been duly given when received in the form specified by the Company at the location, or by the person, designated by the Company for the receipt thereof.

12.6 Equal Rights and Privileges. Subject to Section 5.7, all Eligible Employees will have equal rights and privileges under this Plan so that this Plan qualifies as an "employee stock purchase plan" within the meaning of Section 423 of the Code. Subject to Section 5.7, any provision of this Plan that is inconsistent with Section 423 of the Code will, without further act or amendment by the Company, the Board or the Administrator, be reformed to comply with the equal rights and privileges requirement of Section 423 of the Code.

12.7 Use of Funds. All payroll deductions received or held by the Company under the Plan may be used by the Company for any corporate purpose, and the Company shall not be obligated to segregate such payroll deductions.

12.8 Reports. Statements of account shall be given to Participants at least annually, which statements shall set forth the amounts of payroll deductions, the Purchase Price, the number of Shares purchased and the remaining cash balance, if any.

12.9 No Employment Rights. Nothing in the Plan shall be construed to give any person (including any Eligible Employee or Participant) the right to remain in the employ of the Company or any Parent or Subsidiary or affect the right of the Company or any Parent or Subsidiary to terminate the employment of any person (including any Eligible Employee or Participant) at any time, with or without cause.

12.10 Notice of Disposition of Shares. Each Participant shall give prompt notice to the Company of any disposition or other transfer of any Shares purchased upon exercise of a right under the Plan if such disposition or transfer is made: (a) within two years from the Enrollment Date of the Offering Period in which the Shares were purchased or (b) within one year after the Purchase Date on which such Shares were purchased. Such notice shall specify the date of such disposition or other transfer and the amount realized, in cash, other property, assumption of indebtedness or other consideration, by the Participant in such disposition or other transfer.

12.11 Governing Law. The Plan and any agreements hereunder shall be administered, interpreted and enforced under the internal laws of the State of Delaware without regard to conflicts of laws thereof or of any other jurisdiction.

12.12 Electronic Forms. To the extent permitted by Applicable Law and in the discretion of the Administrator, an Eligible Employee may submit any form or notice as set forth herein by means of an electronic form approved by the Administrator. Before the commencement of an Offering Period, the Administrator shall prescribe the time limits within which any such electronic form shall be submitted to the Administrator with respect to such Offering Period in order to be a valid election.

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EVELO BIOSCIENCES, INC.

NON-EMPLOYEE DIRECTOR COMPENSATION PROGRAM

Non-employee members of the board of directors (the "***Board***") of Evelo Biosciences, Inc. (the "***Company***") shall receive cash and equity compensation as set forth in this Non-Employee Director Compensation Program (this "***Program***"). The cash and equity compensation described in this Program shall be paid or be made, as applicable, automatically and without further action of the Board, to each member of the Board who is not an employee of the Company or any parent or subsidiary of the Company (each, a "***Non-Employee Director***") who is entitled to receive such cash or equity compensation, unless such Non-Employee Director declines the receipt of such cash or equity compensation by written notice to the Company. This Program shall remain in effect until it is revised or rescinded by further action of the Board. This Program may be amended, modified or terminated by the Board at any time in its sole discretion. The terms and conditions of this Program shall supersede any prior cash and/or equity compensation arrangements for service as a member of the Board between the Company and any of its Non-Employee Directors. No Non-Employee Director shall have any rights hereunder, except with respect to stock options granted pursuant to the Program. This Program shall become effective on the date of the effectiveness of the Company's Registration Statement on Form S-1 relating to the initial public offering of common stock (the "***Effective Date***").

I. CASH COMPENSATION

A. Annual Retainers. Each Non-Employee Director shall receive an annual retainer of $35,000 for service on the Board (the "***Annual Retainer***").

B. Additional Annual Retainers. In addition, each Non-Employee Director shall receive the following annual retainers (each, a "***Committee Member Retainer***"):

1. *Chairman of the Board or Lead Independent Director*. A Non-Employee Director serving as Chairman of the Board or Lead Independent Director shall receive an additional annual retainer of $30,000 for such service.

2. *Audit Committee.* A Non-Employee Director serving as Chairperson of the Audit Committee shall receive an additional annual retainer of $15,000 for such service. A Non-Employee Director serving as a member other than the Chairperson of the Audit Committee shall receive an additional annual retainer of $7,500 for such service.

3. *Compensation Committee*. A Non-Employee Director serving as Chairperson of the Compensation Committee shall receive an additional annual retainer of $10,000 for such service. A Non-Employee Director serving as a member other than the Chairperson of the Compensation Committee shall receive an additional annual retainer of $5,000 for such service.

4. *Nominating and Corporate Governance Committee*. A Non-Employee Director serving as Chairperson of the Nominating and Corporate Governance Committee shall receive an additional annual retainer of $8,000 for such service. A Non-Employee Director serving as a member other than the Chairperson of the Nominating and Corporate Governance Committee shall receive an additional annual retainer of $4,000 for such service.

C. Payment of Retainers. The Annual Retainer and Committee Member Retainer shall be earned on a quarterly basis based on a calendar quarter and shall be paid in cash by the Company in arrears not later than the fifteenth day following the end of each calendar quarter. In the event a Non-Employee Director does not serve as a Non-Employee Director, or in the applicable positions described in Section I(B), for an entire calendar quarter, the retainer paid to such Non-Employee Director shall be prorated for the portion of such calendar quarter actually served as a Non-Employee Director, or in such position, as applicable.

II. EQUITY COMPENSATION

Non-Employee Directors shall be granted the equity awards described below. The awards described below shall be granted under and shall be subject to the terms and provisions of the Company's 2018 Incentive Award Plan or any other applicable Company equity incentive plan then-maintained by the Company (the "***Equity Plan***") and shall be granted subject to award agreements, including attached exhibits, in substantially the form previously approved by the Board. All applicable terms of the Equity Plan apply to this Program as if fully set forth herein, and all grants of stock options hereby are subject in all respects to the terms of the Equity Plan and the applicable award agreement. For the avoidance of doubt, the share numbers in Sections II(A) and II(B) shall be subject to adjustment as provided in the Equity Plan, and in connection with any stock dividend, stock split, reverse stock split or other similar event affecting the Company's common stock that is effected prior to the Effective Date.

A. Initial Awards. Each Non-Employee Director who is initially elected or appointed to the Board after the Effective Date shall receive an option to purchase 31,380 shares of the Company's common stock on the date of such initial election or appointment. The awards described in this Section II(A) shall be referred to as "***Initial Awards***." No Non-Employee Director shall be granted more than one Initial Award.

B. Subsequent Awards. A Non-Employee Director who (i) has been serving as a Non-Employee Director on the Board for at least six months as of the date of any annual meeting of the Company's stockholders after the Effective Date and (ii) will continue to serve as a Non-Employee Director immediately following such meeting, shall be automatically granted an option to purchase 15,690 shares of the Company's common stock on the date of such annual meeting. The awards described in this Section II(B) shall be referred to as "***Subsequent Awards***." For the avoidance of doubt, a Non-Employee Director elected for the first time to the Board at an annual meeting of the Company's stockholders shall only receive an Initial Award in connection with such election, and shall not receive any Subsequent Award on the date of such meeting as well.

C. Termination of Employment of Employee Directors. Members of the Board who are employees of the Company or any parent or subsidiary of the Company who subsequently terminate their employment with the Company and any parent or subsidiary of the Company and remain on the Board will not receive an Initial Award pursuant to Section II(A) above, but to the extent that they are otherwise entitled, will receive, after termination of employment with the Company and any parent or subsidiary of the Company, Subsequent Awards as described in Section II(B) above.

D. Terms of Awards Granted to Non-Employee Directors

1. *Exercise Price*. The per share exercise price of each option granted to a Non-Employee Director shall equal the Fair Market Value (as defined in the Equity Plan) of a share of the Company's common stock on the date the option is granted.

2. *Vesting*. Each Initial Award shall vest and become exercisable in thirty-six (36) substantially equal monthly installments following the date of grant, such that the Initial Award shall be fully vested on the third anniversary of the date of grant, subject to the Non-Employee Director continuing in service as a Non-Employee Director through each such vesting date. Each Subsequent Award shall vest and become exercisable on the earlier of the first anniversary of the date of grant or the day immediately prior to the date of the next annual meeting of the Company's stockholders occurring after the date of grant, in either case subject to the Non-Employee Director continuing in service on the Board as a Non-Employee Director through each such vesting date. Unless the Board otherwise determines, any portion of an Initial Award or Subsequent Award which is unvested or unexercisable at the time of a Non-Employee Director's termination of service on the Board as a Non-Employee Director shall be immediately forfeited upon such termination of service and shall not thereafter become vested and exercisable. All of a Non-Employee Director's Initial Awards and Subsequent Awards shall vest in full immediately prior to the occurrence of a Change in Control (as defined in the Equity Plan), to the extent outstanding at such time.

3. *Term*. The maximum term of each stock option granted to a Non-Employee Director hereunder shall be ten (10) years from the date the option is granted.

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EVELO BIOSCIENCES, INC.
EXECUTIVE SEVERANCE PLAN

I. PURPOSE

The purpose of this Evelo Biosciences, Inc. Executive Severance Plan (the "Plan") is to encourage certain employees of Evelo Biosciences, Inc. (the "Company") to remain in the employ of the Company by providing severance protections to such employees in the event their employment is terminated under the circumstances described in this Plan.

II. DEFINITIONS

For purposes of this Plan, the following terms shall have the meanings set forth below:

1. "Administrator" means the Committee or any committee designated by the Board to administer the Plan.

2. "Affiliate" means with respect to any person or entity, any other person or entity that, directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with, such person or entity. For purposes of this definition, "control," when used with respect to any person or entity, means the power to direct the management and policies of such person or entity, directly or indirectly, whether through ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

3. "Base Salary" means, with respect to any Participant, the Participant's base salary at the rate in effect on the Participant's Termination Date.

4. "Board" means the Board of Directors of the Company.

5. "Cause" means any one or more of the following actions: (i) the Participant's material breach of the terms and conditions of any agreement with the Company; (ii) the Participant's willful, malfeasant, dishonest or reckless conduct, in each case, that relates to the Company and causes the Company material harm or damage; (iii) the Participant's commission of an act of fraud, theft, misappropriation or embezzlement, or conviction, or pleading nolo contendere to a felony or any other crime involving moral turpitude, (iv) the Participant's failure to substantially perform the Participant's duties or comply with a lawful directive of the Board or the Company's Chief Executive Officer, (v) the Participant's commission any felony or crime involving moral turpitude or (vi) the Participant's unlawful use (including being under the influence) or possession of illegal drugs on the Company's or any of its Affiliates' premises or while performing duties and responsibilities for the Company or its Affiliate.

6. "Change in Control" means a "Change in Control" as defined in the Company's 2018 Incentive Award Plan. Notwithstanding the foregoing, if a Change in Control constitutes a payment event with respect to any amount payable hereunder which constitutes or provides for the deferral of compensation and is subject to Section 409A, the transaction or event with respect to such amount must also constitute a "change in control event," as defined in Treasury Regulation Section 1.409A-3(i)(5) to the extent required by Section 409A.

7. "CIC Severance Multiplier" means the number set forth opposite such Participant's Employment Level under the heading "CIC Severance Multiplier" on Schedule A.

8. "CIC Severance Period" means the period of time set forth opposite such Participant's Employment Level under the heading "CIC Severance Period" on Schedule A.

9. "COBRA" means the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended.

10. "Code" means the Internal Revenue Code of 1986, as amended from time to time, or any successor statute thereto, and the regulations promulgated thereunder, as in effect from time to time.

11. "Committee" means the Compensation Committee of the Board.

12. "Disability" means, at any time the Company or any of its Affiliates sponsors a long-term disability plan for the Company's employees, "disability" as defined in such long-term disability plan for the purpose of determining a participant's eligibility for benefits, provided, however, if the long-term disability plan contains multiple definitions of disability, "Disability" shall refer to that definition of disability which, if a Participant qualified for such disability benefits, would provide coverage for the longest period of time. The determination of whether the Participant has a Disability shall be made by the person or persons required to make disability determinations under the long-term disability plan. At any time the Company does not sponsor a long-term disability plan for its employees, "Disability" shall mean the Participant's inability to perform, with or without reasonable accommodation, the essential functions of the Participant's positions for a total of three months during any six-month period as a result of incapacity due to mental or physical illness as determined by a physician selected by the Company or its insurers. Any refusal by the Participant to submit to a medical examination for the purpose of determining Disability shall be deemed to constitute conclusive evidence of the Participant's Disability.

13. "Employment Level" means, with respect to any Participant, the Participant's employment level within the Company as in effect at the time of the Participant's Qualifying Termination.

14. "Good Reason" means the Participant has complied with the Good Reason Process following the occurrence of any of the following actions undertaken by the Company without the Participant's express written consent: (i) the material diminution in the Participant's responsibilities, authority and function; (ii) a material reduction in Participant's base salary or annual bonus opportunity (which reduction shall be disregarded when determining the amount of payments due following a termination of employment for Good Reason); or (iii) a requirement by the Company that the Participant relocate the Participant's principal location of employment to a location that is more than fifty (50) miles from the Participant's principal work location immediately prior to such relocation.

15. "Good Reason Process" means that (i) the Participant has reasonably determined in good faith that a Good Reason condition has occurred; (ii) the Participant has notified the Company in writing of the first occurrence of the Good Reason condition within thirty (30) days

of the first occurrence of such condition; (iii) the Participant has provided the Company a period of not less than thirty (30) days following such notice (the "Cure Period") to remedy the condition following which Cure Period the Good Reason condition continues to exist; and (iv) the Participant terminates the Participant's employment within thirty (30) days after the end of the Cure Period. If the Company cures the Good Reason condition during the Cure Period, Good Reason shall be deemed not to have occurred.

16. "Qualifying Termination" means, with respect to any Participant, a termination by the Company or its Affiliates of the Participant's employment without Cause or a resignation by the Participant for Good Reason.

17. "Restrictive Covenant Agreement" means the Employee Proprietary Information and Inventions Assignment Agreement entered, or to be entered, into between the Company and a Participant in a form satisfactory to the Company, which, except for Participants residing in California, includes a non-competition restriction for 12 months following Participant's Termination Date.

18. "Section 409A" means Section 409A of the Code.

19. "Severance Period" means the period of time set forth opposite such Participant's Employment Level under the heading "Severance Period" on Schedule A.

20. "Successor" means any employer (whether or not the employer is an Affiliate of the Company) which acquires (through merger, consolidation, reorganization, transfer, sublease, assignment or otherwise) all or substantially all of the business or assets of the Company or of a division or business of the Company.

21. "Target Bonus Amount" means a Participant's target annual bonus amount, if any, in effect at the time of Participant's Qualifying Termination.

22. "Termination Date" means the date on which the termination of a Participant's employment, in accordance with the terms of this Plan, is effective.

III. ELIGIBILITY

The participants in this Plan ("Participants") are all regular U.S. full-time employees of the Company or its subsidiaries at the Employment Level of Vice President or above who are not otherwise entitled to severance payments or benefits under applicable law or any binding contract, agreement or arrangement with the Company or its Affiliates

IV. SEVERANCE BENEFITS

Qualifying Termination Generally

If a Participant has a Qualifying Termination that does not occur on the date of or within 12 months following a Change in Control, then subject to Sections V, VI, VII and VIII, the Participant will be entitled to receive the following payments and benefits:

1. Continued payment of the Participant's Base Salary in accordance with the Company's ordinary payroll practices for the duration of the Severance Period;

2. If the Participant properly elects to receive continued coverage under the Company's group health plans pursuant to COBRA, direct payment of or reimbursement to the Participant for a portion of the Participant's COBRA premiums at the Company's normal rate of contribution for employees for the Participant's (and the Participant's covered dependents') coverage at the level in effective immediately prior to the Participant's termination for the period commencing on the Participant's Termination Date and ending on the earliest of (a) the final day of the Severance Period, (b) the date the Participant and/or the Participant's covered dependents become no longer eligible for COBRA and (c) the date the Participant becomes eligible to receive comparable healthcare coverage from a subsequent employer (and the Participant agrees to promptly notify the Company of such eligibility). Notwithstanding the foregoing, if the Company determines that it cannot provide the foregoing benefit without potentially violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act) or incurring an excise tax, the Company shall in lieu thereof pay to the Participant taxable monthly payments in an amount equal to the portion of the healthcare premiums that the Company paid for the Participant's and the Participant's covered dependents' group health care coverage for the month in which the Participant's termination occurred, which payments shall be made regardless of whether the Participant elects COBRA continuation coverage and will commence in the month following the month in which the Termination Date occurs and will end on the earliest of (i) the end of the Severance Period, (ii) the date that the Participant and/or the Participant's covered dependents become no longer eligible for COBRA and (iii) the date the Participant becomes eligible to receive comparable healthcare coverage from a subsequent employer (and the Participant agrees to promptly notify the Company of such eligibility); and

3. Payment to the Participant of any earned but unpaid Base Salary and any other amounts or benefits, including accrued paid time off to the extent payable upon termination pursuant to the Company's policies, under the Company's employee benefit plans, programs or arrangements to which the Participant is entitled pursuant to the terms of such plans, programs or arrangements or applicable law, payable in accordance with the terms of such plans, programs or arrangements or as otherwise required by applicable law (collectively, the "Accrued Rights").

Qualifying Termination in Connection with a Change in Control

If a Participant has a Qualifying Termination that occurs on the date of or within 12 months following a Change in Control, then subject to Sections V, VI, VII and VIII, the Participant shall be entitled to receive the following payments and benefits:

1. An amount in cash equal to the CIC Severance Multiplier times the sum of (A) the Participant's annual Base Salary and (B) the Participant's Target Bonus Amount, payable in substantially equal installments in accordance with the Company's ordinary payroll practices for the duration of the CIC Severance Period;

2. If the Participant properly elects to receive continued coverage under the Company's group health plans pursuant to COBRA, direct payment of or reimbursement to the Participant for a portion of the Participant's COBRA premiums at the Company's normal rate of

contribution for employees for the Participant's (and the Participant's covered dependents') coverage at the level in effective immediately prior to the Participant's termination for the period commencing on the Participant's Termination Date and ending on the earliest of (a) the end of the CIC Severance Period, (b) the date the Participant and/or the Participant's covered dependents become no longer eligible for COBRA, and (c) the date the Participant becomes eligible to receive comparable healthcare coverage from a subsequent employer (and the Participant agrees to promptly notify the Company of such eligibility). Notwithstanding the foregoing, if the Company determines that it cannot provide the foregoing benefit without potentially violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act) or incurring an excise tax, the Company shall in lieu thereof pay to the Participant taxable monthly payments in an amount equal to the portion of the healthcare premiums that the Company paid for the Participant's and the Participant's covered dependents' group health care coverage for the month in which the Participant's termination occurred, which payments shall be made regardless of whether the Participant elects COBRA continuation coverage and will commence in the month following the month in which the Termination Date occurs and will end on the earliest of (i) the end of the CIC Severance Period, (ii) the date that the Participant and/or the Participant's covered dependents become no longer eligible for COBRA and (iii) the date the Participant becomes eligible to receive comparable healthcare coverage from a subsequent employer (and the Participant agrees to promptly notify the Company of such eligibility);

3. The Participant's Accrued Rights; and

4. All unvested equity or equity-based awards under any Company equity compensation plans that vest solely based upon the passage of time shall immediately become 100% vested (for the avoidance of doubt, with any such awards that vest in whole or in part based upon the attainment of performance vesting conditions being governed by the terms of the applicable award agreement).

V. RELEASE OF CLAIMS; RESTRICTIVE COVENANT AGREEMENT

Notwithstanding any provision of this Plan to the contrary, any payments and benefits provided to a Participant under this Plan, other than the Accrued Rights, shall be subject to and contingent upon (i) the Participant's execution and delivery following the Termination Date of a release of claims against the Company in a form provided by and satisfactory to the Company that becomes effective and irrevocable within sixty (60) days following the Termination Date (the "Release"), (ii) unless the Participant is already party to the Restrictive Covenant Agreement, the Participant's execution and delivery to the Company of the Restrictive Covenant Agreement no later than the time at which the Participant delivers the Release and (iii) the Participant's continued compliance with the terms of the Restrictive Covenant Agreement.

VI. OTHER TERMINATIONS

If a Participant's employment is terminated in any circumstance other than a Qualifying Termination (including as a result of Participant's death or Disability), the Participant will not be entitled to any compensation or benefits under this Plan.

VII. OFFERS OF EMPLOYMENT

The Participant shall not be entitled to any compensation or benefits under this Plan if the Participant rejects or fails to accept a written offer of employment from a Successor or from any Affiliate of the Company made on or before his or her Termination Date that is for substantially comparable employment.

VIII. TAX MATTERS

Withholding

The Company may deduct and withhold from any amounts payable under this Plan such federal, state, local, foreign or other taxes as are required to be withheld pursuant to any applicable law or regulation.

Non-Qualified Deferred Compensation

The payments and benefits under this Plan are intended to comply with or be exempt from Section 409A and, accordingly, to the maximum extent permitted, this Plan shall be interpreted to be in compliance therewith. Notwithstanding any provision of this Plan to the contrary, in the event that the Administrator determines that any amounts payable hereunder will be immediately taxable to any Participant under Section 409A, the Administrator may (without any obligation to do so or to indemnify the Participant for failure to do so) (A) adopt such amendments to this Plan or adopt such other policies and procedures (including amendments, policies and procedures with retroactive effect) that it determines to be necessary or appropriate to preserve the intended tax treatment of the benefits provided by this Plan, to preserve the economic benefits of this Plan and to avoid less favorable accounting or tax consequences for the Company and/or (B) take such other actions it determines to be necessary or appropriate to exempt the amounts payable hereunder from Section 409A or to comply with the requirements of Section 409A and thereby avoid the application of penalty taxes thereunder.

Notwithstanding any provision of this Plan to the contrary, no termination or other similar payments and benefits under this Plan will be payable to a Participant unless the Participant's termination of employment constitutes a "separation from service" within the meaning of Section 409A (a "Separation from Service") and, except as provided below or if the Administrator otherwise determines, any payments or benefits payable to the Participant under this Plan will not be paid, or, in the case of installments, will not commence payment, until the first ordinary payroll date that occurs at least days following the Participant's Separation from Service (the "First Payment Date"). Any installment payments that would have been made to a Participant during the 60 day period immediately following the Participant's Separation from Service but for the preceding sentence will be paid to the Participant on the First Payment Date and the remaining payments will be made as provided in this Plan.

Notwithstanding any provision of this Plan to the contrary, if a Participant is deemed by the Company at the time of the Participant's Separation from Service to be a "specified employee" for purposes of Section 409A, to the extent delayed commencement of any portion of the benefits to which the Participant is entitled under this Plan is required in order to avoid a prohibited distribution under Section 409A, such portion of the Participant's benefits will not be

provided to the Participant prior to the earlier of (i) the expiration of the six-month period measured from the date of the Participant's Separation from Service or (ii) the date of the Participant's death. Upon the first ordinary payroll date following the expiration of the applicable Section 409A period, all payments and benefits deferred pursuant to the preceding sentence will be paid in a lump sum to a Participant (or the Participant's estate), and any remaining payments due to the Participant under this Plan will be paid as otherwise provided herein.

A Participant's right to receive any installment payments under this Plan shall be treated as a right to receive a series of separate payments and, accordingly, each such installment payment shall at all times be considered a separate and distinct payment as permitted under Section 409A.

Potential Reduction of Certain "Parachute Payments"

1. Notwithstanding any other provisions of this Plan or any Company equity plan or agreement, in the event that any payment or benefit by the Company or otherwise to or for the benefit of a Participant, whether paid or payable or distributed or distributable pursuant to the terms of this Plan or otherwise (all such payments and benefits, including the payments and benefits under Section IV of the Plan, being hereinafter referred to as the "Total Payments"), would be subject (in whole or in part) to the excise tax imposed by Section 4999 of the Code (the "Excise Tax"), then the Total Payments shall be reduced (in the order provided in subsection 2 below) to the minimum extent necessary to avoid the imposition of the Excise Tax on the Total Payments, but only if (i) the net amount of such Total Payments, as so reduced (and after subtracting the net amount of federal, state and local income and employment taxes on such reduced Total Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such reduced Total Payments), is greater than or equal to (ii) the net amount of such Total Payments without such reduction (but after subtracting the net amount of federal, state and local income and employment taxes on such Total Payments and the amount of the Excise Tax to which the Participant would be subject in respect of such unreduced Total Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such unreduced Total Payments).

2. The Total Payments shall be reduced in the following order: (i) reduction on a pro-rata basis of any cash severance payments that are exempt from Section 409A, (ii) reduction on a pro-rata basis of any non-cash severance payments or benefits that are exempt from Section 409A, (iii) reduction on a pro-rata basis of any other payments or benefits that are exempt from Section 409A, and (iv) reduction of any payments or benefits otherwise payable to the Participant on a pro-rata basis or such other manner that complies with Section 409A; provided, in case of clauses (ii), (iii) and (iv), that reduction of any payments attributable to the acceleration of vesting of Company equity awards shall be first applied to Company equity awards that would otherwise vest last in time.

3. All determinations regarding the application of Sections VIII.1-4 shall be made by an accounting firm or consulting group with experience in performing calculations regarding the applicability of Section 280G of the Code and the Excise Tax selected by the Company (the "Independent Advisors"). For purposes of determinations, no portion of the Total Payments shall be taken into account which, in the opinion of the Independent Advisors, (i) does not

constitute a “parachute payment” within the meaning of Section 280G(b)(2) of the Code (including by reason of Section 280G(b)(4)(A) of the Code) or (ii) constitutes reasonable compensation for services actually rendered, within the meaning of Section 280G(b)(4)(B) of the Code, in excess of the “base amount” (as defined in Section 280G(b)(3) of the Code) allocable to such reasonable compensation. The costs of obtaining such determination and all related fees and expenses (including related fees and expenses incurred in any later audit) shall be borne by the Company.

4. In the event it is later determined that a greater reduction in the Total Payments should have been made to implement the objective and intent of Sections VIII.1-4, the excess amount shall be returned promptly by the Participant to the Company.

IX. DURATION; TERMINATION; AMENDMENT; MODIFICATION

This Plan shall become effective on consummation of the Company’s initial public offering of stock pursuant to an effective registration statement filed under the Securities Act of 1933, as amended (the “Effective Date”). The Board or the Administrator may amend, modify or terminate this Plan at any time; provided that, except as otherwise provided in Section VIII:

1. No amendment, modification or termination may affect any right of any Participant to claim benefits under this Plan as in effect prior to such amendment, modification or termination with respect to a Termination Date that occurs prior to the date of such amendment, modification or termination; and

2. During the 12 months following a Change in Control, this Plan may not be amended or modified in any manner that decreases the payments or benefits payable to any Participant or otherwise adversely affects any Participant’s economic rights or terminated.

X. RELATION TO OTHER PLANS

Nothing in this Plan will prevent or limit a Participant’s continuing or future participation in any plan, practice, policy or program provided by the Company or any Affiliate thereof for which the Participant may qualify, nor will anything in this Plan limit or otherwise affect any rights the Participant may have under any contract or agreement with the Company or any Affiliate thereof. Vested benefits and other amounts a Participant is otherwise entitled to receive under any incentive compensation (including any equity award agreement), deferred compensation, retirement, pension or other plan, practice, policy or program of, or any contract or agreement with, the Company or any Affiliate thereof shall be payable in accordance with the terms of each such plan, practice, policy, program, contract or agreement, as the case may be.

XI. NOTICES

All notices or other communications required or permitted by this Plan will be made in writing and all such notices or communications will be deemed to have been duly given when delivered or (unless otherwise specified) mailed by United States certified or registered mail, return receipt requested, postage prepaid, addressed as follows:

If to the Company:	Evelo Biosciences, Inc. 620 Memorial Drive, Suite 200 Cambridge, MA 02139 Attention: Chief Financial Officer
If to the Participant:	The Participant's last known address as set forth in the Company's records.

XII. ADMINISTRATION

This Plan is designed to be an "employee welfare benefit plan," as defined in Section 3(1) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). This Plan is governed by ERISA and, to the extent applicable, the laws of the Commonwealth of Massachusetts, without regard to the conflicts of laws principles that would result in the applicable of the laws of another jurisdiction.

This document constitutes the official plan document and the required summary plan description under ERISA.

The Plan will be interpreted in accordance with its terms and their intended meanings. However, the Administrator and all Plan fiduciaries will have the discretion to interpret or construe ambiguous, unclear, or implied (but omitted) terms in any fashion they deem to be appropriate in their reasonable discretion, and to make any findings of fact needed in the administration of the Plan. The validity of any such interpretation, construction, decision, or finding of fact shall not be given de novo review if challenged in court, by arbitration, or in any other forum, and shall be upheld unless clearly arbitrary or capricious. All determinations by the Administrator will be final and conclusive upon all persons and be given the maximum possible deference allowed by law. The Administrator is the "named fiduciary" of the Plan for purposes of ERISA and will be subject to the fiduciary standards of ERISA when acting in such capacity. If, due to errors in drafting, any Plan provision does not accurately reflect its intended meaning, as demonstrated by consistent interpretations or other evidence of intent, or as determined by the Administrator in its reasonable discretion, the provision shall be considered ambiguous and shall be interpreted by the Administrator and all Plan fiduciaries in a fashion consistent with its intent, as determined in the reasonable discretion of the Administrator. The Administrator shall amend the Plan retroactively to cure any such ambiguity.

Source of Benefits

The Plan is unfunded, and all severance benefits will be paid from the general assets of the Company or its successor. No contributions are required under the Plan.

Claims Procedure

If an individual believes that the individual has been incorrectly denied a benefit or is entitled to a greater benefit than the benefit received under the Plan the individual or his or her duly authorized representative (a "Claimant") who wishes to assert a claim for benefits under this Plan may file a signed written application for benefits at the following address:

Evelo Biosciences, Inc.
620 Memorial Drive, Suite 200
Cambridge, MA 02139
Attention: Chief Financial Officer

The application for benefits must identify the Plan benefits claimed and the facts and circumstances which the Claimant believes entitle him or her to those benefits. If the Claimant did not receive a Release (or received one providing for benefits in an amount less than the amount the Participant believes is due), his or her claim must be filed within 180 days after the date of the termination of employment on which the claim is based. In all other cases, the claim must be filed no later than 180 days after the date on which payment of benefits under this Plan were discontinued or reduced.

The Administrator will notify the Claimant of its decision within 90 days after its receipt of the claim or, if special circumstances exist, within 180 days after its receipt of the claim (provided that written notice of the need and reason for the extension is provided to the Claimant within the initial 90-day period). If a claim is denied (in whole or in part), the Claimant will be provided a written notice of claim denial that will give specific reasons for the denial; identify the specific Plan provision involved; describe any additional materials or information needed for the Claimant to perfect his or her claim; and explain why the materials or information are necessary. The notice of claim denial will also provide an explanation of the appeals procedure. The Claimant is entitled to see all documents, records and other information that affect his or her claim. Free copies of such documents, records or other information will be provided to the Claimant, provided that the Claimant requests the copies in writing to the above address within 60 days after receiving the notice of claim denial.

Appeals Procedure

If a Claimant receives a notice of claim denial and he or she disagrees with the decision, the Claimant is entitled to appeal and have the denial of the claim reviewed. Any appeal must be made in writing to the Administrator within 60 days after the Claimant's receipt of the notice of claim denial, and should be sent to the following address:

Evelo Biosciences, Inc.
620 Memorial Drive, Suite 200
Cambridge, MA 02139
Attention: Chief Financial Officer

The Claimant must be provided the opportunity to submit written comments, documents, records, and other information that affect his or her claim. The Administrator's review of the claim must take into account all such information submitted, regardless of whether such information was submitted or considered in the initial claim denial.

The Administrator must evaluate and decide the appeal within 60 days after receipt of the appeal, or, if special circumstances exist, within 120 days after receipt of the appeal (provided that written notice of the need and reason for the extension is provided to the Claimant within the initial 60-day period). The Administrator must provide a written decision on the appeal. If the appeal is denied, the decision must state the reason(s) for the decision and any applicable Plan

provision or other material on which it is based. The decision must also include a statement that the Claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information that affect his or her claim

The Administrator has full authority and discretion to decide claims and appeals, including to construe, interpret and apply the terms of the Plan, to determine all questions concerning eligibility for and entitlement to benefits under this Plan. The Administrator's decisions are final and binding.

The Claims Procedure and Appeals Procedure described in this Section must be exhausted before commencing any legal action. Furthermore, any legal action asserting a claim of entitlement to benefits under this Plan must be commenced within 180 days after the date on which the Administrator issues its decision on the Claimant's appeal. Failure to commence a legal action within that 180-day period, or failure to submit a timely claim and timely appeal under the procedures described above, will result in the loss of any otherwise existing right to contested Plan benefits, unless the Administrator determines in its discretion that extenuating circumstances require a different result.

Assistance with Questions

Claimants with questions about this Plan should contact the Administrator. Claimants with questions about this statement or about his or her rights under ERISA, or in need of assistance in obtaining documents from the Administrator should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in the telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. A Participant may also obtain certain publications about his or her rights or responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration at 1-866-444-EBSA (3272).

If a Participant must take legal action for any reason regarding his or her Plan benefits, legal process may be served on the Administrator in care of:

Evelo Biosciences, Inc.
620 Memorial Drive, Suite 200
Cambridge, MA 02139
Attention: Chief Financial Officer

If a Participant has any questions about this Plan, the Participant may contact the Company's human resources department.

Rights under ERISA

Participants in this Plan are entitled to certain rights and protections under ERISA. ERISA provides that all Participants shall be entitled to the following:

1. A Participant can examine, without charge, at the Administrator's office and at other specified locations, such as worksites, all documents governing this Plan and a copy of the latest annual report (Form 5500 Series) filed by this Plan with the U.S. Department of Labor and available at the Employee Benefits Security Administration. This Plan also constitutes the official Plan document governing benefits; therefore, there are no other Plan documents that govern a Participant's benefits.

2. A Participant can obtain, upon written request to the Administrator, copies of documents governing the operation of the Plan, and copies of the latest annual report (Form 5500 Series) and updated summary plan description. The Administrator may make a reasonable charge for the copies.

3. The Administrator is required by law to furnish each Participant with a copy of the summary of the Plan's annual financial report.

4. In addition to creating rights for Participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate this Plan, called "fiduciaries" of this Plan, have a duty to do so prudently and in the interest of Participants and beneficiaries. No one, including an employer, may fire a Participant or otherwise discriminate against a Participant in any way to prevent such Participant from obtaining a Plan benefit or exercising his or her rights under ERISA.

5. If a Participant's claim for a benefit under this Plan is denied or ignored, in whole or in part, he or she has a right to know why the claim was denied or ignored, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

6. Under ERISA, there are steps a Participant can take to enforce the above rights. For instance, if a Participant requests a copy of Plan documents or the latest annual report from the Plan and does not receive it within 30 days, such Participant may file suit in a federal court. In such a case, the court may require the Administrator to provide the materials and pay such Participant up to $110 a day until the Participant receives the materials, unless the materials were not sent because of reasons beyond the control of the Administrator.

7. If a Participant has a claim for benefits that is denied or ignored, in whole or in part, such Participant may file suit in a state or federal court.

8. If it should happen that Plan fiduciaries misuse the Plan's money, or if a Participant is discriminated against for asserting the Participant's rights, such Participant may seek assistance from the U.S. Department of Labor, or may file suit in a federal court. The court will decide who should pay court costs and legal fees. If the Participant is successful, the court may order the person such Participant has sued to pay these costs and fees. If the Participant loses, the court may order the Participant to pay these costs and fees if, for example, it finds that the Participant's claim is frivolous.

Additional Plan Information

Name of Plan:	Evelo Biosciences, Inc. Executive Severance Plan
Sponsor:	Evelo Biosciences, Inc. 620 Memorial Drive, Suite 200 Cambridge, MA 02139
Plan Administrator:	The Administrator is the Plan administrator. The business address and telephone number of the Administrator are: Evelo Biosciences, Inc., 620 Memorial Drive, Suite 200, Cambridge, MA 02139; Tel: (617) 577-0300.
Employer Identification Number:	46-5594527
Plan number	501
Plan Year:	Calendar year
Plan Costs:	The costs of the Plan are paid by the Company
Type of Administration:	Self-administration by the Administrator

* * * * *

Schedule A

Employment Level	Severance Period	CIC Severance Multiplier	CIC Severance Period
C-suite executive or Senior Vice President	9 months following the Termination Date	1	12 months following the Termination Date
Vice President	6 months following the Termination Date	0.75	9 months following the Termination date

EVELO BIOSCIENCES, INC.

INDEMNIFICATION AGREEMENT

THIS INDEMNIFICATION AGREEMENT (the "***Agreement***") is made and entered into as of _____, 20[18] between Evelo Biosciences, Inc., a Delaware corporation (the "***Company***"), and [Name] ("***Indemnitee***").

WITNESSETH THAT:

WHEREAS, highly competent persons have become more reluctant to serve corporations as directors, officers or in other capacities unless they are provided with adequate protection through insurance or adequate indemnification against inordinate risks of claims and actions against them arising out of their service to and activities on behalf of the corporation;

WHEREAS, the Board of Directors of the Company (the "***Board***") has determined that, in order to attract and retain qualified individuals, the Company will attempt to maintain on an ongoing basis, at its sole expense, liability insurance to protect persons serving the Company and its subsidiaries from certain liabilities. Although the furnishing of such insurance has been a customary and widespread practice among United States-based corporations and other business enterprises, the Company believes that, given current market conditions and trends, such insurance may be available to it in the future only at higher premiums and with more exclusions. At the same time, directors, officers, and other persons in service to corporations or business enterprises are being increasingly subjected to expensive and time-consuming litigation relating to, among other things, matters that traditionally would have been brought only against the Company or business enterprise itself. The Bylaws and Certificate of Incorporation of the Company require indemnification of the officers and directors of the Company. Indemnitee may also be entitled to indemnification pursuant to the General Corporation Law of the State of Delaware ("***DGCL***"). The Bylaws and Certificate of Incorporation and the DGCL expressly provide that the indemnification provisions set forth therein are not exclusive, and thereby contemplate that contracts may be entered into between the Company and members of the Board, officers and other persons with respect to indemnification;

WHEREAS, the uncertainties relating to such insurance and to indemnification have increased the difficulty of attracting and retaining such persons;

WHEREAS, the Board has determined that the increased difficulty in attracting and retaining such persons is detrimental to the best interests of the Company's stockholders and that the Company should act to assure such persons that there will be increased certainty of such protection in the future;

WHEREAS, it is reasonable, prudent and necessary for the Company contractually to obligate itself to indemnify, and to advance expenses on behalf of, such persons to the fullest extent permitted by applicable law so that they will serve or continue to serve the Company free from undue concern that they will not be so indemnified;

WHEREAS, this Agreement is a supplement to and in furtherance of the Bylaws and Certificate of Incorporation of the Company and any resolutions adopted pursuant thereto, and shall not be deemed a substitute therefor, nor to diminish or abrogate any rights of Indemnitee thereunder; [and]

WHEREAS, Indemnitee does not regard the protection available under the Company's Bylaws and Certificate of Incorporation and insurance as adequate in the present circumstances, and may not be willing to serve as an officer or director without adequate protection, and the Company desires Indemnitee to serve in such capacity. Indemnitee is willing to serve, continue to serve and to take on additional service for or on behalf of the Company on the condition that he be so indemnified; [and]

[WHEREAS, Indemnitee has certain rights to indemnification and/or insurance provided by [NAME] which Indemnitee and [NAME] intend to be secondary to the primary obligation of the Company to indemnify Indemnitee as provided herein, with the Company's acknowledgement and agreement to the foregoing being a material condition to Indemnitee's willingness to serve on the Board;]

NOW, THEREFORE, in consideration of Indemnitee's agreement to serve as an officer or director from and after the date hereof, the parties hereto agree as follows:

1. Indemnity of Indemnitee. The Company hereby agrees to hold harmless and indemnify Indemnitee to the fullest extent permitted by law, as such may be amended from time to time. In furtherance of the foregoing indemnification, and without limiting the generality thereof:

(a) Proceedings Other Than Proceedings by or in the Right of the Company. Indemnitee shall be entitled to the rights of indemnification provided in this Section 1(a) if, by reason of his Corporate Status (as hereinafter defined), the Indemnitee is, or is threatened to be made, a party to or participant in any Proceeding (as hereinafter defined) other than a Proceeding by or in the right of the Company. Pursuant to this Section 1(a), Indemnitee shall be indemnified against all Expenses (as hereinafter defined), judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred by him, or on his behalf, in connection with such Proceeding or any claim, issue or matter therein, if the Indemnitee acted in good faith and in a manner the Indemnitee reasonably believed to be in or not opposed to the best interests of the Company, and with respect to any criminal Proceeding, had no reasonable cause to believe the Indemnitee's conduct was unlawful.

(b) Proceedings by or in the Right of the Company. Indemnitee shall be entitled to the rights of indemnification provided in this Section 1(b) if, by reason of his Corporate Status, the Indemnitee is, or is threatened to be made, a party to or participant in any Proceeding brought by or in the right of the Company. Pursuant to this Section 1(b), Indemnitee shall be indemnified against all Expenses actually and reasonably incurred by the Indemnitee, or on the Indemnitee's behalf, in connection with such Proceeding if the Indemnitee acted in good faith and in a manner the Indemnitee reasonably believed to be in or not opposed to the best interests of the Company; provided, however, if applicable law so provides, no indemnification against such Expenses shall be made in respect of any claim, issue or matter in such Proceeding as to which Indemnitee shall have been adjudged to be liable to the Company unless and to the extent that the Court of Chancery of the State of Delaware shall determine that such indemnification may be made.

(c) Indemnification for Expenses of a Party Who is Wholly or Partly Successful. Notwithstanding any other provision of this Agreement, to the extent that Indemnitee is, by reason of his Corporate Status, a party to and is successful, on the merits or otherwise, in any Proceeding, he shall be indemnified to the maximum extent permitted by law, as such may be amended from time to time, against all Expenses actually and reasonably incurred by him or on his behalf in connection therewith. If Indemnitee is not wholly successful in such Proceeding but is successful, on the merits or otherwise, as to one or more but less than all claims, issues or matters in such Proceeding, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred by him or on his behalf in connection with each successfully resolved claim, issue or matter. For purposes of this Section and without limitation, the termination of any claim, issue or matter in such a Proceeding by dismissal, with or without prejudice, shall be deemed to be a successful result as to such claim, issue or matter.

(d) Indemnification of Appointing Stockholder. If (i) Indemnitee is or was affiliated with one or more venture capital funds that has invested in the Company (an "***Appointing Stockholder***"), and (ii) the Appointing Stockholder is, or is threatened to be made, a party to or a participant in any Proceeding relating to or arising by reason of Appointing Stockholder's position as a stockholder of, or lender to, the Company, or Appointing Stockholder's appointment of or affiliation with Indemnitee or any other director, including without limitation any alleged misappropriation of a Company asset or corporate opportunity, any claim of misappropriation or infringement of intellectual property relating to the Company, any alleged false or misleading statement or omission made by the Company (or on its behalf) or its employees or agents, or any allegation of inappropriate control or influence over the Company or its Board members, officers, equity holders or debt holders, then the Appointing Stockholder will be entitled to indemnification hereunder for Expenses to the same extent as Indemnitee, and the terms of this Agreement as they relate to procedures for indemnification of Indemnitee and advancement of Expenses shall apply to any such indemnification of Appointing Stockholder.

(e) The rights provided to the Appointing Stockholder under this Section 1(d) shall (i) be suspended during any period during which the Appointing Stockholder does not have a representative on the Company's Board and (ii) terminate on an initial public offering of the Company's Common Stock; provided, however, that in the event of any such suspension or termination, the Appointing Stockholder's rights to indemnification will not be suspended or terminated with respect to any Proceeding based in whole or in part on facts and circumstances occurring at any time prior to such suspension or termination regardless of whether the Proceeding arises before or after such suspension or termination. The Company and Indemnitee agree that the Appointing Stockholder is an express third party beneficiary of the terms of this Section 1(d).

2. Additional Indemnity. In addition to, and without regard to any limitations on, the indemnification provided for in Section 1 of this Agreement, the Company shall and hereby does indemnify and hold harmless Indemnitee against all Expenses, judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred by him or on his behalf if, by reason of his Corporate Status, he is, or is threatened to be made, a party to or participant in any Proceeding (including a Proceeding by or in the right of the Company), including, without limitation, all liability arising out of the negligence or active or passive wrongdoing of Indemnitee. The only limitation that shall exist upon the Company's obligations pursuant to this Agreement shall be that the Company shall not be obligated to make any payment to Indemnitee that is finally determined (under the procedures, and subject to the presumptions, set forth in Sections 6 and 7 hereof) to be unlawful.

3. Contribution.

(a) Whether or not the indemnification provided in Sections 1 and 2 hereof is available, in respect of any threatened, pending or completed action, suit or proceeding in which the Company is jointly liable with Indemnitee (or would be if joined in such action, suit or proceeding), the Company shall pay, in the first instance, the entire amount of any judgment or settlement of such action, suit or proceeding without requiring Indemnitee to contribute to such payment and the Company hereby waives and relinquishes any right of contribution it may have against Indemnitee. The Company shall not enter into any settlement of any action, suit or proceeding in which the Company is jointly liable with Indemnitee (or would be if joined in such action, suit or proceeding) unless such settlement provides for a full and final release of all claims asserted against Indemnitee.

(b) Without diminishing or impairing the obligations of the Company set forth in the preceding subparagraph, if, for any reason, Indemnitee shall elect or be required to pay all or any portion of any judgment or settlement in any threatened, pending or completed action, suit or proceeding in which the Company is jointly liable with Indemnitee (or would be if joined in such action, suit or proceeding), the Company shall contribute to the amount of Expenses, judgments, fines and amounts paid in settlement actually and reasonably incurred and paid or payable by Indemnitee in proportion to the relative benefits received by the Company and all officers, directors or employees of the Company, other than Indemnitee, who are jointly liable with Indemnitee (or would be if joined in such action, suit or proceeding), on the one hand, and Indemnitee, on the other hand, from the transaction or events from which such action, suit or proceeding arose; provided, however, that the proportion determined on the basis of relative benefit may, to the extent necessary to conform to law, be further adjusted by reference to the relative fault of the Company and all officers, directors or employees of the Company other than Indemnitee who are jointly liable with Indemnitee (or would be if joined in such action, suit or proceeding), on the one hand, and Indemnitee, on the other hand, in connection with the transaction or events that resulted in such expenses, judgments, fines or settlement amounts, as well as any other equitable considerations which applicable law may require to be considered. The relative fault of the Company and all officers, directors or employees of the Company, other than Indemnitee, who are jointly liable with Indemnitee (or would be if joined in such action, suit or proceeding), on the one hand, and Indemnitee, on the other hand, shall be determined by reference to, among other things, the degree to which their actions were motivated by intent to gain personal profit or advantage, the degree to which their liability is primary or secondary and the degree to which their conduct is active or passive.

(c) The Company hereby agrees to fully indemnify and hold Indemnitee harmless from any claims of contribution which may be brought by officers, directors or employees of the Company, other than Indemnitee, who may be jointly liable with Indemnitee.

(d) To the fullest extent permissible under applicable law, if the indemnification provided for in this Agreement is unavailable to Indemnitee for any reason whatsoever, the Company, in lieu of indemnifying Indemnitee, shall contribute to the amount incurred by Indemnitee, whether for judgments, fines, penalties, excise taxes, amounts paid or to

be paid in settlement and/or for Expenses, in connection with any claim relating to an indemnifiable event under this Agreement, in such proportion as is deemed fair and reasonable in light of all of the circumstances of such Proceeding in order to reflect (i) the relative benefits received by the Company and Indemnitee as a result of the event(s) and/or transaction(s) giving cause to such Proceeding and/or (ii) the relative fault of the Company (and its directors, officers, employees and agents) and Indemnitee in connection with such event(s) and/or transaction(s).

4. Indemnification for Expenses of a Witness. Notwithstanding any other provision of this Agreement, to the extent that Indemnitee is, by reason of his Corporate Status, a witness, or is made (or asked) to respond to discovery requests, in any Proceeding to which Indemnitee is not a party, he shall be indemnified against all Expenses actually and reasonably incurred by him or on his behalf in connection therewith.

5. Advancement of Expenses. Notwithstanding any other provision of this Agreement, the Company shall advance all Expenses incurred by or on behalf of Indemnitee in connection with any Proceeding by reason of Indemnitee's Corporate Status within thirty (30) days after the receipt by the Company of a statement or statements from Indemnitee requesting such advance or advances from time to time, whether prior to or after final disposition of such Proceeding. Such statement or statements shall reasonably evidence the Expenses incurred by Indemnitee. The Indemnitee shall qualify for advances upon the execution and delivery to the Corporation of this Agreement, which shall constitute an undertaking by Indemnitee to repay any Expenses advanced if it shall ultimately be determined that Indemnitee is not entitled to be indemnified against such Expenses. Any advances and undertakings to repay pursuant to this Section 5 shall be unsecured and interest free.

6. Procedures and Presumptions for Determination of Entitlement to Indemnification. It is the intent of this Agreement to secure for Indemnitee rights of indemnity that are as favorable as may be permitted under the DGCL and public policy of the State of Delaware. Accordingly, the parties agree that the following procedures and presumptions shall apply in the event of any question as to whether Indemnitee is entitled to indemnification under this Agreement:

(a) To obtain indemnification under this Agreement, Indemnitee shall submit to the Company a written request, including therein or therewith such documentation and information as is reasonably available to Indemnitee and is reasonably necessary to determine whether and to what extent Indemnitee is entitled to indemnification. The Secretary of the Company shall, promptly upon receipt of such a request for indemnification, advise the Board in writing that Indemnitee has requested indemnification. Notwithstanding the foregoing, any failure of Indemnitee to provide such a request to the Company, or to provide such a request in a timely fashion, shall not relieve the Company of any liability that it may have to Indemnitee unless, and to the extent that, such failure actually and materially prejudices the interests of the Company.

(b) Upon written request by Indemnitee for indemnification pursuant to the first sentence of Section 6(a) hereof, a determination with respect to Indemnitee's entitlement thereto shall be made in the specific case by one of the following four methods, which shall be at the election of the Board: (1) by a majority vote of the disinterested directors, even though less than a quorum, (2) by a committee of disinterested directors designated by a majority vote of the disinterested directors, even though less than a quorum, (3) if there are no

disinterested directors or if the disinterested directors so direct, by independent legal counsel in a written opinion to the Board, a copy of which shall be delivered to the Indemnitee, or (4) if so directed by the Board, by the stockholders of the Company. For purposes hereof, disinterested directors are those members of the Board who are not parties to the action, suit or proceeding in respect of which indemnification is sought by Indemnitee.

(c) If the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 6(b) hereof, the Independent Counsel shall be selected as provided in this Section 6(c). The Independent Counsel shall be selected by the Board. Indemnitee may, within ten (10) days after such written notice of selection shall have been given, deliver to the Company a written objection to such selection; provided, however, that such objection may be asserted only on the ground that the Independent Counsel so selected does not meet the requirements of "Independent Counsel" as defined in Section 13 of this Agreement, and the objection shall set forth with particularity the factual basis of such assertion. Absent a proper and timely objection, the person so selected shall act as Independent Counsel. If a written objection is made and substantiated, the Independent Counsel selected may not serve as Independent Counsel unless and until such objection is withdrawn or a court has determined that such objection is without merit. If, within twenty (20) days after the conclusion of the Proceeding giving rise to the request for indemnification, no Independent Counsel shall have been selected and not objected to, either the Company or Indemnitee may petition the Court of Chancery of the State of Delaware for resolution of any objection which shall have been made by the Indemnitee to the Company's selection of Independent Counsel and/or for the appointment as Independent Counsel of a person selected by the court or by such other person as the court shall designate, and the person with respect to whom all objections are so resolved or the person so appointed shall act as Independent Counsel under Section 6(b) hereof. The Company shall pay any and all reasonable fees and expenses of Independent Counsel incurred by such Independent Counsel in connection with acting pursuant to Section 6(b) hereof, and the Company shall pay all reasonable fees and expenses incident to the procedures of this Section 6(c), regardless of the manner in which such Independent Counsel was selected or appointed.

(d) In making a determination with respect to entitlement to indemnification hereunder, the person or persons or entity making such determination shall presume that Indemnitee is entitled to indemnification under this Agreement. Anyone seeking to overcome this presumption shall have the burden of proof and the burden of persuasion by clear and convincing evidence. Neither the failure of the Company (including by its directors or independent legal counsel) to have made a determination prior to the commencement of any action pursuant to this Agreement that indemnification is proper in the circumstances because Indemnitee has met the applicable standard of conduct, nor an actual determination by the Company (including by its directors or independent legal counsel) that Indemnitee has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that Indemnitee has not met the applicable standard of conduct.

(e) Indemnitee shall be deemed to have acted in good faith if Indemnitee's action is based on the records or books of account of the Enterprise (as hereinafter defined), including financial statements, or on information supplied to Indemnitee by the officers of the Enterprise in the course of their duties, or on the advice of legal counsel for the Enterprise or on information or records given or reports made to the Enterprise by an independent certified public accountant or by an appraiser or other expert selected with reasonable care by the Enterprise. In addition, the knowledge and/or actions, or failure to act, of any director, officer,

agent or employee of the Enterprise shall not be imputed to Indemnitee for purposes of determining the right to indemnification under this Agreement. Whether or not the foregoing provisions of this Section 6(e) are satisfied, it shall in any event be presumed that Indemnitee has at all times acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Company. Anyone seeking to overcome this presumption shall have the burden of proof and the burden of persuasion by clear and convincing evidence.

(f) If the person, persons or entity empowered or selected under Section 6 to determine whether Indemnitee is entitled to indemnification shall not have made a determination within sixty (60) days after the conclusion of the Proceeding giving rise to the request for indemnification, the requisite determination of entitlement to indemnification shall be deemed to have been made and Indemnitee shall be entitled to such indemnification absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with the request for indemnification, or (ii) a prohibition of such indemnification under applicable law; provided, however, that such sixty (60)-day period may be extended for a reasonable time, not to exceed an additional thirty (30) days, if the person, persons or entity making such determination with respect to entitlement to indemnification in good faith requires such additional time to obtain or evaluate documentation and/or information relating thereto; and provided, further, that the foregoing provisions of this Section 6(f) shall not apply if the determination of entitlement to indemnification is to be made by the stockholders pursuant to Section 6(b) of this Agreement and if (A) within fifteen (15) days after the conclusion of the Proceeding giving rise to the request for indemnification, the Board or the Disinterested Directors, if appropriate, resolve to submit such determination to the stockholders for their consideration at an annual meeting thereof to be held within seventy-five (75) days after such resolution and such determination is made thereat, or (B) a special meeting of stockholders is called within fifteen (15) days after such resolution and such meeting is held for such purpose within sixty (60) days after having been so called and such determination is made thereat.

(g) Indemnitee shall cooperate with the person, persons or entity making such determination with respect to Indemnitee's entitlement to indemnification, including providing to such person, persons or entity upon reasonable advance request any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to Indemnitee and reasonably necessary to such determination. Any Independent Counsel, member of the Board or stockholder of the Company shall act reasonably and in good faith in making a determination regarding the Indemnitee's entitlement to indemnification under this Agreement. Any costs or expenses (including attorneys' fees and disbursements) incurred by Indemnitee in so cooperating with the person, persons or entity making such determination shall be borne by the Company (irrespective of the determination as to Indemnitee's entitlement to indemnification) and the Company hereby indemnifies and agrees to hold Indemnitee harmless therefrom.

(h) The Company acknowledges that a settlement or other disposition short of final judgment may be successful if it permits a party to avoid expense, delay, distraction, disruption and uncertainty. In the event that any action, claim or proceeding to which Indemnitee is a party is resolved in any manner other than by adverse judgment against Indemnitee (including, without limitation, settlement of such action, claim or proceeding with or without payment of money or other consideration) it shall be presumed that Indemnitee has been successful on the merits or otherwise in such action, suit or proceeding. Anyone seeking to overcome this presumption shall have the burden of proof and the burden of persuasion by clear and convincing evidence.

(i) The termination of any Proceeding or of any claim, issue or matter therein, by judgment, order, settlement or conviction, or upon a plea of nolo contendere or its equivalent, shall not (except as otherwise expressly provided in this Agreement) of itself adversely affect the right of Indemnitee to indemnification or create a presumption that Indemnitee did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Company or, with respect to any criminal Proceeding, that Indemnitee had reasonable cause to believe that his conduct was unlawful.

7. Remedies of Indemnitee.

(a) In the event that (i) a determination is made pursuant to Section 6 of this Agreement that Indemnitee is not entitled to indemnification under this Agreement, (ii) advancement of Expenses is not timely made pursuant to Section 5 of this Agreement, (iii) no determination of entitlement to indemnification is made pursuant to Section 6(b) of this Agreement within ninety (90) days after the conclusion of the Proceeding giving rise to the request for indemnification, (iv) payment of indemnification required by Section 4 is not made pursuant to this Agreement within thirty (30) days after receipt by the Company of a written request therefor or (v) payment of indemnification is not made within ten (10) days after a determination has been made that Indemnitee is entitled to indemnification or such determination is deemed to have been made pursuant to Section 6 of this Agreement, Indemnitee shall be entitled to an adjudication in Court of Chancery of the State of Delaware of Indemnitee's entitlement to such indemnification. Indemnitee shall commence such proceeding seeking an adjudication within one hundred eighty (180) days following the date on which Indemnitee first has the right to commence such proceeding pursuant to this Section 7(a). The Company shall not oppose Indemnitee's right to seek any such adjudication.

(b) In the event that a determination shall have been made pursuant to Section 6(b) of this Agreement that Indemnitee is not entitled to indemnification, any judicial proceeding commenced pursuant to this Section 7 shall be conducted in all respects as a de novo trial on the merits, and Indemnitee shall not be prejudiced by reason of the adverse determination under Section 6(b).

(c) If a determination shall have been made pursuant to Section 6(b) of this Agreement that Indemnitee is entitled to indemnification, the Company shall be bound by such determination in any judicial proceeding commenced pursuant to this Section 7, absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's misstatement not materially misleading in connection with the application for indemnification, or (ii) a prohibition of such indemnification under applicable law.

(d) In the event that Indemnitee, pursuant to this Section 7, seeks a judicial adjudication of his rights under, or to recover damages for breach of, this Agreement, or to recover under any directors' and officers' liability insurance policies maintained by the Company, the Company shall pay on his behalf, in advance, any and all expenses (of the types described in the definition of Expenses in Section 13 of this Agreement) actually and reasonably incurred by him in such judicial adjudication, regardless of whether Indemnitee ultimately is determined to be entitled to such indemnification, advancement of expenses or insurance recovery.

(e) The Company shall be precluded from asserting in any judicial proceeding commenced pursuant to this Section 7 that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such court that the Company is bound by all the provisions of this Agreement. The Company shall indemnify Indemnitee against any and all Expenses and, if requested by Indemnitee, shall (within ten (10) days after receipt by the Company of a written request therefore) advance, to the extent not prohibited by law, such expenses to Indemnitee, which are incurred by Indemnitee in connection with any action brought by Indemnitee for indemnification or advance of Expenses from the Company under this Agreement or under any directors' and officers' liability insurance policies maintained by the Company, regardless of whether Indemnitee ultimately is determined to be entitled to such indemnification, advancement of Expenses or insurance recovery, as the case may be.

(f) Notwithstanding anything in this Agreement to the contrary, no determination as to entitlement to indemnification under this Agreement shall be required to be made prior to the final disposition of the Proceeding.

8. Non-Exclusivity; Survival of Rights; Insurance; Primacy of Indemnification; Subrogation.

(a) The rights of indemnification as provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnitee may at any time be entitled under applicable law, the Certificate of Incorporation, the Bylaws, any agreement, a vote of stockholders, a resolution of directors of the Company, or otherwise. No amendment, alteration or repeal of this Agreement or of any provision hereof shall limit or restrict any right of Indemnitee under this Agreement in respect of any action taken or omitted by such Indemnitee in his Corporate Status prior to such amendment, alteration or repeal. To the extent that a change in the DGCL, whether by statute or judicial decision, permits greater indemnification than would be afforded currently under the Certificate of Incorporation, Bylaws and this Agreement, it is the intent of the parties hereto that Indemnitee shall enjoy by this Agreement the greater benefits so afforded by such change. No right or remedy herein conferred is intended to be exclusive of any other right or remedy, and every other right and remedy shall be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other right or remedy.

(b) To the extent that the Company maintains an insurance policy or policies providing liability insurance for directors, officers, employees, or agents or fiduciaries of the Company or of any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise that such person serves at the request of the Company, Indemnitee shall be covered by such policy or policies in accordance with its or their terms to the maximum extent of the coverage available for any director, officer, employee, agent or fiduciary under such policy or policies. If, at the time of the receipt of a notice of a claim pursuant to the terms hereof, the Company has directors' and officers' liability insurance in effect, the Company shall give prompt notice of the commencement of such proceeding to the insurers in accordance with the procedures set forth in the respective policies. The Company shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of the Indemnitee, all amounts payable as a result of such proceeding in accordance with the terms of such policies.

(c) [The Company hereby acknowledges that Indemnitee has certain rights to indemnification, advancement of expenses and/or insurance provided by [▯] and certain of its affiliates (collectively, the "***Fund Indemnitors***"). The Company hereby agrees (i) that it is the indemnitor of first resort (i.e., its obligations to Indemnitee are primary and any obligation of the Fund Indemnitors to advance expenses or to provide indemnification for the same expenses or liabilities incurred by Indemnitee are secondary), (ii) that it shall be required to advance the full amount of expenses incurred by Indemnitee and shall be liable for the full amount of all Expenses, judgments, penalties, fines and amounts paid in settlement to the extent legally permitted and as required by the terms of this Agreement and the Certificate of Incorporation or Bylaws of the Company (or any other agreement between the Company and Indemnitee), without regard to any rights Indemnitee may have against the Fund Indemnitors, and, (iii) that it irrevocably waives, relinquishes and releases the Fund Indemnitors from any and all claims against the Fund Indemnitors for contribution, subrogation or any other recovery of any kind in respect thereof. The Company further agrees that no advancement or payment by the Fund Indemnitors on behalf of Indemnitee with respect to any claim for which Indemnitee has sought indemnification from the Company shall affect the foregoing and the Fund Indemnitors shall have a right of contribution and/or be subrogated to the extent of such advancement or payment to all of the rights of recovery of Indemnitee against the Company. The Company and Indemnitee agree that the Fund Indemnitors are express third party beneficiaries of the terms of this Section 8(c).]

(d) [Except as provided in paragraph (c) above,] in the event of any payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee (other than against the Fund Indemnitors), who shall execute all papers required and take all action necessary to secure such rights, including execution of such documents as are necessary to enable the Company to bring suit to enforce such rights.

(e) [Except as provided in paragraph (c) above,] the Company shall not be liable under this Agreement to make any payment of amounts otherwise indemnifiable hereunder if and to the extent that Indemnitee has otherwise actually received such payment under any insurance policy, contract, agreement or otherwise.

(f) [Except as provided in paragraph (c) above,] the Company's obligation to indemnify or advance Expenses hereunder to Indemnitee who is or was serving at the request of the Company as a director, officer, employee or agent of any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise shall be reduced by any amount Indemnitee has actually received as indemnification or advancement of expenses from such other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise.

9. Exception to Right of Indemnification. Notwithstanding any provision in this Agreement, the Company shall not be obligated under this Agreement to make any indemnity in connection with any claim made against Indemnitee:

(a) for which payment has actually been made to or on behalf of Indemnitee under any insurance policy or other indemnity provision, except with respect to any excess beyond the amount paid under any insurance policy or other indemnity provision[, provided, that the foregoing shall not affect the rights of Indemnitee or the Fund Indemnitors set forth in Section 8(c) above]; or

(b) for an accounting of profits made from the purchase and sale (or sale and purchase) by Indemnitee of securities of the Company within the meaning of Section 16(b) of the Securities Exchange Act of 1934, as amended, or similar provisions of state statutory law or common law; or

(c) in connection with any Proceeding (or any part of any Proceeding) initiated by Indemnitee, including any Proceeding (or any part of any Proceeding) initiated by Indemnitee against the Company or its directors, officers, employees or other indemnitees, unless (i) the Board authorized the Proceeding (or any part of any Proceeding) prior to its initiation or (ii) the Company provides the indemnification, in its sole discretion, pursuant to the powers vested in the Company under applicable law.

10. Duration of Agreement. All agreements and obligations of the Company contained herein shall continue during the period Indemnitee is an officer or director of the Company (or is or was serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise) and shall continue thereafter so long as Indemnitee shall be subject to any Proceeding (or any proceeding commenced under Section 7 hereof) by reason of his Corporate Status, whether or not he is acting or serving in any such capacity at the time any liability or expense is incurred for which indemnification can be provided under this Agreement. This Agreement shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and their respective successors (including any direct or indirect successor by purchase, merger, consolidation or otherwise to all or substantially all of the business or assets of the Company), assigns, spouses, heirs, executors and personal and legal representatives.

11. Security. To the extent requested by Indemnitee and approved by the Board, the Company may at any time and from time to time provide security to Indemnitee for the Company's obligations hereunder through an irrevocable bank line of credit, funded trust or other collateral. Any such security, once provided to Indemnitee, may not be revoked or released without the prior written consent of the Indemnitee.

12. Enforcement.

(a) The Company expressly confirms and agrees that it has entered into this Agreement and assumes the obligations imposed on it hereby in order to induce Indemnitee to serve as an officer or director of the Company, and the Company acknowledges that Indemnitee is relying upon this Agreement in serving as an officer or director of the Company.

(b) This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral, written and implied, between the parties hereto with respect to the subject matter hereof.

(c) The Company shall not seek from a court, or agree to, a "bar order" which would have the effect of prohibiting or limiting the Indemnitee's rights to receive advancement of expenses under this Agreement.

13. Definitions. For purposes of this Agreement:

(a) "***Corporate Status***" describes the status of a person who is or was a director, officer, employee, agent or fiduciary of the Company or of any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise that such person is or was serving at the express written request of the Company.

(b) "***Disinterested Director***" means a director of the Company who is not and was not a party to the Proceeding in respect of which indemnification is sought by Indemnitee.

(c) "***Enterprise***" shall mean the Company and any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise that Indemnitee is or was serving at the express written request of the Company as a director, officer, employee, agent or fiduciary.

(d) "***Expenses***" shall include all reasonable attorneys' fees, retainers, court costs, transcript costs, fees of experts, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees and all other disbursements or expenses of the types customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, participating, or being or preparing to be a witness in a Proceeding, or responding to, or objecting to, a request to provide discovery in any Proceeding. Expenses also shall include Expenses incurred in connection with any appeal resulting from any Proceeding and any federal, state, local or foreign taxes imposed on the Indemnitee as a result of the actual or deemed receipt of any payments under this Agreement, including without limitation the premium, security for, and other costs relating to any cost bond, supersede as bond, or other appeal bond or its equivalent. Expenses, however, shall not include amounts paid in settlement by Indemnitee or the amount of judgments or fines against Indemnitee.

(e) "***Independent Counsel***" means a law firm, or a member of a law firm, that is experienced in matters of corporation law and neither presently is, nor in the past five years has been, retained to represent: (i) the Company or Indemnitee in any matter material to either such party (other than with respect to matters concerning Indemnitee under this Agreement, or of other indemnitees under similar indemnification agreements), or (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term "Independent Counsel" shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee's rights under this Agreement. The Company agrees to pay the reasonable fees of the Independent Counsel referred to above and to fully indemnify such counsel against any and all Expenses, claims, liabilities and damages arising out of or relating to this Agreement or its engagement pursuant hereto.

(f) "***Proceeding***" includes any threatened, pending or completed action, suit, arbitration, alternate dispute resolution mechanism, investigation, inquiry, administrative hearing or any other actual, threatened or completed proceeding, whether brought by or in the right of the Company or otherwise and whether civil, criminal, administrative or investigative, in which Indemnitee was, is or will be involved as a party or otherwise, by reason of his or her Corporate Status, by reason of any action taken by him or of any inaction on his part while acting in his or her Corporate Status; in each case whether or not he is acting or serving in any such capacity at the time any liability or expense is incurred for which indemnification can be provided under this Agreement; including one pending on or before the date of this Agreement, but excluding one initiated by an Indemnitee pursuant to Section 7 of this Agreement to enforce his rights under this Agreement.

14. Severability. The invalidity or unenforceability of any provision hereof shall in no way affect the validity or enforceability of any other provision. Further, the invalidity or unenforceability of any provision hereof as to either Indemnitee or Appointing Stockholder shall in no way affect the validity or enforceability of any provision hereof as to the other. Without limiting the generality of the foregoing, this Agreement is intended to confer upon Indemnitee and Appointing Stockholder indemnification rights to the fullest extent permitted by applicable laws. In the event any provision hereof conflicts with any applicable law, such provision shall be deemed modified, consistent with the aforementioned intent, to the extent necessary to resolve such conflict.

15. Modification and Waiver. No supplement, modification, termination or amendment of this Agreement shall be binding unless executed in writing by both of the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions hereof (whether or not similar) nor shall such waiver constitute a continuing waiver.

16. Notice By Indemnitee. Indemnitee agrees promptly to notify the Company in writing upon being served with or otherwise receiving any summons, citation, subpoena, complaint, indictment, information or other document relating to any Proceeding or matter which may be subject to indemnification covered hereunder. The failure to so notify the Company shall not relieve the Company of any obligation which it may have to Indemnitee under this Agreement or otherwise unless and only to the extent that such failure or delay materially prejudices the Company.

17. Notices. All notices and other communications given or made pursuant to this Agreement shall be in writing and shall be deemed effectively given: (a) upon personal delivery to the party to be notified, (b) when sent by confirmed electronic mail or facsimile if sent during normal business hours of the recipient, and if not so confirmed, then on the next business day, (c) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (d) one (1) day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All communications shall be sent:

(a) To Indemnitee at the address set forth below Indemnitee signature hereto.

(b) To the Company at:

Evelo Biosciences, Inc.
620 Memorial Drive, Suite 200

Cambridge, MA 02139
Attention: Chief Executive Officer

or to such other address as may have been furnished to Indemnitee by the Company or to the Company by Indemnitee, as the case may be.

18. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, *e.g.*, www.docusign.com) or any other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

19. Headings. The headings of the paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof.

20. Governing Law and Consent to Jurisdiction. This Agreement and the legal relations among the parties shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, without regard to its conflict of laws rules. The Company and Indemnitee hereby irrevocably and unconditionally (i) agree that any action or proceeding arising out of or in connection with this Agreement shall be brought only in the Chancery Court of the State of Delaware (the "***Delaware Court***"), and not in any other state or federal court in the United States of America or any court in any other country, (ii) consent to submit to the exclusive jurisdiction of the Delaware Court for purposes of any action or proceeding arising out of or in connection with this Agreement, (iii) appoint, to the extent such party is not otherwise subject to service of process in the State of Delaware, irrevocably The Corporation Trust Center, 1209 Orange Street, Wilmington, DE 19801 as its agent in the State of Delaware as such party's agent for acceptance of legal process in connection with any such action or proceeding against such party with the same legal force and validity as if served upon such party personally within the State of Delaware, (iv) waive any objection to the laying of venue of any such action or proceeding in the Delaware Court, and (v) waive, and agree not to plead or to make, any claim that any such action or proceeding brought in the Delaware Court has been brought in an improper or inconvenient forum.

SIGNATURE PAGE TO FOLLOW

IN WITNESS WHEREOF, the parties hereto have executed this Indemnification Agreement on and as of the day and year first above written.

EVELO BIOSCIENCES, INC.

By: _____

Name: _____

Title: _____

INDEMNITEE

_____

Name: _____

Address:

_____

_____

_____

_____

SUBLEASE AGREEMENT

This **Sublease Agreement** ("**Sublease"**), dated December 27, 2017 (the "**Effective Date**"), is by and between Bio-Rad Laboratories, Inc., a Delaware corporation, having its principle place of business at 1000 Alfred Nobel Drive, Hercules, California 94547 ("**Sublandlord**"), and Evelo Biosciences, Inc., a Delaware corporation, having an office at 620 Memorial Dr. #200, Cambridge, MA 02139 ("**Subtenant**");

WHEREAS, Sublandlord is the tenant under that certain lease agreement dated December 5, 2014 ("**Primary Lease**") with 620 Memorial Leasehold LLC, a Massachusetts limited liability company ("**Prime Landlord**"); and

WHEREAS, pursuant to the Primary Lease, Sublandlord leased those certain premises (the "**Premises**") more particularly described in the Primary Lease and located in the building having a street address of 620 Memorial Drive, Cambridge, Massachusetts ("**Building**"); and

WHEREAS, Sublandlord desires to sublease the Premises to Subtenant, and Subtenant desires to sublease the Premises from Sublandlord, in accordance with the terms and conditions of this Sublease.

NOW, THEREFORE, in consideration of the mutual covenants, terms and conditions set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Demise. Sublandlord hereby leases to Subtenant, and Subtenant hereby leases from Sublandlord, the Premises (also referred herein, as the "**Subleased Premises**") shown on Exhibit A attached to and made a part of this Sublease, located on the first (1st), fourth (4th), and fifth (5th) floors of the Building and comprising the entire **Premises**. The Sublease Premises is approximately 40,765 rentable square feet of space, consisting of approximately 12,691 rentable square feet on the fifth (5th) floor, approximately 21,034 rentable square feet on the fourth (4th) floor, and approximately 7,040 rentable square feet on the first (1st floor).

2. Term.

(a) The term of this Sublease ("**Term**") shall commence on February 1, 2018 (the "**Sublease Commencement Date**"), and ending on September 30, 2025 (the "**Sublease Expiration Date**"), unless sooner terminated or cancelled in accordance with the terms and conditions of this Sublease.

(b) Subtenant shall not be entitled to exercise any options to extend or renew the term of the Primary Lease. These options are expressly retained by Sublandlord and may be exercised or waived by Sublandlord in its sole and absolute discretion.

(c) If for any reason the term of the Primary Lease is terminated prior to the Sublease Expiration Date, this Sublease shall terminate on the date of such termination and Sublandlord shall not be liable to Subtenant for such termination.

3. Permitted Use. Subtenant shall use and occupy the Subleased Premises solely in accordance with, and as permitted under, the terms of the Primary Lease and for no other purpose.

4. Payment of Base Rent and Additional Rent.

(a) Throughout the Term of this Sublease, Subtenant shall pay to Sublandlord fixed base rent ("**Base Rent**") at a per annum rate from April 1, 2018 (the "**Rent Commencement Date**") to the Sublease Expiration Date, as listed below, payable in equal monthly installments. Subtenant shall pay to Sublandlord installments of Base Rent no less than five (5) business days prior to the date same is due under the Primary Lease.

Rent Period	Per Annum	Per Square Feet	Monthly Installment
04/01/18 - 09/30/2018	$2,700,681.25	$66.25	$225,056.77
10/01/2018 - 09/30/2019	$2,781,701.69	$68.24	$231,808.47
10/01/2019 - 09/30/2020	$2,864,964.20	$70.28	$238,747.02
10/01/2020 - 09/30/2021	$2,950,913.13	$72.39	$245,909.43
10/01/2021 - 09/30/2022	$3,039,640.54	$74.56	$253,303.38
10/01/2022 - 09/30/2023	$3,130,752.00	$76.80	$260,896.00
10/01/2023 - 09/30/2024	$3,224,919.15	$79.11	$268,743.26
10/01/2024 - 09/30/2025	$3,321,532.20	$81.48	$276,794.35

(b) In addition to Base Rent, commencing on the Sublease Commencement Date and continuing throughout the Term of this Sublease, Subtenant shall pay to Sublandlord:

(i) 100% of the Parking Spaces at the then-current rates, as such rate may vary from time to time. (As of the Effective Date of this Sublease, the current rate is $200 per Parking Space.);

(ii) 100% of all costs paid directly by Sublandlord for electricity and other utilities for the Sublease Premises; and,

(iii) All amounts due and payable by Sublandlord under the Primary Lease due or attributable to the Subleased Premises or the actions or omissions of Subtenant.

(c) In addition to Base Rent, commencing on Sublease Commencement Date and continuing throughout the Term of this Sublease, Subtenant shall pay to Sublandlord:

(i) 100% of Sublandlord's share of Operating Costs under the Primary Lease;

(ii) 100% of Sublandlord's share of Taxes under the Primary Lease.

The charges in subpart (b) and (c) are collectively, "**Additional Rent**." Additional Rent shall be payable to Sublandlord in monthly installments based on estimates provided by Sublandlord no less than ten (10) days prior to the date same is due under the Primary Lease.

(d) All Base Rent and Additional Rent shall be due and payable without demand therefor unless otherwise designated by Sublandlord and without any deduction, offset, abatement, counterclaim or defense. The monthly installments of Base Rent and Additional Rent payable on account of any partial calendar month during the Term of this Sublease, if any, shall be prorated. Any other amount due under this Sublease shall be due and payable fifteen (15) days following Subtenant's receipt of Sublandlord's invoice therefor (which shall be accompanied by such reasonable backup as would enable Subtenant to confirm the amount thereof).

5. Letter of Credit. Simultaneously with the execution and delivery of this Sublease by Subtenant to Sublandlord, Subtenant shall deliver to Sublandlord a clean, irrevocable letter of credit in the amount of One Million Two Hundred Fifty Thousand and 00/100 Dollars ($1,250,000.00) (the "**Letter of Credit Amount**") as security for the full and faithful performance by Subtenant of Subtenant's obligations hereunder and which shall comply with, and may be drawn by Sublandlord in accordance with, the provisions of Exhibit E attached hereto (such letter of credit, together with any renewal or replacement thereof in accordance herewith, being referred to herein as the "**Letter of Credit**.**"**

(a) Subject to subpart (b) and provided there is no Event of Default by the Subtenant at any time during the Term: (i) during the period of time from April 1, 2020 through March 31, 2021 (both dates inclusive), the Letter of Credit Amount will be reduced to One Million and 00/100 Dollars ($1,000,000.00); and (ii) during the period of time from April 1, 2021 through the Sublease Expiration Date (both dates inclusive), the Letter of Credit Amount will be further reduced to Eight Hundred Fifty Thousand and 00/100 Dollars ($850,000.00).

(b) To effect a reduction of the Letter of Credit Amount as set forth above in subpart (a), Subtenant shall either (x) deliver to Sublandlord a proposed consent to amendment to the Letter of Credit, which amendment shall be reasonably acceptable to the Sublandlord in all respects, reducing the amount of the Letter of Credit to the then-applicable Letter of Credit Amount, or (y) deliver to Landlord a replacement Letter of Credit in the amount of the then-applicable Letter of Credit Amount, which replacement Letter of Credit shall in all respects comply with all of the requirements of this Section 5. Within twenty (20) business days after delivery of either the proposed consent to an amendment to the Letter of Credit or proposed replacement Letter of Credit, Sublandlord will either (A) execute such consent in accordance with the terms thereof, or provide its reasonable objections to such proposed consent or amendment, or (B) consent to the cancellation of the existing Letter of Credit and to the exchange of the replacement Letter of Credit for such existing Letter of Credit.

6. Incorporation of Primary Lease by Reference.

(a) The terms, covenants and conditions of the Primary Lease are incorporated herein by reference, except to the extent they are expressly deleted or modified by the provisions of this Sublease. Every term, covenant and condition of the Primary Lease binding upon or inuring to the benefit of Prime Landlord shall, in respect of this Sublease, be binding upon or inure to the benefit of Sublandlord and every term, covenant and condition of the Primary Lease binding upon or inuring to the benefit of Sublandlord shall, in respect of this Sublease, be binding upon and inure to the benefit of Subtenant. Whenever the term "**Lessor**" appears in the Primary Lease, the word "**Sublandlord**" shall be substituted therefore; whenever the term "**Lessee**" appears in the Primary Lease, the word "**Subtenant**" shall be substituted therefore; whenever the word "**Premises**" appears in the Primary Lease, the word "**Subleased Premises**" shall be substituted therefore.

(b) Notwithstanding the foregoing, (i) the following numbered sections of the Primary Lease shall not apply to this Sublease: Section 1.2 (Extension Terms); Section 1.7 (Early Termination Right); Section 3 (Condition of Premises; Construction); Section 6 (Expansion Option Prior to

Term Commencement Date); Section 7 (ROFO); Section 13 (Assignment, Mortgage and Subletting); Section 24 (Notices), excepting as set forth below in Section 19 (Notices); and, Exhibit 4 (Plans for Landlord's Base Building Work); Exhibit 5 (Matrix); Exhibit 6; Exhibits 8A (Tenant's Hazardous Materials); and, (ii) the time limits contained in the Primary Lease for Sublandlord, as tenant, to give notices, make demands or perform any act, covenant or condition or to exercise any right, remedy or option, are modified herein by shortening the same in each instance by five (5) days. In case such time limits in the Primary Lease are for less than five (5) days, those time limits are modified herein by shortening the same by fifty percent (50%).

7. Subordination to Primary Lease. This Sublease is subject and subordinate to the Primary Lease. A redacted copy of the Primary Lease is attached hereto as Exhibit C and made a part of this Sublease.

8. Representations of Sublandlord. Sublandlord represents and warrants the following is true and correct as of the date hereof:

(a) Sublandlord is the tenant under the Primary Lease and has the capacity to enter into this Sublease with Subtenant.

(b) The Primary Lease attached hereto as Exhibit C is a true, correct and complete copy of the Primary Lease, is in full force and effect, and has not been further modified, amended or supplemented except as expressly set forth herein.

(c) Sublandlord has not received any notice, and has no actual knowledge, of any default by Sublandlord under the Primary Lease. To Sublandlord's actual knowledge, Primary Landlord is not in default under the Primary Lease.

9. AS-IS Condition. Subtenant accepts the Subleased Premises in its current, "as-is" condition. Sublandlord shall have no obligation to furnish or supply any work, services, furniture, fixtures, equipment or decorations (other than the "Retained Furniture"as defined herein), except Sublandlord shall deliver the Subleased Premises in broom clean condition and with existing Building systems serving the Premises in good working order. The obligations of Subtenant hereunder shall survive the expiration or earlier termination of this Sublease. Notwithstanding the foregoing, Subtenant shall not be liable for any damage to the Subleased Premises caused by Sublandlord in connection with Sublandlord's vacating the Subleased Premises.

10. Alterations. Subtenant **Alterations** shall be subject to Section 11 of the Primary Lease.

11. Performance by Sublandlord. Notwithstanding any other provision of this Sublease, Sublandlord shall have no obligation (a) to furnish or provide, or cause to be furnished or provided, any repairs, restoration, alterations or other work, or electricity, heating, ventilation, air-conditioning, water, elevator, cleaning or other utilities or services, or (b) to comply with or perform or, except as expressly provided in this Sublease, to cause the compliance with or performance of, any of the terms and conditions required to be performed by Prime Landlord pursuant to the terms of the Primary Lease. Subtenant hereby agrees that Prime Landlord is solely responsible for the performance of the foregoing obligations, but in the event that such performance is interrupted, rent shall be abated hereunder to the extent that rent is abated under the Primary Lease for such interruption. Notwithstanding the foregoing, upon the written request of Subtenant, Sublandlord shall make a written demand upon Prime Landlord

to perform its obligations under the Primary Lease with respect to the Subleased Premises if Prime Landlord fails to perform same within the time frame and in the manner required pursuant to the Primary Lease; provided, however, Subtenant shall not be required to bring any action against the Prime Landlord to enforce its obligations. In the event Sublandlord makes written demand upon Prime Landlord or brings an action against Prime Landlord to enforce Prime Landlord's obligations under the Primary Lease with respect to the Subleased Premises, all costs and expenses (including without limitation reasonable attorneys' fees and expenses) so incurred by Sublandlord in connection therewith shall be deemed Additional Rent and shall be due and payable by Subtenant to Sublandlord within ten (10) days after notice from Sublandlord. Sublandlord will, to the same extent it is relieved of its obligations to the Prime Landlord as a result of non-performance by the Prime Landlord, relieve Subtenant. In no event shall Sublandlord be liable to Subtenant in damages, nor shall rent abate hereunder (except as stated in this Section 11), for or on account of any failure by the Prime Landlord to perform the obligations and duties imposed on it under the Primary Lease.

12. No Privity of Estate; No Privity of Contract. Nothing in this Sublease shall be construed to create privity of estate or privity of contract between Subtenant and Prime Landlord.

13. No Breach of Primary Lease. Subtenant shall not do or permit to be done any act or thing, or omit to do anything, which may constitute a breach or violation of any term, covenant or condition of the Primary Lease, notwithstanding such act, thing or omission is permitted under the terms of this Sublease.

14. Subtenant Defaults.

(a) If Subtenant fails to cure a default under this Sublease within any applicable grace or cure period contained in the Primary Lease, Sublandlord, after five (5) days' notice to Subtenant, shall have the right, but not the obligation, to seek to remedy any such default on the behalf of, and at the expense of, Subtenant, provided, however, that in the case of: (i) a life safety or property related emergency; or (ii) a default which must be cured within a time frame set forth in the Primary Lease which does not allow sufficient time for prior notice to be given to Subtenant, Sublandlord may remedy any such default without being required first to give notice to Subtenant. Any reasonable cost and expense (including without limitation reasonable attorneys' fees and expenses) so incurred by Sublandlord shall be deemed Additional Rent and shall be due and payable by Subtenant to Sublandlord within ten (10) business days after notice from Sublandlord.

(b) If Subtenant fails to pay any installment of Base Rent or Additional Rent within five (5) days after the due date of such payment, Subtenant shall pay to Sublandlord, as Additional Rent, a "**late charge**" equal to five percent (5%) of any delinquent amount overdue for the purposes of defraying the expense of handling such delinquent payment.

(c) If Subtenant fails to pay any installment of Base Rent or Additional Rent within five (5) days from the due date of such payment, in addition to the payment of the late charge set forth immediately above, Subtenant shall also pay to Sublandlord, as Additional Rent, interest at the Default Rate (hereinafter defined) from the due date of such payment to the date payment is made. "**Default Rate**" shall mean a rate per annum equal to the lesser of: (i) ten percent (10%) or (ii) the highest rate of interest permitted by applicable laws.

15. Consents.

(a) Whenever the consent or approval of Sublandlord is required, Subtenant shall also be obligated to obtain the written consent or approval of Prime Landlord, if required pursuant to the terms of the Primary Lease. Sublandlord shall promptly make such consent request on behalf of Subtenant and Subtenant shall promptly provide any information or documentation that Prime Landlord may request. Subtenant shall reimburse Sublandlord, not later than ten (10) days after written demand by Sublandlord, for any fees and disbursements of attorneys, architects, engineers or others charged by Prime Landlord in connection with any consent or approval. Sublandlord shall have no liability of any kind to Subtenant for Prime Landlord's failure to give its consent or approval.

(b) Sublandord may not modify or amend the Primary Lease in a manner that would materially and adversely affect the Sublease Premises or the Subtenant's permitted use and occupancy thereof, without Subtenant's prior written consent (except to the extent such modification or amendment is required by applicable law or regulations), which consent shall not be unreasonably withheld, conditioned or delayed. For avoidance of doubt, the exercise of any rights under Section 15 (Casualty; Taking) of the Primary Lease shall not be deemed a violation of this Section 15(b).

16. Assignment or Subletting. Subtenant shall not sublet all or any portion of the Subleased Premises or assign, encumber, mortgage, pledge or otherwise transfer this Sublease (by operation of law or otherwise) or any interest therein, without the prior written consent of: (a) Sublandlord, which consent shall not be unreasonably withheld, conditioned or delayed, and (b) Prime Landlord. Notwithstanding the foregoing, no such consent shall be required in the event of a Transfer (as defined in the Primary Lease) permitted without consent under Section 13.7 (Exceptions to Requirement for Consent) of the Primary Lease.

17. Hazardous Materials. Subtenant's Hazardous Materials list is attached hereto as Exhibit D and made a part of this Sublease.

18. Surrender of the Subleased Premises. For the avoidance of doubt, Section 21.1 (Surrender) of the Primary Lease applies to the Sublease.

19. Furniture. Throughout the Sublease Term, Subtenant shall have beneficial use of the furniture, fixtures and equipment (the "**Retained Furniture**"). Subtenant hereby accepts the Retained Furniture in their "as is" condition, and acknowledges that while Sublandlord maintains ownership of the Retained Furniture during the Term, Sublandlord has made no representations or warranties of any kind with respect to the Retained Furniture, other than to represent that same is owned by Sublandlord, free and clear of all security interests or chattel mortgages, or its condition, and Sublandlord shall have no obligation to Subtenant at any time for any repair or replacement with respect to the Retained Furniture. Subtenant shall, at its sole cost and expense, maintain and repair the Retained Furniture using a qualified third party vendor, so that the Retained Furniture is in substantially the same condition and repair on the Expiration Date as it was on the date hereof, reasonable wear and tear and damage from Casualty (to the extent such Casualty is covered by Section 15 (Casualty; Taking) of the Primary Lease) excepted.

(a) If Subtenant elects to remove or dispose of any Retained Furniture during the Sublease Term, Subtenant shall notify Sublandlord of the same and provided Sublandlord does not remove the same from the Subleased Premises within thirty (30) days following receipt of such notice from Subtenant, Subtenant shall have the right to remove or dispose of the same without obligation or liability to Sublandlord.

(b) At the end of the Sublease Term, the Retained Furniture that has not been removed or disposed of during the term shall become the property of Subtenant. For the purposes herein, "**Retained Furniture**" means all furniture, fixtures, and equipment listed on Exhibit D, attached hereto and incorporated herein by reference. Sublandlord shall, prior to the Sublease Commencement Date, remove all furniture, fixtures and equipment located within the Premises and not listed on Exhibit D.

20. Indemnity. For the avoidance of doubt, the obligations of Section 14.2 (Indemnification) to the Primary Lease shall apply to each of the respective parties to this Sublease.

21. Release. Subtenant hereby releases Sublandlord or anyone claiming through or under Sublandlord by way of subrogation or otherwise. Subtenant hereby releases Prime Landlord or anyone claiming through or under Prime Landlord by way of subrogation or otherwise to the extent that Sublandlord releases Prime Landlord pursuant to the terms of the Primary Lease. Subtenant shall cause its insurance carriers to include any clauses or endorsements in favor of Sublandlord, Prime Landlord and any additional parties, which Sublandlord is required to provide pursuant to the provisions of the Primary Lease.

22. Notices. All notices and other communications required or permitted under this Sublease shall be given in the same manner as in the Primary Lease. Notices shall be addressed to the addresses set forth below:

To Subtenant prior to the Commencement Date at:	The above address.
To Subtenant after the Commencement Date at:	Evelo Biosciences, Inc. 620 Memorial Drive, Fifth Floor, Cambridge, MA 02139 Attn: Chief Financial Officer
To Sublandlord at:	Bio-Rad Laboratories, Inc. 1000 Alfred Nobel Drive Hercules, California 94547 Attn: Director, Global Real Estate and Facilities
With a copy to:	Bio-Rad Laboratories, Inc. 1000 Alfred Nobel Drive Hercules, CA 94547 Attn: General Counsel Fax: 510-741-5815

23. Brokers. Sublandlord and Subtenant each represent to the other that it has not dealt with any other broker other than Colliers International ("**Subtenant's Broker**") and McCall & Almy ("**Sublandlord's Broker**," and collectively with Subtenant's Broker, "**Broker**") in connection with this Sublease and the transactions contemplated hereby. Sublandlord shall compensate Subtenant's Broker and Sublandlord's Broker each in accordance with a separate agreement. Sublandlord and Subtenant each indemnify and hold harmless the other from and against all claims, liabilities, damages, costs and expenses (including without limitation reasonable attorneys' fees and other charges) arising out of any claim, demand or proceeding for commissions, fees, reimbursement for expenses or other compensation by any person or entity who shall claim to have dealt with the indemnifying party in connection with the Sublease other than Broker. This Section 23 shall survive the expiration or earlier termination of this Sublease.

24. Defined Terms. All capitalized terms not otherwise defined in this Sublease shall have the definitions contained in the Primary Lease.

25. Choice of Law. This Sublease shall be governed by, and construed in accordance with, the laws of the Commonwealth of Massachusetts, without regard to conflict of law rules.

26. Time is of the Essence. Time is of the essence with each provision of this Sublease.

27. Successors and Assigns. The covenants and agreement contained in this Sublease shall bind and inure to the benefit of Sublandlord and Subtenant and their respective permitted successors and assigns.

28. Counterparts. This Sublease may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original for all purposes, and all such counterparts shall together constitute but one and the same instrument. A signed copy of this Sublease delivered by either facsimile or e-mail shall be deemed to have the same legal effect as delivery of an original signed copy of this Sublease.

29. Amendments and Modifications. This Sublease may not be modified or amended in any manner other than by a written agreement signed by the party to be charged.

30. Entire Agreement. This Sublease contains the entire agreement between the parties with respect to the subject matter contained herein and all prior negotiations and agreement are merged herein. In the event any provisions of this Sublease are held to be invalid or unenforceable in any respect, the validity, legality or enforceability of the remaining provisions of this Sublease shall remain unaffected.

31. Precondition – Prime Landlord Consent to Sublease. This Sublease is expressly conditioned upon obtaining the written consent of Prime Landlord ("**Prime Landlord Consent**"). If the Prime Landlord Consent is not obtained within thirty (30) days from the Effective Date above, either party may terminate this Sublease upon ten (10) days prior written notice to the other, whereupon Sublandlord shall promptly refund all deposits and letters of credits to Subtenant, and neither party shall have any further obligation to the other under this Sublease.

[SIGNATURE ON NEXT PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Sublease as of the Effective Date above.

SUBLANDLORD:

Bio-Rad Laboratories, Inc.

By /s/ Carla Evans
Name: Carla Evans
Title: Director Global RE & Facilities

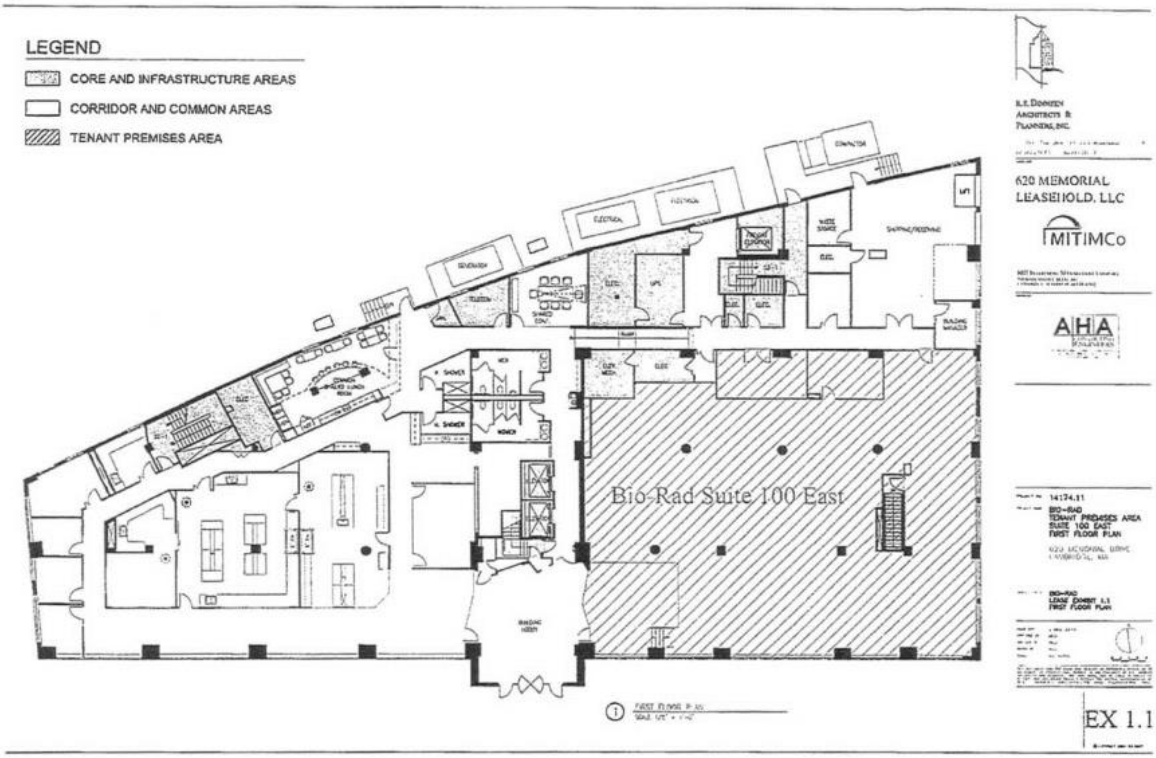
SUBTENANT:

Evelo Biosciences, Inc.

By /s/ Jennifer Glennon
Name: Jennifer Glennon
Title: Vice President, Finance and Operations

EXHIBIT A

[DESCRIPTION OF SUBLEASED PREMISES]

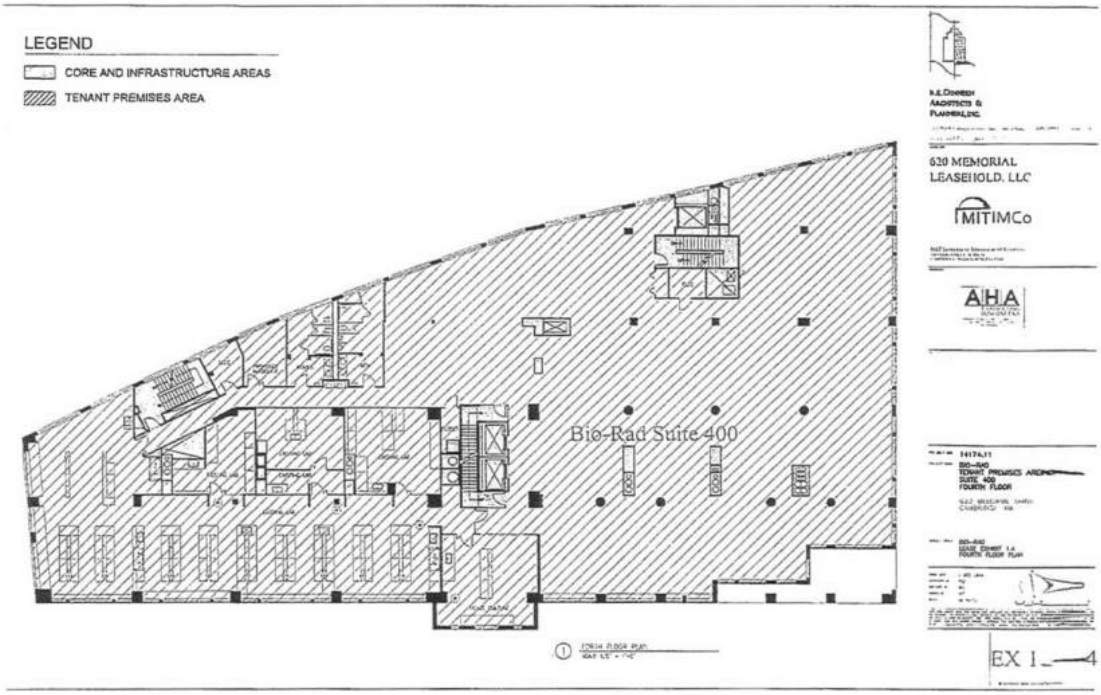


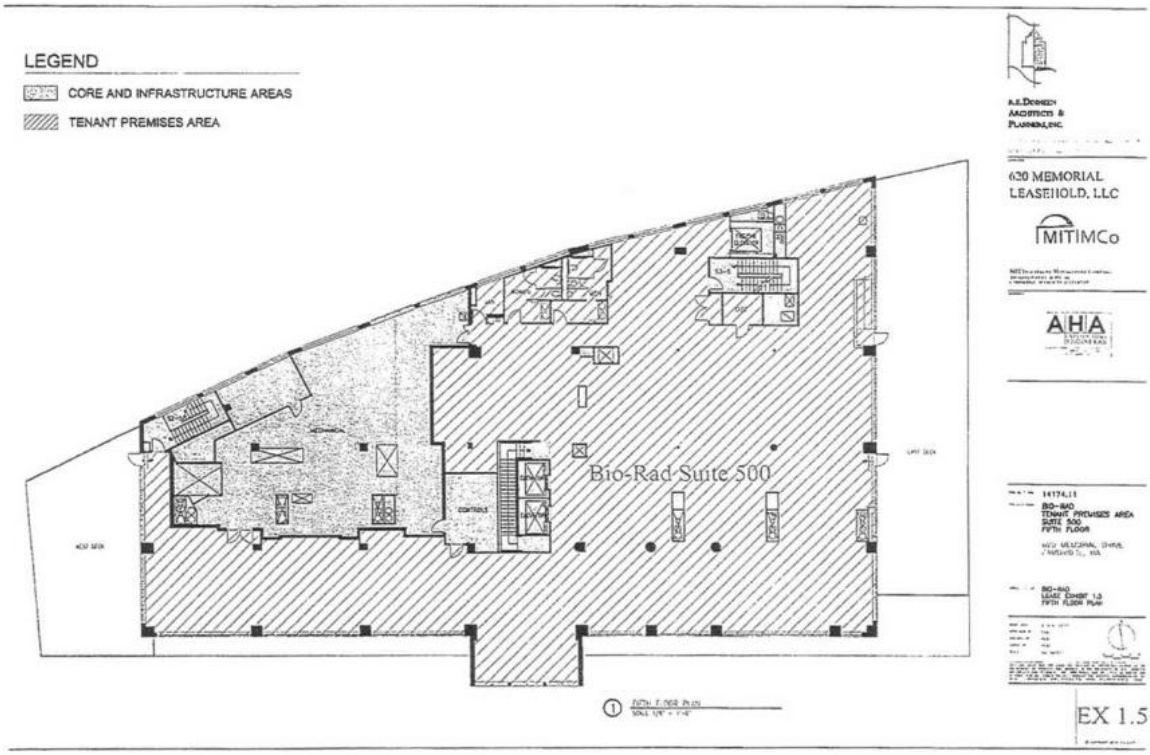
620 MEMORIAL
LEASEHOLD, LLC

MITIMCo

AHA

EX 1.1


LEGEND
CORE AND INFRASTRUCTURE AREAS
TENANT PREMISES AREA
Bio-Rad Suite 400
620 MEMORIAL
LEASEHOLD, LLC
MITIMCo
EX 1-4



620 MEMORIAL
LEASEHOLD, LLC

MITIMCo

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EX 1.5

EXHIBIT B

[PRIMARY LEASE]

Exhibit C

Subtenant's Hazardous Materials

PV-1 Performance Verification Solution	Thermo Scientific	0.5	ml	?	202A, under fume hood
SDS Micropellets	Fisher	100	g	1	202A, under fume hood
SigmaClean water bath treatment	Sigma	4	oz	1	202A, under fume hood
Sodium azide	Fisher	100	g	1	202A, under fume hood
Sodium butyrate	SAFC	4	L	1	202A, under fume hood
Sodium hydroxide	Fisher	3	kg	1	202A, under fume hood
Sodium hydroxide	Spectrum	2.5	kg	1	202A, under fume hood
Sodium hydroxide, 10N solution	Fisher	1	L	5	202A, under fume hood
Sulfuric acid	Sigma-Aldrich	100	ml	3	202A, under fume hood
Trypan blue solution (0.4%)	Sigma	100	ml	1	202A, under fume hood
Trypan blue stain (0.4%)	Life Technologies	100	ml	1	202A, under fume hood
Ultima Gold AB	PerkinElmer	1	L	1	202A, under fume hood
Glycerol	Fisher	1	L	1	Fume hood 169224

Exhibit D
Retained Furniture

Item	Quantity	Description
Reception Desk	1	Oak, U-shaped desk 9’x7’
Chrome Metal Shelving	2	Rolling, 4’x2’x 6’8”
Chrome Metal Shelving	2	Rolling, 5’x2’x 6’8”
Chrome Metal Shelving	1	Rolling, 3’x18’ x 6’8”
Chemical Hoods	5	6 foot chemical hoods
Chemical Hoods	1	4 foot chemical hoods
Black, Lab Table	2	Rolling, 2’x3’ with no drawers
Black Lab Table	5	Rolling, 2’x3’ with 1 drawer
Black Lab Table	3	Rolling, 2’6“x3’ with 3 drawers
Black Lab Table	2	Rolling, 2’6“x3’ with no drawers
Black Lab Table	2	Rolling 2’6“x5’ with 6 drawers
Black Lab Table	1	Rolling, 2’6“x5’ with 3 drawers
Black Lab Table	1	Non-rolling, 2’x3’ with 5 drawers
Black Lab Table	1	Non-rolling, 2’x3’ with no drawers
Black Lab Table	2	Non-rolling, 2’x3’ with 5 drawers
Black Lab Table	3	Non-rolling, 2’x6’ with 6 drawers
Black Lab Table	2	Rolling, 2’6“x5’ with 2 cabinets
Black Lab Table	5	Rolling, 2’x6’ with 3 drawers
Black Lab Table	2	Rolling, 2’x3’ with 6 drawers
Black Lab Table	8	Rolling, 2’x3’ with 5 drawers
Black Lab Table	2	Rolling, 2’6“x5’ with 1 cabinet
Black Lab Table	2	Non-rolling, 2’x6’ with 3 drawers
Black Lab Table	3	Non-rolling, 2’x6’ with 9 drawers
Black Lab Table	1	Non-rolling, 2’x5’ with 2 cabinets
Black Lab Table	3	Non-rolling, 2’x6’ with no drawers
Black Lab Table	2	Non-rolling, 2’6“x5’ with no drawers
Black Lab Table	1	Non-rolling, 2’6“x6’ with no drawers
Black Lab Table	3	Rolling, 2’x6’ with no drawers
Black Lab Table	1	Non-rolling, 2’6“x4’ with no drawers
Black Lab Table	1	Rolling, 2’6“x5’ with 3 cabinets
Black Lab Table	1	Non-rolling, 2’6“x5’ with 3 cabinets
Black Lab Table	1	Non-rolling, 3’x4’ table with no drawers
Black Lab Table	1	Rolling, 2’6“x6’ w/electrical above on 2 poles

EXHIBIT E

LETTER OF CREDIT REQUIREMENTS

This Exhibit is attached to and made a part of the Sublease Agreement dated as of December , 2017 (the "Sublease") by and between Bio-Rad Laboratories, Inc., a Delaware corporation ("Sublandlord"), and Evelo Biosciences, Inc., a Delaware corporation ("Subtenant"), for space in the Building located at 620 Memorial Drive, Cambridge, Massachusetts 02139. Capitalized terms used but not defined herein shall have the meanings given in the Sublease and the Primary Lease, as applicable.

The Letter of Credit (as defined in the Sublease) shall be for the amount set forth in the Sublease, subject to the terms of Section 5 (Letter of Credit) of the Sublease. The Letter of Credit (i) shall be irrevocable and shall be issued by a commercial bank that has a financial condition reasonably acceptable to Landlord and has an office in California that accepts requests for draws on the Letter of Credit, (ii) shall require only the presentation to the issuer of a certificate of the holder of the Letter of Credit stating that Sublandlord is entitled to draw on the Letter of Credit pursuant to the terms of the Sublease, (iii) shall be payable to Sublandlord or its successors in interest as the Sublandlord and shall be freely transferable without cost to any such successor or any lender holding a collateral assignment of Sublandlord's interest in the Sublease, (iv) shall be for an initial term of not less than one year and contain a provision that such term shall be automatically renewed for successive one-year periods unless the issuer shall, at least forty five (45) days prior to the scheduled expiration date, give Sublandlord notice of such nonrenewal, and (v) shall otherwise be in form and substance reasonably acceptable to Sublandlord. Notwithstanding the foregoing, the term of the Letter of Credit for the final period shall be for a term ending not earlier than the date forty five (45) days after the last day of the term. In the event that the issuer ceases to be reasonably acceptable to Sublandlord, due to a deterioration in its financial condition or change in status that threatens to compromise Sublandlord's ability to draw on the Letter of Credit as determined in good faith by Sublandlord, then Subtenant shall provide a replacement Letter of Credit from an issuer satisfying the terms of this Exhibit within thirty (30) days after Sublandlord's notice of such event.

Sublandlord shall be entitled to draw upon the Letter of Credit for its full amount or any portion thereof if (a) Subtenant shall fail to perform any of its obligations under the Sublease after the expiration of any applicable notice and cure period, or fail to perform any of its obligations under the Sublease and transmittal of a default notice or the running of any cure period is barred or tolled by applicable law, or fail to perform any of its obligations under the Sublease and any applicable notice and cure period would expire after the expiration of the Letter of Credit, or (b) not less than thirty (30) days before the scheduled expiration of the Letter of Credit, Subtenant has not delivered to Sublandlord a new Letter of Credit in accordance with this Exhibit. Without limiting the generality of the foregoing, Sublandlord may, but shall not be obligated to, draw on the Letter of Credit from time to time in the event of a bankruptcy filing by or against Subtenant and/or to compensate Sublandlord, in such order as Sublandlord may determine, for all or any part of any unpaid Base Rent, unpaid Additional Rent, and/or any damages arising from any termination of the Sublease in accordance with the terms of the Sublease, and/or any damages arising from any rejection of the Sublease in a bankruptcy proceeding commenced by or against Subtenant. Sublandlord may, but shall not be obligated to, apply the amount so drawn to the extent necessary to cure Subtenant's failure.

Any amount of the Letter of Credit drawn in excess of the amount applied by Sublandlord to cure any such failure shall be held by Sublandlord as a cash security deposit for the performance by Subtenant of its obligations under the Sublease. Any cash security deposit may be mingled with other funds of Sublandlord and no fiduciary relationship shall be created with respect to such deposit, nor shall Sublandlord be liable to pay Subtenant interest thereon. If Subtenant shall fail to perform any of its obligations under the Sublease, Sublandlord may, but shall not be obliged to, apply the cash security deposit to the extent necessary to cure Subtenant's failure. After any such application by Sublandlord of the Letter of Credit or cash security deposit, as the case may be, Subtenant shall reinstate the Letter of Credit to the amount originally required to be maintained under the Sublease, upon demand. Provided that Subtenant is not then in default under the Sublease, and no condition exists or event has occurred which after the expiration of any applicable notice or cure period would constitute such a default, within forty five (45) days after the later to occur of (i) the payment of the final Base Rent, Additional Rent or any other amount due from Subtenant or (ii) the later to occur of the Sublease Expiration Date or the date on which Subtenant surrenders the Subleased Premises to Sublandlord in compliance with Section 21 of the Primary Lease, the Letter of Credit and any cash security deposit, to the extent not applied, shall be returned to the Subtenant, without interest.

Subtenant further covenants that it will not assign or encumber or attempt to assign or encumber the Letter of Credit or the monies deposited herein as security, and that neither Sublandlord nor its successors or assigns shall be bound by any assignment, encumbrance, attempted assignment or attempted encumbrance.

Duncan McHale

TERMS AND CONDITIONS OF EMPLOYMENT

Employer's name and address: **Evelo Biosciences, Inc.** of 620 Memorial Dr., Suite 200 West, Cambridge MA 02139 (the "**Company**")

Employee's name and address: **Duncan McHale** of XXXXX (the "**Employee**")

In terms of the Employment Rights Act 1996 (the **"Act"**) this document gives details of your terms and conditions of employment with the Company together with other workplace information, as at 15 December 2017

1. JOB TITLE AND DUTIES

1.1 You are employed as Chief Medical Officer with effect from 15 December 2017. Your continuous employment started on this date.

1.2 You will perform all duties required of you by the board of directors of the Company (the **"Board"**).

1.3 Whilst employed by the Company you must:

(a) during your hours of work devote all of your time, attention and abilities to the business of the Company and carry out your duties with due care and attention;

(b) not, without the Company's prior written consent, be in any way directly or indirectly engaged or concerned with any other business or employment (with the exception of Weatherden Limited) whether during or outside your hours of work for the Company;

(c) use your best efforts to promote and protect the interests of the Company and its subsidiaries and affiliates (each a "Group Company" and together the "Group") and observe the utmost good faith towards the Company and the Group; and

(d) comply with all the Company's rules, regulations and policies from time to time in force and any rules which the Company's clients may require you to observe whilst working on their premises.

2. COMMENCEMENT OF EMPLOYMENT

2.1 Your period of continuous employment with the Company commenced on 15 December 2017.

2.2 This Agreement shall become effective on the consummation of the Company's initial public offering of stock pursuant to an effective registration statement filed under the Securities Act of 1933, as amended (the "**Effective Date**")"

2.3 No employment with a previous employer counts as part of your period of continuous employment with the Company.

3. REMUNERATION

3.1 Your gross basic salary is £300,000 per annum (or such other sum as agreed from time to time). The salary will be paid after deduction of all taxes and national insurance contributions and is payable in equal monthly instalments into your nominated bank account on or around the last working day of each month.

3.2 Your salary will be reviewed at regular intervals.

3.3 For the purposes of the Employment Rights Act 1996, sections 13-27, you agree that the Company may deduct from your remuneration any sums due from you to the Company including, without limitation, your pension contributions (if any) and any overpayments, loans or advances made to you by the Company.

3.4 The Company may, at its absolute discretion pay you an annual, performance-based bonus upon the achievement of certain performance goals determined by the Board from time to time (the "**Bonus**"). The terms and amount of this Bonus (and whether it is paid in cash or in other forms, such as shares or share options) will be approved from time to time and notified to you by the Board in its sole discretion. In determining whether a bonus is to be paid, and if so the size of that bonus the Board may take into account such factors as it considers, in its absolute discretion, to be appropriate, which may include the anticipated future performance or service and/or past performance of you and/or the Company and/or the Group, although it has no obligation to take any of these factors into account. The bonus will not accrue, nor will you have any legitimate expectation as to the size or form of the discretionary bonus, until the Company pays it to you. There are no circumstances whether in reliance on express or implied terms or otherwise where you can require pay out of a particular sum or payment in a particular form or claim compensation for loss of such a bonus. Upon the termination of your employment or (if earlier) upon either party giving notice of termination you will have no rights as a result of this Agreement or any alleged breach of it to any compensation under or in respect of any bonus scheme.

4. EXPENSES

The Company shall reimburse to you (against receipts or other appropriate evidence as the Company may require) the amount of all out-of-pocket expenses reasonably and properly incurred by you in the proper performance of your duties hereunder in accordance with the Company's expenses policy in force from time to time.

5. NORMAL HOURS OF WORK

5.1 You will be expected to work a minimum of 40 hours per week with such additional hours as are necessary for the performance of your duties.

5.2 You may from time to time be required to work additional hours in order to properly perform your duties and/or allow the Company to meet its obligations to its clients. You are not entitled to additional remuneration for authorised hours worked in excess of your normal hours.

5.3 In particular, you agree to work hours that exceed the maximum average weekly working time limit of 48 hours imposed by the Working Time Regulations 1998. You may withdraw your agreement on giving to the Company 3 months' prior written notice.

6. PLACE OF WORK

6.1 Your normal place of work will be Weatherden Limited, 93 Jack Straws Lane, Oxford, OX3 0DW England but the Company may change your normal place of work on giving you at least one month's notice of any permanent change to your normal place of work.

6.2 You may be required to work at any of the Company's premises or at the premises of its customers, clients, suppliers or associates around the world from time to time.

6.3 You may be required to work overseas for periods exceeding one month, however there are currently no particulars to be entered in this regard.

7. NOTICE

7.1 The length of prior written notice that you must give the Company in order to terminate your employment is 3 months.

7.2 The Company must give you 3 months' notice to terminate your employment.

7.3 The Company reserves the right in its absolute discretion to terminate your employment immediately either instead of or at any time after notice of termination is given by either party and to make a payment in lieu of notice. For this purpose, pay in lieu of notice will be a sum equal to only your salary that you would have received during the period of notice outstanding on the termination of your employment. For the avoidance of doubt, the Company's right to make a payment in lieu of notice does not give you a right to receive such a payment in lieu of notice.

7.4 The Company may, at its absolute discretion, require you not to attend at work and/or not to undertake all or any of your duties hereunder during any period of notice (whether given by the Company or you), provided always that the Company shall continue to pay your salary and contractual benefits. For the avoidance of doubt, there is no obligation on the Company to provide you with any work during any period of notice and you will not be entitled to work on your own account or on account of any other person, firm or company during that period.

7.5 The Company may, notwithstanding any other terms of your employment and irrespective of whether the grounds for termination arose before or after your employment began, at any time by notice in writing, terminate your employment with immediate effect (without any prior period of notice, payment in lieu of notice or payment of any Severance Payments) and without compensation if:-

(a) if you are convicted of a criminal offence other than one which in the opinion of the Board does not affect your position as an employee of the Company, bearing in mind the nature of your duties and the capacity in which you are employed;

(b) you are guilty of any serious default or misconduct in connection with or affecting the business of the Group, commit any serious or repeated breach of your obligations under your employment, are guilty of serious neglect or negligence in the performance of your duties or behave in a manner (whether on or off duty) which is likely to bring the Group into disrepute or which seriously impairs your ability to perform your duties;

(c) in the reasonable opinion of the Company, you have failed to substantially perform your duties to the Company (other than such failure resulting from any material illness that you are suffering) (provided that, to the extent such failure can be cured, the Company shall have provided you with at least 30 days' notice of such failure and you have not remedied the failure in the 30-day period);

(d) in the reasonable opinion of the Company, you have failed in any material respect to carry out or comply with any lawful and reasonable directive of the Board consistent with the terms of this Agreement (provided that to the extent such failure can be cured, the Company shall have provided you with at least 30 days' notice of such failure and you have not remedied the failure in the 30-day period);

(e) you are found to be using or under the influence of, or in possession of illegal drugs on the Company's (or any Group Company's) premises or while performing your duties under this Agreement;

(f) you do not have the right to work in the UK or you lose the right to work in the UK;

(g) you are found guilty of misconduct by any applicable regulatory body or tribunal or any successor bodies.

8. HOLIDAYS AND HOLIDAY PAY

8.1 You are entitled, to 28 days' paid holiday in each holiday year (inclusive of all customary and public holidays recognised by the Company).

8.2 The Company's holiday year runs from 1st January to 31st December.

8.3 If your employment begins or ends part way through the holiday year your holiday entitlement for that year will be assessed on a pro rata basis.

8.4 On termination of your employment you will be entitled to pay in lieu of any holidays which have accrued to you in the holiday year in which the termination takes place but which you have not taken at that time. The Company may require you to take unused holidays during your notice period. If on the termination of your employment, you have taken holidays in excess of the statutory holiday entitlement which has accrued to you at that time you will be required to repay to the Company holiday pay in respect of those holidays.

8.5 Holidays must be taken at times agreed by the Company and sufficient notice of a request to take holiday must be given to the Company.

8.6 All holidays must be taken in the holiday year in which they accrue and cannot be carried over to the next holiday year without the prior consent of the Company.

9. SICKNESS OR OTHER ABSENCE

9.1 If you are absent from work for any reason and your absence has not previously been authorised by the Company you must inform the Company by 9am on your first day of absence.

9.2 In respect of absence due to sickness, injury or accident that continues for more than 7 consecutive days (including weekends) you must provide the Company with a medical certificate stating the reason for the absence. Thereafter medical certificates must be provided to the Company to cover the remainder of the period of continuing sickness absence. Failure to follow these requirements may result in disciplinary action and loss of Statutory Sick Pay and company sick pay.

9.3 If you are absent from work due to sickness, injury or accident and comply with the requirements in this Clause you will be paid:

(a) Statutory Sick Pay in accordance with the provisions of the applicable legislation. For the purposes of Statutory Sick Pay, the "qualifying days" are Monday to Friday inclusive; and

(b) At the discretion of the Board, Company sick pay equal to full salary for the first 2 weeks' of absence due to sickness or injury in each calendar year.

9.4 Payment of Company sick pay shall be made less an amount equivalent to any Statutory Sick Pay payable to you.

9.5 The Company reserves the right to require you to undergo a medical examination conducted by a doctor nominated by the Company, at the Company's expense.

9.6 If the sickness, injury or accident is caused by the act or omission of a third party you must, at the Company's request, include in any claim for damages against such third party a claim in respect of moneys paid by the Company under this Clause 9.6 and must refund to the Company any damages recovered under that head.

10. PENSION ARRANGEMENTS AND OTHER BENEFITS

10.1 **Pensions arrangements**

(a) During the period of your employment with the Company, the Company will comply at all times with the employer duties under Part 1 of the Pensions Act 2008.

(b) You are eligible to join the group personal pension scheme initiated by the Company (the **"Scheme"**) subject to its rules from time to time in force. Details of the Scheme are available from the Company. If you contribute a sum equivalent to at least 1% of his basic salary annually to the Scheme, then the Company will make an annual contribution to the Scheme of an amount equal to 1% of your basic salary. The contribution shall be paid to the Scheme at such time or times during each year as the Company shall decide at its discretion.

10.2 **Company's right to terminate pensions arrangements**

The Company shall be entitled at any time to terminate the Scheme or your membership of it subject to providing him with membership of an equivalent pension scheme, the benefits of which shall be materially the same as the benefits provided to you under the Scheme.

10.3 **Other Benefits**

You will receive a payment of £10,000 per annum in lieu of any private medical and dental expenses insurance, permanent health assurance and life assurance arrangements. This will be paid monthly and will be subject to deductions and appropriate taxation.

11. CONFIDENTIALITY

You must not (except in the proper performance of your duties) while employed by the Company or at any time (without limit) after the date on which your employment with the Company terminates:

(a) divulge or communicate to any person;

(b) use for your own purposes or for any purposes other than those of the Company or, as appropriate, any of its clients; or

(c) through any failure to exercise due care and diligence, cause any unauthorised disclosure of;

any trade secrets or confidential information relating to the Company or any Group Company or any of its clients. You must at all times use your best endeavours to prevent publication or disclosure of any trade secrets or confidential information. These restrictions shall cease to apply to any information which shall become available to the public generally otherwise than through the default by you.

12. DATA PROTECTION

By signing this Statement, you acknowledge and agree that the Company is permitted to hold and process personal (and sensitive) information and data about you as part of its personnel and other business records; and may use such information in the course of the Company's business. You agree that the Company may disclose such information to third parties, including where they are situated outside the European Economic Area, in the event that such disclosure is in the Company's view required for the proper conduct of the Company's business or that of any associated company. This Clause applies to information held, used or disclosed in any medium.

13. COMPANY AND CLIENT PROPERTY

All equipment (including computer equipment), notes, memoranda, records, lists of customers, suppliers and employees, correspondence, computer and other discs or tapes, data listings, codes, keys and passwords, designs, drawings and other documents or material whatsoever (whether made or created by you or otherwise and in whatever medium or format) relating to the business of the Company or a group company or any of its or their clients (and any copies of the same) shall:

(a) be and remain the property of the Company or the relevant client; and

(b) be handed over by you to the Company on demand and in any event on the termination of your employment.

14. SEVERANCE PAYMENTS

14.1 In this Clause 14, unless the context otherwise requires, "**Change in Control**" means a "Change in Control" as defined in the Company's 2018 Incentive Award Plan.

14.2 If your employment with the Company is terminated by the Company other than pursuant to Clause 7.5, then subject to the following conditions of this Clause 14 and in addition to any entitlement you may have to prior notice of termination of employment under Clause 7, you will be entitled to the following payments and benefits (each a "**Severance Entitlement**"):-

(a) if there has not been a Change in Control in the period of 12 months before the date of termination of the employment (the "**Termination Date**"), you shall be entitled to the payment of:

(i) 6 months' basic salary, paid in equal instalments in accordance with the Company's ordinary payroll practices over the 6 months following the Termination Date; and

(ii) £7,500 in lieu of the continuation of any contractual benefits, paid in equal instalments in accordance with the Company's ordinary payroll practices over the 6 months following the Termination Date.

(b) if there has been a Change in Control in the period of 12 months before the Termination Date, you shall be entitled to the following payments and benefits:

(i) all unvested equity or equity-based awards under any Company equity compensation plans that vest solely based upon the passage of time shall immediately become 100% vested on the Termination Date (for the avoidance of doubt, with any such awards that vest in whole or in part based upon the attainment of performance vesting conditions being governed by the terms of the applicable award agreement);

(ii) 9 months' basic salary, paid in equal instalments in accordance with the Company's ordinary payroll practices over the 9 months following the Termination Date;

(iii) 100% of your target annual bonus for the year in which the Termination Date occurs, paid in equal instalments in accordance with the Company's ordinary payroll practices over the 9 months following the Termination Date; and

(iv) £10,000 in lieu of the continuation of any contractual benefits, paid in equal instalments in accordance with the Company's ordinary payroll practices over the 9 months following the Termination Date.

14.3 The Severance Entitlements are together in full and final settlement of all and any rights and claims that you may have against the Company or any Group Company (as defined in clause 15) arising out of your employment or the termination of your employment (including both contractual and statutory employment claims). You agree to waive, release and discharge any and all such rights and claims and acknowledge that it is a condition of the payment or provision of the Severance Entitlements that you will execute a settlement agreement (and any other documents reasonably required by the Company) in a form reasonably acceptable to the Company in order to give effect to the release and waiver in this Clause 14.3.

14.4 You acknowledge that the Company has agreed to the terms of this Clause 14 in reliance on the undertakings that you have given in Clauses 11 and Clause 15. If you are in breach of any of the terms of Clause 11 or Clause 15, then you will have no entitlement to any Severance Entitlement; and if your beach of any of the terms of Clause 11 or Clause 15 occurs after any payment of provision to you of any Severance Entitlement then you will repay to the Company, immediately upon demand by the Company, the value of all of the Severance Entitlements received by you and the Company shall be entitled to recover the same as a debt.

15. RESTRICTIONS AFTER TERMINATION

15.1 **Definitions**

Since you are likely to obtain confidential information relating to the Company and its business in the course of your employment and personal knowledge of and influence over suppliers, customers, clients and employees of the Company and Group Companies, you hereby agree with the Company that in addition to the other terms of this Agreement and without prejudice to the other restrictions imposed upon you by law, you will be bound by the covenants and undertakings contained in Clauses 15.2 to 15.7. In this Clause 14, unless the context otherwise requires:

"Customer"	means any person to which the Company distributed, sold or supplied Restricted Products or Restricted Services during the Relevant Period and with which, during that period either you, or any employee under your direct or indirect supervision, had material dealings in the course of your employment, but always excluding therefrom, any division, branch or office of such person with which you and/or any such employee had no dealings during that period;
"Group"	means together or separately the Company, any holding company or undertaking of the Company and any subsidiaries and subsidiary undertakings of the Company or such holding company or undertaking from time to time (and the words "subsidiary" and "holding company" shall have the meanings given to them in section 1159 in the Companies Act 2006;
"Group Company"	means any company within the Group;
"Prospective Customer"	means any person with which the Company had discussions during the Relevant Period regarding the possible distribution, sale or supply of Restricted Products or Restricted Services and with which during such period you, or any employee who was under your direct or indirect supervision, had material dealings in the course of your employment, but always excluding therefrom any division, branch or office of that person with which you and/or any such employee had no dealings during that period;

"Relevant Period"	means: (i) where your employment is continuing, the period of your employment; and (ii) where your employment has terminated, the period of twelve months immediately preceding the Termination Date;
"Restricted Area"	means: (a) England, Scotland, Wales; and (b) any other country in the world where, on the Termination Date, the Company dealt in Restricted Products or Restricted Services;
"Restricted Employee"	means any person who was a director, employee or consultant of the Company at any time within the Relevant Period who by reason of that position and in particular his seniority and expertise or knowledge of confidential information or knowledge of or influence over the clients, customers or contacts of the Company is likely to cause damage to the Company if he were to leave the employment of the Company and become employed by a competitor of the Company;
"Restricted Period"	means the period commencing on the Termination Date and, subject to the terms of Clause 15.4, continuing for 12 months;
"Restricted Products"	means any products, equipment or machinery researched into, developed, manufactured, supplied, marketed, distributed or sold by the Company and with which your duties were materially concerned or for which you were responsible during the Relevant Period, or any products, equipment or machinery of the same type or materially similar to those products, equipment or machinery;
"Restricted Services"	means any services researched into, developed or supplied by the Company and with which your duties were materially concerned or for which you were responsible during the Relevant Period, or any services of the same type or materially similar to those services;
"Supplier"	means any supplier, agent, distributor or other person who, during the Relevant Period was in the habit of dealing with the Company and with which, during that period, you, or any employee under your direct or indirect , had material dealings in the course your employment.

15.2 **Restrictive covenants**

Both during your employment and during the Restricted Period, you will not, without the prior written consent of the Company (such consent not to be unreasonably withheld), whether by yourself, through your employees or agents and whether on your own behalf or on behalf of any person, directly or indirectly:

(a) so as to compete with the Company, solicit business from or canvas any Customer or Prospective Customer in respect of Restricted Products or Restricted Services;

(b) so as to compete with the Company, accept orders from, act for or have any business dealings with, any Customer or Prospective Customer in respect of Restricted Products or Restricted Services;

(c) within the Restricted Area, be employed or engaged in that part of a business or person which is involved in the business of researching into, developing, manufacturing, distributing, selling, supplying or otherwise dealing with Restricted Products or Restricted Services, if the business or person is or seeks to be in competition with the Company. For the purposes of this sub-clause, acts done by the you outside the Restricted Area shall nonetheless be deemed to be done within the Restricted Area where their primary purpose is to distribute, sell, supply or otherwise deal with Restricted Products or Restricted Services in the Restricted Area;

(d) solicit or induce or endeavour to solicit or induce any person who was a Restricted Employee (and with whom you had dealings during the Relevant Period) to cease working for or providing services to the Company, whether or not any such person would thereby commit a breach of contract;

(e) employ or otherwise engage any Restricted Employee in the business of researching into, developing, manufacturing, distributing, selling, supplying or otherwise dealing with Restricted Products or Restricted Services if that business is, or seeks to be, in competition with the Company; or

(f) solicit or induce or endeavour to solicit or induce any Supplier to cease to deal with the Company and shall not interfere in any way with any relationship between a Supplier and the Company.

15.3 **Application of restrictive covenants to other Group Companies**

Clause 15.2 shall also apply as though references to the "Company" in Clauses 15.1 and 15.2 include references to each Group Company in relation to which you have in the course of your employment or by reason of rendering services to or holding office in such Group Company:

(a) acquired knowledge of its products, services, trade secrets or confidential information; or

(b) had personal dealings with its Customers or Prospective Customers; or

(c) supervised directly or indirectly employees having personal dealings with its Customers or Prospective Customers;

but so that references to the "**Company**" shall for this purpose be deemed to be references to the relevant Group Company. The obligations undertaken by you pursuant to this Clause 15.3 shall, with respect to each Group Company, constitute a separate and distinct covenant in favour of and for the benefit of each Group Company and which shall be enforceable either by the particular Group Company or by the Company on behalf of the Group Company and the invalidity or unenforceability of any such covenant shall not affect the validity or enforceability of the covenants in favour of any other Group Company.

15.4 **Effect of suspension on Restricted Period**

If the Company exercises its right to suspend the your duties and powers under Clause 7.4 after notice of termination of your employment has been given, the aggregate of the period of the suspension and the Restricted Period shall not exceed 12 months and if the aggregate of the two periods would exceed 12 months, the Restricted Period shall be reduced accordingly.

15.5 **Further undertakings**

You hereby undertake to the Company that you will not at any time:

(a) during your employment or after the Termination Date engage in any trade or business or be associated with any person engaged in any trade or business using any trading names used by the Company or any Group Company including the name(s) or incorporating the word(s) “Evelo Biosciences” ;

(b) after the Termination Date make any public statement in relation to the Company or any Group Company or any of their officers or employees; or

(c) after the Termination Date represent or otherwise indicate any association or connection with the Company or any Group Company or for the purpose of carrying on or retaining any business represent or otherwise indicate any past association with the Company or any Group Company.

15.6 **Protection of Company reputation**

You undertake that, you will not at any time during your employment and at any time (without limit) after the Termination Date make or publish or cause to be made or published to anyone in any circumstances any disparaging remarks concerning the Company or any Group Company or any of its or their respective shareholders, officers, employees or agents.

15.7 **Employment Offer**

In the event that you receive an offer of employment or request to provide services either during your employment or during the terms of the Restrictive Period set out in Clause 15.1, you shall:

(a) provide immediately to such person, company or other entity making such an offer or request a full and accurate copy of the Restrictive Covenants set out at Clause 15 of this Agreement; and

(b) notify the Company within 3 working days of receipt of the offer and the identity of the person, company or other entity making the offer.

15.8 **Severance**

The restrictions in this Clause 15 (on which you have had the opportunity to take independent advice, as you hereby acknowledge) are separate and severable restrictions and are considered by the parties to be reasonable in all the circumstances. It is agreed that if any such restrictions, by themselves, or taken together, shall be adjudged to go beyond what is reasonable in all the circumstances for the protection of the legitimate interests of the Company or a Group Company but would be adjudged reasonable if some part of it were deleted, the relevant restriction or restrictions shall apply with such deletion(s) as may be necessary to make it or them valid and enforceable.

16. GRIEVANCE AND DISCIPLINARY MATTERS

16.1 If you have any grievance relating to your employment you may apply in writing to any director of the Company.

16.2 The director will consider your grievance and report to you within 7 days of the date when the grievance was raised.

16.3 If that report is not acceptable to you, you may then, within 7 days of receipt by you of the report, refer the matter in writing to CEO who will notify you of their decision within 14 days and whose decision will be final and binding.

16.4 The disciplinary rules applicable to you are contained in the staff handbook.

16.5 If you are dissatisfied with any decision of the Company regarding any disciplinary matter, you may apply in writing to the CEO within 5 days of the decision to have that decision re-considered in accordance with the Company's appeals procedure. The appeals procedure is set out in full in the staff handbook.

16.6 The grievance, disciplinary and appeals procedures are not contractually binding on the Company and the Company may alter them, or omit any or all of their stages where it considers it appropriate.

17. COLLECTIVE AGREEMENTS

There are no collective agreements applicable to you or which affect your terms of employment.

18. CHANGES TO TERMS OF EMPLOYMENT

18.1 The Company reserves the right to make changes to any of your terms and conditions of employment.

18.2 You will be given not less than one month's written notice of any significant changes that may be given by way of an individual notice. Such changes will be deemed to be accepted unless you notify the Company of any objection in writing before the expiry of the notice period.

19. PREVIOUS CONTRACTS

The contractual terms in this Statement shall be in substitution for all or any existing contracts of employment entered into between you and the Company which cease to have effect on the date upon which you commence work under this Statement.

20. CONDITIONS TO EMPLOYMENT AND CONTINUED EMPLOYMENT

20.1 It is a condition of your employment with the Company that you are and remain legally entitled to reside and work in the United Kingdom. You confirm that you are legally entitled to work in the United Kingdom without holding a work permit. Should it be discovered that you do not have permission to live and work in the United Kingdom or if any such permission is revoked, the Company reserves the right to terminate your employment forthwith without notice or pay in lieu of notice and without referring to the warning stages of the Company's disciplinary procedure.

21. PRIVACY OF COMMUNICATION

21.1 All communications, whether by telephone, email, fax, or any other means, which are transmitted, undertaken or received using the Company's IT or communications systems ("**Company Systems**") or on Company premises will be treated by the Company as work related. The Company Systems are provided for your work use only. You agree that the Company may intercept, record and monitor all communications made by you and your use of the Company Systems without further notice. You should not regard any communications or use as being private.

21.2 The interception, recording and monitoring of communications is intended to protect the Company's business interests for example, for the purposes of quality control, security of the Company Systems, protection of the Company's confidential information and legitimate business interests, record-keeping and evidential requirements, detection and prevention of criminal activity or misconduct and to assist the Company to comply with relevant legal requirements.

21.3 You acknowledge and agree that all communications, data, records and files stored on the Company Systems or on the Company's premises may be used as evidence in disciplinary or legal proceedings against you.

22. GOVERNING LAW AND JURISDICTION

This Statement is governed by and to be construed in accordance with English law and any dispute is subject to the non-exclusive jurisdiction of the English courts.

IN WITNESS of which this Agreement has been executed and delivered as a deed on the first date written above.

EXECUTED as a Deed
by **EVELO BIOSCIENCES, INC.**
acting by Balkrishan (Simba) Gill,
Ph.D. and Jonathan Poole
([*Director/Secretary*]

/s/ Balkrishan (Simba) Gill, Ph.D.
Director

/s/ Jonathan Poole
Director/Secretary

EXECUTED as a Deed
by **DUNCAN MCHALE**
in the presence of:

/s/ Duncan McHale

Witness's

Signature:

Full Name:

Address:

October 6, 2015

Mark Bodmer, Ph.D.
XXXXXX
XXXXXX
XXXXXX
XXXXXX

Re: Employment by Evelo Therapeutics, Inc.

Dear Mark:

Evelo Therapeutics, Inc. (the "Company") is pleased to confirm its offer to employ you as President, Research and Development & Chief Scientific Officer. It is understood that you will be employed by the Company in such capacity or such other capacity as may be mutually agreed upon by the Company and you from time to time. This offer letter is subject to and will become effective only upon your obtaining authorization to work in the United States and commencing employment with the Company. Your effective date of hire as a regular, full-time employee is anticipated to be April 8, 2016 pending necessary INS approvals.

Your compensation for this position will be at the rate of $350,000 per year. Your base salary will be paid semi-monthly in equal installments and in accordance with the Company's payroll practices and procedures

You will also be eligible to receive an annual bonus of up to 35% of your base salary determined at the sole discretion of the Board and based upon both the Company's performance and your individual performance. Bonuses are intended to retain valuable Company employees, and a bonus is not payable unless you are an employee of the Company on the date that such bonus is scheduled to be paid. Any such bonus paid for 2015 performance will be prorated for the portion of the year worked.

In order to assist with the expenses associated with your temporary and permanent relocation to the Boston area, the Company will provide the following assistance:

- an allowance of $5,000 per month for temporary living and travel costs for up to twenty four months after the start of your employment;
- payment for the legal and administrative costs associated with the submission of an O-1 visa application on your behalf; and
- up to $10,000 reimbursement in each of your first two years of employment for documented tax advisory services associated with your transition to United States federal tax law and Massachusetts state tax law

In addition to your cash compensation, I will ask the Board of Directors of the Company (the "Board") to grant you a stock option to purchase 750,000 shares of common stock of the Company for a price per share equal to the fair market value of the common stock on the date of grant as determined by the Board. This option will vest quarterly, over a four-year period beginning on your first date of employment, subject to a one-year cliff. In all respects, these options will be governed by a Stock Incentive Plan and applicable Stock Option Agreement.

I will also ask the Board to grant you options to purchase an additional 150,000 shares of common stock of the Company for a price per share equal to the fair market value of the common stock on the date of grant as determined by the Board (the "Milestone Grant"). The vesting of 75,000 shares of the Milestone Grant will not commence until the completion of a major strategic transaction by the Company before the end of 2017, as determined by the Board (the "Strategic Transaction), and will vest in equal monthly installments from the date of completion of the Strategic Transaction until the fourth anniversary of your first date of employment. The vesting of the remaining 75,000 shares of the Milestone grant will not commence until the initiation of a Phase 1 proof-of-concept clinical trial by the Company prior to the end of 2017, as determined by the Board (the "Clinical Trial"), and will vest in equal monthly installments from the date of initiation of the Clinical Trial until the fourth anniversary of your first date of employment. In all respects, these options will be governed by a Stock Incentive Plan and applicable Stock Option Agreement. If either or both of the Strategic Transaction milestone or the Clinical Trial milestone are not achieved by December 31, 2017, the corresponding portion of the Milestone Grant will be cancelled.

You will be eligible to participate in the Company's standard benefit programs, including holidays, 15 days of vacation, medical insurance, dental insurance, and life insurance. Initial benefits are described in the Benefits Summary, a copy of which is enclosed. These benefit programs will be developed, and details concerning them will be provided to you as they become available.

As a condition of your employment, you must sign and abide by the Company's standard Employee Non-Competition, Non-Solicitation, Confidentiality and Assignment Agreement (the **"Proprietary Information Agreement"),** a copy of which is enclosed. As a Company employee, you will be expected to abide by Company policies and procedures as may be in effect from time to time.

It is understood that you are an "at-will" employee. You are not being offered employment for a definite period of time, and either you or the Company may terminate the employment relationship at any time and for any reason without prior notice and without additional compensation to you.

Your normal place of work will initially be 790 Memorial Drive, 3rd Floor, Cambridge, Massachusetts 02139; however, it is understood that the Company may change your normal place of work according to the Company's future needs.

In making this offer, the Company understands, and in accepting it you represent that you are not under any obligation to any former employer or any person, firm, or corporation which would prevent, limit, or impair in any way the performance by you of your duties as an employee of the Company.

The Immigration Reform and Control Act requires employers to verify the employment eligibility and identity of new employees. Enclosed is a copy of the Form 1-9 that you will be required to complete. Please bring the appropriate documents listed on that form with you when you report for work. We will not be able to employ you if you fail to comply with this requirement.

This Letter, along with the Proprietary Information Agreement, sets forth the complete and exclusive agreement between you and the Company with regard to your employment with the Company, and supersedes any prior representations or agreements about this matter, whether written or verbal. This Letter may not be modified or amended except by a written agreement signed by you and an authorized member of the Board.

Please indicate your acceptance of this offer by signing and dating this letter and returning it by October 9, 2015.

We look forward to your joining the Company and are pleased that you will be working with us.

Very truly yours,

Evelo Therapeutics, Inc.

/s/ Simba Gill
Simba Gill, Ph.D.
President and Chief Executive Officer

Accepted and Agreed:

/s/ Mark Bodmer

Date: 9 October 2015

June 25, 2015

Balkrishan Gill
XXXXXX
XXXXXX

Dear Simba:

On behalf of Evelo Therapeutics, Inc. (the "Company"), I am delighted to offer you employment with the Company. Your initial position will be **President and Chief Executive Officer,** reporting to the Company's board of directors (the "Board"). This offer letter is subject to and will become effective only upon your obtaining authorization to work in the United States and commencing employment with the Company. We anticipate that your employment will start effective July 1, 2015 (the "Start Date"), pending necessary INS approvals. In this key position you will have responsibility for driving the strategic direction of the Company, as well as oversight of all operational activities of the Company. In your role you are expected to build and supervise a team to execute against objectives and to develop and manage processes and systems to support these functions. You will also be expected to perform such other services for the Company, as may be assigned to you from time to time by the Board or its designee.

This offer letter and the accompanying documents and agreements summarize and set forth important terms about your employment with the Company. As is generally true for Company employees, you will be employed on an at-will basis, which means that neither you nor the Company are guaranteeing this employment relationship for any specific period of time. Either of us may choose to end the employment relationship at any time, for any reason, with or without notice. In addition, you should understand that the descriptions of benefits and other compensation arrangements set forth herein are meant to be summary in form and may be subject to change. If any benefit is subject to a benefit plan, the terms of that plan will control. Other than the terms of this offer letter, the Company reserves the right to alter, supplement or rescind its employment procedures, benefits or policies (other than the employment at-will policy) at any time in its sole and absolute discretion and without notice.

1. Compensation.

a. **Salary.** Your initial base salary will be at a rate of $400,000 on an annualized basis, minus customary deductions for federal and state taxes and the like, payable in installments in accordance with the Company's normal payroll practices.

b. **Annual Performance Bonus.** You will become eligible to receive an annual bonus of up to fifty percent (50 %) of your base salary (the "Annual Bonus") following the completion of a Series B preferred stock financing with institutional investors or the completion of a significant strategic transaction, in each case as determined by the Board. The amount of any Annual Bonus will be determined by the Board in its sole discretion based on your achievement of specific milestones or performance criteria established annually by the Board after consulting with you. The Annual Bonus shall be paid to you no later than March 15th of the calendar year immediately following the calendar year for which it was earned. You must be employed by the Company at the time that the Annual Bonus is paid in order to be eligible for and have earned the Annual Bonus.

c. **Stock Options.** Subject to the terms of and contingent upon your execution of a stock option agreement (the "Option Agreement") issued pursuant to the Company's 2015 Stock Incentive Plan and subject to Board approval, you will be issued an option (the "CEO Option") to purchase a number of shares of common stock of the Company determined by the Board and intended to represent (i) 7% of the fully diluted shares outstanding immediately after the closing of the Company's Series A preferred stock financing, assuming conversion of all shares of preferred stock, warrants and options then outstanding, minus (ii) 630,000 shares. The vesting of the option to purchase 630,000 shares of the Company's common stock granted to you on June 8, 2015 (the "Advisor Option") shall continue according to its terms and shall not be impacted by the grant of the CEO Option. The CEO Option will be issued with an exercise price per share equal to the fair market value per share of the Company's common stock on the date of the grant as determined by the Board of Directors. The CEO Option will vest as to 25% of the total number of shares subject to such option on the first anniversary of your Start Date and thereafter the remaining 75% shall vest in 12 substantially equal installments on the final day of each successive three month period thereafter, such that the CEO Option will be fully vested on the fourth anniversary of the Start Date, in all events, provided that you remain continuously employed through the applicable vesting day. For the avoidance of doubt, the sum of the number of shares of Company common stock originally subject to the CEO Option and the shares of Company common stock originally subject to the Advisor Option shall be intended to represent a total of 7% of the fully diluted shares outstanding immediately after the closing of the Company's Series A preferred stock financing. The aforesaid will be subject to the specific terms and conditions of the 2015 Stock Incentive Plan and applicable Option Agreement, which, in the case of inconsistency, shall govern.

d. **Benefits.** You will be eligible to participate in the Company's benefit plans to the same extent as, and subject to the same terms, conditions and limitations applicable to, other Company employees of similar rank and tenure. Summaries of each of the Company's benefit plans are available to you. You will be reimbursed for all reasonable out-of-pocket expenses incurred during the performance of your duties, in accordance with the Company's reimbursement policies as established or modified from time to time by the Company. Each calendar year you will be eligible to receive four (4) weeks' vacation and holidays as set forth by the Company and subject to the Company's vacation and holiday policies as in effect from time to time.

e. **Participation Right.** Subject to applicable law and your continued employment through the investment date, you shall have the right, but not the obligation, to invest in each of the first and second closings of the sale of the Company's Series A preferred stock to institutional investors at a purchase price share equal to the purchase price per share offered to other participants in such financing round, provided that any such investment(s) may not exceed $500,000 in the aggregate.

2. Severance Pay and Benefits upon Termination of Employment.

a. Termination by the Company Other Than for Cause, Death or Disability. Except as otherwise provided in Section 2.b., if the Company terminates your employment other than for Cause or Disability (as these terms are defined below) or death, and conditioned upon your execution and non-revocation of and compliance with a separation agreement (which shall contain, among other things, a full and general release of claims to the Company and its affiliates and their respective directors, officers, agents and employees) in a form reasonably satisfactory to the Company (the "Separation Agreement") and your continued compliance with your obligations set forth in your Employee Non-Competition, Non-Solicitation, Confidentiality and Assignment Agreement (the "Confidentiality Agreement") described in Section 5 below, then the Company shall provide you with: (i) payments equal to twelve (12) months of your then current base salary, payable in periodic installments over twelve (12) months in accordance with the Company's normal payroll practices; and (ii) if you properly elect to receive continued coverage under the Company's group health plans pursuant to Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA"), direct payment of or reimbursement to you for a portion of your COBRA premiums at the Company's normal rate of contribution for employees for your (and your covered dependents') coverage at the level in effect immediately prior to your termination for the period commencing on your termination date and ending on the earliest of (x) the first anniversary of your termination date, (y) the date you and/or your covered dependents become no longer eligible for COBRA and (z) the date you become eligible to receive comparable healthcare coverage from a subsequent employer (and you agree to promptly notify the Company of such eligibility). Notwithstanding the foregoing, if the Company determines it cannot provide the benefit in clause (ii) of the immediately preceding sentence without potentially violating applicable law (including Section 2716 of the Public Health Service Act) or incurring an excise tax, the Company shall in lieu thereof pay you taxable monthly payments in an amount equal to the portion of the health care premiums that the Company paid for your and your covered dependents' group health coverage for the month in which your termination occurred, which payments shall be made regardless of whether you elect COBRA continuation coverage and will commence in the month following the month in which the termination date occurs and will end on the earliest of (X) the first anniversary of your termination date, (Y) the date you and/or your covered dependents become no longer eligible for COBRA and (Z) the date you become eligible to receive comparable healthcare coverage from a subsequent employer (and you agree to promptly notify the Company of such eligibility).

b. Change of Control Termination. If (a) the Company terminates your employment for reasons other than for Cause or Disability or death or (b) you resign from your employment for Good Reason (as defined below), in either case, upon or within twelve (12) months following the consummation of a Change of Control and conditioned upon your execution and non-revocation of the Separation Agreement and your continued compliance with your obligations set forth in the Confidentiality Agreement, then you shall be entitled to receive the payments and benefits set forth in Section 2.a. (for the avoidance of doubt, without duplication thereto) and, in addition, all Company stock options and other Company stock-based awards subject solely to time-based vesting conditions held by you as of the date of termination shall immediately accelerate and become fully vested, exercisable and/or nonforfeitable (as applicable) as of date of termination.

c. Certain Definitions. For purposes of this offer letter:

(i) "Change of Control" means (i) a merger or consolidation of the Company with or into any other corporation or other entity or person, (ii) a sale, lease, exchange or other transfer in one transaction or a series of related transactions of all or substantially all of the Company's assets, or (iii) any other transaction, including without limitation, the sale by the Company of new shares of its capital stock or a transfer of existing shares of capital stock of the Company, the result of which is that a third party that is not an affiliate of the Company or its stockholders (or a group of third parties not affiliated with the Company or its stockholders) immediately prior to such transaction acquires or holds capital stock of the Company representing a majority of the Company's outstanding voting power immediately following such transaction; provided that the following events shall not constitute a "Change in Control": (A) a transaction (other than a sale of all or substantially all of the Company's assets) in which the holders of the voting securities of the Company immediately prior to the merger or consolidation hold, directly or indirectly, a majority of the voting securities in the successor corporation or its parent immediately after the merger or consolidation; (B) a sale, lease, exchange or other transaction in one transaction or a series of related transactions of all or substantially all of the Company's assets to an affiliate of the Company; (C) an initial public offering of, or other financing involving, any of the Company's securities; (D) a reincorporation of the Company solely to change its jurisdiction; or (E) a transaction undertaken for the primary purpose of creating a holding company that will be owned in substantially the same proportion by the persons who held the Company's securities immediately before such transaction.

(ii) "Cause" means any one or more of the following actions: (i) your material breach of the terms and conditions of this offer letter, (ii) your willful, malfeasant, dishonest or reckless conduct, in each case that relates to the Company and causes the Company material harm or damage, (iii) your commission of an act of fraud, theft, misappropriation or embezzlement, or conviction, or pleading nolo contendere to a felony or any other crime involving moral turpitude, or (iv) your failure to substantially perform your duties or comply with a lawful directive of the Board.

(iii) "Disability" means, at any time the Company or any of its affiliates sponsors a long-term disability plan for the Company's employees, "disability" as defined in such long-term disability plan for the purpose of determining a participant's eligibility for benefits, provided, however, if the long-term disability plan contains multiple definitions of disability,

"Disability" shall refer to that definition of disability which, if you qualified for such disability benefits, would provide coverage for the longest period of time. The determination of whether you have a Disability shall be made by the person or persons required to make disability determinations under the long-term disability plan. At any time the Company does not sponsor a long-term disability plan for its employees, "Disability" shall mean your inability to perform, with or without reasonable accommodation, the essential functions of your positions hereunder for a total of three months during any six-month period as a result of incapacity due to mental or physical illness as determined by a physician selected by the Company or its insurers. Any refusal by you to submit to a medical examination for the purpose of determining Disability shall be deemed to constitute conclusive evidence of your Disability.

(iv) "Good Reason" means that you have complied with the "Good Reason Process" (hereinafter defined) following the occurrence of any of the following actions undertaken by the Company without your express prior written consent: (i) the material diminution in your responsibilities, authority and function; or (ii) a reduction in your base salary or Annual Bonus opportunity (which such reduction shall be disregarded when determining the amount of payments due following a termination of employment for Good Reason); or (iii) a requirement by the Company that you relocate your principal location of employment to a location that is more than fifty (50) miles from your principal work location at the time of the occurrence of the applicable Change in Control event.

(v) "Good Reason Process" means that (i) you have reasonably determined in good faith that a Good Reason condition has occurred; (ii) you have notified the Company in writing of the first occurrence of the Good Reason condition within thirty (30) days of the first occurrence of such condition; (iii) you have provided the Company a period of not less than thirty (30) days following such notice (the "Cure Period") to remedy the condition following which Cure Period the Good Reason condition continues to exist; and (iv) you terminate your employment within thirty (30) days after the end of the Cure Period. If the Company cures the Good Reason condition during the Cure Period, Good Reason shall be deemed not to have occurred.

d. Following your termination of employment for any reason, you will be entitled to receive the sum of: (i) any base salary earned through your termination date but not yet paid, (ii) any expenses owed to you pursuant to the Company's expense reimbursement policy; and (iii) any amount accrued and arising from your participation in, or benefits accrued under the Company's employee benefit plans, programs or arrangements, which amounts shall be payable in accordance with the terms and conditions of such employee benefit plans, programs or arrangements. Except as otherwise expressly required by law or as specifically provided in Section 2.a., 2.b. or this 2.d., all of your rights to salary, severance, benefits, bonuses and other compensatory amounts hereunder (if any) shall cease upon the termination of your employment. In the event your employment is terminated for any reason, your sole and exclusive remedy will be to receive the payments and benefits described in Section 2.a., 2.b. and this 2.d., as applicable. For the avoidance of doubt, should you voluntarily terminate your employment for any reason (other than Good Reason within twelve (12) months following the occurrence of a Change in Control), you shall not be entitled to any severance payments, benefits or acceleration of vesting described in Section 2.a. or 2.b. or otherwise. Nothing in this Section 2 shall alter your status as an at-will employee.

3. Certifications by You. By signing this offer letter, you are certifying to the Company that your employment with the Company does not, and will not, require you to breach any agreement entered into by you prior to employment with the Company (i.e., you have not entered into any agreements with previous employers that are in conflict with your obligations to the Company). Please understand that the Company does not want you to disclose any confidential information belonging to a previous employer or to incorporate the proprietary information of any previous employer into the Company's proprietary information and expects that you will abide by restrictive covenants to prior employers.

4. Required 1-9 Documentation. For purposes of completing the INS 1-9 form, you must provide us sufficient documentation to demonstrate your eligibility to work in the United States on or before your first day of employment. Your employment with the Company is conditioned on your eligibility to work in the United States.

5. Confidentiality and Other Obligations by You. As part of your employment with the Company, you have been, and will be, exposed to, and provided with, valuable confidential and/or trade secret information concerning the Company and its present and prospective clients. As a result, in order to protect the Company's legitimate business interests, you agree, as a condition of your employment, to enter into the enclosed Confidentiality Agreement. You must sign and return the Confidentiality Agreement before beginning your employment with the Company.

6. Section 409A of the Code. Notwithstanding anything in this offer letter to the contrary:

a. If any amount (including imputed income) to be paid to you pursuant to this offer letter as a result of your termination of employment is "deferred compensation" subject to Section 409A of the Code, including any successor statute, regulation and guidance thereto ("Section 409A of the Code"), and if you are a "Specified Employee" (as defined under Section 409A of the Code) as of the date of your termination of employment hereunder, then, to the extent necessary to avoid the imposition of excise taxes or other penalties under Section 409A of the Code, the payment of benefits, if any, scheduled to be paid by the Company to you hereunder during the first 6-month period following the date of a termination of employment hereunder shall not be paid until the date which is the first business day after the earlier of (i) six (6) months have elapsed since your termination of employment for any reason other than death and (ii) your death. Any deferred compensation payments delayed in accordance with the terms of this Section 6(a) shall be paid in a lump sum on such date. Any other payments will be made according to the schedule provided for herein.

b. If any of the benefits set forth in this offer letter are "deferred compensation" under Section 409A of the Code, any termination of employment triggering payment of such benefits must constitute a "separation from service" under Section 409A of the Code before distribution of such benefits can commence, and any payments or benefits under Section 2 shall not be paid, or in the case of installments shall not commence, until the Company's first normal payroll date that

is at least 60 days after the date of termination (the "First Payment Date"). Any installment payments that would have been made to you during the sixty (60) day period immediately following your "separation from service" but for the preceding sentence shall be paid to you on the First Payment Date and the remaining payments shall be made as provided in this offer letter.

c. It is intended that each installment of the payments and benefits provided under this offer letter shall be treated as a separate "payment" for purposes of Section 409A of the Code. Neither the Company nor you shall have the right to accelerate or defer the delivery of any such payments or benefits except to the extent specifically permitted or required by Section 409A of the Code.

d. Any reimbursements or direct payment of your expenses subject to Section 409A of the Code shall be made no later than the end of the calendar year following the calendar year in which such expense is incurred by you. Any reimbursement or right to direct payment of your expense in one calendar year shall not affect the amount that may be reimbursed or paid for in any other calendar year, and any reimbursement or payment of your expense (or right thereto) may not be exchanged or liquidated for another benefit or payment.

e. Notwithstanding any other provision of this offer letter to the contrary, the offer letter shall be interpreted and at all times administered in a manner that avoids the inclusion of compensation in income under Section 409A(a)(l) of the Code. Any provision inconsistent with Section 409A of the Code will be read out of the offer letter. For purposes of clarification, this Section 6.e. shall be a rule of construction and interpretation and nothing in this Section 6.e. shall cause a forfeiture of benefits on the part of you. You acknowledge and agree that the Company does not guarantee the tax treatment or tax consequences associated with any payment or benefit arising under this offer letter, including but not limited to consequences related to Section 409A of the Code.

7. Section 280G of the Code.

a. Notwithstanding any other provisions of this offer letter, in the event that any payment or benefit by the Company or otherwise to or for the benefit of you, whether paid or payable or distributed or distributable pursuant to the terms of this offer letter or otherwise (all such payments and benefits, including the payments and benefits under Sections 2.a. and 2.b., being hereinafter referred to as the "Total Payments"), would be subject (in whole or in part) to the excise tax imposed by Section 4999 of the Code (the "Excise Tax"), then the Total Payments shall be reduced (in the order provided in Section 7.b.) to the minimum extent necessary to avoid the imposition of the Excise Tax on the Total Payments, but only if (i) the net amount of such Total Payments, as so reduced (and after subtracting the net amount of federal, state and local income and employment taxes on such reduced Total Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such reduced Total Payments), is greater than or equal to (ii) the net amount of such Total Payments without such reduction (but after subtracting the net amount of federal, state and local income and employment taxes on such Total Payments and the amount of the Excise Tax to which Executive would be subject in respect of such unreduced Total Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such unreduced Total Payments).

b. The Total Payments shall be reduced in the following order: (i) reduction on a pro-rata basis of any cash severance payments that are exempt from Section 409A of the Code, (ii) reduction on a pro-rata basis any non-cash severance payments or benefits that are exempt from Section 409A of the Code, (iii) reduction on a pro-rata basis of any other payments or benefits that are exempt from Section 409A of the Code, and (iv) reduction of any payments or benefits otherwise payable to you on a pro-rata basis or such other manner that complies with Section 409A of the Code; provided, in case of clauses (ii), (iii) and (iv), that reduction of any payments attributable to the acceleration of vesting of Company equity awards shall be first applied to Company equity awards that would otherwise vest last in time.

c. All determinations regarding the application of this Section 7 shall be made by an accounting firm or consulting group with experience in performing calculations regarding the applicability of Section 280G of the Code and the Excise Tax selected by the Company (the "Independent Advisors"). For purposes of determinations, no portion of the Total Payments shall be taken into account which, in the opinion of the Independent Advisors, (i) does not constitute a "parachute payment" within the meaning of Section 280G(b)(2) of the Code (including by reason of Section 280G(b)(4)(A) of the Code) or (ii) constitutes reasonable compensation for services actually rendered, within the meaning of Section 280G(b)(4)(B) of the Code, in excess of the "base amount" (as defined in Section 280G(b)(3) of the Code) allocable to such reasonable compensation. The costs of obtaining such determination and all related fees and expenses (including related fees and expenses incurred in any later audit) shall be borne by the Company.

d. In the event it is later determined that a greater reduction in the Total Payments should have been made to implement the objective and intent of this Section 7, the excess amount shall be returned immediately by you to the Company.

8. General.

This offer letter, together with the Confidentiality Agreement embodies the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and supersedes all prior oral or written agreements and understandings relating to the subject matter hereof, including without limitation, the letter agreement between the parties hereto dated March 23, 2015, which is superseded in its entirety by this offer letter. The terms and provisions of this offer letter may be modified or amended only by written agreement executed by the parties hereto, and may be waived (or consent for the departure there from granted) only by a written document executed by the party entitled to the benefits of such terms or provisions.

Because our employment discussions and the terms of your employment are confidential, it is understood that you shall not disclose the fact or terms of such discussions or the terms of your employment with the Company to anyone other than your immediate family and your legal or financial advisor at any time, absent prior written consent from the Company.

The Company may assign its rights and obligations hereunder to any person or entity that succeeds to all or substantially all of the Company's business or to any affiliate. You may not assign your rights and obligations hereunder without the prior written consent of the Company and any such attempted assignment by you without the prior written consent of the Company will be void.

This offer letter and the rights and obligations of the parties hereunder will be construed in accordance with and governed by the law of the Commonwealth of Massachusetts, without giving effect to the conflict of law principles thereof. By accepting this offer of employment, you agree that any action, demand, claim or counterclaim in connection with any aspect of your employment with the Company, or any separation of employment (whether voluntary or involuntary) from the Company, shall be brought in the courts of the Commonwealth of Massachusetts or of the United States of America for the District of Massachusetts, and shall be resolved by a judge alone, and you waive and forever renounce your right to a trial before a civil jury.

This offer shall remain open, unless sooner revoked by the Company, through June 26, 2015.

Please acknowledge acceptance of this employment offer by signing and dating below. Keep one copy for your files and return one executed copy to me.

Simba, we look forward to having you on the team.

Very truly yours,

Evelo Therapeutics, Inc.

By: /s/ David A. Berry
David A. Berry, MD, PhD
President

Accepted and Agreed to:

/s/ Balkrishan (Simba) Gill
Balkrishan (Simba) Gill

June 25, 2015
Date

April 26, 2018

Balkrishan (Simba) Gill, Ph.D.
c/o Evelo Biosciences, Inc.
620 Memorial Drive, Suite 200
Cambridge, MA 02139

Re: Amendment to Employment Letter

Dear Simba:

Reference is made to that certain employment offer letter, dated as of June 25, 2015 by and between Evelo Biosciences, Inc., formerly known as Evelo Therapeutics, Inc. (the "Company"), and you (the "Employment Letter"). Effective as of consummation of the Company's initial public offering of stock pursuant to an effective registration statement filed under the Securities Act of 1933, as amended (the "Effective Date"), you and the Company hereby to agree to amend the Employment Letter as follows:

1. As of the Effective Date, Sections 2(a) and 2(b) of the Employment Letter are hereby amended and restated in their entirety to read as follows:

"a. **Termination by the Company Other than for Cause or Resignation for Good Reason.** If the Company terminates your employment other than for Cause, Disability or death or if you resign your employment with the Company for Good Reason, in each case, other than during the 12 months commencing on a Change in Control, then, subject to (x) your execution and delivery following your termination date of a release of claims against the Company in a form provided by and satisfactory to the Company (a "Release") that becomes effective and irrevocable within sixty (60) days following your termination date and (y) your continued compliance with the Restrictive Covenant Agreement (as defined in the letter agreement between you and the Company dated April 26, 2018, regarding an amendment to this offer letter), you will be entitled to receive:

(i) Continued payment of your then-current base salary in accordance with the Company's ordinary payroll practices for 12 months following your termination date; and

(ii) If you properly elect to receive continued coverage under the Company's group health plans pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA"), direct payment of or reimbursement to you for a portion of your COBRA premiums at the Company's normal rate of contribution for employees for your (and your covered dependents') coverage at the level in effect immediately prior to your termination for the period commencing on your termination date and ending on the earliest of (x) the first anniversary of your termination date, (y) the date you and/or your covered dependents become no longer eligible for COBRA, and (z) the date you become eligible to receive comparable healthcare coverage from a subsequent employer (and you agree to promptly notify the Company

of such eligibility). Notwithstanding the foregoing, if the Company determines that it cannot provide the foregoing benefit without potentially violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act) or incurring an excise tax, the Company shall in lieu thereof pay you taxable monthly payments in an amount equal to the portion of the healthcare premiums that the Company paid for you and your covered dependents' group health care coverage for the month in which your termination occurred, which payments shall be made regardless of whether you elect COBRA continuation coverage and will commence in the month following the month in which your termination date occurs and will end on the earliest of (X) the first anniversary of your termination date, (Y) the date that you and/or your covered dependents become no longer eligible for COBRA and (Z) the date you become eligible to receive comparable healthcare coverage from a subsequent employer (and you agree to promptly notify the Company of such eligibility).

b. **Change in Control Termination.** If the Company terminates your employment other than for Cause, Disability or death or if you resign your employment with the Company for Good Reason, in each case, during the 12 months commencing on a Change in Control, then, subject to (x) your execution and delivery following your termination date of a Release that becomes effective and irrevocable within sixty (60) days following your termination date and (y) your continued compliance with the Restrictive Covenant Agreement, you will be entitled to receive:

(i) An amount equal to 1.5 times the sum of (A) your then-current annual base salary and (B) your target Annual Bonus, payable in substantially equal installments in accordance with the Company's ordinary payroll practices over the 18 months following your termination date;

(ii) If you properly elect to receive continued coverage under the Company's group health plans pursuant to COBRA, direct payment of or reimbursement to you for a portion of your COBRA premiums at the Company's normal rate of contribution for employees for your (and your covered dependents') coverage at the level in effect immediately prior to your termination for the period commencing on your termination date and ending on the earliest of (x) the 18-month anniversary of your termination date, (y) the date you and/or your covered dependents become no longer eligible for COBRA, and (z) the date you become eligible to receive comparable healthcare coverage from a subsequent employer (and you agree to promptly notify the Company of such eligibility). Notwithstanding the foregoing, if the Company determines that it cannot provide the foregoing benefit without potentially violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act) or incurring an excise tax, the Company shall in lieu thereof pay you taxable monthly payments in an amount equal to the portion of the healthcare premiums that the Company paid for you and your covered dependents' group health care coverage for the month in which your termination occurred, which payments shall be made regardless of whether you elect COBRA continuation coverage and will commence in the month following the month in which your termination date occurs and will end on the earliest of (X) the first anniversary of your termination date, (Y) the date that you and/or your covered dependents become no longer eligible for COBRA and (Z) the date you become eligible to receive comparable healthcare coverage from a subsequent employer (and you agree to promptly notify the Company of such eligibility); and

(iii) All unvested equity or equity-based awards under any Company equity compensation plans that vest solely based upon the passage of time shall immediately become 100% vested (for the avoidance of doubt, with any such awards that vest in whole or in part based upon the attainment of performance vesting conditions being governed by the terms of the applicable award agreement)."

2. As of the Effective Date, Section 2(c)(i) of the Employment Letter is hereby amended and restated in its entirety to read as follows:

"(i) 'Change in Control' means a 'Change in Control' as defined in the Company's 2018 Incentive Award Plan. Notwithstanding the foregoing, if a Change in Control constitutes a payment event with respect to any amount payable hereunder which constitutes or provides for the deferral of compensation and is subject to Section 409A, the transaction or event with respect to such amount must also constitute a 'change in control event,' as defined in Treasury Regulation Section 1.409A-3(i)(5) to the extent required by Section 409A."

3. As of the Effective Date, Section 2(c)(iv) of the Employment Letter is hereby amended and restated in its entirety to read as follows:

"(iv) 'Good Reason' means you have complied with the Good Reason Process following the occurrence of any of the following actions undertaken by the Company without your express written consent: (i) the material diminution in your responsibilities, authority and function; (ii) a reduction in your base salary or annual bonus opportunity (which reduction shall be disregarded when determining the amount of payments due following a termination of employment for Good Reason); or (iii) a requirement by the Company that you relocate your principal location of employment to a location that is more than fifty (50) miles from your principal work location immediately prior to such relocation."

As a condition to the effectiveness of this letter agreement you will execute and deliver to the Company contemporaneously with this letter agreement the Employee Information and Inventions Assignment Agreement attached as Exhibit A (the "Restrictive Covenant Agreement").

Any successor to the Company (whether direct or indirect and whether by purchase, merger, consolidation, liquidation or otherwise) to all or substantially all of the Company's business and/or assets shall assume the obligations under this letter agreement and the Employment Letter and agree expressly to perform the obligations under this letter agreement and the Employment Letter in the same manner and to the same extent as the Company would be required to perform such obligations in the absence of a succession. For all purposes under this letter agreement and the Employment Letter, the term "Company" shall include any successor to the Company's business and/or assets which executes and delivers the assumption agreement described in the preceding sentence or which becomes bound by the terms of this letter agreement and the Employment Letter by operation of law.

No provision of this letter agreement or the Employment Letter shall be modified, waived or discharged unless the modification, waiver or discharge is agreed to in writing and signed by you and by an authorized officer of the Company (other than you). No waiver by either party of any breach of, or of compliance with, any condition or provision of this letter agreement or the Employment Letter by the other party shall be considered a waiver of any other condition or provision or of the same condition or provision at another time. This letter agreement, the Restrictive Covenant Agreement and the Employment Letter represent the entire understanding of the parties hereto and thereto with respect to the subject matter hereof and thereof and supersede all prior arrangements and understandings regarding same. The validity, interpretation, construction and performance of this letter agreement and the Employment Letter shall be governed by the laws of the Commonwealth of Massachusetts without regard to conflicts of law that would result in the application of the laws of another state or jurisdiction. The invalidity or unenforceability of any provision or provisions of this letter agreement or the Employment Letter shall not affect the validity or enforceability of any other provision hereof, which shall remain in full force and effect. This letter agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together will constitute one and the same instrument.

Except as expressly set forth in this letter agreement, the Employment Letter shall remain unchanged and shall continue in full force and effect according to its terms.

Sincerely,

Evelo Biosciences, Inc.

By: /s/ Jonathan Poole
Name: Jonathan Poole
Title: CFO

Acknowledged and Agreed:

/s/ Balkrishan (Simba) Gill, Ph.D.
Balkrishan (Simba) Gill, Ph.D.

EVELO BIOSCIENCES, INC.

EMPLOYEE PROPRIETARY INFORMATION AND INVENTIONS ASSIGNMENT AGREEMENT

In consideration and as a condition of my employment by Evelo Biosciences, Inc., a Delaware corporation (together with any of its successors or assigns collectively, the "Company"), and my receipt of the compensation paid to me by the Company in the context of that employment, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, I, the undersigned, agree as follows:

1. Proprietary Information. During the term of my employment, I may receive and otherwise be exposed, directly or indirectly, to confidential and proprietary information of the Company whether in graphic, written, electronic or oral form, including without limitation, information relating to the Company's business, strategies, designs, products, services and technologies and any derivatives, improvements and enhancements relating to any of the foregoing, or to the Company's suppliers, customers or business partners (collectively "Proprietary Information"). Proprietary Information may be identified at the time of disclosure as confidential or proprietary or information which by its context would reasonably be deemed to be confidential or proprietary. "Proprietary Information" may also include without limitation (i)(a) unpublished patent disclosures and patent applications and other filings, know-how, trade secrets, works of authorship and other intellectual property, as well as any information regarding ideas, Inventions (as defined in Section 5), technology, and processes, including without limitation assays, sketches, schematics, techniques, drawings, designs, descriptions, specifications and technical documentation, (b) information relating to physical, chemical or biological materials and compounds (including without limitation reagents, gene sequences, nucleic acids, amino acids, cell lines, media, antibodies, antibody fragments, compounds, c-DNAs, antisense nucleotides, proteins, peptides and vectors), their structures, compositions, and formulations, and methods for their handling, use, and manufacture, and processes, apparatus, models relating thereto, (c) specifications, protocols, models, designs, equipment, engineering, algorithms, software programs, software source documents, formulae, (d) information concerning or resulting from any research and development or other project, including without limitation nonclinical and clinical data, experimental work, clinical and product development plans, results from clinical studies, regulatory compliance information, and research, development and regulatory strategies, and (e) business and financial information, including without limitation purchasing, procurement, manufacturing, customer lists, information relating to investors, employees, business and contractual relationships, business forecasts, sales and merchandising, business and marketing plans, product plans, and business strategies, including without limitation information the Company provides regarding third parties, such as, but not limited to, suppliers, customers, employees, investors, or vendors; and (ii) any other information, to the extent such information contains, reflects or is based upon any of the foregoing Proprietary Information. The Proprietary Information may also include information of a third party that is disclosed to you by the Company or such third party at the Company's direction.

2. Obligations of Non-Use and Nondisclosure. I acknowledge the confidential and secret character of the Proprietary Information, and agree that the Proprietary Information is the sole, exclusive and valuable property of the Company. Accordingly, I agree not to use the Proprietary Information except in the performance of my authorized duties as an employee of the

Company, and not to disclose all or any part of the Proprietary Information in any form to any third party, either during or after the term of my employment, without the prior written consent of the Company on a case-by-case basis. Upon termination of my employment, I agree to cease using and to return to the Company all whole and partial copies and derivatives of the Proprietary Information, whether in my possession or under my direct or indirect control, provided that I am entitled to retain my personal copies of (i) my compensation records, (ii) materials distributed to stockholders generally, and (iii) this Employee Proprietary Information and Inventions Assignment Agreement (this "Agreement"). I understand that my obligations of nondisclosure with respect to Proprietary Information shall not apply to information that I can establish by competent proof (i) was actually in the public domain at the time of disclosure or enters the public domain following disclosure other than as a result of a breach of this Agreement, (ii) is already in my possession without breach of any obligations of confidentiality at the time of disclosure by the Company as shown by my files and records immediately prior to the time of disclosure, or (iii) is obtained by me from a third party not under confidentiality obligations and without a breach of any obligations of confidentiality. If I become compelled by law, regulation (including without limitation the rules of any applicable securities exchange), court order, or other governmental authority to disclose the Proprietary Information, I shall, to the extent possible and permissible under applicable law, first give the Company prompt notice. I agree to cooperate reasonably with the Company in any proceeding to obtain a protective order or other remedy. If such protective order or other remedy is not obtained, I shall only disclose that portion of such Proprietary Information required to be disclosed, in the opinion of my legal counsel. I shall request that confidential treatment be accorded such Proprietary Information, where available. Compulsory disclosures made pursuant to this section shall not relieve me of my obligations of confidentiality and non-use with respect to non-compulsory disclosures. I understand that nothing herein is intended to or shall prevent me from communicating directly with, cooperating with, or providing information to, any federal, state or local government regulator, including, but not limited to, the U.S. Securities and Exchange Commission, the U.S. Commodity Futures Trading Commission, or the U.S. Department of Justice. I shall promptly notify my supervisor or any officer of the Company if I learn of any possible unauthorized use or disclosure of Proprietary Information and shall cooperate fully with the Company to enforce its rights in such information.

3. Defend Trade Secrets Act Notice of Immunity Rights. I acknowledge that the Company has provided me with the following notice of immunity rights in compliance with the requirements of the Defend Trade Secrets Act: (i) I shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of Proprietary Information that is made in confidence to a Federal, State, or local government official or to an attorney solely for the purpose of reporting or investigating a suspected violation of law, (ii) I shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of Proprietary Information that is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal and (iii) if I file a lawsuit for retaliation by the Company for reporting a suspected violation of law, I may disclose the Proprietary Information to my attorney and use the Proprietary Information in the court proceeding, if I file any document containing the Proprietary Information under seal, and do not disclose the Proprietary Information, except pursuant to court order.

4. Property of the Company. I acknowledge and agree that all notes, memoranda, reports, drawings, blueprints, manuals, materials, data, emails and other papers and records of every kind, or other tangible or intangible materials which shall come into my possession in the course of my employment with the Company, relating to any Proprietary Information, shall be the sole and exclusive property of the Company and I hereby assign any rights or interests I may obtain in any of the foregoing. I agree to surrender this property to the Company immediately upon termination of my employment with the Company, or at any time upon request by the Company. I further agree that any property situated on the Company's data systems or on the Company's premises and owned by the Company, including without limitation electronic storage media, filing cabinets or other work areas, is subject to inspection by Company personnel at any time with or without notice. I further agree that in the event of termination of my employment with the Company I will execute a Termination Certificate substantially in the form attached hereto as Exhibit A.

5. Inventions.

5.1 Disclosure and Assignment of Inventions. For purposes of this Agreement, an "Invention" shall mean any idea, invention or work of authorship, including, without limitation, any documentation, formula, design, device, code, method, software, technique, process, discovery, concept, improvement, enhancement, development, machine or contribution, in each case whether or not patentable or copyrightable. I will disclose all Inventions promptly in writing to an officer of the Company or to attorneys of the Company in accordance with the Company's policies and procedures, I will, and hereby do, assign to the Company, without requirement of further writing, without royalty or any other further consideration, my entire right, title and interest throughout the world in and to all Inventions created, conceived, made, developed, and/or reduced to practice by me in the course of my employment by the Company and all intellectual property rights therein. I hereby waive, and agree to waive, any moral rights I may have in any copyrightable work I create or have created on behalf of the Company. I also hereby agree, that for a period of one year after my employment with the Company, I shall disclose to the Company any Inventions that I create, conceive, make, develop, reduce to practice or work on that relate to the work I performed for the Company. The Company agrees that it will use commercially reasonable measures to keep Inventions disclosed to it pursuant to this Section 5.1 that do not constitute Inventions to be owned by the Company in confidence and shall not use any Inventions for its own advantage, unless in either case those Inventions are assigned or assignable to the Company pursuant to this Section 5.1 or otherwise.

5.2 Certain Exemptions. The obligations to assign Inventions set forth in Section 5.1 apply with respect to all Inventions (a) whether or not such Inventions are conceived, made, developed or worked on by me during my regular hours of employment with the Company; (b) whether or not the Invention was made at the suggestion of the Company; (c) whether or not the Invention was reduced to drawings, written description, documentation, models or other tangible form; and (d) whether or not the Invention is related to the general line of business engaged in by the Company, but do not apply to Inventions that (x) I develop entirely on my own time or after the date of this Agreement without using the Company's equipment, supplies, facilities or Proprietary Information; (y) do not relate to the Company's business, or actual or demonstrably anticipated research or development of the Company at the time of conception or reduction to practice of the Invention; and (z) do not result from and are not related to any work performed by me for the Company. I hereby acknowledge and agree that the Company has notified me that, if I reside in the state of California, assignments provided for in Section 5.1 do not apply to any Invention which qualifies fully for exemption from assignment

under the provisions of Section 2870 of the California Labor Code ("Section 2870"), a copy of which is attached as Exhibit B. If applicable, at the time of disclosure of an Invention that I believe qualifies under Section 2870, I shall provide to the Company, in writing, evidence to substantiate the belief that such Invention qualifies under Section 2870. I further understand that, to the extent this Agreement shall be construed in accordance with the laws of any state which precludes a requirement in an employee agreement to assign certain classes of inventions made by an employee, Section 5.1 shall be interpreted not to apply to any Invention which a court rules and/or the Company agrees falls within such classes.

5.3 Records. I will make and maintain adequate and current written records of all Inventions covered by Section 5.1. These records may be in the form of notes, sketches, drawings, flow charts, electronic data or recordings, notebooks and any other format. These records shall be and remain the property of the Company at all times and shall be made available to the Company at all times.

5.4 Patents and Other Rights. I agree to assist the Company in obtaining, maintaining and enforcing patents, invention assignments and copyright assignments, and other proprietary rights in connection with any Invention covered by Section 5.1, and will otherwise assist the Company as reasonably required by the Company to perfect in the Company the rights, title and other interests in my work product granted to the Company under this Agreement (both in the United States and foreign countries). I further agree that my obligations under this Section 5.4 shall continue beyond the termination of my employment with the Company, but if I am requested by the Company to render such assistance after the termination of such employment, I shall be entitled to a fair and reasonable rate of compensation for such assistance, and to reimbursement of any expenses incurred at the request of the Company relating to such assistance. If the Company is unable for any reason, after reasonable effort, to secure my signature on any document needed in connection with the actions specified above, I hereby irrevocably designate and appoint the Company and its duly authorized officers and agents as my agent and attorney in fact, which appointment is coupled with an interest, to act for and in my behalf to execute, verify and file any such documents and to do all other lawfully permitted acts to further the purposes of this Section 5.4 with the same legal force and effect as if executed by me.

5.5 Prior Contracts and Inventions; Information Belonging to Third Parties. I represent and warrant that, except as set forth on Exhibit C, I am not required, and I have not been required during the course of work for the Company or its predecessors, to assign Inventions under any other contracts that are now or were previously in existence between me and any other person or entity. I further represent that (i) I am not obligated under any consulting, employment or other agreement that would affect the Company's rights or my duties under this Agreement, and I shall not enter into any such agreement or obligation during the period of my employment by the Company, (ii) there is no action, investigation, or proceeding pending or threatened, or any basis therefor known to me involving my prior employment or any consultancy or the use of any information or techniques alleged to be proprietary to any former employer, and (iii) the performance of my duties as an employee of the Company do not and will not breach, or constitute a default under any agreement to which I am bound, including any agreement limiting the use or disclosure of proprietary information acquired in confidence prior to engagement by the Company or if applicable, any agreement to refrain from competing, directly or indirectly, with the business of such previous employer or any other party or to refrain

from soliciting employees, customers or suppliers of such previous employer or other party. I will not, in connection with my employment by the Company, use or disclose to the Company any confidential, trade secret or other proprietary information of any previous employer or other person to which I am not lawfully entitled. As a matter of record, I attach as Exhibit C a brief description of all Inventions made or conceived by me prior to my employment with the Company which I desire to be excluded from this Agreement ("Background Technology"). If full disclosure of any Background Technology would breach or constitute a default under any agreement to which I am bound, including any agreement limiting the use or disclosure of proprietary information acquired in confidence prior to engagement by the Company, I understand that I am to describe such Background Technology in Exhibit C at the most specific level possible without violating any such prior agreement. Without limiting my obligations or representations under this Section 5.5, if I use any Background Technology in the course of my employment or incorporate any Background Technology in any product, service or other offering of the Company, I hereby grant the Company a non-exclusive, royalty-free, perpetual and irrevocable, worldwide right to use and sublicense the use of Background Technology for the purpose of developing, marketing, selling and supporting Company technology, products and services, either directly or through multiple tiers of distribution, but not for the purpose of marketing Background Technology separately from Company products or services.

5.6 Works Made for Hire. I acknowledge that all original works of authorship which are made by me (solely or jointly with others) within the scope of my employment with the Company and which are eligible for copyright protection are "works made for hire" as that term is defined in the United States Copyright Act (17 U.S.C., Section 101).

6. Restrictive Covenants.

6.1 Non-Competition. During the term of my employment by the Company and, to the extent permitted under applicable law, for a period of one year thereafter, I will not without the prior written approval of an executive officer of the Company, (a) engage in any other professional employment or consulting, or (b) directly or indirectly participate in or assist any business (whether as owner, partner, officer, director, employee, consultant, investor, lender or otherwise, except as the holder of not more than 1% of the outstanding stock of a publicly-held company), in each case, which is a current or potential supplier, customer or competitor of the Company, including but not limited to any business or enterprise that develops, manufactures, markets, licenses, sells or provides any product or service that competes with any product or service developed, manufactured, marketed, licensed, sold or provided, or planned to be developed, manufactured, marketed, licensed, sold or provided, by the Company while I was employed by the Company. If I am an executive officer of the Company, any of the foregoing activities shall require the approval of the Board of Directors of the Company. Notwithstanding the foregoing, this section shall not apply to services rendered by me in California after the date my employment by the Company terminates.

6.2 Non-Solicitation. During the term of my employment with the Company and for a period of one year thereafter, I will not (i) solicit, encourage, induce or attempt to induce or assist others to solicit, encourage, induce or attempt to induce any employees, consultants or independent contractors of the Company to terminate their employment or other engagement with the Company or (ii) hire, or recruit or attempt to hire, or engage or attempt to engage as an independent contractor, any person who was employed or otherwise engaged by the Company at any time during the term of the my employment with the Company; provided, that

this clause (ii) shall not apply to the recruitment or hiring or other engagement of any individual whose employment or other engagement with the Company has been terminated for a period of six months or longer. During the term of my employment with the Company and for a period of one year thereafter, I will not solicit, divert or take away, or attempt to divert or take away, the business of any customer or client of the Company (served by the Company during the 12-month period prior to the termination of my employment with the Company) on my own behalf or on behalf of any person or entity other than the Company; provided, however, that this restriction shall not apply to services rendered by me in California after the date my employment by the Company terminates.

6.3 Extension. Without limiting the Company's ability to seek other remedies available in law or equity, if I violate the provisions of Sections 6.1 or 6.2 (the "Restrictive Covenants"), I shall continue to be bound by the restrictions set forth in such sections until a period of one year has expired without any violation of such provisions.

6.4 Interpretation. If any restriction set forth in the Restrictive Covenants is found by any court of competent jurisdiction to be unenforceable because it extends for too long a period of time or over too great a range of activities or in too broad a geographic area, it shall be interpreted to extend only over the maximum period of time, range of activities or geographic area as to which it may be enforceable.

7. Notification to Other Parties. In the event of termination of my employment with the Company, I hereby consent to notification by the Company to my new employer or other party for whom I work about my rights and obligations under this Agreement.

8. Employment at Will. I understand and agree that my employment with the Company is at will. Accordingly, my employment can be terminated, without cause or notice, at my option or the Company's option. The at-will nature of my employment also means that I can be transferred or demoted, and my job title, compensation, benefits and other terms and conditions of employment can be reduced, without cause. I acknowledge that such changes shall not affect the enforceability of the Restrictive Covenants. This at-will status of my employment relationship with the Company shall remain in force and effect throughout my employment with the Company and the Restrictive Covenants will remain in effect for the periods specified in this Agreement, unless such status or Restrictive Covenants are modified by a further written agreement signed by both an authorized officer of the Company and me which expressly alters such status or such Restrictive Covenants.

9. Miscellaneous.

9.1 The parties' rights and obligations under this Agreement will bind and inure to the benefit of their respective successors, heirs, executors, and administrators and permitted assigns. I will not assign this Agreement or my obligations hereunder without the prior written consent of the Company, which consent may be withheld in the Company's sole discretion, and any such purported assignment without consent shall be null and void from the beginning. I agree that the Company may freely assign or otherwise transfer this Agreement to any affiliate or successor in interest (whether by way of merger, sale, acquisition or corporate re-organization or any substantially similar process) of the Company.

9.2 This Agreement constitutes the parties' final, exclusive and complete understanding and agreement with respect to the subject matter hereof, and supersedes all prior and contemporaneous understandings and agreements, whether oral or written, relating to its subject matter.

9.3 Any subsequent change or changes in my duties, obligations, rights or compensation will not affect the validity or scope of this Agreement. This Agreement may not be waived, modified or amended unless mutually agreed upon in writing by both parties. No delay or omission by the Company in exercising any right under this Agreement will operate as a waiver of that or any other right. A waiver or consent given by the Company on any one occasion is effective only in that instance and will not be construed as a bar to or waiver of any right on any other occasion.

9.4 If any provision of this Agreement is found by a proper authority to be unenforceable or invalid such unenforceability or invalidity shall not render this Agreement unenforceable or invalid as a whole and in such event, such provision shall be changed and interpreted so as to best accomplish the objectives of such unenforceable or invalid provision within the limits of applicable law or applicable court decisions and the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

9.5 I acknowledge that the Company will suffer substantial damages not readily ascertainable or compensable in terms of money in the event of the breach of any of my obligations under this Agreement. I therefore agree that the Company shall be entitled (without limitation of any other rights or remedies otherwise available to the Company) to obtain an injunction from any court of competent jurisdiction prohibiting the continuance or recurrence of any breach of this Agreement.

9.6 The rights and obligations of the parties under this Agreement shall be governed in all respects by the laws of the Commonwealth of Massachusetts exclusively, without reference to any conflict laws rule that would result in the application of the laws of any other jurisdiction. I agree that upon the Company's request, all disputes arising hereunder shall be adjudicated in the state and federal courts having jurisdiction over disputes arising in the Commonwealth of Massachusetts, and I hereby agree to consent to the personal jurisdiction of such courts. The Company and I each hereby irrevocably waive any right to a trial by jury in any action, suit or other legal proceeding arising under or relating to any provision of this Agreement.

9.7 Any notices required or permitted hereunder shall be given to the appropriate party at the address specified on the signature page to this Agreement or at such other address as the party shall specify in writing. Such notice shall be deemed given upon personal delivery, or sent by certified or registered mail, postage prepaid, three (3) days after the date of mailing.

9.8 Except as otherwise provided herein, the provisions of this Agreement shall survive the termination of my employment with the Company for any reason.

9.9 This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument.

I ACKNOWLEDGE THAT I HAVE HAD THE OPPORTUNITY TO SEEK THE ADVICE OF INDEPENDENT LEGAL COUNSEL AND THAT I HAVE READ THIS AGREEMENT CAREFULLY AND I UNDERSTAND AND ACCEPT THE OBLIGATIONS WHICH IT IMPOSES UPON ME WITHOUT RESERVATION. NO PROMISES OR REPRESENTATIONS HAVE BEEN MADE TO ME TO INDUCE ME TO SIGN THIS AGREEMENT. I SIGN THIS AGREEMENT VOLUNTARILY AND FREELY, IN DUPLICATE, WITH THE UNDERSTANDING THAT THE COMPANY WILL RETAIN ONE COUNTERPART AND THE OTHER COUNTERPART WILL BE RETAINED BY ME.

(Signature Page Follows)

IN WITNESS WHEREOF, I have executed this document as of , 2018.

Employee: _____

Address: _____

_____

AGREED AND ACKNOWLEDGED:

EVELO BIOSCIENCES, INC.

By: _____

Name: _____

Title: _____

Address:

Exhibit A

Termination Certificate

I, the undersigned, hereby certify that I do not have in my possession, nor have I failed to return, any documents or materials relating to the business of Evelo Biosciences, Inc. or its affiliates (the "Company"), or copies thereof, including, without limitation, any item of Proprietary Information listed in Section 4 of the Company's Employee Proprietary Information and Inventions Assignment Agreement (the "Agreement") to which I am a party, but not including copies of my own employment records.

I further certify that I have complied with all of the terms of the Agreement signed by me, including the reporting of any Inventions (as defined in the Agreement) covered by the Agreement.

I further agree that in compliance with the Agreement, I will preserve as confidential any information relating to the Company or any of it business partners, clients, consultants or licensees which has been disclosed to me in confidence during the course of my employment by the Company unless authorized in writing to disclose such information (i) by an executive officer of the Company, in the event that I am not an executive officer of the Company, or (ii) by the Board of Directors of the Company, in the event that I am an executive officer of the Company. I understand that nothing herein is intended to or shall prevent me from communicating directly with, cooperating with, or providing information to, any federal, state or local government regulator, including, but not limited to, the U.S. Securities and Exchange Commission, the U.S. Commodity Futures Trading Commission, or the U.S. Department of Justice.

Date: _____

_____

(Employee's Signature)

_____

(Printed or Typed Name of Employee)

Exhibit B

California Labor Code

California Labor Code § 2870. Application of provision providing that employee shall assign or offer to assign rights in invention to employer.

(a) Any provision in an employment agreement which provides that an employee shall assign, or offer to assign, any of his or her rights in an invention to his or her employer shall not apply to an invention that the employee developed entirely on his or her own time without using the employer's equipment, supplies, facilities, or trade secret information except for those inventions that either:

(1) Relate at the time of conception or reduction to practice of the invention to the employer's business, or actual or demonstrably anticipated research or development of the employer; or

(2) Result from any work performed by the employee for the employer.

(b) To the extent a provision in an employment agreement purports to require an employee to assign an invention otherwise excluded from being required to be assigned under subdivision (a), the provision is against the public policy of this state and is unenforceable.

Exhibit C

Background Technology

List here prior contracts to assign Inventions that are now in existence between any other person or entity and you.

☐

List here previous Inventions which you desire to have specifically excluded from the operation of this Agreement. Continue on reverse side if necessary.

☐

Duncan McHale

TERMS AND CONDITIONS OF EMPLOYMENT

Employer's name and address: **Evelo Biosciences, Inc.** of 620 Memorial Dr., Suite 200 West, Cambridge MA 02139 (the "**Company**")

Employee's name and address: **Duncan McHale** of Little Acres, The Hill, Littlebourne, Canterbury, Kent CT3 1TB UK (the "**Employee**")

In terms of the Employment Rights Act 1996 (the **"Act"**) this document gives details of your terms and conditions of employment with the Company together with other workplace information, as at 15 December 2017

1. JOB TITLE AND DUTIES

1.1 You are employed as Chief Medical Officer with effect from 15 December 2017. Your continuous employment started on this date.

1.2 You will perform all duties required of you by the board of directors of the Company (the **"Board"**).

1.3 Whilst employed by the Company you must:

(a) during your hours of work devote all of your time, attention and abilities to the business of the Company and carry out your duties with due care and attention;

(b) not, without the Company's prior written consent, be in any way directly or indirectly engaged or concerned with any other business or employment (with the exception of Weatherden Limited) whether during or outside your hours of work for the Company;

(c) use your best efforts to promote and protect the interests of the Company and its subsidiaries and affiliates (each a "Group Company" and together the "Group") and observe the utmost good faith towards the Company and the Group; and

(d) comply with all the Company's rules, regulations and policies from time to time in force and any rules which the Company's clients may require you to observe whilst working on their premises.

2. COMMENCEMENT OF EMPLOYMENT

2.1 Your period of continuous employment with the Company commenced on 15 December 2017.

2.2 No employment with a previous employer counts as part of your period of continuous employment with the Company.

3. REMUNERATION

3.1 Your gross basic salary is £225,000 per annum (or such other sum as agreed from time to time). The salary will be paid after deduction of all taxes and national insurance contributions and is payable in equal monthly instalments into your nominated bank account on or around the last working day of each month.

3.2 Your salary will be reviewed at regular intervals.

3.3 For the purposes of the Employment Rights Act 1996, sections 13-27, you agree that the Company may deduct from your remuneration any sums due from you to the Company including, without limitation, your pension contributions (if any) and any overpayments, loans or advances made to you by the Company.

3.4 The Company may, at its absolute discretion pay you an annual, performance-based bonus upon the achievement of certain performance goals determined by the Board from time to time (the "**Bonus**"). The terms and amount of this Bonus (and whether it is paid in cash or in other forms, such as shares or share options) will be approved from time to time and notified to you by the Board in its sole discretion. In determining whether a bonus is to be paid, and if so the size of that bonus the Board may take into account such factors as it considers, in its absolute discretion, to be appropriate, which may include the anticipated future performance or service and/or past performance of you and/or the Company and/or the Group, although it has no obligation to take any of these factors into account. The bonus will not accrue, nor will you have any legitimate expectation as to the size or form of the discretionary bonus, until the Company pays it to you. There are no circumstances whether in reliance on express or implied terms or otherwise where you can require pay out of a particular sum or payment in a particular form or claim compensation for loss of such a bonus. Upon the termination of your employment or (if earlier) upon either party giving notice of termination you will have no rights as a result of this Agreement or any alleged breach of it to any compensation under or in respect of any bonus scheme.

4. EXPENSES

The Company shall reimburse to you (against receipts or other appropriate evidence as the Company may require) the amount of all out-of-pocket expenses reasonably and properly incurred by you in the proper performance of your duties hereunder in accordance with the Company's expenses policy in force from time to time.

5. NORMAL HOURS OF WORK

5.1 You will be expected to work a minimum of 28 hours per week (being 75% of the minimum hours of a full time employee of the Company).

5.2 You may from time to time be required to work additional hours in order to properly perform your duties and/or allow the Company to meet its obligations to its clients. You are not entitled to additional remuneration for authorised hours worked in excess of your normal hours.

5.3 In particular, you agree to work hours that exceed the maximum average weekly working time limit of 48 hours imposed by the Working Time Regulations 1998. You may withdraw your agreement on giving to the Company 3 months' prior written notice.

6. PLACE OF WORK

6.1 Your normal place of work will be Little Acres, The Hill, Littlebourne, Canterbury England but the Company may change your normal place of work on giving you at least one month's notice of any permanent change to your normal place of work.

6.2 You may be required to work at any of the Company's premises or at the premises of its customers, clients, suppliers or associates around the world from time to time.

6.3 You may be required to work overseas for periods exceeding one month, however there are currently no particulars to be entered in this regard.

7. NOTICE

7.1 The length of prior written notice that you must give the Company in order to terminate your employment is 3 months.

7.2 The Company must give you 3 months' notice to terminate your employment.

7.3 The Company reserves the right in its absolute discretion to terminate your employment immediately either instead of or at any time after notice of termination is given by either party and to make a payment in lieu of notice. For this purpose, pay in lieu of notice will be a sum equal to only your salary that you would have received during the period of notice outstanding on the termination of your employment. For the avoidance of doubt, the Company's right to make a payment in lieu of notice does not give you a right to receive such a payment in lieu of notice.

7.4 The Company may, at its absolute discretion, require you not to attend at work and/or not to undertake all or any of your duties hereunder during any period of notice (whether given by the Company or you), provided always that the Company shall continue to pay your salary and contractual benefits. For the avoidance of doubt, there is no obligation on the Company to provide you with any work during any period of notice and you will not be entitled to work on your own account or on account of any other person, firm or company during that period.

7.5 The Company may, notwithstanding any other terms of your employment and irrespective of whether the grounds for termination arose before or after your employment began, at any time by notice in writing, terminate your employment with immediate effect and without compensation if:-

(a) if you are convicted of a criminal offence other than one which in the opinion of the Board does not affect your position as an employee of the Company, bearing in mind the nature of your duties and the capacity in which you are employed;

(b) you are guilty of any serious default or misconduct in connection with or affecting the business of the Group, commit any serious or repeated breach of your obligations under your employment, are guilty of serious neglect or negligence in the performance of your duties or behave in a manner (whether on or off duty) which is likely to bring the Group into disrepute or which seriously impairs your ability to perform your duties;

(c) in the reasonable opinion of the Company, you have failed to substantially perform your duties to the Company (other than such failure resulting from any material illness that you are suffering) (provided that, to the extent such failure can be cured, the Company shall have provided you with at least 30 days' notice of such failure and you have not remedied the failure in the 30-day period);

(d) in the reasonable opinion of the Company, you have failed in any material respect to carry out or comply with any lawful and reasonable directive of the Board consistent with the terms of this Agreement (provided that to the extent such failure can be cured, the Company shall have provided you with at least 30 days' notice of such failure and you have not remedied the failure in the 30-day period);

(e) you are found to be using or under the influence of, or in possession of illegal drugs on the Company's (or any Group Company's) premises or while performing your duties under this Agreement;

(f) you do not have the right to work in the UK or you lose the right to work in the UK;

(g) you are found guilty of misconduct by any applicable regulatory body or tribunal or any successor bodies.

8. HOLIDAYS AND HOLIDAY PAY

8.1 You are entitled, to 21 days' paid holiday in each holiday year (inclusive of all customary and public holidays recognised by the Company).

8.2 The Company's holiday year runs from 1st January to 31st December.

8.3 If your employment begins or ends part way through the holiday year your holiday entitlement for that year will be assessed on a pro rata basis.

8.4 On termination of your employment you will be entitled to pay in lieu of any holidays which have accrued to you in the holiday year in which the termination takes place but which you have not taken at that time. The Company may require you to take unused holidays during your notice period. If on the termination of your employment, you have taken holidays in excess of the statutory holiday entitlement which has accrued to you at that time you will be required to repay to the Company holiday pay in respect of those holidays.

8.5 Holidays must be taken at times agreed by the Company and sufficient notice of a request to take holiday must be given to the Company.

8.6 All holidays must be taken in the holiday year in which they accrue and cannot be carried over to the next holiday year without the prior consent of the Company.

9. SICKNESS OR OTHER ABSENCE

9.1 If you are absent from work for any reason and your absence has not previously been authorised by the Company you must inform the Company by 9am on your first day of absence.

9.2 In respect of absence due to sickness, injury or accident that continues for more than 7 consecutive days (including weekends) you must provide the Company with a medical certificate stating the reason for the absence. Thereafter medical certificates must be provided to the Company to cover the remainder of the period of continuing sickness absence. Failure to follow these requirements may result in disciplinary action and loss of Statutory Sick Pay and company sick pay.

9.3 If you are absent from work due to sickness, injury or accident and comply with the requirements in this Clause you will be paid:

(a) Statutory Sick Pay in accordance with the provisions of the applicable legislation. For the purposes of Statutory Sick Pay, the "qualifying days" are Monday to Friday inclusive; and

(b) At the discretion of the Board, Company sick pay equal to full salary for the first 2 weeks' of absence due to sickness or injury in each calendar year.

9.4 Payment of Company sick pay shall be made less an amount equivalent to any Statutory Sick Pay payable to you.

9.5 The Company reserves the right to require you to undergo a medical examination conducted by a doctor nominated by the Company, at the Company's expense.

9.6 If the sickness, injury or accident is caused by the act or omission of a third party you must, at the Company's request, include in any claim for damages against such third party a claim in respect of moneys paid by the Company under this Clause 9.6 and must refund to the Company any damages recovered under that head.

10. PENSION ARRANGEMENTS AND OTHER BENEFITS

10.1 **Pensions arrangements**

(a) During the period of your employment with the Company, the Company will comply at all times with the employer duties under Part 1 of the Pensions Act 2008.

(b) You are eligible to join the group personal pension scheme initiated by the Company (the **"Scheme"**) subject to its rules from time to time in force. Details of the Scheme are available from the Company. If you contribute a sum equivalent to at least 1% of his basic salary annually to the Scheme, then the Company will make an annual contribution to the Scheme of an amount equal to 1% of your basic salary. The contribution shall be paid to the Scheme at such time or times during each year as the Company shall decide at its discretion.

10.2 **Company's right to terminate pensions arrangements**

The Company shall be entitled at any time to terminate the Scheme or your membership of it subject to providing him with membership of an equivalent pension scheme, the benefits of which shall be materially the same as the benefits provided to you under the Scheme.

10.3 **Other Benefits**

You will receive a payment of £10,000 per annum in lieu of any private medical and dental expenses insurance, permanent health assurance and life assurance arrangements. This will be paid monthly and will be subject to deductions and appropriate taxation.

11. CONFIDENTIALITY

You must not (except in the proper performance of your duties) while employed by the Company or at any time (without limit) after the date on which your employment with the Company terminates:

(a) divulge or communicate to any person;

(b) use for your own purposes or for any purposes other than those of the Company or, as appropriate, any of its clients; or

(c) through any failure to exercise due care and diligence, cause any unauthorised disclosure of;

any trade secrets or confidential information relating to the Company or any Group Company or any of its clients. You must at all times use your best endeavours to prevent publication or disclosure of any trade secrets or confidential information. These restrictions shall cease to apply to any information which shall become available to the public generally otherwise than through the default by you.

12. DATA PROTECTION

By signing this Statement, you acknowledge and agree that the Company is permitted to hold and process personal (and sensitive) information and data about you as part of its personnel and other business records; and may use such information in the course of the Company's business. You agree that the Company may disclose such information to third parties, including where they are situated outside the European Economic Area, in the event that such disclosure is in the Company's view required for the proper conduct of the Company's business or that of any associated company. This Clause applies to information held, used or disclosed in any medium.

13. COMPANY AND CLIENT PROPERTY

All equipment (including computer equipment), notes, memoranda, records, lists of customers, suppliers and employees, correspondence, computer and other discs or tapes, data listings, codes, keys and passwords, designs, drawings and other documents or material whatsoever (whether made or created by you or otherwise and in whatever medium or format) relating to the business of the Company or a group company or any of its or their clients (and any copies of the same) shall:

(a) be and remain the property of the Company or the relevant client; and

(b) be handed over by you to the Company on demand and in any event on the termination of your employment.

14. GRIEVANCE AND DISCIPLINARY MATTERS

14.1 If you have any grievance relating to your employment you may apply in writing to any director of the Company.

14.2 The director will consider your grievance and report to you within 7 days of the date when the grievance was raised.

14.3 If that report is not acceptable to you, you may then, within 7 days of receipt by you of the report, refer the matter in writing to CEO who will notify you of their decision within 14 days and whose decision will be final and binding.

14.4 The disciplinary rules applicable to you are contained in the staff handbook.

14.5 If you are dissatisfied with any decision of the Company regarding any disciplinary matter, you may apply in writing to the CEO within 5 days of the decision to have that decision re-considered in accordance with the Company's appeals procedure. The appeals procedure is set out in full in the staff handbook.

14.6 The grievance, disciplinary and appeals procedures are not contractually binding on the Company and the Company may alter them, or omit any or all of their stages where it considers it appropriate.

15. COLLECTIVE AGREEMENTS

There are no collective agreements applicable to you or which affect your terms of employment.

16. CHANGES TO TERMS OF EMPLOYMENT

16.1 The Company reserves the right to make changes to any of your terms and conditions of employment.

16.2 You will be given not less than one month's written notice of any significant changes that may be given by way of an individual notice. Such changes will be deemed to be accepted unless you notify the Company of any objection in writing before the expiry of the notice period.

17. PREVIOUS CONTRACTS

The contractual terms in this Statement shall be in substitution for all or any existing contracts of employment entered into between you and the Company which cease to have effect on the date upon which you commence work under this Statement.

18. CONDITIONS TO EMPLOYMENT AND CONTINUED EMPLOYEMNT

18.1 It is a condition of your employment with the Company that you are and remain legally entitled to reside and work in the United Kingdom. You confirm that you are legally entitled to work in the United Kingdom without holding a work permit. Should it be discovered that you do not have permission to live and work in the United Kingdom or if any such permission is revoked, the Company reserves the right to terminate your employment forthwith without notice or pay in lieu of notice and without referring to the warning stages of the Company's disciplinary procedure.

19. PRIVACY OF COMMUNICATION

19.1 All communications, whether by telephone, email, fax, or any other means, which are transmitted, undertaken or received using the Company's IT or communications systems ("**Company Systems**") or on Company premises will be treated by the Company as work related. The Company Systems are provided for your work use only. You agree that the Company may intercept, record and monitor all communications made by you and your use of the Company Systems without further notice. You should not regard any communications or use as being private.

19.2 The interception, recording and monitoring of communications is intended to protect the Company's business interests for example, for the purposes of quality control, security of the Company Systems, protection of the Company's confidential information and legitimate business interests, record-keeping and evidential requirements, detection and prevention of criminal activity or misconduct and to assist the Company to comply with relevant legal requirements.

19.3 You acknowledge and agree that all communications, data, records and files stored on the Company Systems or on the Company's premises may be used as evidence in disciplinary or legal proceedings against you.

20. GOVERNING LAW AND JURISDICTION

This Statement is governed by and to be construed in accordance with English law and any dispute is subject to the non-exclusive jurisdiction of the English courts.

IN WITNESS of which this Agreement has been executed and delivered as a deed on the first date written above.

EXECUTED as a Deed
by **EVELO BIOSCIENCES, INC.** acting by **Balkrishan S. Gill** [*Director*]
and **Jennifer Glennon**[*Director/ Secretary*]

/s/ Balkrishan S. Gill
Director

/s/ Jennifer Glennon
Director/Secretary

EXECUTED as a Deed
by **DUNCAN MCHALE**
in the presence of:

/s/ Duncan McHale

Witness's

Signature: _____

Full Name: _____

Address: _____

_____

_____

Evelo Biosciences, Inc.
620 Memorial Dr.
Suite 200 West
Cambridge MA 02139

16 April 2018

Duncan McHale
XXXXX
United Kingdom

Dear Duncan,

Amendment to Employment Agreement

1. BACKGROUND

1.1 In consideration of your continued employment and an increase to your salary pursuant to clause 3.1 of your contract of employment dated 15 December 2017 (the "**Employment Agreement**") with Evelo Biosciences, Inc. (the "**Company**") to £300,000 per annum with effect from 16 April 2018 (less deduction of all applicable income tax, National Insurance contributions and other withholdings), you agree to the changes to your terms and conditions as set out in this side letter (the "**Letter**").

1.2 This Letter shall take effect on 16 April 2018, provided that you sign and return a copy of this Letter to the Company.

1.3 By signing the enclosed copy of this Letter, you hereby agree to the amendments to your Employment Agreement and your terms and conditions of employment as set out in Clauses 2, 3 and 4 below.

1.4 Unless otherwise defined herein, all capitalised terms in this Letter are as defined in the Employment Agreement.

2. CHANGES TO CLAUSE 3.1 OF THE EMPLOYMENT AGREEMENT

2.1 Clause 3.1 of the Employment Agreement shall be replaced with: "Your gross basic salary is £300,000 per annum (or such other sum as agreed from time to time). The salary will be paid after deduction of all taxes and national insurance contributions and is payable in equal monthly instalments into your nominated bank account on or around the last working day of each month."

3. CHANGES TO CLAUSE 5 OF THE EMPLOYMENT AGREEMENT

3.1 Clause 5.1 of the Employment Agreement shall be replaced with: "You will be expected to work a minimum of 40 hours per week with such additional hours as are necessary for the performance of your duties."

4. CHANGES TO CLAUSE 8.1 OF THE EMPLOYMENT AGREEMENT

4.1 Clause 5.1 of the Employment Agreement shall be replaced with: "You are entitled, to 28 days' paid holiday in each holiday year (inclusive of all customary and public holidays recognised by the Company)."

5. GENERAL

5.1 If these changes are acceptable to you, please sign, date and return one copy of the Letter, appropriately witnessed. All other terms of your Employment Agreement shall remain unchanged and will continue in full force and effect.

5.2 This Letter may be executed in any number of counterparts, and by the parties on separate counterparts, but shall not be effective until each of the parties has executed at least one counterpart. Each counterpart shall constitute an original but all counterparts together shall constitute one and the same instrument.

5.3 This Letter is governed by and to be construed in accordance with English law and any dispute is subject to the exclusive jurisdiction of the English courts.

If you have any questions about this letter, please do not hesitate to contact me.

I look forward to working with you.

Yours sincerely

/s/ Balkrishan (Simba) Gill

Balkrishan (Simba) Gill, Ph.D.

I, Duncan McHale, acknowledge and agree that:

i. I have read and understood the terms of this letter; and

ii. I accept the amendments to my contract of employment stated in this letter.

Signature: /s/ Duncan McHale Date: 29 April 2018

WEATHERDEN

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DATED

1 January 2017

Weatherden Limited

and

Evelo Biosciences, Inc.

AGREEMENT FOR THE SUPPLY OF SERVICES

WEATHERDEN

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CONTENTS

WEATHERDEN

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THIS AGREEMENT is made on 1 January 2017 **BETWEEN:**

(1) **Weatherden Limited** (UK registered company 09241011) whose registered office is at 93 Jack Straws Lane, Oxford, United Kingdom **("Weatherden")**; and

(2) **Evelo Biosciences, Inc.,** a private company incorporated in Delaware USA with company offices at 620 Memorial Drive, Suite 200, Cambridge, MA 02139, United States **("Evelo")**;

each a **"Party"** and collectively the **"Parties"**.

BACKGROUND

(A) The agreement will initially cover the period of January 1st 2017 to December 31st 2018.

(B) During the defined period Weatherden will act as early drug development consultants to Evelo providing support across their whole portfolio.

(C) Specifically Weatherden will provide the equivalent of 20 hours per week of a designated senior drug developer's time, Duncan McHale, and the equivalent of eight hours per week of a designated project manager and up to the equivalent of eight hours per week of their executive chairman's time, Houman Ashrafian.

(D) Throughout the defined period of the agreement the commitment of each designated individual can be increased or decreased by mutual agreement in writing with the cost structure increased or decreased respectively in a pro-rated manner. Such commitments shall be subject to an initial quarterly allocation agreed to by the Parties and with any changes from the allocation in (C) documented in writing.

(E) Additional core team members and or Weatherden Consultants may be added throughout this period. All additional personnel will be mutually agreed in writing between Weatherden and Evelo.

(F) All reasonable business expenses incurred by Weatherden related to delivery of the Services defined in this agreement will be reimbursed by Evelo to Weatherden in addition to the support costs detailed in Annex 2. All business expenses over $500 shall be approved in writing prior to commitment.

(G) In the event that Evelo is not satisfied with the quality of support from a member of the Weatherden team then Weatherden then following notice to Weatherden and action to rectify Weatherden will make all reasonable efforts to replace that member with another individual. Should Weatherden be unable to find a mutually

acceptable additional resource then this will be taken as mutual agreement to reduce the support from the individual and the work program reduced accordingly. If any deliverables have been provided in part or whole by such member, Weatherden shall promptly redo and/or rectify any errors in such deliverables at Weatherden's expense to Evelo's reasonable satisfaction. The overall work plan is detailed in Annex 1 and it is accepted that this plan will evolve throughout the defined two year period by mutual agreement of both parties

NOW IT IS AGREED as follows:

1. SUPPLY OF THE SERVICES

1.1 Within the constraints of the funding provided by Evelo under Clause 2, Weatherden shall use all reasonable endeavours to provide Evelo with the services and deliverables which are described in the First Schedule to this Agreement (the **"Services").** During the term of this Agreement and for 3 months following its termination, Weatherden shall not work with any other party in the field of immune-microbiome except with the express written agreement of Evelo. Should Weatherden terminate the agreement prematurely then this period will be extended to 12 months.

1.2 Weatherden will use all reasonable endeavours to provide the Services in conformity with the timetable outlined in the Schedule 1. Evelo shall have the right to amend Schedule 1 as reasonably necessary and upon Weatherden's consent, not to be unreasonably withheld.

2. PAYMENT FOR THE SERVICES

2.1 Evelo will make payment to Weatherden for the supply of the Services on the dates and in the amounts set out in this Agreement upon receipt of invoice referring to a relevant Purchase Order. Weatherden shall provide a W9 form and invoice to the address provided under section 7.1.

2.2 For the Services outlined in Annex 1, compensation is agreed at $26,560 (USD) per month to cover the Weatherden core team support costs.

2.2.1 Within thirty days of receipt of invoice, Evelo will initiate payment for these Services

2.2.2 Payments shall be made to Weatherden via wire transfer

2.3 Additional payment terms for the partnership between Evelo and Weatherden will be detailed in a subsequent agreement.

(a) All other payments to Weatherden will be made within 30 days of invoicing date.

(b) Except as otherwise required by law, Evelo shall not withhold any sums or payments made to Weatherden for social security or other federal, state or local tax liabilities, and all withholdings, liabilities, and contributions shall be solely Weatherden's responsibility.

3. CONFIDENTIALITY

3.1 This Agreement describes a business relationship between the parties under the November 1, 2016 Confidentiality Agreement between the parties and that Confidentiality Agreement shall apply to information exchanged hereunder. All documents, information, and materials provided to Weatherden by or on behalf of Evelo are and shall remain the property and confidential information of Evelo.

3.2 Each party will use any Proprietary Information (as defined in the Confidentiality Agreement) disclosed in connection with the Services and use such information only for purposes of performing this Agreement. For clarity, information generated by Weatherden in performing the Services for Evelo shall be Evelo's Proprietary Information.

3.3 Neither party shall incur any obligation under Clause 3.2 with respect to information which, as evidenced by written records:

- is known to the receiving party before the Effective Date, and not impressed already with any obligation of confidentiality to the disclosing party; or
- is or becomes publicly known without the fault of the receiving party; or
- is obtained by the receiving party from a third party in circumstances where the receiving party has no reason to believe that there has been a breach of an obligation of confidentiality owed to the disclosing party; or
- is independently developed by the receiving party; or
- is approved for release in writing by an authorised representative of the disclosing party; or
- the receiving party is specifically required to disclose by law or pursuant to the order of any court of competent jurisdiction provided that, in the case of a disclosure under the Freedom of Information Act, none of the exemptions in that Act applies to the information and further provided that, the receiving party shall provide advance written notice to the disclosing party

If either party receives a request under the Freedom of Information Act to disclose any information, it will notify and consult with the other party. The other party will respond within five days after receiving notice if the notice requests assistance in determining whether or not an exemption in the Act applies.

4. ASSIGNMENT

4.1 Neither party may assign or delegate or subcontract any of its obligations under this Agreement without the prior written consent of the other except to an affiliate or in connection with the sale or other disposition of substantially all the assets of the assigning party's business to which this Agreement relates.

5. TERMINATION

5.1 This Agreement may be terminated by either party for any breach of the obligations set out in this Agreement, by giving thirty (30) days' written notice to the other of its intention to terminate. The notice shall include a detailed statement describing the nature of the breach. If the breach is capable of being remedied and is remedied within the thirty-day notice period, then the termination shall not take effect. If the breach is of a nature such that it can be fully remedied but not within the thirty day notice period, then termination shall also not be effective if the party involved begins to remedy the breach within that period, and then continues diligently to remedy the breach until it is remedied fully. If the breach is incapable of remedy, then the termination shall take effect at the end of the thirty day notice period in any event. In addition, this Agreement may be terminated by Evelo for any reason, by giving sixty (60) days' written notice to Weatherden of Evelo's intention to terminate.

5.2 Either party shall have the right to terminate this Agreement by serving written notice to the other party in the event that a party has a petition presented for its winding up otherwise than for the purpose of a bona fide amalgamation or reconstruction, or compounds with its creditors, or has a receiver or administrative receiver appointed of all or any part of its assets, or enters into any arrangements with creditors, or takes or suffers any similar action in consequence of debts.

5.3 The termination of this Agreement under Clause 5.1 or Clause 5.2 shall mean the termination as from the effective date of termination of the obligations imposed on the parties under Clauses 1 and 2. Clause 3.1 shall survive for seven until the termination of the Confidentiality Agreement. The remaining clauses shall survive termination indefinitely.

6. REPRESENTATIONS/INDEMNITY/LIMITATION OF LIABILITY

6.1 Weatherden represents and warrants that it is authorized to enter into this Agreement and will make every effort to supply the Services with reasonable care and skill and in compliance with all applicable laws and regulations. None of the succeeding sub-clauses will operate to exclude or restrict any liability which Weatherden may have for death or personal injury resulting from negligence. Weatherden further represents and warrants that the conduct and provision of Services will not knowingly violate any patent, trade secret or other proprietary or intellectual property right of a third party.

6.2 Weatherden accepts no responsibility for any use which may be made of any work carried out under or pursuant to this Agreement, nor for any reliance which may be placed on such work or results, nor for advice or information given in connection with them, unless such arises from Weatherden's negligence, misconduct or breach of this Agreement or any representations or warranties hereunder.

6.3 No condition is made or to be implied nor is any warranty given or to be implied as to the quality, life or wear of any materials supplied, or that they will be suitable for any particular purpose or for use under any specific conditions.

6.4 Evelo undertakes to make no claim in connection with this Agreement or its subject matter against any employee, agent or appointee of Weatherden (apart from claims based on negligence, fraud or wilful misconduct). This undertaking is intended to give protection to individuals: it does not prejudice any right which the Evelo might have to claim against Weatherden.

6.5 Except for a breach of confidentiality, the liability of either party for any breach of this Agreement, or arising in any other way out of the subject-matter of this Agreement, will not extend to loss of business or profit, or to any indirect, punitive, or consequential damages or losses.

6.6 In any event, the maximum liability of either party to the other party under or otherwise in connection with this Agreement or its subject matter shall not exceed the return of all moneys provided by the Evelo under Clause 2.1 together with interest on the balance of such moneys from time to time outstanding, accruing from day to day at the HSBC Bank UK Base Rate from time to time in force and compounded annually as at 31 December.

6.7 If any sub-clause of this Clause 6 is held to be invalid or unenforceable under any applicable statute or rule of law then it shall be deemed to be omitted, and if as a result any party becomes liable for loss or damage which would otherwise have been excluded then such liability shall be subject to the remaining sub-clauses of this clause 6.

6.8 Weatherden shall indemnify, defend and hold harmless Evelo, and its respective officers, directors, employees and agents (collectively, the "Evelo Indemnitees") against any third party claims, to the extent arising out of or relating to: (i)any Weatherden Indemnitee's negligence or willful misconduct in performing obligations under this Agreement; or (iii) Weatherden's breach of this Agreement.

6.9 Weatherden shall carry insurance sufficient to meet its obligations herein, including carrying worker's compensation, comprehensive general liability coverage with contractual liability, and professional liability/errors and omissions coverage. Upon request of Evelo, Weatherden will provide evidence of such coverage.

7. NOTICES

7.1 Weatherden's representative for the purpose of receiving payments, reports and other notices shall until further notice be:

Houman Ashrafian, Weatherden, 93 Jack Straws Lane, Oxford, OX3 0DW United Kingdom

XXXXXX

Evelo's representative for the purpose of receiving invoices shall until further notice be:

Evelo Biosciences, Inc.
620 Memorial Drive, Suite 200
Cambridge, MA 02139
finance@evelobio.com, cc: Jennifer@evelobio.com

Evelo's representative for the purpose of receiving reports and other notices shall until further notice be:

Evelo Biosciences, Inc.
620 Memorial Drive, Suite 200
Cambridge, MA 02139
Attn: Legal Department

8. INTELLECTUAL PROPERTY

8.1 Evelo shall own all rights, including all intellectual property rights, to any inventions, documents, discoveries, improvements, ideas, processes, formulations, products, programs, works of authorship, trade secrets, know-how, information, data, reports, and all other products and/or materials arising from or made in the performance of Services (whether or not patentable) ("Inventions") in relation to the microbiome platform. Weatherden shall disclose and hereby assigns all right, title and interest in and to all such Inventions, and shall ensure its employees and agents disclose and assign such Inventions, to Evelo.

9. GENERAL

9.1 Clause headings are inserted in this Agreement for convenience only, and they shall not be taken into account in the interpretation of this Agreement.

9.2 Amounts specified for payment in this Agreement are stated exclusive of Value Added Tax. Whenever Evelo is obliged to make a payment to Weatherden under this Agreement which attracts Value Added, sales, use, excise or other similar taxes or duties, Evelo shall be responsible for paying such taxes and duties, except taxes based on Weatherden's income.

9.3 If the Evelo fails to make any undisputed payment due Weatherden under this Agreement then, without prejudice to the Weatherden's other rights and remedies consequent upon breach of this Agreement, Weatherden may charge interest on the balance outstanding, accruing from day to day at the rate of four per cent (4%) per annum above the HSBC Bank UK Base Rate from time to time in force and compounded annually as at 31 December.

9.4 If the performance by either party of any of its obligations under this Agreement shall be prevented by circumstances beyond its reasonable control, then such party shall be excused from performance of that obligation for the duration of the relevant event and the other party may terminate the Agreement without penalty.

9.5 No one except a party to this Agreement has any right to prevent the amendment of this Agreement or its termination; and no one except a party may enforce any benefit conferred by this Agreement, unless this Agreement expressly provides otherwise.

9.6 Nothing in this Agreement shall create, imply or evidence any partnership or joint venture between Weatherden and Evelo or the relationship between them of principal and agent.

9.7 Neither Weatherden nor Evelo shall use the name or any trademark or logo of the other in any press release or product advertising, or for any other commercial purpose, without the prior written consent of the other; provided, however, that publication of the sums received from Evelo in Weatherden's Annual Report and similar publications shall not be regarded as a breach of this clause.

9.8 This Agreement and its two Schedules (which are incorporated into and made a part of this Agreement) constitute the entire agreement between the parties for the supply of the Services. Any variation shall be in writing and signed by authorised signatories for both parties.

9.9 INTENTIONALLY OMITTED

9.10 If any one or more clauses or sub-clauses of this Agreement would result in this Agreement being prohibited pursuant to any applicable competition law then it or they shall be deemed to be omitted. The parties shall uphold the remainder of this Agreement, and shall negotiate an amendment which, as far as legally feasible, maintains the economic balance between the parties.

9.11 This Agreement may be executed in any number of counterparts, each of which when executed will constitute an original of this Agreement, but all counterparts will together constitute the same agreement. No counterpart will be effective until each Party has executed at least one counterpart.

IN WITNESS of this Agreement, the Parties have executed this Agreement through their duly authorised representatives.

SIGNED for and on behalf of **Weatherden Limited**)
)
)
) /s/ Houman Ashrafian

Name: Houman Ashrafian

Title: Executive Chairman

Date:

SIGNED for and on behalf of **Evelo**)
) /s/ Simba Gill

Name: Simba Gill

Title: Chief Executive Officer

Date:

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THIS VARIATION to the agreement made on 1 January 2017 ("initial agreement") between:

(1) **Weatherden Limited** (UK registered company 09241011) whose registered office is at 93 Jack Straws Lane, Oxford, United Kingdom ("**Weatherden**"); and

(2) **Evelo Biosciences, Inc.**, a private company incorporated in Delaware USA with company offices at 620 Memorial Drive, Suite 200, Cambridge, MA 02139, United States ("**Evelo**");

Is made on 22 July 2017:

In line with the initial agreement:

Weatherden agree to provide additional Clinical Operations support to Evelo by assigning a Weatherden consultant (Harjit Singh) to provide further support to Evelo's portfolio.

The consultant will initially be assigned to provide an additional two working days of support to Evelo from 22nd July 2017, which will increase to 5 days of support from October 1st. The support will continue until Evelo no longer require this support. The allocated time can be reduced at any point with 1 month notice in writing. For this time and until such time as Evelo reduce the time the consultant will be dedicated to Evelo. Should the current consultant no longer be available then a new consultant will be found and on agreement with Evelo will take over the support.

Evelo agree to an increase in cost structure from that outlined in the initial agreement of an additional £1000 (GDP) per day of Weatherden consultant's time assigned to Evelo. Monthly invoices shall include actual days worked and a summary of work performed as well as breakdown of work by project. All sick or holiday time shall not be booked but indicated on the monthly invoice.

In line with the initial agreement, all reasonable business expenses incurred by the Weatherden consultant related to delivery of the services provided to Evelo by Weatherden will be reimbursed in addition to support costs. All business expenses over $250 will be approved in writing prior to commitment.

SIGNED for and on behalf of **Weatherden Limited**)
)
)
) /s/ Duncan McHale

Name: Duncan McHale

Title: Chief Executive Officer

Date:

SIGNED for and on behalf of **Evelo**)
) /s/ Jennifer Glennon

Name: Jennifer Glennon

Title: Vice President, Finance and Operations

Date:

Confidential Treatment Requested Evelo Biosciences, Inc.

MAYO FOUNDATION FOR MEDICAL EDUCATION AND RESEARCH
PATENT LICENSE AGREEMENT

This patent license agreement ("**Agreement**") is by and between **Mayo Foundation for Medical Education and Research**, a Minnesota charitable corporation, located at 200 First Street SW, Rochester, Minnesota 55905-0001 ("MAYO"), and **Evelo Biosciences, Inc.** ("COMPANY"), a Delaware corporation, having a place of business at 620 Memorial Drive, Suite 200 West, Cambridge, Massachusetts 02139, each a "Party," and collectively "Parties".

WHEREAS, MAYO desires to make its intellectual and tangible property rights available for the development and commercialization of products, methods and processes for public use and benefit;

WHEREAS, COMPANY represents itself as being knowledgeable in developing and commercializing therapeutic technologies based on oral administration of bacteria; and

WHEREAS, MAYO is willing to grant and COMPANY is willing to accept an exclusive license under such rights for the purpose of developing such technology.

NOW THEREFORE, in consideration of the foregoing and the terms and conditions set forth below, the Parties hereby agree as follows:

Article 1.00 – Definitions

For purposes of this Agreement, the terms defined in this Article will have the meaning specified and will be applicable both to the singular and plural forms:

1.01 For MAYO, **"Affiliate"**: any corporation or other entity within the same "controlled group of corporations" as MAYO or its parent MAYO Clinic. For purposes of this definition, the term "controlled group of corporations" will have the same definition as Section 1563 of the Internal Revenue Code as of November 10, 1998, but will include corporations or other entities which if not a stock corporation, more than fifty percent (50%) of the board of directors or other governing body of such corporation or other entity is controlled by a corporation within the controlled group of corporations of MAYO or Mayo Clinic. MAYO's Affiliates include, but are not limited to: Mayo Clinic; Mayo Collaborative Services, LLC; Mayo Clinic Hospital, Rochester; Mayo Clinic Florida; Mayo Clinic Arizona; and its Mayo Clinic Health System entities.

For COMPANY, **"Affiliate"**: any corporation or other entity that controls, is controlled by, or is under common control with, COMPANY. For purposes of this definition, "control" means ownership of: (a) at least fifty percent (50%) or the maximum percentage, if less than fifty percent (50%), as allowed by applicable law, of the outstanding voting securities of such entity; or (b) at least fifty percent (50%) of the decision-making authority of such entity.

1.02 "Confidential Information": all proprietary unpublished or nonpublic information or materials including, but not limited to, written, oral or virtually presented information and such items as electronic media products, trade secrets, financial information, equipment, databases

and the like provided by one Party to the other under this Agreement, or which is observed by a Party while on the other Party's premises. Confidential Information does not include any information or material that receiving party evidences is: (a) already known to the receiving party at the time of disclosure (other than from the disclosing party); (b) publicly known other than through acts or omissions of the receiving party; (c) disclosed to the receiving party by a third party who was not and is not under any obligation of confidentiality; or (d) independently developed by employees of the receiving party without knowledge of or access to the Confidential Information.

1.03 "Effective Date": August 6, 2017.

1.04 "Field": All uses

1.05 "Know-How": research and development information, materials, technical data, unpatented inventions, trade secrets, know-how and supportive information of Joseph A. Murray, M.D., Eric V. Marietta, Ph.D., Susan H. Barton, M.D., Veena Taneja, Ph.D. and Ashutosh Mangalam, Ph.D., owned and controlled by MAYO as of the Effective Date, to the extent it is necessary for the development or manufacture of a Licensed Product ([***]). For clarity, "materials" herein shall not mean Licensed Materials defined herein.

1.06 "Licensed Product": any product or process that: (a) incorporates a composition, or is made by a method, or that entails use of a method or which infringes an issued claim of the Patent Rights, or that would infringe but for the exception in 35 U.S.C. §271(e)(1), or similar exception in the United States or other countries, or that is covered by a Valid Claim of the Licensed Patents, or (b) incorporates, utilizes, or is derived from the Know-How or Licensed Materials.

1.07 "Licensed Materials": means *Prevotella histicola* strain B-50329 and any progeny and derivatives thereof.

1.08 "Net Sales": shall mean the amounts invoiced from the sale of Licensed Product by COMPANY, its Affiliates or a Sublicensee to any third parties, in accordance with generally accepted accounting principles, less the following deductions:

(a) Allowances and rebates actually paid, granted or accrued, including rejections, damaged or defective goods, returns, recalls, retroactive price reductions, rebates, charge backs and prompt payment and volume discounts, billing errors, reimbursements or similar payments to wholesalers or other distributors, buying groups health insurance carriers or other institutions, pharmacy benefit management companies, health maintenance organizations or any governmental or regulatory authority or agency (including their purchasers and/or reimbursers), adjustments from consumer discount programs; and

(b) In the event gross sales includes freight, transportation, packing, handling, storage fees, governmental duties relating to sales or taxes and/or insurance charges associated with transportation, such amounts will be deducted to calculate Net Sales subject to Royalty. When such fees are invoiced separately, these amounts will be excluded from any gross to Net Sales calculations.

(c) Taxes based on sales when included in gross sales, duties and other governmental charges (including value added tax), but not taxes assessed on income derived from such sales.

(d) Any invoiced amounts that are not collected by Company and its Licensed Entities, including bad debts relating to such Licensed Products, provided such deductions for uncollected amounts or bad debts may not exceed [***] of Net Sales in any one year. Company will provide Mayo with documentation upon request of such write-offs of uncollected amounts or bad debts.

Net Sales accrues with the first of delivery or invoice.

In the event that a Licensed Product is sold in combination with another product that is not a Licensed Product ("Combination Product"), Net Sales, for purposes of royalty payments on the Combination Product, shall be calculated by multiplying the Net Sales on sale of that combination by the fraction A/B, where A is the gross selling price of the Licensed Product sold separately and B is the gross selling price of the Combination Product. In the event that no such separate sales are made by the COMPANY, Net Sales for royalty determination shall be calculated by multiplying Net Sales of the combination by the fraction C/(C+D) where C is the fully allocated cost of the Licensed Product and D is the fully allocated cost of other components, such standard costs being determined using the COMPANY's standard accounting procedures.

For the avoidance of doubt, Net Sales shall not include sales by Company to its Affiliates or a Sublicensee for resale, provided that if Company sells a Licensed Product to an Affiliate or a Sublicensee for resale, Net Sales shall include the amounts invoiced by such Affiliate or Sublicensee, to third parties on the resale of such Licensed Product subject to the deductions above.

1.09 "**Non-commercial Research Purpose":** means the use of Licensed Patents or Licensed Material or both for academic research, education, or other not-for-profit scholarly purposes which are undertaken at a non-profit or government institution. For clarity, Non-Commercial Research Purposes excludes use in humans.

1.10 "Patent Rights": means, to the extent owned and/or controlled by Mayo: (i) the patents and patent applications listed on Schedule A attached hereto, including all divisions, continuations, foreign counterparts, and any patents which may issue from such patent applications and any reexamination, reissues, substitutions, extensions of or to or supplementary protection certificates referencing any such patents or patent applications; and (ii) any claims in continuations-in-part of any of the foregoing to the extent such claims are fully supported under 35 U.S.C. §112 by the patents and/or patent applications in (i) above.

1.11 "Sublicensee": any third party or any Affiliate to whom COMPANY has conveyed rights or the forbearance of suit under the Patent Rights, Know-How or Licensed Materials.

1.12 "Term": begins on the Effective Date and ends, subject to Article 10 (Term and Termination), upon the date of the last to expire of the Patent Rights, unless the Know-How or Licensed Materials are still in use, or were used such that Section 3.04 (Earned Royalties) and Article 4 (Accounting and Reports) still apply, in which case the Term shall end upon the date of the satisfaction of these provisions.

1.13 "Territory": worldwide.

1.14 "Valid Claim": A claim of (a) a pending patent application within the Patent Rights that has not been pending for more than ten (10) years from its earliest priority date, or (b) an issued claim of any unexpired Patent Rights or a claim of any pending Patent Rights that have not been held unenforceable, unpatentable, or invalid by a decision of a court or governmental body of competent jurisdiction in a ruling that is unappealable or unappealed within the time allowed for appeal, and that has not been disclaimed or admitted to be invalid or unenforceable through reissue, re-examination, disclaimer or otherwise.

Article 2.00 - Grant of Rights

2.0l GRANT. Subject to the terms and conditions of this Agreement, MAYO grants to COMPANY: (a) an exclusive license with the right to sublicense, within the Field and Territory, under the Patent Rights to make, have made, use, offer for sale, sell, and import Licensed Products; and (b) an exclusive license, with the right to sublicense, within the Field and Territory, to use the Licensed Materials to develop, make, have made, use, offer for sale, sell, and import Licensed Products; and (c) a nonexclusive license within the Field and Territory, to use the Know-How to develop, make, have made, use, offer for sale, sell, and import Licensed Products.

To facilitate the practice of the license granted to COMPANY, during the [***] following the last signature hereto, MAYO will deliver to COMPANY the Licensed Materials and provide physical and electronic documents embodying the Know How. In addition, MAYO shall provide reasonable access to knowledgeable personnel to transfer Know-How or Licensed Materials to COMPANY and enable its use by the COMPANY, but in no event shall MAYO be required to provide any Know-How or Licensed Materials in tangible form if it does not exist in tangible form as of the Effective Date, and in no event shall MAYO be required to provide more than forty-eight (48) hours of service of such access.

2.02 RESERVATION OF RIGHTS. COMPANY acknowledges that the inventions claimed in the Patent Rights were made with funds provided by the U.S. Government. All rights granted to COMPANY herein are subject to: (a) the rights and obligations to and requirements of the U.S. government set forth in 35 U.S.C. §§200 et al., 37 C.F.R. Part 401 et al. ("Bayh-Dole Act"); and (b) MAYO's and its Affiliates' reserved, irrevocable, noncommercial, internal right to practice and have practiced the Patent Rights and Licensed Material in connection with MAYO's

and its Affiliates' Non-commercial Research Purpose, including MAYO's reference laboratory, Mayo Collaborative Services, LLC, and Mayo Clinic Care Network. COMPANY agrees to comply with the provisions of the Bayh-Dole Act, including promptly providing to MAYO with information requested to enable MAYO to meet its compliance requirements and substantially manufacturing Licensed Product in the U.S to the extent required by 35 U.S.C. § 204. For clarity, Non-commercial Research Purposes excludes use in humans.

2.03 NO OTHER RIGHTS GRANTED. This Agreement does not grant any right, title or interest in or to any tangible or intangible property right of MAYO or its Affiliates, including any improvements thereon, or to any Patent Rights or Know-How or Licensed Materials outside the Field or Territory that is not expressly stated in Section 2.01 (Grant). All such rights, titles and interests are expressly reserved by MAYO and COMPANY agrees that in no event will this Agreement be construed as a sale, an assignment or an implied license by MAYO or its Affiliates to COMPANY of any such tangible or intangible property rights.

2.04 SUBLICENSES. Any sublicense by COMPANY shall be to a Sublicensee that agrees in writing to be bound by substantially the same terms and conditions of this Agreement, excluding financial terms and conditions, or such sublicense shall be null and void. Sublicenses granted by COMPANY hereunder may be transferable, including by further sublicensing, delegatable or assignable. COMPANY will notify MAYO within [***] after the grant of any Sublicense and provide MAYO with a copy of each sublicense agreement promptly after execution; provided such Sublicense may be redacted to delete any terms that are not material to compliance with this Agreement. COMPANY is responsible for the performance of all Sublicensees as if such performance were carried out by COMPANY itself, including the payment of any royalties or other payments provided for hereunder triggered by such Sublicense, regardless of whether the terms of any sublicense require that Sublicensee pay such amounts (such as in a fully paid-up license) to COMPANY or that such amounts be paid by the Sublicensee directly to MAYO. Each sublicense agreement shall name MAYO as a third party beneficiary; provided, MAYO may only exercise its rights as a third party beneficiary if COMPANY has failed to take steps to correct any breach by a Sublicensee identified by MAYO. COMPANY shall not grant any fully-paid up, royalty-free or exclusive sublicenses without MAYO's prior written consent; provided, COMPANY and its Sublicensees may grant sublicenses, with MAYO's consent, to third parties performing contract services on behalf of the COMPANY with regard to Licensed Products, e.g, pre-clinical toxicology, manufacturing, clinical trial conduct, etc. In the event of any termination of this Agreement, any Sublicensee that is not then in material breach of this Agreement shall have the right to retain its sublicense to the Patent Rights, Know How and Licensed Materials by providing notice to MAYO, and in such event any Sublicensee shall pay directly to MAYO any amounts that would be due to MAYO from COMPANY hereunder for activities conducted by such Sublicensee.

Article 3.00 - Royalties

3.01 UP-FRONT. Within [***] of the Effective Date, COMPANY will make a nonrefundable and noncreditable up-front payment to MAYO of TWO HUNDRED AND TWENTY-FIVE THOUSAND DOLLARS (US $225,000) for entering into this agreement.

3.02 ANNUAL LICENSE MAINTENANCE FEE. Beginning on the second anniversary of the Effective Date and continuing for the term of this Agreement, COMPANY will pay to MAYO Annual License Maintenances fees on the applicable anniversary of the Effective Date. The first License Maintenance fee payment will be [***]. The Annual License Maintenance fee due in subsequent years will be [***]. Annual License Maintenance Fees shall not be due in any year where the aggregate amount of the Milestone Fees and Earned Royalties are greater than the applicable Annual License Maintenance Fee. If in any year during the Term the aggregate amount of the Milestone Fees and Earned Royalties payments made during such year is less than the applicable Annual License Maintenance Fee for such year (a "Shortfall"), then COMPANY shall make an Annual License Maintenance Fee payment to MAYO in the amount of the Shortfall together with the Milestone Fees and Earned Royalty payment for such year.

3.03 MILESTONE FEES. COMPANY will pay the following nonrefundable and noncreditable milestone fees to MAYO upon the achievement each of the following events:

	EVENT	MILESTONE PAYMENT
1	Completion of all GLP toxicology studies necessary to file an IND	[***]
2	Commencement of the first human testing of the first Licensed Product (first person, first dose). For clarity, this includes a healthy volunteer study.	[***]
3	Completion of the first human testing of the first Licensed Product	[***]
4	First patient dosed in the first Phase III Clinical Trial for the first Licensed Product	[***]
5	First Commercial Sale (first indication) of Licensed Product in the US	[***]
6	BLA approval for a second indication of each Licensed Product by the FDA	[***]
7	Upon reaching US Net Sales of Licensed Product of over [***] in one calendar year	[***]

Each milestone payment shall be payable only once, upon the first occurrence of the corresponding milestone event, whether achieved by the same or a different Licensed Product than had achieved any other milestone event, except that milestones 5 and 6 are payable not more than twice regardless of how many Licensed Products achieve these milestones.

As used herein: "**Completion"** means with respect to milestone 1, completion of the final reports of such studies; "**Commencement**" means with respect to milestone 2, first dosing of the first human subject; "**Completion**" means with respect to milestone 3, lock of the trial database; "**Phase III Clinical Trial**" means with respect to milestone 4, a human clinical study

of a biopharmaceutical product, the design of which is acknowledged by the FDA to be sufficient for such clinical study to satisfy the requirements of 21 C.F.R. 312.21(c) (as amended or any replacement thereof), or a similar human clinical study prescribed by the regulatory authority in a country other than the United States of America, the design of which is acknowledged by such regulatory authority to be sufficient for such clinical study to satisfy the requirements of a pivotal efficacy and safety clinical study; and "**First Commercial Sale**" means with respect to milestone 5, with respect to a particular Licensed Product, the first commercial sale in an arms-length transaction of such Product by COMPANY, its Affiliates or its Sublicensees to a Third Party in a country in the Territory after receipt of all regulatory approvals (including without limitation, pricing approvals) for such Licensed Product in such country, provided, however, that the First Commercial Sale shall not include any transfer of a Licensed Product (i) between or among COMPANY and its Affiliates or its Sublicensees for resale to a Third Party, or (ii) Licensed Products sold or distributed for clinical studies, compassionate use, named patient programs, sales under a treatment IND, non-registrational studies or other circumstances where any Licensed Product(s) are sold at cost or supplied without charge, such as promotional samples, or donations (e.g., to not for profit institutions for non-commercial purposes).

3.04 EARNED ROYALTIES. Subject to Section 3.06, COMPANY shall pay MAYO a nonrefundable and noncreditable tiered royalty of the Net Sales of the Licensed Product sold by COMPANY, on a Licensed Product by Licensed Product basis ("Earned Royalties"), as follows:

(a) Valid Claims Royalty: In country(ies) in which a Licensed Product is covered by a Valid Claim, COMPANY will pay to MAYO:

i. [***] on the portion of annual Net Sales that are less than [***]

ii. [***] on the portion of annual Net Sales that are between [***]

iii. [***] on the portion of annual Net Sales that are greater than [***]

(b) Licensed Material Royalty: In country(ies) in which a Licensed Product is not covered by a Valid Claim, but includes Licensed Material, COMPANY will pay to MAYO:

i. [***] on the portion of annual Net Sales that are less than [***]

ii. [***] on the portion of annual Net Sales that are between [***]

iii. [***] on the portion of annual Net Sales that are greater than [***]

In no event will a Licensed Material Royalty be due for any Net Sales after fifteen (15) years from the First Commercial Sale of the applicable Licensed Product, on a country-by-country basis and Licensed Product-by-Licensed Product basis.

Confidential Portions of this Exhibit marked as [***] have been omitted pursuant to a request for confidential treatment and have been filed separately with the Securities and Exchange Commission.

The Earned Royalties are payable as described in Section 4.01 (Reports and Payments). Licensed Products transferred to MAYO or its Affiliates are not considered transfers for purposes of determining Net Sales or for calculating Earned Royalties. No Earned Royalties are due MAYO on transfers to MAYO or MAYO Affiliates. Earned Royalties subject to Section 3.04 (a) above shall terminate on a Licensed Product-by-Licensed Product and country-by-country basis upon the first date when there is no longer a Valid Claim covering such Licensed Product in the country where such Product is made or sold.

3.05 ROYALTY STACKING. If COMPANY is a party to a license agreement with any third party under which COMPANY obtains a license for intellectual property or technology required for the manufacture, use or sale of a Licensed Product and the total royalty due in the aggregate to one or more third parties exceeds [***], then COMPANY may reduce the Earned Royalties due to MAYO pursuant to Section 3.04 (Earned Royalties) on such Licensed Product (on a product-by-product basis) by [***] of the amounts that are payable to such third party; provided, however, that in no event will the Earned Royalties otherwise due under Section 3.04 (Earned Royalties) be reduced to less than [***] of the Earned Royalties that would otherwise be payable to MAYO pursuant to Section 3.04 (Earned Royalties) by operation of the foregoing reduction. For the avoidance of doubt, the Earned Royalties otherwise due under Section 3.04 (Earned Royalties) be not be reduced to more than [***] regardless of the number of additional licenses to which COMPANY is a party. COMPANY agrees to notify MAYO immediately if COMPANY enters into any additional license(s) with a third party or parties that would affect the Earned Royalty amount received by MAYO.

3.06 NO MULTIPLE ROYALTIES. If a Licensed Product is covered by more than one patent or patent application within the Patent Rights or a Valid Claim and uses Licensed Materials, multiple royalties shall not be due. Net Sales shall not be counted for both a Valid Claims Royalty and a Licensed Material Royalty.

3.07 [***]. MAYO may, at its sole option, purchase the Licensed Product for use within MAYO's and its Affiliates' educational research, and clinical programs in any quantity at [***] offered by COMPANY to any third party for the applicable Licensed Product. The [***] will be determined on each January 1st and will be reported to MAYO with the report due February 1st pursuant to Section 4.01 (Reports and Payment), and will apply for the 12-month period starting March 1st of such year. COMPANY will also report such sales to MAYO as part of the royalty report described in Section 3.04 (Earned Royalties), however, pursuant to Section 3.04 (Earned Royalties), no royalties are due on sales to MAYO or MAYO Affiliates.

3.08 TAXES. COMPANY is responsible for all taxes, duties, import duties, assessments and other governmental charges, however designated, which are now or hereafter imposed by any authority on COMPANY: (a) by reason of the performance by MAYO of its obligations under this Agreement, or the payment of any amounts by COMPANY to MAYO under this Agreement; (b) based on the Patent Rights; or (c) related to use, sale or importation of the Licensed Product. The parties acknowledge that MAYO is a U.S. not-for profit entity and is not expected to have any tax liability, and shall provide to COMPANY a tax certificate reflecting its not for profit status. If COMPANY is nevertheless required by law to withhold on remittance of the royalty payments, COMPANY shall PAY to MAYO amounts which shall result in the net

amount being received by MAYO being equal to the amount which would have been received by MAYO had no such deduction or withholding been made. In any such case, COMPANY will provide MAYO with reasonable assistance, at MAYO's expense, in obtaining, any tax reduction (including avoidance of double taxation), tax refund or tax exemption available to MAYO by treaty or otherwise.

3.09 U.S. CURRENCY. All payments to MAYO under this Agreement will be made by draft drawn on a U.S. bank, and payable in U.S. dollars. In the event that conversion from foreign currency is required in calculating a payment under this Agreement, the exchange rate used shall be the Interbank rate quoted by US Bank at the end of the last business day of the quarter in which the payment accrued.

3.10 OVERDUE PAYMENTS. If overdue, the payments due under this Agreement shall bear interest until paid at a per annum rate of [***] in effect at US Bank on the due date. MAYO shall be entitled to recover, in addition to all other remedies, reasonable attorneys' fees and costs related to the administration or enforcement of this Agreement, including collection of payments, following COMPANY's such failure to pay. The acceptance of any payment, including such interest, shall not foreclose MAYO from exercising any other right or seeking any other remedy that it may have as a consequence of the failure of COMPANY to make any payment when due.

Article 4.00 - Accounting and Reports

4.01 REPORTS AND PAYMENT. Commencing with the First Commercial Sale of a Licensed Product, COMPANY will deliver to MAYO on or before the following dates: 1 August, a written report setting forth a full accounting showing how any amounts due to MAYO for the preceding calendar year have been calculated as provided in this Agreement, including an accounting of total Net Sales with a reporting of any applicable foreign exchange rates, deductions, allowances, and charges and any payments due from Sublicensees. Each report will include product names, part numbers and quantity sold for each country in which the Licensed Product was sold. Furthermore, the report will include detailed information about Licensed Products sold to MAYO or MAYO Affiliates at cost, pursuant to Section 3.04 (Earned Royalties) or 3.07 ([***]). If no Licensed Product transfers have occurred and no other amounts are due to MAYO, COMPANY will submit a report so stating. Each such report will be accompanied by the payment of all amounts due for such calendar year.

4.02 ACCOUNTING. COMPANY will, throughout the Term, keep complete, continuous, true and accurate books of accounts and records sufficient to support and verify the calculation of Net Sales, all royalties and any other amount believed due and payable to MAYO under this Agreement. Such books and records will be open once per year during COMPANY's ordinary business hours for inspection by a nationally recognized accounting firm selected by MAYO for audit and verification of royalty statements under this Agreement. The MAYO representative will be required to enter into a written confidentiality agreement with the COMPANY and will be a firm reasonably acceptable to COMPANY. MAYO will provide to the COMPANY a copy of any report by the accounting firm that concludes that any underpayment occurred, along with supporting documentation. In the event such audit reveals an underpayment by COMPANY in

any year, and COMPANY does not reasonably dispute such conclusion, COMPANY will within [***] pay the amount underpaid royalty due in excess of the royalty actually paid. In the event the audit reveals an underpayment by COMPANY of more than [***] of the amount due to MAYO in any year, COMPANY will pay interest on the royalty due in excess of the royalty actually paid at the highest rate then permitted by law and COMPANY will pay all of MAYO's costs in conducting the audit.

Article 5.00 - Diligence

5.01 DEVELOPMENT PLAN. COMPANY will make commercially reasonable efforts to bring Licensed Products to market in the Field in the Territory. COMPANY has provided MAYO with a development plan that describes how COMPANY intends to bring Licensed Products to market, attached to this Agreement as Schedule B, *Development Plan*, incorporated herein by reference. The Development Plan is subject to reasonable revision by Evelo based on data and results generated in development of Licensed Products. Activities conducted by the COMPANY and its Affiliates and Sublicensees shall be treated as efforts by the Company in determining compliance with this Section 5.

5.02 DILIGENCE REPORTS. COMPANY will provide MAYO with annual reports within [***] of each anniversary of the Effective Date describing in detail: (a) as of that reporting period, all development and marketing activities for the Licensed Product and the names of all Sublicensees, including which of the Sublicensees are Affiliates. MAYO shall have the right to audit COMPANY's and Sublicensees' records relating to development of Licensed Products. The foregoing Diligence Report obligations will terminate upon first commercial sale of a Licensed Product.

Article 6.00 – Intellectual Property Management

6.01 CONTROL. MAYO will have the responsibility to prepare, file, prosecute, abandon, or otherwise handle the Patent Rights with prior advice and comment from COMPANY. COMPANY shall pay all costs and expenses associated with the filing, prosecution and maintenance of the Patent Rights, whether arising before or during the Term; provided, COMPANY may with [***] prior written notice to MAYO discontinue its financial support for such activities with respect to any patent application or patent within the Patent Rights, and in such case, the COMPANY's license to the applicable patent or patent application shall terminate. Unless otherwise agreed by the parties in writing, MAYO shall have sole control over the protection, defense, enforcement, maintenance, abandonment and other handling of the Know-How and Licensed Materials. Provided that MAYO considers COMPANY's comments in good faith, MAYO will have no liability to COMPANY for any act or omission in the preparation, filing, prosecution, maintenance, abandonment, or other handling of the Patent Rights, Know-How and Licensed Materials.

6.02 ENFORCEMENT. If COMPANY becomes aware of a third party infringement of any unexpired claim within the Patent Rights, COMPANY will promptly provide MAYO with written notice and if possible provide MAYO the available information supporting that infringement has occurred. The parties shall discuss in good faith whether the article infringes one more claims of the Patent Rights. COMPANY will have the first right, but not the obligation to assert the Patent Rights against any such infringement, using counsel of its choice, and at its expense. MAYO shall not be required to join such action unless it has agreed to do so in writing prior to the commencement thereof, or unless a necessary party, but in all cases MAYO shall reasonably cooperate in any such proceeding if requested to do so by COMPANY and at COMPANY'S expense. In the event of any recovery in such an action, COMPANY may first recover its costs and expenses, and any remainder shall be treated as Net Sales. In the event that COMPANY does not choose to assert the Patent Rights against any such infringement, COMPANY will provide written notice to MAYO advising of COMPANY's decision and, at MAYO's request, the parties shall discuss COMPANY's strategy to protect revenues from the sale of Licensed Products.

6.03 PATENT TERM EXTENSION. MAYO shall consult with COMPANY in selecting the patent covering each Licensed Product for patent term extension for or supplementary protection certificate under in accordance with the applicable laws of any country; provided, COMPANY shall have the first right to decide as to whether a patent term extension shall be sought for any patent within the Patent Rights with regard to a particular Licensed Product. If COMPANY declines to pursue and pay a patent term extension and MAYO decides to pay for the patent term extension, COMPANY'S license to the Patent Rights shall terminate. Each Party agrees to execute any documents and to take any additional actions as the other Party may reasonably request in connection therewith. For the avoidance of doubt, the Company shall have the right, at its discretion, whether to elect to seek patent term restoration for any Licensed Patent in any country.

6.04 PATENT MARKING. To the extent commercially feasible, COMPANY will mark all Licensed Products that are manufactured or sold under this Agreement with the number of each issued patent within the Patent Rights that cover such Licensed Product(s). Any such marking will be in conformance with the patent laws and other laws of the country of manufacture or sale.

6.05 DEFENSE. COMPANY will have the first right, but not the obligation, to take any measures deemed appropriate by COMPANY, regarding (a) challenges to the Patent Rights (including interferences, inter partes review, post grant review, cover business method, ex parte examination, or derivation proceedings in the U.S. Patent and Trademark Office and oppositions in foreign jurisdictions) and (b) defense of the Patent Rights (including declaratory judgment actions) at COMPANY's expense.

6.06 THIRD PARTY LITIGATION. In the event a third party institutes a suit against COMPANY for patent infringement involving a Licensed Product, COMPANY will promptly inform MAYO and keep MAYO regularly informed of the proceedings. COMPANY agrees to indemnify, defend and hold harmless MAYO for any claims, demands or law suits related thereto.

Article 7.00 – Use of Name

7.01 USE OF NAME AND LOGO. Except as permitted by Section 8.03, COMPANY will not use for publicity, promotion or otherwise, any logo, name, trade name, service mark or trademark of MAYO or its Affiliates, including, but not limited to, the terms "MAYO®," "MAYO Clinic®" and the triple shield MAYO logo, or any simulation, abbreviation or adaptation of the same, or the name of any MAYO employee or agent, without MAYO's prior, written, express consent. MAYO may withhold such consent in MAYO's absolute discretion. With regard to the use of MAYO's name, all requests for approval pursuant to this Section must be submitted to the [***], at the following e-mail address: [***] at least five (5) business days prior to the date on which a response is needed.

Article 8.00 - Confidentiality

8.01 TREATMENT OF CONFIDENTIAL INFORMATION. Except as provided for in Section 8.02 (Right to Disclose), neither Party will disclose, use or otherwise make available the other's Confidential Information during the Term and for three (3) years thereafter and will use at least the same degree of care it employs to protect its own confidential information.

8.02 RIGHT TO DISCLOSE.

(a) To the extent it is reasonably necessary or appropriate to fulfill its obligations or exercise its rights under this Agreement, COMPANY may disclose Confidential Information of MAYO to its Sublicensees, consultants, and outside contractors and potential investors and business partners on the condition that each such entity or person agrees to obligations of confidentiality and non-use at least as stringent as those herein.

(a) To the extent it is reasonably necessary or appropriate to fulfill its obligations or exercise its rights under this Agreement, MAYO may disclose Confidential Information of COMPANY to its consultants and outside contractors on the condition that each such entity agrees to obligations of confidentiality and non-use at least as stringent as those herein.

(b) If a Party is required by law, regulation or court order to disclose any of the Confidential Information, it will have the right to do so, provided it: (i) promptly notifies the disclosing Party; and (ii) reasonably assists the disclosing Party to obtain a protective order or other remedy of disclosing Party's election and at disclosing Party's expense, and only disclose the minimum amount necessary to satisfy such obligation.

8.03 CONFIDENTIALITY OF AGREEMENTS. Except as otherwise required by law, the specific terms and conditions of this Agreement shall be Confidential Information but the existence of this Agreement will not be Confidential Information and the Parties may state that COMPANY is licensed under the Patent Rights.

Article 9.00 – Warranties, Representations, Disclaimers and Indemnification

9.01 REPRESENTATIONS AND WARRANTIES OF COMPANY. COMPANY warrants and represents to MAYO that:

(a) it is engaged in the development, production, quality control, service, manufacture, marketing and sales of products similar to the subject matter of the Patent Rights, and that it will commit itself to a thorough, vigorous and diligent program of developing and marketing the Licensed Products;

(b) it has independently evaluated the Patent Rights, Know-How and Licensed Materials and Confidential Information, if any, their applicability or utility in COMPANY's activities, is entering into this Agreement on the basis of its own evaluation and not in reliance of any representation by MAYO, and assumes all risk and liability in connection with such determination;

(c) it now maintains and will continue to maintain throughout the Term and beyond insurance coverage as set forth in Section 9.03 (Indemnification and Insurance) and that such insurance coverage sufficiently covers the MAYO Indemnitees;

(d) the execution and delivery of this Agreement has been duly authorized and no further approval, corporate or otherwise, is required in order to execute this binding Agreement;

(e) it shall comply and require its Sublicensees to comply with all applicable international, national and state laws, ordinances and regulations in its performance under this Agreement; and

(f) its rights and obligations under this Agreement do not conflict with any contractual obligation or court or administrative order by which it is bound.

9.02 Representations, Warranties and Covenants of MAYO. MAYO represents and warrants that:

(a) It is a not for profit entity, validly existing and in good standing under the laws of Minnesota;

(b) to the best of Mayo Clinic Ventures knowledge as of the Effective Date, except for the rights retained by the US government, MAYO is the sole and exclusive owner of the Patent Rights, Licensed Materials and Know How;

(c) the execution, delivery and performance of this Agreement have been duly authorized by all necessary corporate action on the part of MAYO, and no further approval, corporate or otherwise is required to enter this binding Agreement; and

(d) to the best of Mayo Clinic Ventures knowledge as of the Effective Date, it has not granted any right, license or interest in or to the Patent Rights or Licensed Materials, or any portion thereof, inconsistent with the licenses granted to the Company in this Agreement.

9.03 DISCLAIMERS.

(a) EXCEPT AS EXPRESSLY PROVIDED IN SECTION 9.02, MAYO HAS NOT MADE AND DOES NOT MAKE ANY PROMISES, COVENANTS, GUARANTEES, REPRESENTATIONS OR WARRANTIES OF ANY NATURE, DIRECTLY OR INDIRECTLY, EXPRESS, STATUTORY OR IMPLIED, INCLUDING WITHOUT LIMITATION, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, SUITABILITY, DURABILITY, CONDITION, QUALITY OR ANY OTHER CHARACTERISTIC OF THE PATENT RIGHTS, KNOW-HOW, LICENSED MATERIALS OR CONFIDENTIAL INFORMATION.

(b) EXCEPT AS EXPRESSLY PROVIDED IN SECTION 9.02, THE PATENT RIGHTS, KNOW-HOW, LICENSED MATERIALS AND CONFIDENTIAL INFORMATION ARE PROVIDED “AS IS,” “WITH ALL FAULTS” AND “WITH ALL DEFECTS,” AND COMPANY EXPRESSLY WAIVES ALL RIGHTS TO MAKE ANY CLAIM WHATSOEVER AGAINST MAYO FOR MISREPRESENTATION OR FOR BREACH OF PROMISE, GUARANTEE, REPRESENTATION OR WARRANTY OF ANY KIND RELATING TO THE PATENT RIGHTS, KNOW-HOW, LICENSED MATERIALS OR CONFIDENTIAL INFORMATION. MAYO EXPRESSLY DISCLAIMS ANY IMPLIED WARRANTIES ARISING FROM ANY COURSE OF DEALING, USAGE OR TRADE PRACTICE, WITH RESPECT TO: THE SCOPE, VALIDITY OR ENFORCEABILITY OF THE PATENT RIGHTS, KNOW-HOW, LICENSED MATERIALS AND CONFIDENTIAL INFORMATION; THAT ANY PATENT WILL ISSUE BASED UPON ANY PENDING PATENT APPLICATION; OR THAT THE USE, SALE, OFFER FOR SALE OR IMPORTATION OF THE LICENSED PRODUCT, PATENT RIGHTS, KNOW-HOW OR LICENSED MATERIALS WILL NOT INFRINGE OTHER INTELLECTUAL PROPERTY RIGHTS. NOTHING IN THIS AGREEMENT WILL BE CONSTRUED AS AN OBLIGATION FOR MAYO TO BRING, PROSECUTE OR DEFEND ACTIONS REGARDING THE PATENT RIGHTS, KNOW-HOW, LICENSED MATERIALS AND CONFIDENTIAL INFORMATION.

(c) COMPANY AGREES THAT MAYO AND ITS AFFILIATES WILL NOT BE LIABLE FOR ANY LOSS OR DAMAGE CAUSED BY OR ARISING OUT OF ANY RIGHTS GRANTED OR PERFORMANCE MADE UNDER THIS AGREEMENT, WHETHER TO OR BY COMPANY, SUBLICENSEE OR A THIRD PARTY. IN NO EVENT WILL MAYO'S LIABILITY OF ANY KIND INCLUDE ANY SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE LOSSES OR DAMAGES, EVEN IF MAYO HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, OR EXCEED THE TOTAL AMOUNT OF ROYALTIES THAT HAVE ACTUALLY BEEN PAID TO MAYO BY COMPANY AS OF THE DATE OF FILING AN ACTION AGAINST MAYO THAT RESULTS IN THE SETTLEMENT OR AWARD OF DAMAGES TO COMPANY.

9.04 INDEMNIFICATION AND INSURANCE.

(a) COMPANY will defend, indemnify and hold harmless MAYO, MAYO's Affiliates and their respective trustees, officers, agents, independent contractors and employees ("MAYO Indemnitees") from any and all claims, actions, demands, judgments, losses, costs, expenses, damages and liabilities (including attorneys' fees, court costs and other expenses of litigation), regardless of the legal theory asserted, arising out of or connected with: (i) the practice or exercise of any rights granted hereunder by or on behalf of COMPANY or any Sublicensee; (ii) research, development, design, manufacture, distribution, use, sale, importation, exportation or other disposition of Licensed Products; and (iii) any act or omission of COMPANY or any Sublicensee hereunder, including the negligence or willful misconduct thereof or breach of Section 11.05 (Anti-Corruption Compliance). MAYO and MAYO's Affiliates shall have no obligation to indemnify COMPANY hereunder**.**

(b) The Parties agree that this indemnity should be construed and applied in favor of maximum indemnification of MAYO Indemnitees.

(c) COMPANY will continuously carry occurrence-based liability insurance, including products liability and contractual liability, in an amount and for a time period sufficient to cover the liability assumed by COMPANY hereunder during the Term and after, such amount being [***]. In addition, such policy will name MAYO and its Affiliates as additional-named insureds. The minimum limits of any insurance coverage required herein shall not limit COMPANY's liability.

(d) COMPANY expressly waives any right of subrogation that it may have against MAYO Indemnitees resulting from any claim, demand, liability, judgment, settlement, costs, fees (including attorneys' fees) and expenses for which COMPANY is obligated to indemnify, defend and hold MAYO Indemnitees harmless under this Agreement.

9.05 PROHIBITION AGAINST INCONSISTENT STATEMENTS. COMPANY shall not make any statements, representations or warranties, or accept any liabilities or responsibilities whatsoever that are inconsistent with any disclaimer or limitation included in this section or any other provision of this Agreement. COMPANY shall not settle any matter that will incur liability for MAYO or require MAYO to make any admission of liability without MAYO's prior written consent.

Confidential Portions of this Exhibit marked as [***] have been omitted pursuant to a request for confidential treatment and have been filed separately with the Securities and Exchange Commission.

Article 10.00 - Term and Termination

10.01 TERM. This Agreement will expire at the end of the Term.

10.02 TERMINATION FOR BREACH. If COMPANY commits a material breach of this Agreement, including without limitation, the failure to make any required royalty or fee payments hereunder, MAYO will notify COMPANY in writing of such breach and COMPANY will have [***] after such notice to cure such breach to MAYO's reasonable satisfaction. If COMPANY fails to timely cure such breach, MAYO may terminate this Agreement in whole by sending COMPANY written notice of termination.

10.03 TERMINATION FOR SUIT. MAYO may immediately terminate this Agreement if COMPANY or any Sublicensee directly or indirectly brings any action or proceeding against MAYO or its Affiliates, except for an uncured material breach of this Agreement by MAYO.

10.04 INSOLVENCY OF COMPANY. This Agreement terminates immediately without an obligation of notice of termination to COMPANY in the event COMPANY ceases conducting business in the normal course, becomes insolvent or bankrupt, makes a general assignment for the benefit of creditors, admits in writing its inability to pay its debts as they are due, permits the appointment of a receiver for its business or assets or avails itself of or becomes subject to any proceeding under any statute of any governing authority relating to insolvency or the protection of rights of creditors.

10.05 RETURN/DESTRUCTION OF LICENSED MATERIALS. In the event of a termination pursuant to this Article 10 (Term and Termination) and at MAYO's sole discretion, COMPANY shall either return the Licensed Materials to MAYO or destroy it. If COMPANY is instructed by MAYO to destroy the Licensed Materials, COMPANY shall provide to MAYO destruction certification within [***] of destroying.

10.06 SURVIVAL. The termination or expiration of this Agreement does not relieve either Party of its rights and obligations that have previously accrued. After the Term, all rights granted immediately revert to MAYO. All Confidential Information of a Party shall be returned or destruction certified, at the disclosing party's election. Rights and obligations that by their nature prescribe continuing rights and obligations shall survive the termination or expiration of this Agreement including Sections 4.02 (Accounting), 9.03 (Indemnification and Insurance), 10.05 (Return/Destruction of Licensed Material), 10.06 (Survival) and Articles 7 (Use of Name), 8 (Confidentiality) and 11 (General Provisions). COMPANY, on behalf of itself and its Sublicensees, shall provide an accounting for and pay, within [***] of termination or expiration, all amounts due hereunder.

Article 11.00 - General Provisions

11.01 AMENDMENTS. This Agreement may not be amended or modified except by a writing signed by both Parties and identified as an amendment to this Agreement.

11.02 CONSTRUCTION. Each Party acknowledges that it was provided an opportunity to seek advice of counsel and as such this Agreement shall not be construed for or against either Party.

11.03 ENTIRE AGREEMENT. This Agreement constitutes the final, complete and exclusive agreement between the Parties with respect to its subject matter and supersedes all past and contemporaneous agreements, promises, and understandings, whether oral or written, between the Parties, including without limitation, the Material Transfer Agreement entered by COMPANY and MAYO effective October 18, 2016.

11.04 EXPORT CONTROL. The Parties agree not to use or otherwise export or re-export anything exchanged or transferred between them pursuant to this agreement except as authorized by United States law and the laws of the jurisdiction in which it was obtained. In particular, but without limitation, items exchanged may not be exported or re-exported (a) into any U.S. embargoed countries or (b) to anyone on the U.S. Treasury Department's list of Specially Designated Nationals or the U.S. Department of Commerce Denied Person's List or Entity List. By entering into this Agreement, each Party represents and warrants that they are not located in any such country or on any such list. Each Party also agrees that they will not use any item exchanged for any purposes prohibited by United States law, including, without limitation, the development, design, manufacture or production of missiles, or nuclear, chemical or biological weapons. In the event either Party becomes aware of any suspected violations of this paragraph that Party will promptly inform the other Party of such suspected violations, and cooperate with one another in any subsequent investigation and defense, be they civil or criminal.

11.05 ANTI-CORRUPTION COMPLIANCE. The Parties, their Affiliates, and any Sublicensee, shall conduct themselves in an ethical, lawful, businesslike and professional manner in performance of this Agreement and shall comply with all applicable laws, regulations and directives that may apply to them in the United States or elsewhere. Without limiting the foregoing and for avoidance of doubt, COMPANY, its Affiliates, and any Sublicensee, shall obey the U.S. Foreign Corrupt Practices Act ("FCPA") (15 USC §§ 78dd-1, et seq.) and any similar applicable anti-bribery provisions, laws or regulations. Each party shall reasonably assist the other party(ies) to assure such compliance at all times during the term of this Agreement. COMPANY's, its Affiliates, or any Sublicensee's failure to adhere to the requirements of this section shall be grounds for Mayo to terminate this Agreement immediately for cause.

11.06 GOVERNING LAW AND JURISDICTION. The terms and conditions of this Agreement, as well as all disputes arising under or relating to this Agreement, shall be governed by Minnesota law, specifically excluding its choice-of-law principles, except that the interpretation, validity and enforceability of the Patent Rights will be governed by the patent laws of the country in which the patent application is pending or issued. This is not an Agreement for the sale of goods and as such Article 2 of the Uniform Commercial Code as enacted in Minnesota does not apply. The exclusive fora for the foregoing are the State or District Court of Olmsted County, Minnesota, unless such action cannot by law be brought in such forum, in which case the venue required by law shall govern. COMPANY agrees unconditionally that it is personally subject to the jurisdiction of such courts.

Confidential Portions of this Exhibit marked as [***] have been omitted pursuant to a request for confidential treatment and have been filed separately with the Securities and Exchange Commission.

11.07 HEADINGS. The headings of articles and sections used in this document are for convenience of reference only.

11.08 INDEPENDENT CONTRACTORS. It is mutually understood and agreed that the relationship between the Parties is that of independent contractors. Neither Party is the agent, employee, or servant of the other. Except as specifically set forth herein, neither Party shall have nor exercise any control or direction over the methods by which the other Party performs work or obligations under this Agreement. Further, nothing in this Agreement is intended to create any partnership, joint venture, lease or equity relationship, expressly or by implication, between the Parties.

11.09 INDUCEMENT OF REFERRALS. It is not the purpose of this Agreement or the intent of the Parties to induce or encourage the referral of patients, and there is no requirement under this Agreement or under any other Agreement between the Parties that COMPANY or its staff refer patients to MAYO for products or services. No payment made under this Agreement is made in return for the referral of patients, or is made in return for the purchasing, leasing, or ordering of any products or services.

11.10 LIMITATION OF RIGHTS CREATED. This Agreement is personal to the Parties and shall be binding on and inure to the sole benefit of the Parties and their permitted successors and assigns and shall not be construed as conferring any rights to any third party. Specifically, no interests are intended to be created for any customer, patient, research subjects, or other persons (or their relatives, heirs, dependents, or personal representatives) by or upon whom the Licensed Products may be used.

11.11 NO ASSIGNMENT. Neither Party may assign its rights hereunder to any third party without the prior written consent of the other Party; provided, that a Party may assign this Agreement and/or its rights arising hereunder without the prior written consent of the other Party to (i) any affiliate or other entity that controls, is controlled by or is under common control with such Party; or (ii) in connection with a merger, acquisition, or other consolidation by COMPANY or sale of all or substantially all assets relating to the relevant rights provided the assignee agrees to be legally bound to all of COMPANY'S applicable obligations under this Agreement. Any purported assignment in violation of this clause is void. Such written consent, if given, shall not in any manner relieve the assignor from liability for the performance of this Agreement by its assignee.

11.12 NOTICES. All notices and other business communications between the Parties related to this Agreement shall be in writing, sent by certified mail, addressed as follows:

To MAYO: Mayo Foundation for Medical Education and Research
Mayo Clinic Ventures – BB4
200 First Street SW

Rochester, Minnesota 55905-0001
Attn: Ventures Operations
Phone: [***]
Facsimile: [***]
Email: [***]
Fed Tax ID: [***]

To COMPANY:
Fed Tax ID: 46-5594527

Legal Contact:
Evelo Biosciences, Inc.
Legal Department
620 Memorial Drive, Suite 200
Cambridge, Massachusetts 02139
Facsimile: [***]
Email: [***]

Invoicing Contact:
Evelo Biosciences, Inc.
Accounts Payable
620 Memorial Drive, Suite 200
Cambridge, Massachusetts 02139
Facsimile: [***]
Email: [***]

Expense Reimbursement Contact:
Evelo Biosciences, Inc.
Finance Department
620 Memorial Drive, Suite 200
Cambridge, Massachusetts 02139
Facsimile: [***]
Email: [***]

Notices sent by certified mail shall be deemed delivered on the third day following the date of mailing. Either Party may change its address or facsimile number by giving written notice in compliance with this section.

11.13 REGISTRATION OF LICENSES. COMPANY will register and give required notice concerning this Agreement, at its expense, in each country in the Territory where an obligation under law exists to so register or give notice.

11.14 SEVERABILITY. In the event any provision of this Agreement is held to be invalid or unenforceable, the remainder of this Agreement shall remain in full force and effect as if the invalid or unenforceable provision had never been a part of the Agreement.

11.15 WAIVER. The failure of either Party to complain of any default by the other Party or to enforce any of such Party's rights, no matter how long such failure may continue, will not constitute a waiver of the Party's rights under this Agreement. The waiver by either Party of any breach of any provision of this Agreement shall not be construed as a waiver of any subsequent breach of the same or any other provision. No part of this Agreement may be waived except by the further written agreement of the Parties.

This Agreement may be executed in any number of counterparts which, when taken together, will constitute an original, and photocopy, facsimile, electronic or other copies shall have the same effect for all purposes as an ink-signed original. Each Party hereto consents to be bound by photocopy, facsimile, or electronic signatures of such Party's representative hereto.

MAYO FOUNDATION FOR MEDICAL EDUCATION AND RESEARCH

By /s/ James A. Rogers, III
Name: James A. Rogers, III
Title: Assistant Secretary

Date: 8/7/17

EVELO BIOSCIENCES, INC.

By /s/ Balkrishan Simba Gill
Name: Balkrishan Simba Gill
Title: Chief Executive Officer

Date: 8/7/17

Confidential Portions of this Exhibit marked as [***] have been omitted pursuant to a request for confidential treatment and have been filed separately with the Securities and Exchange Commission.

Schedule A - Licensed Patents

[***] Patent [***], titled [***]

[***] Patent [***], titled [***]

[***] Patent [***], titled [***]

[***] Patent Application No. [***], filed [***], titled [***]

Confidential Portions of this Exhibit marked as [***] have been omitted pursuant to a request for confidential treatment and have been filed separately with the Securities and Exchange Commission.

Schedule B- Development Plan

Subject to reasonable revision based on data generated in development of Licensed Products. Company will:

1. Secure board approval of *Prevotella histicola* as a candidate for clinical development within [***] of effective date
2. File for IND or CTA within [***] of Effective Date
3. Begin clinical study in patients (not a healthy volunteer study) within [***] of IND or CTA filing

Confidential Portions of this Exhibit marked as [***] have been omitted pursuant to a request for confidential treatment and have been filed separately with the Securities and Exchange Commission.

FINAL

EXCLUSIVE LICENSE AGREEMENT
BETWEEN THE UNIVERSITY OF CHICAGO AND EVELO BIOSCIENCES
FOR AN IMMUNO-ONCOLOGY TECHNOLOGY

This License Agreement ("Agreement"), dated March 10, 2016 (the "Effective Date"), is between The University of Chicago, an Illinois not-for-profit corporation ("University"), and Evelo Biosciences, Inc., a Delaware corporation, having an address at 620 Memorial Drive, Suite 200 Cambridge, Massachusetts 02139. ("Company"). Each hereunder may be referred to separately as the "Party", or together as the "Parties".

WHEREAS, University has certain Licensed Patents and Technical Information arising from the disclosure entitled, "Treatment of Cancer by Manipulation of Commensal Microflora" regarding the work of Thomas Gajewski, Leticia Corrales, and Ayelet Sivan, funded in part by the U.S. government;

WHEREAS, Company wishes to obtain an exclusive license under such Licensed Patents and access such Technical Information to diligently develop and commercialize Licensed Products; and

WHEREAS, University is willing to grant such rights in accordance with the terms and conditions of this Agreement to afford the public access to Licensed Products.

NOW, THEREFORE, for good and valuable consideration, the Parties agree as follows:

1. **Definitions**

The capitalized terms listed below and used in this Agreement will have the following meanings:

A. "Affiliate" means any corporation or other entity that directly or indirectly controls, is controlled by, or is under common control with, a party hereto where "control" means direct or indirect ownership of, or other beneficial interest in, fifty percent (50%) or more of the voting stock, other voting interest, or income of a corporation or other entity or the ability to direct the affairs of such other entity through contract rights or otherwise.

B. "Calendar Quarter" means each of the four, three-month periods ending on March 31st, June 30th, September 30th, and December 31st.

C. "Combination Product" means a product that contains one or more Licensed Product(s) and one or more other therapeutically active components sold as a unit at a single price. For clarity, a Combination Product may contain multiple Licensed Products (e.g., bacterial strains).

D. "Commence" or "Commencement" means, with respect to any clinical trial, the first dosing of the first patient in such clinical trial.

E. "EMA" means the European Medicines Agency or any successor agency thereto.

F. "FDA" means the United States Food and Drug Administration or any successor agency thereto.

G. "Field" means all uses.

H. "First Commercial Sale" means the first sale, lease, provision of service, use, or transfer of a Licensed Product by a Licensed Entity to a third party for consideration.

I. "First Human Testing" means the Commencement of dosing of a Licensed Product in human patients.

J. "IND" means an Investigational New Drug application, or similar application or submission filed by Company for approval to conduct human clinical investigations filed with or submitted to a regulatory authority in conformance with the requirements of such regulatory authority.

K. "Intent to Treat Population" means, with respect to a clinical trial, the target population of patients (identified by enrollment criteria) as having a condition for which the Licensed Product will be tested for efficacy as a primary endpoint.

L. "Licensed Entity" means Company, an Affiliate of Company, or a Sublicensee.

M. "Licensed Patents" means, (i) the patent applications listed on Schedule A attached hereto, (ii) all divisions, continuations, foreign counterparts of any of the foregoing, (iii) any claims in continuations-in-part of any of the foregoing that are fully supported under 35 U.S.C. §112, and (iv) any patents which may issue from such patent applications and any reexamination, reissues, substitutions, extensions of or to or supplementary protection certificates referencing any of the foregoing patents or patent applications. For clarity, "Licensed Patents" shall not include any claims in continuations-in-part of the foregoing that are not fully supported under 35 U.S.C. §112 by the patents and patent applications listed on Schedule A.

N. "Licensed Product" means: (i) any product, device, system, article of manufacture, machine, composition of matter, process, or service (or component thereof); (ii) any method of using any of the foregoing; or (iii) any process for making any of the foregoing, that, in the case of (i), (ii), or (iii), either (a) is covered by a Valid Claim of the Licensed Patents, or (b) materially incorporates, utilizes, or is made with the use of Technical Information.

O. "Net Sales" means the gross amount invoiced by Company and Licensed Entities for sales, leases or other transfers, provision of service, or use of Licensed Products after deduction of all the following determined in accordance with U.S. Generally Accepted Accounting Principles ("**U.S. GAAP**") or International Financial Reporting Standards ("**IFRS**"), as designated and used by Company and Licensed Entities, as applicable, in preparing its consolidated financial statements from time to time, in each case, solely to the extent documented to University as directly attributable to one or more Licensed Products and included in the invoiced amount for such Licensed Products:

i. customary trade, quantity, or cash discounts and rebates (including chargebacks and allowances), actually allowed and taken (e.g., rebates and similar payments made with respect to sales paid for by any governmental or regulatory authority such as, by way of illustration and not in limitation of the Parties' rights hereunder, Federal or state Medicaid, Medicare or similar state program or equivalent foreign governmental program);

ii. amounts repaid or credited to customers on account of rejections, returns or recall of goods, rebates or bona fide price reductions;

iii. customs, and excise duties, sales taxes and other governmental customs charges paid by or on behalf of a Licensed Entity;

iv. reasonable charges for delivery or transportation and insurance relating to such delivery or transportation provided by and paid by a Licensed Entity to a third party (excluding amounts reimbursed); and

v. any invoiced amounts that are not collected by Company and its Licensed Entities, including bad debts relating to such Licensed Products, such deductions only to be taken after Company's and Licensed Entities' write-off of such uncollected amounts or bad debts.

Net Sales also includes the fair market value of any non-cash consideration received by a Licensed Entity for the sales, leases, or other transfers or use of Licensed Products, or any right, title, or interest in Licensed Products. Fair market value will be calculated as of the time of transfer of such non-cash consideration to Licensed Entity. Transfer of a Licensed Product within or between Licensed Entities for sale by the transferee will not be considered a Net Sale for purposes of calculating Royalties. In such circumstances, the gross sales price and resulting Net Sales price will be based upon the sale of the Licensed Product by the transferee. For Licensed Products consumed by a Licensed Entity, the price used to calculate Net Sales will be equal to the list price of the same or a substantially similar Licensed Product.

In the event that one or more Licensed Products are sold in a Combination Product, Net Sales from the sale of such Combination Product for each applicable Calendar Quarter will be determined as calculated by multiplying the Net Sales (as determined without reference to this paragraph) of such Combination Product by the fraction A/(A+B), where A is the average gross selling price in the applicable country of the Licensed Product(s) without any other active components and B is the average gross selling price in the applicable country of any product containing the other therapeutically active component(s) included in such Combination Product when sold separately in finished form, each during the applicable Calendar Quarter or, if sales of all such products did not occur during such Calendar Quarter, the most recent Calendar Quarter in which sales of all such products occurred. In the event that the average gross selling price(s) cannot be determined for (i) the Licensed Products without other therapeutically active components or (ii) the product containing the other therapeutically active components included in the Combination Product, the average gross selling price(s) in the above described equation will be replaced with an estimate of the fair market value of the product(s) for which no such sales exist, which estimate shall be agreed in good faith by the Parties in writing. For Clarity, Net Sales of a Combination Product in which Licensed Products are the only therapeutically active components will be subject to Net Sales as determined without reference to this Paragraph.

P. “Non-Commercial Research Purposes” means use of the Licensed Patents or Technical Information for academic research or other not-for-profit scholarly purposes which are undertaken at a non-profit or government institution, and publishing in connection therewith.

Q. “Phase II Clinical Trial” means a human clinical trial, in any country, that would satisfy the requirements of 21 C.F.R.3 l2.2l(b).

R. “Phase III Clinical Trial” means a human clinical trial, in any country, that would satisfy the requirements of 2l C.F.R.312.21 (c).

S. “Regulatory Approval” shall mean, with respect to a Licensed Product in a particular jurisdiction, all approvals, licenses, registrations or authorizations necessary for the marketing and sales of such Licensed Product in the Field within such jurisdiction, including approval of a BLA, and approval of labeling and satisfaction of all applicable regulatory and notification requirements in such jurisdiction. For clarity, Regulatory Approval does not require pricing approval, no matter the applicable law.

T. “Royalty(ies)” means all amounts payable under Section 3.B of this Agreement.

U. “Sublicense” means any agreement entered into by Company or an Affiliate or a Sublicensee with any third party pursuant to which Company or any Affiliate or Sublicensee receives financial consideration in exchange for: (i) any license to the Licensed Patents or Technical Information is granted, including any rights to make, offer for sale, use, sell, or import Licensed Products); or (ii) a covenant by Company or an Affiliate or a Sublicensee not to sue a third party for the practice or use of any part of the

Licensed Patents or Technical Information; or, (iii) a commitment by third party not to practice or use any part of the Licensed Patents or Technical Information in return for not selling a generic product based on a Licensed Product. Sublicense shall not include any agreement which Company or its Affiliates enters with a third party to: (a) have Licensed Products made, packaged and labeled by third party contractor(s) and delivered to Company and its Affiliates or Sublicensees for sale, or (b) distribute Licensed Products.

V. "Sublicense Revenue" shall mean payments received by Company or its Affiliates from a Sublicensee, including upfront fees, option fees (except to the extent such amounts are used for costs incurred in the research and/or development of Licensed Products), milestone payments, license maintenance fees, and other payments received by Company or its Affiliates from such third party in consideration for the grant of a Sublicense; provided Sublicense Revenue shall not include: (a) royalties and profit sharing payments (the Net Sales on which such royalties and profit sharing payments are based shall be subject to royalties under Section 3.B below); (b) amounts received as payment for equity or debt securities of Company or its Affiliates; (c) option fees, solely to the extent such funds are expended for research and development of Licensed Products; (d) any amounts paid to Company or its Affiliates for reasonable reimbursement of research and/or product development of Licensed Products, or patent prosecution, defense, enforcement and maintenance expenses for Licensed Patents; and/or (e) payments received for reasonable pre-clinical or clinical research, development, regulatory activities, manufacturing or commercialization activities for Licensed Products undertaken by or on behalf of Company or its Affiliates (including, without limitation, fully loaded research and development expenses and related full-time equivalent costs). If intellectual property or products other than the Licensed Patents, Technical Information or Licensed Products are licensed concurrently to such third party, then Sublicense Revenue shall include only those amounts attributable to the sublicense of the Licensed Patents, Technical Information or Licensed Products, as the case may be, which shall be determined by Company or its Affiliates in good faith. In any such case, Company shall notify University of its proposed allocation, and the parties shall discuss such matter in good faith. If the Parties are unable to agree on the allocation of Sublicensee Revenue attributable to the Licensed Patents and Technical Information, either Party may request that such matter be resolved by arbitration by the American Arbitration Association (AAA) in accordance with its procedures under its Commercial Arbitration Rules. The award of the arbitrator(s) will be binding, and judgment upon the award may be entered in any court having jurisdiction thereof. All ADR proceedings will be conducted in the English language. Each Party will have the right to be represented by counsel in all aspects of any ADR proceeding. The Parties shall equally share the costs of any such determination.

W. "Sublicensee" means any person, company, or other entity to which any of the rights granted to Company hereunder are granted under a Sublicense.

X. "Technical Information" means, to the extent owned and/or controlled by University, any data (i) specifically listed in Schedule B that is delivered to Company (electronic or hard copy) or (ii) that is delivered to Company by the inventors during the term of this Agreement and is not the subject of any other agreements with Company.

Y. "Territory" means worldwide.

Z. "University Personnel" means each of the inventors named on the Licensed Patents and the staff of UChicagoTech.

AA. "Valid Claim" means a claim of (a) a pending patent application within the Licensed Rights that has not been pending for more than eight (8) years from the date of its earliest filing priority, or (b) an issued claim of any unexpired Licensed Patent or a claim of any pending Licensed Patent that has not been held unenforceable, unpatentable, or invalid by a decision of a court or governmental body of competent jurisdiction in a ruling that is unappealable or unappealed within the time allowed for appeal, and that has not been disclaimed or admitted to be invalid or unenforceable through reissue, re-examination, disclaimer or otherwise. Any claim that has been pending for more than eight (8) years from the date of its earliest filing priority that later issues shall be a Valid Claim upon its issuance.

2. **Grant**

A. Grant. Subject to the terms and conditions of this Agreement, University hereby grants to Company and its Affiliates and Company on behalf of itself and its Affiliates accepts:

i. an exclusive, royalty-bearing license under the Licensed Patents in the Field and Territory to make, have made, use, import, have sold, offer to sell and sell Licensed Products within the Field and within the Territory; and

ii. a non-exclusive, royalty-bearing license to use the Technical Information in the Field and Territory to discover, develop, make, have made, use, import, have sold, offer to sell and sell Licensed Products within the Field and within the Territory.

B. Technical Information.

i. Technical Information is provided by University to Company solely for the use permitted in Section 2.A.ii., and nothing herein will be construed as constituting a sale thereof. Unless otherwise specified in writing by University, Licensed Entities will maintain Technical Information as University's confidential information during and after the term of this Agreement unless such information is: (a) already known to Licensed Entity at the time of disclosure as evidenced by the Licensed Entity's written records; (b) in the public domain other than through acts or omissions of the Licensed Entity, or anyone that accessed the confidential information from the Licensed Entity; (c) lawfully disclosed to the Licensed Entity by a third party without restriction; or (d) independently developed by the Licensed Entity without knowledge of or access to the confidential information as evidenced by the Licensed Entity's written records.

ii. Delivery. Within [***] of the Effective Date, University shall deliver (and shall cause its personnel to deliver) to Company, all data, reports, analyses and other information within the Technical Information that exists and is reasonably available and transferable in a tangible form as of the Effective Date. If at any time during the Term, documents, data or information that exists and is reasonably available and transferable in a tangible form and are within the Technical Information that were not previously delivered to Company, University shall [***].

C. Ongoing Obligations of Former Affiliates. While an entity is entitled to the benefits of an Affiliate under this Agreement for only the period of time the entity qualifies as an Affiliate under the definition (in accordance with Section 7.C), all obligations under this Agreement that accrued to such entity while an Affiliate will survive until fulfilled even though the entity no longer qualifies as an Affiliate. For clarity, and without limitation, any entity that is or was an Affiliate of Company may become a Sublicensee.

D. Sublicense. Subject to the terms and conditions of this Agreement and Company's and Sublicensee's compliance therewith, Company and its Affiliates and Sublicensees will have the right to grant Sublicenses through multiple tiers. Each Sublicense must be granted pursuant to a valid and binding written agreement that expressly states that such Sublicense is subject to, and the applicable Sublicensee must comply with, all the terms and conditions of this Agreement applicable to the Company. Company will ensure that all Licensed Entities will comply with all the terms and conditions of this Agreement applicable to the Company. Company will have the same responsibility for the activities of any Licensed Entity as if the activities were directly those of Company. In the event of any inconsistency between the Sublicense and this Agreement, this Agreement will control. Any Sublicense that does not comply with the terms and conditions of this Agreement is null and void *ab initio*. Company will provide University with a copy of each Sublicense and any amendments thereof; provided such Sublicense may be redacted to delete any terms not material to compliance with this Agreement.

E. Reservation of Rights. The License granted pursuant to the Agreement shall be subject, if applicable, to the rights of the United States government reserved under Public Laws 96-517, 97- 256 and 98-620, codified at 35 U.S.C. 200-212 and UChicago and University's Affiliates's rights to use any inventions claimed in the Licensed Patents for Non-Commercial Research Purposes at its own discretion without any payment to Company for such use. University reserves the worldwide right to practice or have practiced, and to grant to third parties the right to practice or have practiced Technical Information for any Non-Commercial Research Purposes.

Until the first Regulatory Approval of a Licensed Product in any country, Non-Commercial Research Purposes excludes use in humans except as follows:

(a) [***]; and/or

(b) [***].

(c) [***].

(d) For the purposes of clarification, the exclusions described in Sections 2.E.(a), (b) and (c) shall no longer be in effect after the first Regulatory Approval of a Licensed Product in any country.

F. U.S. Government Rights. Company understands that this Agreement is subject to any rights of or obligations to the U.S. Government, including under 35 U.S.C. § 200 *et seq*., 37 C.F.R. § 401 *et seq*. ("Bayh-Dole Act"), or any other applicable law or regulation, including but not limited to the grant to the U.S. Government of a nonexclusive, nontransferable, irrevocable, paid-up license to practice or have practiced any Subject Invention (as defined in the Bayh-Dole Act) for or on behalf of the U.S. Government throughout the world. Company agrees to comply and permit University to comply with the Bayh-Dole Act, including to provide the reporting required and to substantially manufacture Subject Inventions and products produced through the use of Subject Inventions in the United States to the extent required under 35 U.S.C. § 204, unless waived. Company represents to University that as of the Effective Date, Company is a "small business firm" as defined in 15 U.S.C. §632. Company shall promptly notify University if it ceases to be "small business firm".

G. No Other Rights. No rights in and to the Licensed Patents and Technical Information other than those provided in this Section 2, express or implied, are conveyed by University. No rights to any patents except those included in the Licensed Patents are conveyed by University. Nothing contained in this Agreement or a party's performance hereunder will be construed as conferring, by implication, estoppel or otherwise, upon any Licensed Entity, any party in privity with any Licensed Entity, or any customer of any of the foregoing, any right, title or interest under any intellectual or tangible property right at any time, except for those rights expressly granted in Section 2.A. No rights are granted in this Agreement to any intellectual property owned by Company.

H. Responsibility for Licensed Entities. Any act or omission taken or made by a Licensed Entity will be deemed an act or omission by Company under this Agreement. Any act, error, or omission of a Licensed Entity that would be a breach of this Agreement if done by Company will be deemed to be a breach of this Agreement by Company. In the event that Company becomes aware that any Licensed Entity has made any act, error, or omission that would be a breach of this Agreement if done by Company, Company will promptly notify University thereof. In the event that University believes that any Licensed Entity has breached this Agreement, it shall notify Company with an explanation of its concerns. In any such case, Company and University shall discuss in good faith such concerns, and means to address any such breach by a Licensed Entity.

3. **Payments**

A. Upfront Payment. Company will pay University within [***] following the Effective Date, the sum of [***].

B. Royalties. Subject to the terms of this Section, Company will pay to University, on a country-by-country and Licensed Product-by-Licensed Product basis, Royalties on annual Net Sales of Licensed Products by Company and Licensed Entities as follows:

i. Valid Claims Royalty. In country (ies) in which a Licensed Product is covered by a Valid Claim, Company will pay to University:

(a) [***] for the portion of such annual Net Sales that are less than [***];

(b) [***] for the portion of such annual Net Sales that are [***]; and

(c) [***] for the portion of such annual Net Sales that are greater than [***].

Royalties due under this Section 3.B.i will be payable until the later of (i) the expiration of the last-to-expire Valid Claim(s) covering such Licensed Product in such country or (ii) the expiration of any period of regulatory exclusivity for any Licensed Product obtained as a result of Valid Claims (e.g., orphan drug designation).

ii. Technical Information Royalty; Unpublished. With regard to annual Net Sales of Licensed Products by Company and Licensed Entities in any country(ies) where there is not a Valid Claim and the relevant Technical Information has not been published by any person affiliated with the University, Company will pay University a Royalty on a country-by-country and Licensed Product-by-Licensed Product basis, as follows:

(a) [***] for the portion of such Net Sales on such annual Net Sales that are less than [***];

(b) [***] for the portion of such Net Sales on such annual Net Sales that are between [***]; and

(c) [***] for the portion of such Net Sales on such annual Net Sales that are greater than [***]

Royalties due under this Section 3.B.ii will be payable on a country-by-country and Licensed Product-by-Licensed Product basis until the earlier of: (i) [***] from the first Commercial Sale of the applicable Licensed Product in the applicable country, or (ii) until a substantially similar product to the Applicable Licensed Product commences sales in the applicable country. For purposes of this Section 3.ii., a “substantially similar product” is one that [***].

iii. Technical Information Royalty; Published. With regard to annual Net Sales of Licensed Products by Company and Licensed Entities in any country(ies) where there is not a Valid Claim and the relevant Technical Information has been published by any University employee, Company will pay University a Royalty on a country-by-country and Licensed Product-by-Licensed Product basis, as follows:

(a) [***] for the portion of such Net Sales on such annual Net Sales that are less than [***];

(b) [***] for the portion of such Net Sales on such annual Net Sales that are between [***]; and

(c) [***] for the portion of such Net Sales on such annual Net Sales that are greater than [***].

Royalties due under this Section 3.B.iii will be payable on a country-by-country and Licensed Product-by-Licensed Product basis until the earlier of: (i) fifteen (15) years from the first Commercial Sale of the applicable Licensed Product in the applicable country, or (ii) until a substantially similar product to the Applicable Licensed Product commences sales in the applicable country. For purposes of this Section 3.iii., a "substantially similar product" is one that [***].

iv. Importance of Technical Information. Company has requested, and University has agreed, to grant certain rights to Technical Information. Company requires these rights in order to develop and commercialize the technology licensed. Because of the importance of Technical Information, Company has agreed to pay certain Royalties to University on Licensed Products, as specified above, even if not covered by a Valid Claim, in order to obtain rights to Technical Information. Company has agreed to these payments because of the commercial value of Technical Information, separate and distinct from the commercial value of the Licensed Patents. Company acknowledges that the reduced royalty for Licensed Products that are not covered by a Valid Claim is fair and reasonable in order to compensate University for Company's continuing license of the Technical Information.

v. Third Party Licenses. In the event that (a) any patent owned and controlled by any unaffiliated third party (defined as a third party that is not an Affiliate of any Licensed Entity) will be infringed by the sale of a Licensed Product by the Licensed Entities, (b) the Licensed Product is not sold in combination with other products that are not Licensed Products, and (c) the total royalties due to such unaffiliated third party(ies) ("Third Party Royalty") exceeds [***] of Net Sales of such Licensed Product in a Calendar Quarter ("Stacking Threshold"), then the Royalty percentage payable to University may be reduced thereafter, for so long as Licensed Entities are licensed under the third party patent, by [***]. However, in no event will the Royalty paid to University as a result of the application of this provision be reduced below [***] of the Royalty otherwise due hereunder.

vi. Single Royalty. Only one Royalty under Section 4.2 shall be paid with respect to each unit of Licensed Product sold, without regard to whether more than one Valid Claim within the Licensed Patents is applicable to such unit, or multiple bacterial strains that are covered by Valid Claims are included in a particular Licensed Product, or a particular Licensed Product is covered by either one or more Valid Claims and embodies Technical Information. For clarity, the Royalty due shall be at the highest applicable rate, but shall not be additive of the Royalties due under Section 3.B (i) and (ii). It is understood and agreed that no Royalty shall be due with respect to any use or transfer of Licensed Products for use in research or development activities conducted for the development of Licensed Products and for which no compensation above manufacturing cost is received by a Licensed Entity.

vii. Acknowledgement. Except as expressly set forth in this Section 4.2, Licensee shall have no obligation to pay any Royalties to University in consideration for the rights granted in or to the Licensed Patents or Technical Information.

viii. Combination Products. The Parties agree that in the event that any Licensed Product is a Combination Product, in no event will the Royalty paid to University with respect to such Licensed Product be reduced by more [***] of the Royalty otherwise due for such Licensed Product in accordance with Sections 3.B(i), 3.B(ii) and 3.B.(iii).

C. License Maintenance Fees/Minimum Royalties. Company will pay to University a minimum royalty of [***] per calendar year or part thereof during which this Agreement is in effect. The first of such minimum royalty payment will be due [***] and subsequent payment will be due on [***] thereafter during the term of this Agreement. Upon termination or expiration of this Agreement, any minimum royalties owed for the period prior to termination will be due within [***] of such termination or expiration. It is understood that such minimum royalty payments will be fully creditable against Royalties on a calendar year basis, and that sales of Licensed Products requiring the payment of Royalties made during a prior or subsequent calendar year will have no effect on the annual minimum royalty due University for any other given calendar year. In the event that this Agreement is in effect for only a portion of any calendar year, the minimum royalty payments set forth in this Section 3.C will be prorated for such portion.

D. Milestone Payments. Company will notify University within [***] when each of the following events are accomplished regarding each Licensed Product by a Licensed Entity and pay to University the following amounts (which sums are nonrefundable and noncreditable against Royalties):

i. $[***] paid on Commencement of the First Human Testing of the first Licensed Product. For clarity, this milestone would not be due or paid for the commencement of a healthy volunteer study.

ii. $[***] on acceptance of an IND for the first Licensed Product by the FDA.

iii. $[***] paid on Commencement of the first Phase III Clinical Trial for the first Licensed Product.

iv. $[***] paid on Regulatory Approval of each Licensed Product by FDA.

v. $[***] paid on first Regulatory Approval of each Licensed Product by an applicable regulatory authority in the European Union, such as the (EMA).

vi. $[***] paid on Regulatory Approval for a 2nd indication of a Licensed Product in the United States (FDA).

vii. $[***] paid on Regulatory Approval for a 2nd indication of a Licensed Product in the European Union, such as the (EMA).

Milestones Payments (i)-(iii) shall be paid of maximum of once, regardless of the number of Licensed Products that achieve the applicable milestone event. Milestones Payments (iv)-(vii) shall be paid of maximum of twice each, regardless of the number of Licensed Products that receive Regulatory Approval.

E. Payment and Reporting.

i. Company will pay Royalties owing to University on a quarterly basis, with such amounts due and received by University on or before the [***] following the end of the Calendar Quarter in which such amounts were earned.

ii. Except as otherwise directed, Company will pay all amounts owing to University under this Agreement in U.S. dollars to University at the address provided in Section 9.D or paid via wire transfer, if agreed upon. Any necessary conversion of currency into United States dollars will be at the applicable rate of exchange of Citibank, N.A. (or its successor), in New York, New York, on the last day of the Calendar Quarter in which such transaction occurred. University is exempt from paying income taxes under U.S. law. Therefore, Company will make all payments due under this Agreement without deduction for taxes, assessments, or other charges of any kind which may be imposed on University by any government outside of the United States or any political subdivision of such government with respect to any amounts payable to University pursuant to this Agreement. At Company's request, University shall cooperate with Company to document University's tax exempt status so that any such deductions or charges can be avoided. Company or the applicable Licensed Entity will assume all such taxes, assessments, or other charges that may reduce University's net royalties, such as bank transfer fees.

iii. Company will submit to University a full accounting showing how any amounts owing to University under Section 3 have been calculated along with each such payment therefore. For Royalties, such accounting will be on a per country and Licensed Product basis and will be summarized on the form shown in Schedule C of this Agreement. Such accounting will include completing a quarterly Royalty forecast section. In the event no payment is owed to University, within [***] after the end of each Calendar Quarter, Company will provide to University a statement setting forth that fact.

iv. Regardless of the circumstances, no payment made to University is refundable and only Royalty payments are creditable toward the minimum royalty as set forth in Section 3.C.

F. Sublicense Revenue. In addition to payments due pursuant to Sections 3.B and 3.D, Company will pay to University a share of Sublicense Revenue, as follows:

i. With respect to any Sublicense entered by Company on or before [***], Company will pay to University [***] of any Sublicense Revenue received with regard to such Sublicense;

ii. With respect to any Sublicense entered by Company after [***] but before the filing of an IND for the first Licensed Product, Company will pay to University [***] of any Sublicense Revenue received with regard to such Sublicense; provided, in such case, the aggregate Sublicensee Revenue payments to University would be a maximum of [***];

iii. With respect to any Sublicense entered by Company after the filing of an IND for the first Licensed Product, Company will pay to University [***] of any Sublicense Revenue received with regard to such Sublicense; provided, in such case, the aggregate Sublicensee Revenue payments to University would be a maximum of [***]

Sublicense Revenue payments shall be made to University within [***] of receipt of such Sublicense Revenue by Company.

G. Overdue Payments. Any payments by Company that are not received by University on or before the date such payments are due under this Agreement will accrue interest at the lesser of: (i) [***]; and (ii) the maximum rate allowed by law. Interest will accrue beginning on the first day following the due date for payment and will be compounded monthly. Payment of such interest by Company will not limit, in any way, University's right to exercise any other remedies University may have as a consequence of the lateness of any payment. Company will be responsible for all costs of collection incurred by University including attorney's fees and court costs.

H. Good Faith. It is the expectation of the Parties that Company will pay to University the amounts set forth in this Agreement for the commercial exploitation of the Licensed Patents and Technical Information, and Company will use reasonable efforts to comply with its obligations hereunder.

4. **Diligence**

A. Development Obligations. Company will use commercially reasonable efforts to diligently develop and bring Licensed Products to market. In particular, Company will use commercially reasonable efforts to meet the development milestones for advancement of Licensed Products in accordance with Schedule D attached hereto. Activities conducted by the Company and its Affiliates and Licensed Entities shall be treated as efforts by the Company in determining compliance with this Section 4.

B. Development Plan. Within [***] following the Effective Date, Company will provide University with a development plan for achievement within [***] of at least [***] development objectives for a Licensed Product. Such plan will include detailed plans (including proposed expenses for such activities), timetables for achieving milestones and necessary government or regulatory approvals, market research information on competitors and market size, and sales and marketing plans for the [***] period following the Effective Date, as well as a general plan and estimated timetable for achieving milestones and Company's strategic development plans for the following three years. Company will revise the development plan on an annual basis and provide University with such revised plan within [***] of December 31st, concurrent with the progress report due under Section 5.B. Upon request, Company will meet with University in a timely manner to review any such development plan. Company will use reasonable commercial efforts to perform in substantial compliance with the then-current development plan.

C. Delay in Achievement of Milestones. If there is a delay in achieving a development objective set forth in a development plan subject to section 4.B., then Company may nonetheless establish that it is using commercially reasonable efforts and not in breach of this Agreement:

i. If Company fails to timely accomplish any development objectives due to one or more factors outside of Company's control, then [***]. It is understood and agreed that factors outside Company's control shall include, without limitation, [***]; or

ii. If Company fails to timely accomplish any development objectives to factors within Company's control, then Company may nonetheless establish that it is using commercially reasonable efforts, as follows: (A) if Company believes it can achieve the development objectives within [***] of the development objective date in the

applicable Development Plan, then Company will notify the University that the development objectives has not been timely achieved but believes it can achieve the development objectives within [***] of its notice to University. In such case, Company will have the right to achieve the development objectives within the applicable period, and if the development objective is met within such period, Company will have established that it has used commercially reasonable diligence efforts; or (B) Company may submit to University evidence that [***].

In the event that Company has demonstrated diligent efforts as described in this Section 4.C., Company shall not be in breach of this Agreement and University may not terminate the Agreement for failure by Company to exercise commercially reasonable development efforts.

D. Extension of Timelines. If Company has failed to achieve one or more development objectives, and Company is not able to demonstrate that it has exercised commercially reasonable efforts as described in Section 4.C. then Company may once (and only once) pay to University a license maintenance fee of [***] to maintain the license. Within [***] of such payment, Company will submit new development targets and associated timelines to University, and the Parties shall discuss such new development objectives and timelines in good faith. In such case, University's approval of such new development objectives and timelines shall not be unreasonably withheld, conditioned or delayed. However, if Company fails to achieve the new development objectives, University and Company will negotiate in good faith for [***] to reach new development targets that are reasonable. If University is unwilling to accept these new development objectives, University may then terminate this Agreement pursuant to Section7.C.(ii).

E. Specific Obligations. Notwithstanding the other Sections of this Section 4, if Company has failed to (i) file an IND with respect to at least one Licensed Product within [***] following the Effective Date, or (ii) Commence a clinical trial intended to enroll at least [***] in an intent to treat clinical trial for at least one Licensed Product within [***] of the Effective Date, then University may then terminate this Agreement pursuant to Section7.C.(ii).

F. Promotion and Marketing. Company will use commercially reasonable efforts (and in no event less effort or relative expense than the level of resources and talent as is that Company uses for its other products with similar market potential and proprietary protection) to promote, advertise, and sell the Licensed Products.

5. **Records and Review**

A. Full and Accurate Records. University may from time to time and at any reasonable time, not exceeding once every [***], through independent auditors reasonably acceptable to Company, as University may designate, inspect and copy the books and records of Company in order to verify the payments due hereunder, the accuracy of any reported

statement by Company, or of any other obligation under this Agreement. Company and its Affiliates will keep, and will cause Sublicensees to keep, continuous, full and accurate books and records in sufficient detail so that Company's compliance with its obligations under this Agreement can be properly determined without undue delay or difficulty. Company will use commercially reasonable efforts to obtain the right for University to inspect and audit the records of Company's Licensed Entities on the same terms applicable to Company's books and records. Company agrees to include usual and customary audit provisions in its Sublicenses, and agrees to share with University the results of any audit it conducts that are relevant to the Licensed Products. If University makes a reasonable determination that an audit of a Licensed Entity may be appropriate, University will notify Company and the Parties will discuss in good faith the best course of action. University reserves the right to require Company to audit a Licensed Entity. The books and records of Company and Licensed Entities will be maintained for at least [***] after the activity or Royalty reporting period(s) to which they relate. Books and records will include but not be limited to: accounting general ledgers; invoice/sales registers; original invoice and shipping documents; federal and state business tax returns;company financial statements; sales analysis reports; inventory and/or manufacturing records; sublicense and distributor agreements; price lists, product catalogs and other marketing materials, in each case, solely as they relate to Licensed Products. Company will, and will cause all other Licensed Entities to, comply with this Section 5.A.

University shall provide to Company a full copy of any audit report that concludes that Company has underpaid any amount to University, to allow Company to respond to any such report. Any audit inspection will be made at the expense of University, unless such examination discloses a discrepancy of [***] or more in the amount of payments due University in any audit period. In such case Company will be responsible for reimbursing University for the examination fee and expenses charged by the auditor along with the underpayment. Any underpayment will bear interest as described in Section 3.G. Company will pay past due payments for any error, including any payment deficiency for periods prior to the period under inspection, within [***] of written notice thereof. University and the auditor will maintain in confidence such inspection and the resulting report. The auditor shall, prior to any audit, enter into a confidentiality agreement with Company and, if the audit involves any Licensed Entity that is not the Company, with the relevant Licensed Entity, and may from time to time consult University and any of its employees or third party counsel on questions as they relate to this Agreement; provided, the auditor may not disclose to University or its representatives any financial or proprietary information except as required to conduct the inspection, to report and substantiate the results, as otherwise permitted by this Agreement, or if the information is already publicly known.

B. Progress Reports. Within [***] of each June 30 and December 31 during the term of this Agreement, Company will deliver a written report to University, in substantially the form of Schedule E attached hereto. The report will describe the progress of Company toward achieving the goals of the development plan and bringing Licensed Products to market (and any proposed revisions to the plan developed during the preceding six months). Company will promptly notify University in writing upon the First Commercial Sale of each Licensed Product and when Company's obligation to begin making Royalty payments begins. Upon the First Commercial Sale of each Licensed Product, Company will provide in writing to University the following information: the date of First Commercial Sale, the generic name, and the tradename of each commercial product. Notwithstanding anything to the contrary in this Section 5.B, if Company has made at least one Royalty payment to University, Company shall only be required to deliver a written report once annually within [***] after December 31 of each calendar year during the term of this Agreement.

6. **Patents**

A. Prosecution, Defense and Maintenance. University will control the preparation, filing, prosecution, maintenance and abandonment of the Licensed Patents; provided, Company (or its designee) shall have the first right (but not the obligation) to control the conduct of any post grant proceedings (including any IPR, oppositions, post-grant proceedings and declaratory judgment actions), solely to the extent such post grant proceedings relate to the Licensed Patents. The party controlling any such activity (i.e., University or Company, as the case may be) will cooperate, and in the case of Company, will cause other Licensed Entities to cooperate in a timely manner in the applicable activities by (i) disclosing such information as may be requested by the controlling party, (ii) by promptly executing such documents as the controlling party may reasonably request in connection therewith, and (iii) considering in good faith comments by the non-controlling party in connection with any such activities. In particular, the controlling party shall provide the non-controlling party with a reasonable opportunity to review and comment on any communications with any patent office before any such communications are filed. Notwithstanding the foregoing, if a post grant proceeding is filed in connection with another claim against the University, or if the outcome of the action could be materially detrimental to the University or any of its employees, University will retain control of the proceedings. Company will, and will cause each other Licensed Entity to, bear its own costs in connection with their cooperation with University under this Section 6.A. Upon request, University will provide, or will have its legal counsel provide, Company copies of material documents received or prepared by University in the filing, prosecution and maintenance of the Licensed Patents.

B. Patent Costs. University shall conduct the activities it controls pursuant to section 6.A using patent counsel reasonably acceptable to Company. University shall timely file patent applications and patents with the Licensed Patents in any countries and jurisdictions selected by Company. Company will pay all necessary and reasonable fees and expenses incurred by University relating to the preparation, filing, prosecution, defense, and maintenance of the Licensed Patents that University controls ("Patent Costs").

i. Payment for Patent Costs incurred by University on or after the Effective Date will be invoiced to Company and Company will pay amounts on such invoices within [***] of Company's receipt of the applicable invoice.

ii. If Company fails to pay invoices for Patent Costs [***], then upon request by University, Company will make estimated advanced payments for Patent Costs. University will specify the amount of any such advanced payments on an invoice provided to Company, identifying the applicable Licensed Patent, country and estimated cost. Company will pay such advance payments of Patent Costs to University prior to the relevant patent deadlines. Invoices for advanced payments will be reconciled with the advance payments made by Company every [***]. Any excess payment by Company will be credited to future Patent Costs specified in this Section 6.B.

iii. Notwithstanding any provisions to the contrary in this Agreement, if University does not receive, by the date specified, full payment for any Patent Costs, University may, at its sole discretion at any time, do any one or more of the following: (a) without further notice to Company, abandon any Licensed Patent to which such payment applies and any related Licensed Patents, including any Licensed Patent that claims priority to such Licensed Patent; or (b) notify Company that it is in breach of the Agreement for such failure to pay, in which case the terms of Section 7.B. shall apply.

iv. Company may at any time, elect to discontinue its support of Patent Costs for one or more patent applications or patents within the Licensed Patent(s). If Company decides to discontinue its support of Patent Costs for one or more patent applications or patents within the Licensed Patent(s), Company will notify University in writing [***] prior to any such discontinuation. Company will be responsible for reimbursing University for any Patent Costs associated with such Licensed Patent(s) that University incurs in the [***] period following such notice, whether or not such costs were invoiced to University during such period; provided, University shall use reasonable efforts to mitigate such Patents Costs.

v. Upon Company's election to discontinue support pursuant to Section 6.B.v or its failure to pay Patent Costs in accordance with Section B(ii) above for any Licensed Patents, all of Company's rights in or to the applicable Licensed Patents shall automatically terminate (regardless of whether Schedule A reflects such termination) and all rights to the applicable patent applications and patents will immediately revert to University. Without limiting any other rights of University, University may in its sole discretion, abandon the applicable patent or patent application or license such patent or patent application to a third party at any time after such termination. If:

(a) University continues to prosecute and/or maintain any such former Licensed Patents,

(b) Company has continued to support at least the European and United States counterparts of such formerly Licensed Patents, and

(c) such formerly Licensed Patents have not been licensed by University to a third party,

for a [***] period from the issuance of any such Licensed Patent, Company may elect to re-acquire its exclusive license to any such former Licensed Patent by paying to University before the end of the [***] period both:

(d) [***] of the Patent Costs incurred by University in the period following the termination of Company's license to the applicable former Licensed Patent and

(e) any Royalties that would have been owed for the sale of Licensed Products under the applicable Licensed Patent from the date of First Commercial Sale in the applicable territory.

C. Challenges. If any Licensed Entity brings an action or proceeding, or assists any third party in bringing an action or proceeding, seeking a declaration or ruling that any claim in any of the Licensed Patents is invalid or unenforceable, or asserts that any product or process does not infringe the Licensed Patents, then to the extent not prohibited by applicable law and in addition to, not in lieu of, other rights and remedies of University:

i. during the pendency of such action or proceeding, the Royalty rate applicable to payments made pursuant to Section 3.B.i with regard to Licensed Products covered by the Licensed Patent in suit will automatically increase to [***] the royalty rate currently set forth in Section 3.B.i;

ii. should the outcome of such action or proceeding determine that any claim of a Licensed Patent challenged is valid and enforceable, and the applicable Licensed Product is covered by the applicable Licensed Patent, then the Royalty rate applicable to payments made pursuant to Section 3.B.i with regard to Licensed Products covered by the Licensed Patent in suit will automatically increase to [***] the royalty rate currently set forth in Section 3.B.i. and Company will pay, if it had not already, University's attorneys' fees, expert witness fees, court costs, third party costs, and other litigation expenses incurred in connection with such action or proceeding;

iii. For clarity, Company will have no right to recoup any Royalties or other amounts paid before such action or proceeding or during the period in which such action or proceeding is pending (including on appeal);

iv. Company will continue to make all payments directly to University and will not, and will not seek to, pay into any escrow or other similar account;

v. For clarity, University will have full control and authority to defend the Licensed Patents in such an action or proceeding; and

vi. Company will provide written notice to University at least [***] before any Licensed Entity initiates any action or proceeding seeking a declaration or ruling that any claim of any Licensed Patent is invalid or unenforceable or of its intention to assert that any product or process does not infringe any claim in the Licensed Patent. Company will include with such written notice an identification of all prior art it believes is material.

D. Infringement.

i. Notice. In the event either Party becomes aware of any possible or actual infringement, misappropriation, or other violation of any Licensed Patents in the Field in the Territory (an "Infringement"), that Party will promptly notify the other Party and provide it with details regarding such Infringement.

ii. Company's Right to Bring Infringement Action. Company will have the first right, but not the obligation, to take action in the prosecution, prevention, or termination of any Infringement. Before Company commences an action with respect to any Infringement, Company will consider in good faith the views of University and potential effects on the public interest in making its decision whether to sue. Company will keep University reasonably informed of the progress of the prosecution, prevention and/or termination of actions and will give University a reasonable opportunity in advance to consult with Company and offer its views about major decisions. Company will give careful consideration to those views, but will have the right to control the action regarding Infringement; provided, however, that if Company fails to defend in good faith the validity and/or enforceability of the Licensed Patents in the action, or if Company's license to a Valid Claim in the suit terminates, then University may elect, but shall not be obligated, to take control of the action and any recovery will be apportioned in the same manner as an action initiated by University pursuant to Section 6.D.iii. So long as Company controls any enforcement action, reasonable attorneys' fees for counsel selected by University and out of pocket expenses incurred by University in connection with the prosecution, prevention, termination, adjudication, and/or settlement regarding a Licensed Patent initiated by Company, including any related appeals, will be paid for by Company, and Company will hold University free, clear and harmless from and against any and all such expenses. Any such expenses shall be paid out of any recovery. Notwithstanding any of the foregoing, Company will not compromise or settle any action involving the Licensed Patents without the prior written consent of University, which consent will not be unreasonably withheld or delayed. In the event that Company controls the action pursuant to this Section 6.D.ii, it will first reimburse

itself from any sums recovered in such suit or in settlement thereof for all out-of-pocket and documented costs and expenses, including reasonable attorneys' fees, necessarily incurred in the prosecution of any such suit. If, after such reimbursement, any funds remain, then such amounts shall be treated as Net Sales and shall be subject to Section 3.B.

iii. University's Right to Bring Infringement Action. If Company does not take action in the prosecution, prevention, or termination of any Infringement pursuant to Section 6.D.ii above, and has not commenced negotiations with the infringer for the discontinuance of said Infringement within [***] after it becomes aware of such Infringement or, at any time thereafter, ceases to diligently continue such prosecution, prevention, or termination, University may elect, but is not obligated, to do so. Should University elect to bring suit against an infringer, Company will cooperate fully with University, including joining as party plaintiff in any such suit if requested by University. Company will have the right to approve the counsel selected and paid for by University to represent University and Company, such approval not to be unreasonably withheld or delayed. In the event University exercises its right pursuant to this Section 6.D.iii, it will recover for its own account any damages, awards or settlements.

iv. Own Counsel. Each Party will always have the right to be represented by counsel of its own selection and at its own expense in any suit instituted by the other Party under this Section 6.D.

v. Cooperation. Each Party will cooperate fully in any action under this Section 6.D that is controlled by the other Party, provided that the controlling Party reimburses the cooperating Party promptly for any costs and expenses incurred by the cooperating Party in connection with providing such assistance.

vi. Declaratory Judgement. If a declaratory judgment action is brought alleging invalidity or unenforceability of any claims within the Licensed Patents, the Parties shall promptly notify the other, providing a copy of the complaint, and Company will have the first right to control such action pursuant to Section 6.A.

vii. Technical Information. University will have the exclusive right (but not the obligation), to the extent applicable, to institute legal action against any third party arising out of such third party's actual or threatened infringement or misappropriation of any Technical Information, and University will retain any and all proceeds from any such actions and settlements in connection therewith. Company will have no right to make any demands or claims, bring suit, effect any settlements or take any other action with respect to any such infringement or misappropriation without the prior written consent of University.

7. **Term and Termination**

A. Term. This Agreement and the rights and licenses hereunder will take effect on the Effective Date and will expire on a country-by-country and Licensed Product-by-Licensed Product basis on the later of: (i) the expiration date of the last to expire of the Licensed Patents covering the applicable Licensed Product in the applicable country; and (ii) fifteen (15) years from the First Commercial Sale, unless earlier terminated pursuant to the terms of this Agreement. On a Licensed Product-by-Licensed Product basis, following the expiration of the Royalty obligations in a given country, Company shall retain with respect to the Technical Information, a non-exclusive, fully paid, perpetual, irrevocable license, with the right to grant and authorize sublicenses, to make, have made, use, import, offer for sale and sell such Licensed Product.

B. University's Right to Terminate. Without limiting other rights, University will have the right to terminate this Agreement as follows, in addition to all other available remedies:

i. If Company fails to make any payment when due, this Agreement will terminate effective [***] after University's written notice to Company describing such failure, unless Company makes such payment within such [***].

ii. If Company breaches any material obligation of this Agreement other than an obligation to make a payment when due or a failure to perform the obligations in Section 4, this Agreement will terminate in its entirety, effective [***] after University's written notice to Company describing such material failure, unless Company cures such failure within such [***]; provided, in the event that Company disputes such material breach, no such termination shall be effective until the matter has been finally resolved pursuant to Section 9.G.

iii. If Company files, or has filed against it, a petition under any bankruptcy or insolvency law, Company will immediately notify University. If such petition is not dismissed within [***] of Company's filing, or if Company makes an assignment of all or substantially all of its assets for the benefit of its creditors, then, unless prohibited by applicable law, this Agreement will automatically terminate at the end of such [***] with respect to Company unless University provides written notice to Company within such [***]. If Company becomes aware that any Licensed Entity is likely to become insolvent, it will notify University.

iv. If Company will be dissolved, liquidated or otherwise ceases to exist, other than for reasons specified in Section 7.B.iv, unless prohibited by applicable law, this Agreement will automatically terminate with respect to Company as of: (a) the date articles of dissolution or a similar document is filed on behalf of Company with the appropriate governmental authority; or (b) the date of establishment of a liquidating trust or other arrangement for the winding up of the affairs of Company.

C. Termination and Affiliates.

i. For the avoidance of doubt, if this Agreement expires or terminates for any reason, the rights and licenses granted to Company's Affiliates hereunder will expire or terminate to the same extent as such rights and licenses expire or terminate with respect to Company; provided if such Affiliates have become Sublicensees, such Sublicenses shall continue pursuant to Section 7.G (iii).

ii. In the event that any entity ceases to be an Affiliate of Company, whether as the result of a sale, merger, corporate reorganization, or otherwise, the licenses granted to such entity pursuant to Section 2.A shall automatically and immediately terminate.

D. Company's Right to Terminate. In the event Company desires to terminate this Agreement in its entirety, or as to any country or any Licensed Patent or Technical Information, Company will provide written notice to University thereof and this Agreement shall terminate with respect to the applicable country or Licensed Patent or Technical Information [***] thereafter.

E. Survival. The rights and obligations accruing prior to any termination or expiration of this Agreement for any reason will survive, including: (i) all causes of action accruing to either Party under this Agreement; (ii) Company's obligation to pay amounts payable under this Agreement accrued prior to the date of termination or expiration, including Royalties and Patent Costs; (iii) Company's obligation to report Net Sales and keep records, as required by Sections 3.E and 5; (iv) University's right to audit under Section 5.A; (v) any obligation to abate an Infringement that arose prior to the date of termination or expiration under Section 6; and (vi) Sections 5 (records and review), 7.E (survival), 7.F (post-termination obligations of Company), 8 (representations and warranties), and 9 (miscellaneous) of this Agreement until their purposes are fulfilled.

F. Post Termination, Post Expiration Obligations of Company. Upon the termination of this Agreement for any reason, subject to the terms of Section 7.G., all rights of Company to use the Licensed Patent(s) and Technical Information will immediately thereafter cease and revert to University and Company will not practice the Licensed Patents or Technical Information. Except to the extent set forth in Section 7.E, any other rights conferred to Company by this Agreement will also immediately thereafter cease. Except as necessary to comply with applicable laws, regulations, or the terms and conditions of this Agreement, promptly following the termination of this Agreement, Company will, and will cause all other Licensed Entities to, deliver to University, or at University's request irretrievably destroy, all tangible materials embodying or relating to any unexpired Licensed Patents or any Technical Information; provided, however, Company shall have no obligation to destroy or seek to destroy electronic records (e.g., backup files) maintained for archival purposes that may retain Technical Information. Company will provide to University a certification that such delivery or destruction has been completed. Company will not thereafter operate or conduct business in any manner that might tend to

create the impression that this Agreement is still in force, or that Company has any right to use any one or more of Licensed Patents or Technical Information. Upon termination or expiration, all payments including fees and costs due under this Agreement and not yet paid will become immediately due and payable.

G. Consequences of Termination.

i. Accrued Rights and Obligations. Expiration or termination of this Agreement for any reason shall not affect either Party's rights or obligations accrued to such Party as of the effective date of termination or based upon any event occurring prior to the effective date of termination.

ii. Stock on Hand. In the event this Agreement is terminated for any reason, Company shall have the right to sell or otherwise dispose of all Licensed Products in the process of manufacture, testing, in use or in stock, provided that Company shall remain obligated to make payment of Royalties to University for such Licensed Products in accordance with Section 3.B.

iii. Sublicenses. In the event this Agreement is terminated pursuant to Section 7.B.iii or iv, [***].

8. **Representations, Warranties, Disclaimers; Indemnification; Insurance; Primary Responsibility**

A. Representations, Warranties and Covenants of Company. Company hereby represents, warrants and covenants that:

i. Company is a corporation duly organized, validly existing and in good standing under the laws of Delaware, has the corporate power and authority to execute and deliver this Agreement, including on behalf of its Affiliates, and perform all obligations under this Agreement.

ii. The execution, delivery and performance have been duly and validly authorized by Company, and upon execution and delivery by Company, this Agreement will constitute a valid, enforceable and binding agreement of Company and of its Affiliates.

iii. Company has no other agreements that conflict with the obligations undertaken and rights and licenses granted in this Agreement.

iv. Company will comply and require all other Licensed Entities to comply with applicable laws, including to ensure that any manufacture of Licensed Product(s) by a Licensed Entity, and/or its respective vendor(s), suppliers agents or contractors, will comply with and conform with applicable law and to all applicable specifications required by any regulatory body and/or market approval granted.

v. No Licensed Entity will take any action or engage in any activity that substantially increases the risk that any Licensed Patent is likely to be found invalid or unenforceable.

vi. Company will make all payments to University as and when required by this Agreement.

B. Representations, Warranties and Covenants of University. University represents and warrants that, to the knowledge of the University Personnel:

i. it is a not-for-profit corporation duly organized validly existing and in good standing under the laws of Illinois;

ii. the execution, delivery and performance of this Agreement have been duly authorized by all necessary corporate action on the part of University;

iii. to the actual knowledge of the personnel in the University's Center for Technology Development and Ventures (UChicagoTech), University is the sole and exclusive owner of all right, title and interest in and to the Licensed Patents, and all named inventors on the Licensed Patents have assigned to the University their entire right, title and interest in the applicable Licensed Patents; and

iv. it has not previously granted and will not grant during the term of this Agreement, any right, license or interest in or to the Licensed Patents, or any portion thereof, inconsistent with the licenses granted to the Company in this Agreement.

C. Disclaimer of Warranties. EXCEPT AS EXPRESSLY PROVIDED IN SECTION 8.B., THE LICENSED PATENTS AND TECHNICAL INFORMATION ARE PROVIDED AS IS AND WHERE IS. UNIVERSITY MAKES NO REPRESENTATIONS OR WARRANTIES OF ANY KIND, WHETHER EXPRESS, STATUTORY, IMPLIED OR OTHERWISE. IN PARTICULAR, UNIVERSITY DISCLAIMS ALL REPRESENTATIONS AND WARRANTIES, INCLUDING ABOUT (I) THE VALIDITY, SCOPE OR ENFORCEABILITY OF ANY OF THE LICENSED PATENTS; (II) THE ACCURACY, SAFETY OR USEFULNESS FOR ANY PURPOSE OF ANY INFORMATION PROVIDED BY UNIVERSITY TO ANY LICENSED ENTITY; (III) FURNISHING ANY TECHNICAL INFORMATION; (IV) WHETHER THE PRACTICE OF ANY CLAIM CONTAINED IN ANY OF THE LICENSED PATENTS OR TECHNICAL INFORMATION WILL OR MIGHT INFRINGE INTELLECTUAL PROPERTY RIGHTS ; (V) THE PATENTABILITY OF ANY INVENTION CLAIMED IN THE LICENSED PATENTS; (VI) THE ACCURACY, SAFETY, OR USEFULNESS FOR ANY PURPOSE OF ANY PRODUCT OR PROCESS MADE OR CARRIED OUT IN ACCORDANCE WITH OR THROUGH THE USE OF THE LICENSED PATENTS; AND (VII) ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

D. Indemnification. Company agrees, and will cause each other Licensed Entity, to indemnify, defend and hold harmless University, its Affiliates and the trustees, directors, officers, students, employees, fellows and agents of any of the foregoing (collectively the "Indemnified Persons") from and against any and all third party claims, demands, liabilities, losses, damages, penalties, costs and/or expense (including attorneys' and witnesses' fees and court costs) of any kind or nature, based upon, arising out of, or otherwise relating to this Agreement and/or a Sublicense, including without limitation (i) any claim arising from the development, production, use, sale, export, import or other disposition of any Licensed Product and all activities associated therewith, or (ii) any use of information provided by University to any Licensed Entity. Company agrees, and will cause each other Licensed Entity to agree, not to sue any Indemnified Person in connection with the development, production, use, sale or other disposition of Licensed Products and all activities associated therewith. University shall promptly notify Company of any claim or action that may be subject to this Section 8.D., provide to Company a full description of all relevant facts, and cooperate fully with Company in the defense of any such action. Company shall control any legal proceeding subject to this Section 8, provided; provided, however, that University's failure to promptly notify Company shall only relieve Company of its obligations under this Section to the extent Company is actually prejudiced by such failure. University will be entitled to participate, at its option and expense, through counsel of its own selection, and may join in any legal actions related to any such claims, demands, losses, damages, costs, expenses and penalties. No Licensed Entity will enter into any settlement affecting any rights or obligations of any Indemnified Person or which includes an express or implied admission of liability, negligence or wrongdoing by any Indemnified Person, without the prior written consent of such Indemnified Person.

E. Assumption of Risk. The entire risk as to the performance, safety and efficacy of any subject matter claimed in any Licensed Patent, the Technical Information and of any Licensed Product is assumed by the Company on behalf of the Licensed Entities. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT, UNIVERSITY WILL NOT BE LIABLE TO ANY LICENSED ENTITY OR ANY OTHER PERSON OR ENTITY FOR INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL, EXEMPLARY, PUNITIVE OR ANY OTHER DAMAGES OR LOSSES OF ANY KIND OR NATURE, WHETHER IN CONTRACT, TORT (INCLUDING NEGLIGENCE), PRODUCTS OR STRICT LIABILITY OR ANY OTHER FORM OF ACTION; AND IN NO EVENT WILL UNIVERSITY'S TOTAL AGGREGATE LIABILITY UNDER OR IN CONNECTION WITH THIS AGREEMENT TO ALL LICENSED ENTITIES AND OTHER PERSONS AND ENTITIES EXCEED THE TOTAL AMOUNTS PAID BY COMPANY TO UNIVERSITY HEREUNDER. The above limitations on liability apply even though the Indemnified Person may have been advised of the possibility of such injury, loss or damage. Company will not, and will cause all other Licensed Entities not to, make any agreements, statements, representations or warranties or accept any liabilities or responsibilities whatsoever with regard to any person or entity which are inconsistent with this Section 8.E.

F. Insurance. Company agrees, and will cause each other Licensed Entity to agree to continuously maintain during the term of this Agreement and beyond liability insurance that will cover its obligations hereunder, including any claims for bodily injury, property, or other damage alleged to relate to Licensed Products or activities undertaken in connection with this Agreement, Licensed Patents, or Licensed Products, including the development, manufacture, use, sale or other disposition of Licensed Products and all activities associated therewith. Each Licensed Entity will list University and its Affiliates, at such Licensed Entity's expense, as additional named insureds under each liability insurance policy (including excess or umbrella liability policies) that such Licensed Entity has or will obtain, that includes any coverage of claims relating to Licensed Products. Such insurance will be primary and noncontributory to any insurance University and its Affiliates may have. At University's request, Company will supply University from time to time with copies of each such policy, and will notify University in writing at least [***] prior to any termination of or change in coverage under any such policies.

9. **Miscellaneous**

A. Marking. Company will mark all Licensed Products (or their packaging, as appropriate) sold, offered for sale, imported, or otherwise disposed of in such a manner not inconsistent with the requirements of the patent laws and practices of the country to which such products are shipped or in which such products are manufactured or sold, including, if in the U.S., 35 U.S.C. § 287.

B. Export Regulations. Without limiting Section 8.A, Company will comply with United States export control and asset control laws, regulations, and orders, as they may be amended from time to time, applicable to the export, re-export, or import of goods or services, including software, processes, or technical data to foreign countries. Such regulations include but are not limited to the International Traffic in Arms Regulations (22 C.F.R. § 120 *et seq*.), the Export Administration Regulations (15 C.F.R. § 730 *et seq.*), the regulations administered by the Treasury Department's Office of Foreign Assets Control (31 C.F.R. § 500 *et seq.*), and the Anti-Boycott Regulations (15 C.F.R. § 760).

C. Entire Agreement, Amendment. This Agreement together with the schedules attached hereto constitutes the entire agreement between the Parties regarding the subject matter hereof, and supersedes all prior written or oral agreements or understandings (express or implied) between them concerning the same subject matter. In entering into this Agreement, no Party has relied upon another person's statement, representation, warranty or agreement except for those expressly contained in this Agreement. The only conditions precedent to this Agreement's effectiveness are those expressly stated in it. This Agreement cannot be amended or modified except in a document signed by duly authorized representatives of each Party.

D. Notice. Any notice required or otherwise made under this Agreement will be in writing, sent by registered or certified mail properly addressed, or by facsimile with confirmed answer-back, to the other Party at the address set forth below or at such other address as may be designated by written notice to the other Party. Notice will be deemed effective three (3) business days following the date of sending such notice if by mail, on the day following deposit with an overnight courier, if sent by overnight courier, or upon confirmed answer-back if by facsimile.

If to University:	UChicagoTech Center for Technology Development & Ventures The University of Chicago Edelstone Center, 2S 6030 S. Ellis Ave Chicago, Illinois 60637 Facsimile Number: [***] Attention: [***]
If to Company:	Evelo Biosciences, Inc. Legal Department 620 Memorial Drive, Suite 200 Cambridge, Massachusetts 02139 Facsimile Number: [***] Attention: [***]

E. Assignment. This Agreement will be binding on the Parties and upon their respective successors and assigns and inure to the benefit of the Parties and their respective permitted successors and assigns.

Company may at any time, upon written notice to University, assign or transfer this Agreement to (i) any Affiliate of the Company, or (ii) a successor to all or substantially all of its business pertaining to this Agreement. Any such assignment will be conditioned on and will not be effective until the assignee or transferee has executed and delivered a written agreement assuming and undertaking all of the duties and obligations of Company under this Agreement. Except as provided above, Company will not assign, transfer or delegate any right or obligation hereunder without the prior written consent of University and any attempted conveyance in violation of any term of this Agreement will be null and void. University may assign or transfer this Agreement or its rights and obligations hereunder at any time to any third party on written notice to Company. In the event of an assignment by University, the assignee will be substituted for University as a party hereto, and University will no longer be bound hereby.

F. Force Majeure. In the event either Party hereto is prevented from or delayed in the performance of any of its obligations hereunder by reason of acts of God, war, strikes, riots, storms, fires, earthquake, power shortage or failure, failure of the transportation system, or any other cause whatsoever beyond the reasonable control of the Party ("**Force Majeure Event**"), the Party so prevented or delayed shall be excused from the performance of any such obligation during a period that is reasonable in light of the Force Majeure Event, but no less than the duration of the Force Majeure Event itself.

G. Governing Law. Illinois law (without regard to any jurisdiction's conflict-of-laws principles) exclusively governs all matters based upon, arising out of, or relating in any way to this Agreement, including, without limitation, all disputes, claims or causes of action arising out of or relating to this Agreement as well as the interpretation, construction, performance and enforcement of this Agreement. The Parties will bring and litigate all actions or proceedings arising out of or relating to this Agreement in courts located within Chicago, Cook County, Illinois, and the Parties hereby consent to the jurisdiction of such courts. Without limiting the foregoing, any dispute regarding the validity or enforceability of any of the Licensed Patents, or whether any product would infringe (but for this Agreement) any claim in the Licensed Patents, will be litigated exclusively in the U.S. District Court for the Northern District of Illinois situated in Cook County, Illinois, and each Party will submit to the exclusive jurisdiction of such court, and waives any objection to venue, for such purposes.

H. Confidential Terms. Each Party agrees not to disclose to any Third Party the terms and conditions of this Agreement, without the prior approval of the other Party, except to advisors (including consultants, financial advisors, attorneys and accountants), potential and existing investors, and others on a need to know basis, in each case under circumstances that reasonably protect the confidentiality thereof, or to the extent necessary to comply with the terms of agreements with Third Parties, or to the extent required by applicable law, including securities laws. Each Party may issue press releases relating to this Agreement or activities conducted hereunder, provided that such Party shall submit the text of such press releases to the other Party for its review prior to the issuance thereof. Both Parties may use information from any previous press release without having to submit such subsequent press release to the other Party.

I. Independent Contractors. The Company is an independent contractor under this Agreement. This Agreement does not, is not intended to, and will not be construed to, establish a partnership or joint venture, nor does this Agreement create or establish an employment, agency or any other relationship. Company has no right, power or authority, nor will it represent itself or allow another Licensed Entity to represent itself as having any authority to assume, create or incur any expense, liability or obligation, express or implied, on behalf of the University, or otherwise act as an agent for the University for any purpose.

J. No Use of Name. Neither Party will use (and Company will prohibit any Licensed Entity from using) the name, insignia, or symbols of University in any commercial activity, marketing, advertising or sales brochures except with the prior written consent of the other Party, which consent may be granted or withheld at other Party's sole discretion. Company agrees not to use, and will prohibit each other Licensed Entity from using, the name of any University employee(s) in any commercial activity, marketing, advertising or sales brochures.

K. Limitation of Liability. EXCEPT FOR EITHER PARTY'S BREACH OF CONFIDENTIALITY OBLIGATIONS UNDER ARTICLE 8, AND INDEMNIFICATION OBLIGATIONS, NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY OR ANY THIRD PARTY FOR ANY SPECIAL, CONSEQUENTIAL, EXEMPLARY, INCIDENTAL, STATUTORY OR PUNITIVE DAMAGES (INCLUDING LOST OR ANTICIPATED REVENUES OR PROFITS RELATING TO THE SAME), ARISING FROM ANY CLAIM RELATING TO THIS AGREEMENT, OR THE SUBJECT MATTER HEREOF, WHETHER SUCH CLAIM IS BASED ON CONTRACT, TORT (INCLUDING NEGLIGENCE) OR OTHERWISE, EVEN IF ADVISED OF THE POSSIBILITY OR LIKELIHOOD OF SAME.

L. Waiver. No term or provision of this Agreement will be waived and no breach excused unless such waiver or consent is in writing and signed by the Party claimed to have waived or consented. No waiver of a breach will be deemed to be a waiver of a different or subsequent breach. No delay in enforcing a term or provision will be deemed a waiver thereof.

M. Construction. Each Party has consulted counsel of their choice regarding this Agreement, and each acknowledges and agrees that this Agreement will be construed without regard to the Party or Parties responsible for the preparation of the same and will be deemed as prepared jointly by the Parties. Any ambiguity or uncertainty existing herein will not be interpreted or construed against any Party. No course of dealing, course of performance, or usage of trade may be considered in the interpretation or enforcement of this Agreement. Both Parties waive any right they may have to introduce any such evidence.

N. Execution. This Agreement may be executed by the Parties in any number of identical counterparts, each of which, for all purposes will be deemed to be an original, and all of which will constitute, collectively, one instrument.

O. Severability. If any provision of this Agreement is held to be invalid, illegal, unenforceable, or in conflict with any laws of any federal, provincial, state, or local government that may exercise jurisdiction over this Agreement, the validity and enforceability of the remaining portions or provisions will not be affected thereby nor the validity and enforceability of such provision where valid, legal, enforceable and not in such a conflict. Any invalid or unenforceable provision will be promptly reformed by the Parties to effectuate their intent as evidenced on the Effective Date.

FINAL

IN WITNESS WHEREOF, the Parties hereto have caused this agreement to be executed by their respective duly authorized officers or representatives on the Effective Date.

University

By: /s/ Alan Thomas
Alan Thomas,
Associate Vice President and Director, UChicagoTech

Date of signature: March 10, 2016

Evelo Biosciences, Inc.

By: /s/ Simba Gill
Simba Gill,
President & Chief Executive Officer

Date of signature: 10 March, 2016

Confidential Portions of this Exhibit marked as [***] have been omitted pursuant to a request for confidential treatment and have been filed separately with the Securities and Exchange Commission.

FINAL

Schedule A

Licensed Patents

University of Chicago Reference Number	Country	Application or Patent Number	Filing or Issue Date	Title
[***]	United States	#62/248,741	10/30/2015	Treatment of Cancer by Manipulation of Commensal Microflora
[***]	United States	#62/169,112	6/01/2015	Treatment of Cancer by Manipulation of Commensal Microflora

Confidential Portions of this Exhibit marked as [***] have been omitted pursuant to a request for confidential treatment and have been filed separately with the Securities and Exchange Commission.

FINAL

Schedule B

Technical Information

Characterization of bacteria populations from [***] (other than Taconic and Jackson colonies)

Characterization of bacteria populations from [***]

Analysis of bacterial genera [***]

FINAL

Schedule C

UNIVERSITY OF CHICAGO ROYALTY REPORT

Company: _____ Agreement No: _____
Period Covered: From: _____ Through: _____
Prepared By: _____ Date: _____
Approved By: _____ Date: _____

Following First Commercial Sale of a second Licensed Product, please prepare a separate report for each. Then combine all Licensed Products into a summary report.

Report Type: ☐ **Single Product Line Report:** _____
☐ **Multiproduct Summary Report.** Page 1 of _____ Pages
☐ **Product Line Detail.** Line: _____ Tradename: _____ Page: _____

Report Currency: ☐ **U.S. Dollars** ☐ **Other:** _____

Country	Gross Invoiced Amount	* Less Allowances	Net Sales	Royalty Rate	Period Royalty Amount	
					This Year	Last Year
TOTAL:						

Total Royalty: _____ Conversion Rate: _____ Royalty in U.S. Dollars: $_____

The following Royalty forecast is non-binding and for University's internal planning purposes only:

Royalty Forecast Under This Agreement: Next Quarter: _____ Q2: _____ Q3: _____ Q4: _____

FINAL

* On a separate page, please indicate the reasons for returns or other adjustments if significant. Also, note any unusual occurrences that affected royalty amounts during this period. To assist University's forecasting, please comment on any significant expected trends in sales volume.

Schedule D

Product Development Plan

Subject to reasonable revision based on data generated in development of Licensed Products, Company will:

1) Start First Human Testing by [***].

2) File for IND within [***] of Effective Date, if positive data from food study

3) Begin clinical study with Intent to Treat Population greater than [***] or begin a Phase II trial within [***] of IND acceptance.

FINAL

Schedule E

Progress Report Form

For the time period _____to _____ regarding the Agreement, effective February __, 2016 between The University of Chicago and Evelo Biosciences UChicagoTech No. AGR

UCHI No. [***]

Please fill out the fields below to the extent that they are relevant. Any additional documents that may be helpful for illustration may be sent along as attachments. In some cases a conversation with University's Center for Technology Development & Ventures ([***]) may be useful as a follow-up.

Company Contact Name:_____

Company Contact Address & Phone:_____

Summary

Accomplishments during this time period regarding Licensed Products:

Objectives for the next time period regarding Licensed Products:

Research & Development

Current status of Licensed Products in development:

Plans for future research and development regarding Licensed Products:

Products & Marketing

Licensed Products launched (include tradenames) and estimate for time to the market for future Licensed Products:

Sales:

Projected sales:

Market development:

Sublicenses (If appropriate, have there been any new Sublicenses or progress in previous Sublicenses?):

Industry News (mergers & acquisitions, development partnerships, company expansion, etc.)

Financing & Corporate Development (non-dilutive capital, fundraising, diligence materials)

Confidential Treatment Requested Evelo Biosciences, Inc.

EXCLUSIVITY AND COMMITMENT AGREEMENT

This Exclusivity and Commitment Agreement (the "**Agreement**") is entered into as of February 15, 2018 (the "**Effective Date**"), by and between Biose Industrie, a French corporation with offices at Rue des Freres Lumieres 15130 Arpajon sur Cere France registered under number B 529 243 271 ("**Biose**" or **"Company"**) and Evelo Biosciences, Inc., a Delaware company with a principal place of business at 620 Memorial Drive, Cambridge, Massachusetts 02139 USA ("**Evelo**"). Evelo and Biose are each individually a "**Party**" and collectively referred as "Parties".

BACKGROUND

A. Biose specializes in the development and manufacturing of live biotherapeutic products.

B. Evelo specializes in developing immunotherapies for cancer, autoimmune and inflammatory diseases.

C. Biose and Evelo wish to expand their business relationship by entering into this Agreement, pursuant to which Biose will (i) exclusively manufacture certain microbial biotherapeutic Products for Evelo and (ii) reserve for Evelo agreed manufacturing resources to conduct Runs for such Products during the Term, on the terms and conditions herein and (iii) Evelo pays for Committed Run Resources as described in this Agreement.

NOW, THEREFORE, in consideration of the agreements and obligations set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, do hereby agree as follows:

ARTICLE 1. DEFINITIONS

1.1 **Defined Terms**. Capitalized terms used in this Agreement, shall have the meanings specified below.

1.2 **"Affiliate"** means, with respect to a Party, any Person that directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control with the Party. "Control" and, with correlative meanings, the terms "controlled by" and "under common control with" mean (a) the power to direct the management or policies of a Person, whether through ownership of voting securities or by contract relating to voting rights or corporate governance, resolution, regulation or otherwise, or (b) to own 50% or more of the outstanding voting securities or other ownership interest of such Person.

1.3 "**Agreement Year**" means a period commencing on the Effective Date, or its annual anniversary, and ending 12 months thereafter. By way of example the second Agreement Year shall commence on the first anniversary of the Effective Date and end on the second anniversary of the Effective Date.

Confidential Portions of this Exhibit marked as [***] have been omitted pursuant to a request for confidential treatment and have been filed separately with the Securities and Exchange Commission.

1.4 "**Biose Strain"** means a Strain already developed or commercialized by Biose as of the Effective Date of this Agreement, i.e. Lcr35 and Bifidobacterium Longum CBi0703.

1.5 **"Business Days"** shall mean a day on which commercial banks are open for business in United States of America and in France.

1.6 "**Calendar Quarter**" means a period commencing on January 1, April 1, July 1, and October 1 and in each case ending 3 months later.

1.7 "**Change of Control**" means, with respect to Biose, (a) a merger or consolidation in which the stockholders of Biose immediately prior to such transaction would own, in the aggregate, less than 50% of the total combined voting power of all classes of capital stock of the surviving entity normally entitled to vote for the election of directors of the surviving entity or (b) the sale by it of all or substantially all its assets in one transaction or in a series of related transactions.

1.8 "**Committed Run Resources**" means the manufacturing resources for the timely performance of the Runs described on Exhibit A.

1.9 **"Confidential Information"** means any technical, trade, business and any other confidential or proprietary information, whether or not marked as confidential or proprietary, provided to a Party (the "Receiving Party") by the other Party (the "Disclosing Party"), its Affiliates, its or their suppliers, customers, employees, officers, agents, or others in connection with the services or any proposed services, regardless of whether such information is in written, oral, electronic, or other form.

1.10 **"Engineering Run**" means a fermentation run, at the same scale as the intended GMP batch, conducted for the purpose of testing a manufacturing process, identifying and resolving any potential issues with equipment or cGMP documentation prior to clinical GMP manufacturing, and supplying material for non-clinical use and/or stability studies. An Engineering Run is not for the purpose of manufacturing Product in conformance with cGMP.

1.11 "**GMP Run**" means a production run manufactured according to cGMP guidelines to produce Product that will be tested and released for clinical studies and/or commercial supplies.

1.12 **"Person"** means an individual, sole proprietorship, partnership, limited partnership, limited liability partnership, corporation, limited liability company, business trust, joint stock company, trust, incorporated association, joint venture or similar entity or organization, including, without limitation, a government or political subdivision, department or agency of a government.

1.13 "**Run**" means a [***] batch fermentation for a particular Strain. A Run may be (a) an Engineering Run, or (b) a GMP Run.

1.14 "**Product**" means drug substance and/or final drug product comprising a single Strain. By way of illustration, but without limitation, a dietary supplement is excluded from the definition of Product.

1.15 **"Regulatory Approval"** means any and all approvals or authorizations of a Regulatory Authority with respect to any jurisdiction, including pricing approvals that are necessary for the commercial manufacture, distribution, use, marketing or sale of a Product in such jurisdiction.

1.16 **"Regulatory Authority"** means, in respect of a particular jurisdiction, the governmental authority having responsibility for granting Regulatory Approvals in such country or jurisdiction.

1.17 "S**train**" means the descendants and modified or unmodified derivatives of a single isolation in pure culture in accordance with the International Code of Nomenclature of Prokaryotes.

1.18 **Interpretation**. Whenever the context requires, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." All references to "Party" and "Parties" shall be deemed references to the parties to this Agreement unless the context shall otherwise require. Except as specifically otherwise provided in this Agreement, a reference to an Article, Section or Exhibit is a reference to an Article, Section or Exhibit of this Agreement, and the terms "hereof," "herein," and other like terms refer to this Agreement as a whole, including the Exhibits. The term "or" is used in its inclusive sense ("and/or"). The terms "Dollars" and "$" shall mean United States Dollars.

ARTICLE 2. EXCLUSIVITY

2.1 **Exclusivity**. Subject to Section 2.2 below, Biose agrees that during the Term it will manufacture and supply exclusively to Evelo (and to no third party) non-genetically modified, single Strain Product(s) intended for oral delivery. Biose shall not conduct any such activities (manufacture and supply of non genetically modified single Strain Product(s) intented for oral delivery) for any third party, or enable any third party to conduct any such activities.

2.2 **Limitation**. For clarity, Section 2.1 above does not prohibit Biose, during the Term, from continuing to develop and manufacture (a) non-genetically modified, single Strain products intended for oral delivery for which development and clinical trials are financed by Biose, or (b) the Biose Strain(s); or (c) [***] and [***] for single Strain, orally delivered Products pursuant to [***]. For clarity, Biose shall not agree to manufacture or otherwise conduct any activities with respect to any other non-genetically modified single Strain Products intended for oral delivery, except as expressly described above.

2.3 **Exclusivity Fees**. In consideration for the exclusivity rights granted in Section 2.1 Evelo will pay to Biose an "Exclusivity Fee" of two hundred and fifty thousand U.S. dollars ($250,000) each year during the Term. The first Exclusivity Fee payment will be due within [***] of the Effective Date. The second and third Exclusivity Fee payments will be due within [***] of the first and second anniversaries of the Effective Date, respectively.

Confidential Portions of this Exhibit marked as [***] have been omitted pursuant to a request for confidential treatment and have been filed separately with the Securities and Exchange Commission.

2.4 **Business Development**. Biose remains free to conduct any business development activities, during the term of this Agreement for the manufacture and supply of non-genetically modified single Strain Product intended for oral delivery, as long as performance of such manufacturing and/or supply activities begins after the termination of this Agreement.

ARTICLE 3. COMMITTED RUN RESOURCES; RUNS

3.1 **Reservation**. During the Term, Biose will reserve personnel with appropriate expertise, facilities and equipment sufficient and in an fully operational state to allow it to conduct Runs for Evelo to manufacture Product(s) as set forth on Exhibit A ("**Committed Run Resources**") meeting the specifications.

The Parties acknowledge that Biose can conduct Runs for Evelo on no more than [***] Strains per Agreement Year. For the sake of clarity, new Strain refers to an Evelo Strain that was never produced by Biose at its GMP facility.

3.2 **Priority**. In allocating access to its [***] fermenter, Biose shall make its best efforts to treat Evelo with higher or equal priority in relation to other Biose's customers so long as Evelo provides Biose with a minimum of [***] advance notice for Committed Run Resources.

3.3 **Run Fees; Payment Commitment; Released Resources**.

(a) For a Run, Evelo will pay to Biose amounts as follows: (i) an Engineering Run fee will be [***]; and (ii) a GMP Run fee will be [***]; provided, however, if Evelo elects to forego an Engineering Run for a given Strain before having Biose perform a GMP Run with such Strain, Evelo will pay to Biose [***] for such GMP Run (i.e., an additional [***] more than the normal [***] GMP Run fee). The Run fees above are fixed for the term of this Agreement, and do not include [***].

(b) During the Term, Evelo shall have no obligation to utilize any of the Committed Run Resources. If the Committed Run Resources are available for use by Evelo in accordance with the schedule in Exhibit A, but Evelo elects to not conduct any Run(s) utilizing all or part of the applicable Committed Run Resources in an Agreement Year, then Evelo shall, notify Biose, as soon as practicable but in case at least [***] prior to the start date of the subject Run(s), of Evelo's election, that it either (i) authorizes Biose to seek an alternative customer for use of such Committed Run Resources, or (ii) does not authorize Biose to seek an alternative customer for use of the applicable Committed Run Resources, in which case, Evelo will be obligated to pay Biose for such unused Committed Run Resources, subject to the terms Section 7.6(b) and (c), if applicable.

Confidential Portions of this Exhibit marked as [***] have been omitted pursuant to a request for confidential treatment and have been filed separately with the Securities and Exchange Commission.

(c) If Evelo authorizes Biose to seek an alternative customer for use of such Committed Run Resources ("**Released Resources**"), then Biose shall have the option to seek an alternative customer for the use of such Released Resources. For the sake of clarity, an alternative customer is a customer that was not scheduled in Biose's manufacturing planning at the time Evelo notifies Biose that it may seek an alternative user of the applicable Released Resources.

(i) If Biose utilizes such Released Resources for a third party, then Biose (x) may retain any amount paid by such third party for such manufacturing, and (y) will reimburse Evelo for any Run fees previously paid by Evelo for the applicable Released Resources.

(ii) If Biose itself uses the Released Resources for which Evelo authorized Biose to seek an alternative customer to manufacture a Run that was not already scheduled in Biose's manufacturing planning, then Biose will reimburse Evelo for any portion of the Run fees previously paid by Evelo for the applicable Released Resources.

(iii) If Biose is unable to locate another alternative customer to use such Released Resources, and Biose does not use such Released Resources for manufacturing purposes, then Evelo shall be obligated to pay Biose for the applicable unused Released Resources at the rate of [***] (taking into account any advance payments made by Evelo for such Released Resources).

(d) Subject to Section 3.3(c) above, any amounts due to Biose for Committed Run Resources that are unused by Evelo in a particular Calendar Quarter shall be paid by Evelo to Biose on the same payment terms as if this Committed Run Resources had been used by Evelo. Any amounts due to Biose for Committed Run Resources that are unused by Evelo in a particular Calendar Quarter shall be paid by Evelo to Biose with [***] of the end of the applicable Calendar Quarter after a financial reconcilation of all (i) amounts paid by Evelo for such Committed Run Resources for such Calendar Quarter, (ii) additional payments due to Biose for use or non-use of such Committed Run Resources for such Calendar Quarter, and (iii) reimbursements due to Evelo from Biose with respect to Released Resources.

(e) Notwithstanding the other terms of this Section 3.3, if any Committed Run Resources cannot be used by Evelo due to matters outside of Evelo's control (e.g., relating to contamination of Committed Run Resources or other Biose operational issues or decisions), then Evelo shall not be obligated to pay Biose for any Committed Run Resources that cannot be used for Evelo due to such unavailability. For clarity, if any Committed Run Resources are available for use by Evelo, and Evelo elects not to use such Committed Run Resources for reasons unrelated to Biose's abililty to perform (e.g., delays in clinical trial progress), then the terms of this Section 3.3(e) shall not apply.

3.4 **Pricing**. Evelo shall be entitled to credit 100% of the fees paid by Evelo pursuant to Section 3.3 when paid upfront or as a prepayment for the applicable Run against any corresponding payments due for such Run. For clarity, the Run fees include the manufacture of Product by Biose but not any raw materials.

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ARTICLE 4. PAYMENTS

4.1 **Payment Method and Terms.** For any amounts that are due to Biose pursuant to Section 2.3 above, Biose will provide an invoice to Evelo. Invoiced charges are due net [***] from the invoice date. All payments due under this Agreement shall be made by bank wire transfer in immediately available funds to a bank account designated by Biose.

4.2 **Invoice and Payment Instructions**. Invoices should be sent to Evelo:

Evelo Biosciences, Inc.
620 Memorial Drive, Suite 200 West
Cambridge, MA 02139
United States of America
Attention: Accounts Payable
Purchase Order: _____

and to the email address: [***]

Evelo will pay by wire transfer or, at the request of Company, by mailing a check payable to Company at:

Biose Industrie
Rue des frères Lumière
15130 Arpajon sur Cère – France
Attention: [***]

Any amount that is not paid by Evelo to Company when due under this Agreement shall bear default interest at the rate of [***], pro-rated from the day following the due date until paid in full.

4.3 **Taxes**. All prices and charges are exclusive of any applicable taxes, levies, imposts, duties and fees of whatever nature imposed by any law or regulations in any country in respect of the services, importation or exportation of materials, or Product, which shall be paid by Evelo. Evelo shall pay or reimburse Biose for all customs duties and taxes in connection with the purchase, sale, importation or exportation of any materials, or Product or the provision of services, except to the extent such duties and taxes are recoverable by or refundable to Biose. Biose agrees to assist Evelo in claiming exemption under double taxation or similar agreement or treaty from time to time in force to obtain a refund of any customs duties, value added taxes, and other taxes payable by Biose.

Confidential Portions of this Exhibit marked as [***] have been omitted pursuant to a request for confidential treatment and have been filed separately with the Securities and Exchange Commission.

ARTICLE 5. CONFIDENTIALITY

5.1 **Confidentiality Obligations.** The Receiving Party agrees to treat all Confidential Information as the confidential and exclusive property of the Disclosing Party, and agrees not to disclose any of the Confidential Information to any third-party without first obtaining the written consent of the Disclosing Party. The Receiving Party agrees to limit access to Confidential Information to those of its directors, officers, employees, agents or other third-party who have a need to know such information and who have been informed of and are obligated in writing to maintain the confidential nature of such Confidential Information as set forth herein and not use it other than as permitted in this Agreement. In particular, and subject to the conditions of the preceding sentence, the Receiving Party may disclose intellectual property licensed to it herein to implement this Agreement and the rights and licenses granted hereunder. The provisions of this paragraph will survive for a period of [***] after the termination or expiration of this Agreement; provided, however, with respect to any trade secrets disclosed hereunder, the provisions of this paragraph will survive while the status of the trade secret remains. The Receiving Party will ensure that Confidential Information will not be used by its directors, officers, employees or agents for any other purpose other than as set forth herein. The above provisions of confidentiality will not apply to that part of Confidential Information, which the Receiving Party can demonstrate by documentary evidence:

(a) was lawfully in the Receiving Party's possession prior to receipt from the Disclosing Party;

(b) was in the public domain and generally known at the time of receipt from the Disclosing Party;

(c) becomes part of the public domain through no fault of the Receiving Party, its directors, officers, employees or agents; or

(d) is lawfully received by the Receiving Party from a third-party without an obligation of confidentiality to the Disclosing Party.

5.2 **Disclosures Required by Law.** Notwithstanding the foregoing, the Receiving Party may disclose that part of Confidential Information that is required to be disclosed to comply with applicable laws or with a court or administrative order or with the request of any Regulatory Authority, provided that the Receiving Party gives the Disclosing Party prompt and reasonable notification of such requirement prior to such disclosure, takes all reasonable and lawful actions to obtain confidential treatment for such disclosure and to minimize the extent of such disclosure.

5.3 **Destruction of Confidential Information.** The Receiving Party agrees that upon the Disclosing Party's request, the Receiving Party will destroy all parts of Confidential Information and any copies, summaries of documents, materials, and other tangible manifestations thereof in the possession or control of the Receiving Party, except that the Receiving Party, subject to the obligations under this Agreement, may retain one copy of such Confidential Information in a secure location for the sole purpose of monitoring its ongoing obligations in respect of such information and (ii) will not be required to destroy any copies of such Confidential Information that are securely stored in automated electronic backups.

Confidential Portions of this Exhibit marked as [***] have been omitted pursuant to a request for confidential treatment and have been filed separately with the Securities and Exchange Commission.

5.4 **No License.** Neither anything contained in this Agreement, nor any delivery of any Confidential Information to the Receiving Party will be deemed to grant to the Receiving Party any rights or licenses under any intellectual property rights (including, without limitation, patent applications, patents, extensions, trade secrets, trademarks, copyrights and/or rights in non-public information) of the Disclosing Party, except (i) as necessary to perform the services, or as necessary to implement this Agreement and/or (ii) with regard to the rights and licenses expressly granted hereunder.

5.5 **Publicity/Publication.** Neither Party will publicly disclose the existence or substance of this Agreement, except as required by applicable laws or in filings with Regulatory Authorities. Neither Party will use the name of the other Party or of any of its employees without such Party's prior written consent.

Notwithstanding anything to the contrary in this Agreement, this Agreement may be filed by Evelo with the Securities and Exchange Commission, and Evelo may include in any such filing descriptions of the existence and terms thereof. Evelo shall reasonably consider Biose's timely proposed redactions before such filing.

ARTICLE 6 REPRESENTATIONS AND WARRANTIES

6.1 **Mutual Representations and Warranties**. Biose hereby makes the following representations and warranties to Evelo, and Evelo hereby makes the following representations and warranties to Biose.

(a) It is a company duly organized, validly existing and in good standing under the laws of the jurisdiction in which it is organized. It has all requisite corporate power and authority to own its respective properties and to carry on its respective business as conducted as of the date of this Agreement and as proposed to be conducted. It is duly licensed or qualified to transact business and is in good standing in each jurisdiction wherein the character of the property owned or leased, or the nature of the activities conducted, make such licensing or qualification necessary, except where the failure to be so licensed or qualified would not have a material adverse effect on its business or properties. It has the requisite power and authority to execute, deliver and perform its obligations under this Agreement.

(b) All corporate action on the part of it, its officers, directors and stockholders necessary for the authorization, execution and delivery of this Agreement, and the performance of all obligations hereunder and thereunder, have been taken, and this Agreement, when executed and delivered by it, shall constitute valid and legally binding obligations of it, enforceable against it in accordance with their terms except to the extent that (i) such enforcement may be subject to bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect relating to creditor's rights generally and (ii) the remedy of specific performance or injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceeding therefor may be brought.

(c) The execution, delivery and performance of this Agreement (with or without the giving of notice, the lapse of time or both), and the consummation of the transactions contemplated hereby, (i) do not require the consent of any third party; (ii) do not conflict in any material respect with, result in a material breach of, or constitute a material default under, its organizational documents or any other material contract or agreement to which it is a party or by which it may be bound or affected; and (iii) do not violate in any material respect any provision of applicable law or any order, injunction, judgment or decree of any government authority by which it may be bound, or require any regulatory filings or other actions to comply with the requirements of applicable law. It is not a party to, nor is it bound by, any agreement or commitment that prohibits the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby.

ARTICLE 7. TERM; TERMINATION

7.1 **Term**. The term of this Agreement shall commence on the Effective Date, and, unless terminated earlier as provided in this Article 7, shall continue in full force and effect until the end of the third anniversary of the Effective Date (the "Term").

7.2 **Termination at Will**. Evelo may terminate this Agreement at any time with [***] prior notice to Biose, subject to the terms of Section 7.6.

7.3 **Termination Following Biose Change of Control.** If a Change of Control of Biose occurs and Evelo can reasonably justify that such Change of Control may adversely affect Evelo's interests, Evelo may terminate this Agreement with [***] prior notice to Biose. In any such case, Biose shall, within [***] from the effective date of termination, refund to Evelo (i) any Run fees paid by Evelo for any Run scheduled to occur after the effective date of termination, and (ii) a pro rata share of the Exclusivity Fee paid under Section 2.3 for the applicable Agreement Year, based on the date of termination in relation to the end of the applicable Agreement Year.

7.4 **Termination upon Material Breach.**

(a) If a Party breaches any of its material obligations under the Agreement with respect to any Run subject to the Committed Run Resources, the Party not in default may give the breaching party written notice specifying the nature of the default and stating its intention to terminate this Agreement if such breach is not cured and in such case the breaching Party shall act promptly and in good faith to cure such breach. If such breach is not cured within [***] (or [***] with respect to breach of a payment obligation) after the receipt of such notice, the Party not in default shall be entitled, without prejudice to any of its other rights conferred under this Agreement, and in addition to any other remedies available to it by law or in equity, to terminate this Agreement by written notice to the other Party.

(b) The right of a Party to terminate this Agreement, as provided in this Article 7, shall not be affected in any way by its waiver or failure to take action with respect to any prior default or breach.

7.5 **Termination for Insolvency**. If voluntary or involuntary proceedings by or against a Party are instituted in bankruptcy under any insolvency law, or a receiver or custodian is appointed for such Party, or proceedings are instituted by or against such Party for corporate reorganization, dissolution, liquidation or winding-up of such Party, which proceedings, if involuntary, shall not have been dismissed within [***] after the date of filing, or if such Party makes an assignment for the benefit of creditors, or substantially all of the assets of such Party are seized or attached and not released within [***] thereafter, the other Party may immediately terminate this Agreement effective upon notice of such termination.

7.6 **Effect of Termination.**

(a) Upon termination or expiration of this Agreement, (i) each Party shall promptly return to the other Party (or destroy and provide the other Party with a certificate of destruction) all transferred materials, (ii) each Party shall promptly return to the other Party all relevant records and materials in its possession or control containing or comprising the other Party's Confidential Information and to which the Party does not retain rights hereunder; *provided*, *however*, that each Party shall be entitled to retain copies of the other Party's Confidential Information to the extent necessary to comply with applicable regulatory obligations and shall be entitled to retain one copy of the other Party's Confidential Information for archival purposes.

(b) In the event of (i) any termination of this Agreement pursuant to Section 7.2 by Evelo, Evelo shall remain obligated to pay to Biose (i) Committed Run Resources used and unused during the one year prior notice period and (ii) [***] of the Run fees in Section 3.3 for the Committed Run Resources as described in Exhibit A for the [***] following the effective date of termination. In any such case, Evelo shall pay the applicable aggregate amount to Biose within [***] of the effective date of termination.

(c) In the event of any termination of this Agreement by Evelo, Evelo shall have no obligation to pay any further Exclusivity Fee pursuant to Section 2.1 and in such case, Biose will reimburse Evelo for a pro rata portion of the Exclusivity Fee paid for the applicable Agreement Year pursuant to Section 2.1.

(d) Biose's exclusivity obligations under Section 2.1 of this Agreement shall terminate.

7.7 **Accrued Rights**. Termination, relinquishment or expiration of this Agreement for any reason shall be without prejudice to any rights that shall have accrued to the benefit of a Party prior to such termination, or expiration. Such termination, relinquishment or expiration shall not relieve a Party from obligations that are expressly indicated to survive termination or expiration of this Agreement.

Confidential Portions of this Exhibit marked as [***] have been omitted pursuant to a request for confidential treatment and have been filed separately with the Securities and Exchange Commission.

7.8 **Survival**. In the event of the expiration or early termination of this Agreement, the provisions of Section 7.6 and Articles 5 and 8, shall survive for the period specified therein or, in the absence of such specification, indefinitely.

ARTICLE 8. MISCELLANEOUS

8.1 **Assignment** This Agreement binds and inures to the benefit of the Parties hereto and their successors and permitted assigns, provided that neither Party may assign or transfer any or all of its rights or obligations under this Agreement without the prior written consent of the other Party, which consent will not be unreasonably withheld; provided, however, (i) Evelo may assign this Agreement and its rights and obligations hereunder in connection with the transfer or sale of all or substantially all of the business to which this Agreement relates to a third-party, whether by merger, sale of stock, sale of assets or otherwise without Biose's consent; and (ii) Evelo may assign this Agreement and its rights and obligations hereunder to an Affiliate without Biose's consent.

8.2 **Independent Contractor**. Evelo and Company are independent contractors under this Agreement. This Agreement creates no partnership, joint venture or agency between the Parties. Neither Party will have the authority to make any statements, representations or commitments of any kind, or to take any action, to bind the other without the prior written consent of the other Party.

8.3 **Severability**. If any provision of this Agreement will be found by a court of competent jurisdiction to be void, invalid or unenforceable, the same will either be reformed to comply with applicable law or stricken if not so conformable, so as not to affect the validity or enforceability of this Agreement.

8.4 **Notices**. Any notices to be given hereunder will be in writing and will be delivered to the address below: (a) in person; (b) first class registered or certified mail, postage prepaid, (c) next day express delivery service; or (d) by email or fax, with originals to follow immediately thereafter by methods (a), (b) or (c). Notice will be effective upon delivery or, in the case of (d), upon confirmation of delivery of the fax or email. A Party shall have the right to update the contact information listed in this Section 8.4 for that Party by notice in writing to the other Party.

If to Evelo:

Evelo Biosciences, Inc.
620 Memorial Drive, Suite 200 West
Cambridge, MA 02139
United States of America
Attention: [***]
Fax: TBD

With a courtesy copy to the email address: [***]

Confidential Portions of this Exhibit marked as [***] have been omitted pursuant to a request for confidential treatment and have been filed separately with the Securities and Exchange Commission.

If to Biose:

Biose Industrie
Avenue des frères Lumière
15 130 Arpajon sur Cère
France
Attention: [***]
Fax: [***]

8.5 **Governing Law and Venue**. This Agreement will be governed by and construed in accordance with the substantive laws of England, without regard to any choice of law principle that would dictate the application of the law of another jurisdiction. All disputes between the Parties in connection with or arising out of the existence, validity, construction, performance and termination of this Agreement (or any terms thereof), which the Parties are unable to resolve between themselves within [***] Business Days of the notice of dispute from either party, that relates to a payment dispute arising under this Agreement may be submitted by either party to [***] to be conducted in [***]. If the parties are unable to resolve such dispute via mediation, or if such dispute relates to matters other than a payment dispute, then such disagreement shall resolved by [***] conducted in [***].

8.6 **Headings**. The headings of the several sections hereof are not a part of this Agreement, but are merely guides or labels to assist in locating and reading the several sections hereof. The Parties acknowledge they have thoroughly reviewed this Agreement and mutually agreed upon its terms.

8.7 **Waiver**. Failure by either Party to enforce any provision of this Agreement will not be deemed a waiver of future enforcement of that or any other provision.

8.8 **Counterparts**. This Agreement may be executed in one or more counterparts, each of which will be deemed an original, but collectively will constitute one and the same instrument. Counterparts may be signed and delivered by facsimile or electronic transmission (including by e-mail delivery of .pdf signed copies), each of which will be binding when sent.

8.9 **Equitable Relief**. Each Party acknowledges that any breach of their obligations set forth in Sections 2, 3, 4, 5 and 6 may cause irreparable harm to the other Party; therefore, the other Party may have, in addition to any remedies available at law, the right to obtain equitable relief to enforce this Agreement.

8.10 **Non-Exclusivity**. Except as expressly set forth in Section 2.1 and 2.2, this Agreement does not, and will not be construed to, constitute an exclusive arrangement between Evelo and Biose. Accordingly, Evelo will be free to (a) purchase, rent, lease or otherwise obtain services of the kind, nature or type specified in this Agreement from companies, vendors, sellers, manufacturers or brokers other thanBiose, and/or (b) perform services of the kind, nature or type specified in this Agreement by and/or for itself. Furthermore, Biose will be free (a) purchase, rent, lease or otherwise obtain services of the kind, nature or type specified in this Agreement from companies, vendors, sellers, manufacturers or brokers other than Evelo, and/or (b) perform services of the kind, nature or type specified in this Agreement to companies other than Evelo

Confidential Portions of this Exhibit marked as [***] have been omitted pursuant to a request for confidential treatment and have been filed separately with the Securities and Exchange Commission.

8.11 **Advice of Counsel**. Evelo and Biose have each consulted counsel of their choice regarding this Agreement, and each acknowledges and agrees that this Agreement shall not be deemed to have been drafted by one Party or another and shall be construed accordingly.

8.12 **Effect of Force Majeure Event**. Neither Party (the "**Affected Party**") shall be liable to the other Party (the "**Non-Affected Party**") for failure or delay to perform its obligation under the Agreement when such failure or delay is due to riots, storms, fires, explosions, floods, earthquakes, war, embargoes, blockades, insurrections, an act of God or any other cause similar thereto which is beyond the reasonable control of the Affected Party ("**Force Majeure Event**"). Each Party agrees to give the other Party prompt written notice of the occurrence of any Force Majeure Event, the nature thereof, and the extent to which the Affected Party will be unable fully to perform its obligations under the Agreement. If a condition constituting Force Majeure Event as defined herein exists for more than [***], the Parties shall negotiate a mutually satisfactory solution to the problem, if practicable, including termination of this Agreement upon [***] written notice from the failure of reaching a mutually satisfactory solution to the Force Majeure Event, or the use of a third-party to fulfill the obligations hereunder of the party invoking Force Majeure Event, at the expense of the party invoking Force Majeure Event.

8.13 **Entire Agreement**. This Agreement together with any Schedules and Exhibits constitutes the entire agreement between Evelo and Company regarding the subject matter herein and supersedes all prior and contemporaneous representations, agreements, and understandings, whether oral, written or otherwise, between the Parties regarding such subject matter. This Agreement may not be amended unless such amendment is in writing and signed by each Party hereto. In the event of an inconsistency, ambiguity, contradiction or conflict between the terms of this Agreement, its Schedules, its Exhibits, and any amendments to any of the foregoing, the terms of these documents will be interpreted according to the following order of precedence: (i) the terms of any amendment to this Agreement, (ii) then the terms of this Agreement including its Schedules and Exhibits, and (iii) then the terms of any other agreement unless such other agreement specifically states that its terms supercede the terms of this Agreement.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement through their duly authorized representatives.

Evelo Biosciences, Inc.		Biose Industrie	
By:	/s/ Balkrishan "Simba" Gill	By:	/s/ Adrien Nivolier
Name:	Balkrishan "Simba" Gill	Name:	Adrien Nivolier
Title:	President & CEO	Title:	CEO
Date:	March 16, 2018	Date:	16 March 2018

Confidential Portions of this Exhibit marked as [***] have been omitted pursuant to a request for confidential treatment and have been filed separately with the Securities and Exchange Commission.

EXHIBIT A

COMMITTED RUN SCHEDULE

Year	Number of Committed Run
Agreement Year 1	[***], with such Run Resources allocated as follows: Q1, [***]; Q2, [***];Q3, [***], Q4, [***]
Agreement Year 2*	[***], with such Run Resources allocated as follows: at least [***] during such Agreement Year **
Agreement Year 3*	[***], with such Run Resources allocated as follows: at least [***] during such Agreement Year **

The Run schedule above may be modified with the written agreement of the Parties. The payment for such Runs shall be made in accordance with Section 3.3.

* Evelo has the option to add up to [***] Runs per year in each of Agreement Year 2 and Agreement Year 3, with [***] notice to Biose for the subject Run(s) prior to the proposed Run start date(s).

** For Agreement Years 2 and 3, a schedule for Runs subject to the Committed Run Resources shall be agreed by the Parties within [***] prior to the start of the applicable Agreement Year.

In order to allow Biose to manufacture Runs for itself or other customers, Evelo may not schedule Runs such that Biose's [***] fermenter would be used for Evelo for more than [***], unless otherwise agreed in writing by the parties.

For specific Runs, Evelo may reschedule Runs with [***] notice to Biose for the subject Run prior to the proposed rescheduled Run start date.

Confidential Portions of this Exhibit marked as [***] have been omitted pursuant to a request for confidential treatment and have been filed separately with the Securities and Exchange Commission.

EVELO BIOSCIENCES, INC.

LOAN AND SECURITY AGREEMENT

This LOAN AND SECURITY AGREEMENT (the "Agreement") is entered into as of August 15, 2016, by and between PACIFIC WESTERN BANK, a California state chartered bank ("Bank") and EVELO BIOSCIENCES, INC., a Delaware corporation ("Borrower").

RECITALS

Borrower wishes to obtain credit from time to time from Bank, and Bank desires to extend credit to Borrower. This Agreement sets forth the terms on which Bank will advance credit to Borrower, and Borrower will repay the amounts owing to Bank.

AGREEMENT

The parties agree as follows:

1. DEFINITIONS AND CONSTRUCTION.

1.1 Definitions. As used in this Agreement, all capitalized terms shall have the definitions set forth on Exhibit A. Any term used in the Code and not defined herein shall have the meaning given to the term in the Code.

1.2 Accounting Terms. Any accounting term not specifically defined on Exhibit A shall be construed in accordance with GAAP and all calculations shall be made in accordance with GAAP (except for non-compliance with FAS 123R in monthly reporting). The term "financial statements" shall include the accompanying notes and schedules.

2. LOAN AND TERMS OF PAYMENT.

2.1 Credit Extensions.

(a) Promise to Pay. Borrower promises to pay to Bank, in lawful money of the United States of America, the aggregate unpaid principal amount of all Credit Extensions made by Bank to Borrower, together with interest on the unpaid principal amount of such Credit Extensions at rates in accordance with the terms hereof.

(b) Term Loans.

(i) Subject to and upon the terms and conditions of this Agreement Bank shall make term loans to Borrower in two Tranches, "Tranche A" and "Tranche B". On the Closing Date, or as soon thereafter as all conditions precedent to the making thereof have been met, Bank shall make one (1) term loan to Borrower under Tranche A in an aggregate principal amount equal to $3,000,000 (the "Initial Term Loan"). Thereafter, on or prior to the Availability End Date, Borrower may request and Bank agrees to make one (1) or more additional term loans to Borrower under Tranche A in an aggregate principal amount not to exceed $7,000,000 (each a "Tranche A Term Loan" and together with the Initial Term Loan, the "Tranche A Term Loans"). At any time after Borrower's achievement of the Equity Milestone through the Availability End Date, Borrower may request and Bank agrees to make one (1) or more additional term loans to Borrower in an aggregate principal amount not to exceed $5,000,000 (each a "Tranche B Term Loan" and collectively, the "Tranche B Term Loans" and together with the Tranche A Term Loans, each a "Term Loan" and collectively, the "Term Loans"). The proceeds of the Initial Term Loan shall be used to refinance all obligations owing from Borrower to Bank as of the Closing Date. The proceeds of any subsequent Tranche A Term Loans and the Tranche B Term Loans shall be used for general working capital purposes and for capital expenditures.

(ii) Interest shall accrue from the date of each Term Loan at the rate specified in Section 2.3(a) and shall be payable monthly in arrears beginning on the day of the month next following the date such Term Loan is funded and continuing on the same day of each month thereafter. Any Term Loans that are outstanding on the Availability End Date shall be payable in equal monthly installments of principal, plus all

accrued but unpaid interest, beginning on the Amortization Start Date and continuing on the same day of each month thereafter through the Term Loan Maturity Date, at which time all outstanding amounts due in connection with the Term Loans and any other outstanding amounts due under this Agreement shall be immediately due and payable. Term Loans, once repaid, may not be reborrowed. Borrower may prepay any Term Loan without penalty or premium.

(iii) When Borrower desires to obtain a Term Loan, Borrower shall notify Bank (which notice shall be irrevocable) by facsimile transmission to be received no later than 3:30 p.m. Eastern time on the Business Day prior to the date on which the Term Loan is to be made. Such notice shall be substantially in the form of Exhibit C. The notice shall be signed by an Authorized Officer.

(c) Usage of Credit Card Services Under the Credit Card Line.

(i) Usage Period. Subject to and upon the terms and conditions of this Agreement, at any time from the Closing Date through the Credit Card Maturity Date, Borrower may use the Credit Card Services (as defined below) in amounts and upon terms as provided in Section 2.1(c)(ii) below.

(ii) Credit Card Services. Subject to and upon the terms and conditions of this Agreement, Borrower may request corporate credit cards and standard e-commerce merchant account services from Bank (collectively, the "Credit Card Services"). The aggregate limit of the corporate credit cards and merchant credit card processing reserves shall not exceed the Credit Card Line. The terms and conditions (including repayment and fees) of such Credit Card Services shall be subject to the terms and conditions of Bank's standard forms of application and agreement for the Credit Card Services, which Borrower hereby agrees to execute.

(iii) Collateralization of Obligations Extending Beyond Maturity. If Borrower has not cash secured its obligations with respect to any Credit Card Services by the Credit Card Maturity Date, then, effective as of such date, the balance in any deposit accounts held by Bank and the certificates of deposit or time deposit accounts issued by Bank in Borrower's name (and any interest paid thereon or proceeds thereof, including any amounts payable upon the maturity or liquidation of such certificates or accounts), shall automatically secure such obligations to the extent of the then continuing or outstanding Credit Card Services. Borrower authorizes Bank to hold such balances in pledge and to decline to honor any drafts thereon or any requests by Borrower or any other Person to pay or otherwise transfer any part of such balances for so long as the applicable Credit Card Services are outstanding or continue.

2.2 Intentionally Omitted.

2.3 Interest Rates, Payments, and Calculations.

(a) Interest Rate. Except as set forth in Section 2.3(b), the Term Loans shall bear interest, on the outstanding daily balance thereof, at a variable annual rate equal to the greater of (A) 0.25% above the Prime Rate then in effect, or (B) 3.75%.

(b) Late Fee; Default Rate. If any payment is not made within 15 days after the date such payment is due, at Bank's election, Borrower shall pay Bank a late fee equal to the lesser of (i) 5% of the amount of such unpaid amount or (ii) the maximum amount permitted to be charged under applicable law. At Bank's election, all Obligations shall bear interest, from and after the occurrence and during the continuance of an Event of Default, at a rate equal to 5 percentage points above the interest rate applicable immediately prior to the occurrence of the Event of Default.

(c) Payments. Interest on the Term Loans shall be due and payable on the calendar day of each month during the term hereof. Bank shall, at its option, charge such interest, all Bank Expenses, and all Periodic Payments, in each case if and when due, against, first, a deposit account designated by Borrower in writing, and second, if insufficient funds remain in such account, any of Borrower's other deposit accounts. Any interest not paid when due shall be compounded by becoming a part of the Obligations, and such interest shall thereafter accrue interest at the rate then applicable hereunder.

(d) Computation. In the event the Prime Rate is changed from time to time hereafter, the applicable rate of interest hereunder shall be increased or decreased, effective as of the day the Prime Rate is changed, by an amount equal to such change in the Prime Rate. All interest chargeable under the Loan Documents shall be computed on the basis of a 360 day year for the actual number of days elapsed.

2.4 Crediting Payments. Prior to the occurrence of an Event of Default that is continuing, Bank shall credit a wire transfer of funds, check or other item of payment to such deposit account or Obligation as Borrower specifies. After the occurrence and during the continuance of an Event of Default, Bank shall have the right, in its reasonable discretion, to immediately apply any wire transfer of funds, check, or other item of payment Bank may receive to conditionally reduce Obligations, but such applications of funds shall not be considered a payment on account unless such payment is of immediately available federal funds or unless and until such check or other item of payment is honored when presented for payment. Notwithstanding anything to the contrary contained herein, any wire transfer or payment received by Bank after 5:30 p.m. Eastern time shall be deemed to have been received by Bank as of the opening of business on the immediately following Business Day. Whenever any payment to Bank under the Loan Documents would otherwise be due (except by reason of acceleration) on a date that is not a Business Day, such payment shall instead be due on the next Business Day, and additional fees or interest, as the case may be, shall accrue and be payable for the period of such extension.

2.5 Bank Expenses. On the Closing Date, Borrower shall pay to Bank all Bank Expenses incurred through the Closing Date, and, after the Closing Date, all Bank Expenses, as and when they become due.

2.6 Term. This Agreement shall become effective on the Closing Date and, subject to Section 12.7, shall continue in full force and effect for so long as any Obligations (other than inchoate indemnity obligations) remain outstanding or Bank has any obligation to make Credit Extensions under this Agreement. Notwithstanding the foregoing, Bank shall have the right to terminate its obligation to make Credit Extensions under this Agreement immediately and without notice upon the occurrence and during the continuance of an Event of Default. Upon payment in full in cash of the Obligations (other than inchoate indemnity obligations) Borrower may simultaneously with such payment terminate this agreement upon three (3) Business Days written notice to Bank. Following such payment in full in cash of the Obligations (other than inchoate indemnity obligations) at such time as Bank's obligation to make Credit Extensions has terminated, Bank shall release its Liens in the Collateral and Bank shall promptly take such action reasonably requested by Borrower, at Borrower's sole cost and expense, in order to cause such Liens to be terminated of record (including by filing UCC-3 or similar termination statements with respect to such Liens), and all rights therein shall revert to Borrower.

3. CONDITIONS OF LOANS.

3.1 Conditions Precedent to Closing. The agreement of Bank to enter into this Agreement on the Closing Date is subject to the condition precedent that Bank shall have received, in form and substance satisfactory to Bank, each of the following items and completed each of the following requirements:

(a) this Agreement;

(b) an officer's certificate of Borrower with respect to incumbency and resolutions authorizing the execution and delivery of this Agreement;

(c) a financing statement (Form UCC-1);

(d) payment of the Bank Expenses then due specified in Section 2.5, which may be debited from any of Borrower's accounts with Bank;

(e) current SOS Reports indicating that except for Permitted Liens, there are no other security interests or Liens of record in the Collateral;

(f) current financial statements, including company prepared statements for Borrower's most recently ended fiscal year, company prepared consolidated balance sheets, income statements and statements of cash flows for the most recently ended month in accordance with Section 6.2, and such other updated financial information as Bank may reasonably request;

(g) current Compliance Certificate in accordance with Section 6.2;

(h) a warrant to purchase Borrower's Series A-3 preferred stock issued by Borrower in favor of Bank;

(i) an amended and restated warrant to purchase Borrower's Series A-1 preferred stock issued by Borrower in favor of Bank;

(j) a Borrower Information Certificate;

(k) such other documents or certificates, and completion of such other matters, as Bank may reasonably request; and

(l) Borrower shall have opened and funded not less than $50,000 in deposit accounts held with Bank.

3.2 Conditions Precedent to all Credit Extensions. The obligation of Bank to make each Credit Extension, including the initial Credit Extension, is contingent upon the Borrower's compliance with Section 3.1 above, and is further subject to the following conditions:

(a) timely receipt by Bank of the Loan Advance/Paydown Request Form as provided in Section 2.1;

(b) Borrower shall be in compliance with Section 6.6 hereof;

(c) in Bank's sole, but reasonable, discretion, there has not been a Material Adverse Effect; and

(d) the representations and warranties contained in Section 5 shall be true and correct in all material respects on and as of the date of such Loan Advance/Paydown Request Form and on the effective date of each Credit Extension as though made at and as of each such date, and no Event of Default shall have occurred and be continuing, or would exist after giving effect to such Credit Extension (provided, however, that those representations and warranties expressly referring to another date shall be true, correct and complete in all material respects as of such date). The making of each Credit Extension shall be deemed to be a representation and warranty by Borrower on the date of such Credit Extension as to the accuracy of the facts referred to in this Section 3.2.

3.3 Post-Closing Conditions.

(a) On the date that Bank makes a Tranche B Term Loan to Borrower, Borrower shall deliver to Bank a warrant to purchase stock in the form attached hereto as Exhibit E.

(b) As soon as possible, but no later than thirty (30) days after the Closing Date, Borrower shall deliver to Bank evidence satisfactory to Bank that the insurance policies required by Section 6.5 hereof are in full force and effect together with evidence showing loss payable and additional insured clauses or endorsements in favor of Bank.

4. CREATION OF SECURITY INTEREST.

4.1 Grant of Security Interest. Borrower grants and pledges to Bank a continuing security interest in the Collateral to secure prompt repayment of any and all Obligations and to secure prompt performance by Borrower of each of its covenants and duties under the Loan Documents. Except for Permitted Liens or as disclosed in the Schedule, such security interest constitutes a valid, first priority security interest in the presently existing

Collateral, and will constitute a valid, first priority security interest in later-acquired Collateral. Borrower also hereby agrees not to sell, transfer, assign, mortgage, pledge, lease, grant a security interest in, or encumber any of its Intellectual Property, other than Permitted Liens. Notwithstanding any termination of this Agreement or of any filings undertaken related to Bank's rights under the Code, Bank's Lien on the Collateral shall remain in effect for so long as any Obligations (other than inchoate indemnity obligations) are outstanding. Upon request by Borrower and payment in full in cash of the Obligations (other than inchoate indemnity obligations) and at such time as Bank's obligation to make Credit Extensions has terminated, Bank shall release its liens and interests in the Collateral and Bank shall take such actions as reasonably requested by Borrower in order to cause such Liens to be terminated of record (including filing UCC-3 or similar termination statements with respect to such Liens).

4.2 Perfection of Security Interest. Borrower authorizes Bank to file at any time financing statements, continuation statements, and amendments thereto that (i) either specifically describe the Collateral or describe the Collateral as all assets of Borrower of the kind pledged hereunder, and (ii) contain any other information required by the Code for the sufficiency of filing office acceptance of any financing statement, continuation statement, or amendment, including whether Borrower is an organization, the type of organization and any organizational identification number issued to Borrower, if applicable. Borrower shall have possession of the Collateral, except goods transferred in the ordinary course of business where expressly otherwise provided in this Agreement or where Bank chooses to perfect its security interest by possession in addition to the filing of a financing statement. Where Collateral is in possession of a third party bailee, Borrower shall use commercially reasonable efforts as Bank reasonably requests for Bank to (i) subject to Section 7.11 below, obtain an acknowledgment, in form and substance reasonably satisfactory to Bank, of the bailee that the bailee holds such Collateral for the benefit of Bank, and (ii) subject to Section 6.6, obtain "control" of any Collateral consisting of investment property, deposit accounts, letter-of-credit rights or electronic chattel paper (as such items and the term "control" are defined in Revised Article 9 of the Code) by causing the securities intermediary or depositary institution or issuing bank to execute a control agreement in form and substance reasonably satisfactory to Bank. Borrower will not create any chattel paper without placing a legend on the chattel paper acceptable to Bank indicating that Bank has a security interest in the chattel paper. Borrower from time to time may deposit with Bank specific cash collateral to secure specific Obligations; Borrower authorizes Bank to hold such specific balances in pledge and to decline to honor any drafts thereon or any request by Borrower or any other Person to pay or otherwise transfer any part of such balances for so long as such specific Obligations are outstanding. Borrower shall take such other actions as Bank reasonably requests to perfect its security interests granted under this Agreement.

5. REPRESENTATIONS AND WARRANTIES.

Borrower represents and warrants as follows:

5.1 Due Organization and Qualification. Borrower and each Subsidiary is duly existing under the laws of the state in which it is organized and qualified and licensed to do business in any state in which the conduct of its business or its ownership of property requires that it be so qualified, except where the failure to do so would not reasonably be expected to cause a Material Adverse Effect.

5.2 Due Authorization; No Conflict. The execution, delivery, and performance of the Loan Documents are within Borrower's powers, have been duly authorized, and are not in conflict with nor constitute a breach of any provision contained in Borrower's Certificate of Incorporation or Bylaws, nor will they constitute an event of default under any material agreement by which Borrower is bound. Borrower is not in default under any agreement by which it is bound, except to the extent such default would not reasonably be expected to cause a Material Adverse Effect.

5.3 Collateral. Borrower has rights in or the power to transfer the Collateral, and its title to the Collateral is free and clear of Liens, adverse claims, and restrictions on transfer or pledge except for Permitted Liens. Other than movable items of personal property such as laptop computers, all Collateral having an aggregate book value in excess of $250,000 is located solely in the Collateral States. All Inventory is in all material respects of good and merchantable quality, free from all material defects, except for Inventory for which adequate reserves have been made. Except as set forth in the Schedule or as permitted under Section 6.6, none of the Borrower's Cash is maintained or invested with a Person other than Bank or Bank's affiliates.

5.4 Intellectual Property. Borrower's Intellectual Property is set forth on Schedule 5.4 hereto. Borrower is the sole owner of the intellectual property created or purchased by Borrower, except for (a) licenses permitted hereunder or granted by Borrower to its customers in the ordinary course of business and (b) over the counter software that is commercially available to the public. To the best of Borrower's knowledge, each of the copyrights, trademarks and patents created or purchased by Borrower is valid and enforceable, and no part of the intellectual property created or purchased by Borrower has been judged invalid or unenforceable, in whole or in part, and no claim has been made to Borrower that any part of the intellectual property created or purchased by Borrower violates the rights of any third party except, in each case, to the extent such claim would not reasonably be expected to cause a Material Adverse Effect.

5.5 Name; Location of Chief Executive Office. Except as disclosed in the Schedule or for which notice has been provided in accordance with Section 7.2, Borrower has not done business under any name other than that specified on the signature page hereof, and its exact legal name is as set forth in the first paragraph of this Agreement. The chief executive office of Borrower is located at the address indicated in Section 10 hereof.

5.6 Litigation. Except as set forth in the Schedule, there are no actions or proceedings pending by or against Borrower or any Subsidiary before any court or administrative agency in which a likely adverse decision would reasonably be expected to have a Material Adverse Effect.

5.7 No Material Adverse Change in Financial Statements. All consolidated and consolidating, if applicable, financial statements related to Borrower and any Subsidiary that are delivered by Borrower to Bank fairly present in all material respects Borrower's consolidated and consolidating, if applicable, financial condition as of the date thereof and Borrower's consolidated and consolidating, if applicable, results of operations for the period then ended. There has not been a material adverse change in the consolidated or in the consolidating financial condition of Borrower since the date of the most recent of such financial statements submitted to Bank.

5.8 Solvency, Payment of Debts. Borrower is able to pay its debts (including trade debts) as they mature; the fair saleable value of Borrower's assets (including goodwill minus disposition costs) exceeds the fair value of its liabilities; and Borrower is not left with unreasonably small capital after the transactions contemplated by this Agreement.

5.9 Compliance with Laws and Regulations. Borrower and each Subsidiary have met the minimum funding requirements of ERISA with respect to any employee benefit plans subject to ERISA. No event has occurred resulting from Borrower's failure to comply with ERISA that is reasonably likely to result in Borrower's incurring any liability that could have a Material Adverse Effect. Borrower is not an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940. Borrower is not engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulations T and U of the Board of Governors of the Federal Reserve System). Borrower has not violated any statutes, laws, ordinances or rules applicable to it, the violation of which would reasonably be expected to have a Material Adverse Effect. Borrower and each Subsidiary have filed or caused to be filed all tax returns required to be filed, and have paid, or have made adequate provision for the payment of, all taxes reflected therein except in each case those being contested in good faith with adequate reserves under GAAP or where the failure to file such returns or pay such taxes would not reasonably be expected to have a Material Adverse Effect.

5.10 Subsidiaries. Borrower does not own any stock, partnership interest or other equity securities of any Person, except for Permitted Investments.

5.11 Government Consents. Borrower and each Subsidiary have obtained all consents, approvals and authorizations of, made all declarations or filings with, and given all notices to, all governmental authorities that are necessary for the continued operation of Borrower's business as currently conducted, except where the failure to do so would not reasonably be expected to cause a Material Adverse Effect.

5.12 Inbound Licenses. Except as disclosed on the Schedule or as disclosed pursuant to Section 6.9, Borrower is not a party to, nor is bound by, any material license or other material agreement important for the conduct of Borrower's business that prohibits or otherwise restricts Borrower from granting a security interest in Borrower's interest in such license or agreement or any other property important for the conduct of Borrower's business, other than this Agreement or the other Loan Documents.

6. AFFIRMATIVE COVENANTS.

Borrower covenants that, until payment in full of all outstanding Obligations (other than inchoate indemnity obligations), and for so long as Bank may have any commitment to make a Credit Extension hereunder, Borrower shall do all of the following:

6.1 Good Standing and Government Compliance. Borrower shall maintain its and each of its Subsidiaries' corporate existence and good standing in their respective states of formation, shall maintain qualification and good standing in each other jurisdiction in which the failure to so qualify would reasonably be expected to have a Material Adverse Effect, and shall furnish to Bank the organizational identification number issued to Borrower by the authorities of the state in which Borrower is organized, if applicable. Borrower shall meet, and shall cause each Subsidiary to meet, the minimum funding requirements of ERISA with respect to any employee benefit plans subject to ERISA. Borrower shall comply, and shall cause each Subsidiary to comply, with all statutes, laws, ordinances and government rules and regulations to which it is subject, and shall maintain, and shall cause each of its Subsidiaries to maintain, in force all licenses, approvals and agreements, in each case the loss of which or failure to comply with which would reasonably be expected to have a Material Adverse Effect.

6.2 Financial Statements, Reports, Certificates. Borrower shall deliver to Bank: (i) as soon as available, but in any event within 30 days after the end of each calendar month, a company prepared consolidated and consolidating, as applicable, balance sheet, income statement, and statement of cash flows covering Borrower's operations during such period, in a form reasonably acceptable to Bank and certified by a Responsible Officer; (ii) starting with the fiscal year ending December 31, 2016, as soon as available, but in any event within 180 days after the end of Borrower's fiscal year, audited (or such other level as is required by the Investment Agreement) consolidated and consolidating, as applicable, financial statements of Borrower prepared in accordance with GAAP, consistently applied, together with an opinion which is either unqualified, qualified only for going concern related solely to Borrower's liquidity position or otherwise consented to in writing by Bank on such financial statements of an independent certified public accounting firm reasonably acceptable to Bank; (iii) annual budget approved by Borrower's Board of Directors as soon as available but not later than 45 days after the end of each fiscal year of Borrower during the term of this Agreement; (iv) if applicable, copies of all statements, reports and notices sent or made available generally by Borrower to its security holders or to any holders of Subordinated Debt (excluding any materials provided to such security holders, stockholders, or holders of Subordinated Debt solely in their capacity as members of Borrower's Board of Directors) and all reports on Forms 10-K and 10-Q filed with the Securities and Exchange Commission; (v) promptly upon receipt of notice thereof, a report of any legal actions pending or threatened against Borrower or any Subsidiary that could reasonably be expected to result in damages or costs to Borrower or any Subsidiary of $250,000 or more; (vi) periodic informal clinical updates on any material developments as Borrower may determine or upon request of Bank and (vii) such budgets, sales projections, operating plans or other information related to Borrower's business generally prepared by Borrower in the ordinary course of business as Bank may reasonably request from time to time.

(a) Within 30 days after the last day of each month, Borrower shall deliver to Bank with the monthly financial statements a Compliance Certificate certified as of the last day of the applicable month and signed by a Responsible Officer in substantially the form of Exhibit D hereto.

(b) As soon as possible and in any event within three (3) Business Days after becoming aware of the occurrence and existence of an Event of Default hereunder, Borrower shall deliver to Bank a written statement of a Responsible Officer setting forth details of the Event of Default, and the action which Borrower has taken or proposes to take with respect thereto.

(c) Bank (through any of its officers, employees, or agents) shall have the right, upon reasonable prior notice, from time to time during Borrower's usual business hours but no more than once a year (unless an Event of Default has occurred and is continuing), to inspect Borrower's Books and to make copies thereof and to check, test, inspect, audit and appraise the Collateral at Borrower's expense in order to verify Borrower's financial condition or the amount, condition of, or any other matter relating to, the Collateral.

Borrower may deliver to Bank on an electronic basis any certificates, reports or information required pursuant to this Section 6.2, and Bank shall be entitled to rely on the information contained in the electronic files, provided that Bank in good faith believes that the files were delivered by a Responsible Officer. Borrower shall include a submission date on any certificates and reports to be delivered electronically.

6.3 Inventory and Equipment; Returns. Borrower shall keep all Inventory and Equipment in good and merchantable condition, free from all material defects except for Inventory and Equipment (i) sold in the ordinary course of business, and (ii) for which adequate reserves have been made, in all cases in the United States and such other locations as to which Borrower gives prior written notice. Returns and allowances, if any, as between Borrower and its account debtors shall be on the same basis and in accordance with the usual customary practices of Borrower, as they exist on the Closing Date, or as is standard in the industry. Borrower shall promptly notify Bank of all returns and recoveries and of all disputes and claims involving inventory having a book value of more than $500,000.

6.4 Taxes. Borrower shall make, and cause each Subsidiary to make, due and timely payment or deposit of all material federal, state, and local taxes, assessments, or contributions required of it by law, including, but not limited to, those laws concerning income taxes, F.I.C.A., F.U.T.A. and state disability, and will execute and deliver to Bank, on demand, proof reasonably satisfactory to Bank indicating that Borrower or a Subsidiary has made such payments or deposits and any appropriate certificates attesting to the payment or deposit thereof; provided that Borrower or a Subsidiary need not make any payment if the amount or validity of such payment is contested in good faith by appropriate proceedings and is reserved against (to the extent required by GAAP) by Borrower or such Subsidiary.

6.5 Insurance. Borrower, at its expense, shall (i) keep the Collateral insured against loss or damage, and (ii) maintain liability and other insurance, in each case as ordinarily insured against by other owners in businesses similar to Borrower's. All such policies of insurance shall be in such form, with such companies, and in such amounts as is customary for businesses similarly situated to Borrower. All policies of property insurance shall contain a lender's loss payable endorsement, in a form reasonably satisfactory to Bank, showing Bank as lender's loss payee. All liability insurance policies shall show, or have endorsements showing, Bank as an additional insured. Any such insurance policies shall specify that the insurer must give at least 20 days' notice to Bank before canceling its policy for any reason (10 days' notice for cancellation for reason of non-payment of premium). Within 30 days of the Closing Date, Borrower shall cause to be furnished to Bank a copy of its policies including any endorsements covering Bank or showing Bank as an additional insured. Upon Bank's request, Borrower shall deliver to Bank certified copies of the policies of insurance and evidence of all premium payments. Proceeds payable under any casualty policy will, at Borrower's option, be payable to Borrower to replace the property subject to the claim, provided that any such replacement property shall be deemed Collateral in which Bank has been granted a first priority security interest, provided that if an Event of Default has occurred and is continuing, all proceeds payable under any such policy shall, at Bank's option, be payable to Bank to be applied on account of the Obligations.

6.6 Primary Depository. Subject to the provisions of Section 3.1(l) and 3.2(b), Borrower, within thirty (30) days of the Closing Date (the "Transition Period"), shall maintain all its depository and operating accounts with Bank and its primary investment accounts with Bank or Bank's affiliates; provided that prior to maintaining any investment accounts with Bank's affiliates, Borrower, Bank, and any such affiliate shall have entered into a securities account control agreement with respect to any such investment accounts, in form and substance satisfactory to Bank. Notwithstanding the above (i) Borrower shall be permitted to maintain Cash in one or more accounts outside of Bank or Bank's affiliates, provided that the total aggregate amount of Cash maintained in such accounts does not exceed $100,000 at any time and (ii) Borrower may transfer cash to the MSC Subsidiary so long as the MSC Investment Conditions have been met. Each Borrower shall use commercially reasonable efforts to open a MSC Subsidiary deposit account at the Bank.

6.7 Intentionally Omitted.

6.8 Intentionally Omitted.

6.9 Consent of Inbound Licensors. After entering into or becoming bound by any material inbound license or agreement, Borrower shall: (i) on the next Compliance Certificate delivered to Bank after entering into such material license or agreement, provide written notice to Bank of the material terms of such license or agreement with a description of its likely impact on Borrower's business or financial condition; and (ii) at Bank's request, in good faith use commercially reasonable efforts to obtain the consent of, or waiver by, any person whose consent or waiver is necessary for Borrower's interest in such licenses or contract rights to be deemed Collateral and for Bank to have a security interest in it that might otherwise be restricted by the terms of the applicable license or agreement, whether now existing or entered into in the future, provided, however, that the failure to obtain any such consent or waiver shall not constitute a default under this Agreement.

6.10 Creation/Acquisition of Subsidiaries. In the event any Borrower or any Subsidiary (other than the MSC Subsidiary) of any Borrower creates or acquires any Subsidiary, Borrower or such Subsidiary shall promptly notify Bank of such creation or acquisition, and Borrower or such Subsidiary shall take all actions reasonably requested by Bank to achieve any of the following with respect to such "***New Subsidiary***" (defined as a Subsidiary formed after the date hereof during the term of this Agreement): (i) to cause New Subsidiary to become either a co-Borrower hereunder, if such New Subsidiary (other than an MSC Subsidiary) is organized under the laws of the United States, or a secured guarantor with respect to the Obligations; and (ii) to grant and pledge to Bank a perfected security interest in 100% of the stock, units or other evidence of ownership held by Borrower or its Subsidiaries of any such New Subsidiary which is organized under the laws of a jurisdiction in the United States, and 65% of the stock, units or other evidence of ownership held by Borrower or its Subsidiaries of any such New Subsidiary which is not organized under the laws of a jurisdiction in the United States.

6.11 Further Assurances. At any time and from time to time Borrower shall execute and deliver such further instruments and take such further action as may reasonably be requested by Bank to effect the purposes of this Agreement.

7. NEGATIVE COVENANTS.

Borrower covenants and agrees that, so long as any credit hereunder shall be available and until the outstanding Obligations (other than inchoate indemnity obligations) are paid in full or for so long as Bank may have any commitment to make any Credit Extensions, Borrower will not do any of the following without Bank's prior written consent, which shall not be unreasonably withheld:

7.1 Dispositions. Convey, sell, lease, license, transfer or otherwise dispose of (collectively, to "Transfer"), or permit any of its Subsidiaries to Transfer, all or any part of its business or property, or move cash balances on deposit with Bank to accounts opened at another financial institution not permitted by Section 6.6, in each case, other than Permitted Transfers.

7.2 Change in Name, Location, Executive Office, or Executive Management; Change in Business; Change in Fiscal Year; Change in Control. Change its name or the state of Borrower's formation or relocate its chief executive office without 30 days prior written notification to Bank; replace or suffer the departure of its chief executive officer or chief financial officer without delivering written notification to Bank within 10 days; fail to appoint an interim replacement or fill a vacancy in the position of chief executive officer or chief financial officer for more than 90 consecutive days; suffer a change on its board of directors which results in the failure of at least one partner of Flagship Ventures Management, Inc. or its Affiliates to serve as a voting member (other than in connection with an IPO), or suffer the resignation of one or more directors from its board of directors in anticipation of the Borrower's insolvency, in either case without the prior written consent of Bank which may be withheld in Bank's sole discretion; take action to liquidate, wind up, or otherwise cease to conduct business in the ordinary course; engage in any business, or permit any of its Subsidiaries to engage in any business, other than or reasonably related or incidental to the businesses currently engaged in by Borrower; change its fiscal year end; have a Change in Control.

7.3 Mergers or Acquisitions. Merge or consolidate, or permit any of its Subsidiaries to merge or consolidate, with or into any other business organization (other than mergers or consolidations of a Subsidiary into another Subsidiary or into Borrower), or acquire, or permit any of its Subsidiaries to acquire, all or substantially all of the capital stock or property of another Person except where (a) each of the following conditions is applicable: (i)

the consideration paid in connection with such transactions (including assumption of liabilities) does not in the aggregate exceed $500,000 during any fiscal year, (ii) no Event of Default has occurred, is continuing or would exist after giving effect to such transactions, (iii) such transactions do not result in a Change in Control, and (iv) Borrower is the surviving entity; or (b) the Obligations (other than inchoate indemnity obligations) are repaid in full concurrently with the closing of any merger or consolidation of Borrower in which Borrower is not the surviving entity; provided, however, that Borrower shall not, without Bank's prior written consent, enter into any binding contractual arrangement with any Person to attempt to facilitate a merger or acquisition of Borrower, unless (i) no Event of Default exists when such agreement is entered into by Borrower, and (ii) Borrower notifies Bank in advance of entering into such an agreement (provided, the failure to give such notification shall not be deemed a material breach of this Agreement).

7.4 Indebtedness. Create, incur, assume, guarantee or be or remain liable with respect to any Indebtedness, or permit any Subsidiary so to do, other than Permitted Indebtedness, or prepay any Indebtedness or take any actions which impose on Borrower an obligation to prepay any Indebtedness prior to the scheduled maturity date, except Indebtedness to Bank.

7.5 Encumbrances. Create, incur, assume or allow any Lien with respect to its property, or assign or otherwise convey any right to receive income, including the sale of any Accounts, or permit any of its Subsidiaries so to do, except for Permitted Liens, or covenant to any other Person (other than (i) the licensors of in-licensed property with respect to such property or (ii) the lessors of specific equipment or lenders financing specific equipment with respect to such leased or financed equipment) that Borrower in the future will refrain from creating, incurring, assuming or allowing any Lien with respect to any of Borrower's property.

7.6 Distributions. Pay any dividends or make any other distribution or payment on account of or in redemption, retirement or purchase of any capital stock, except that Borrower may (i) repurchase the stock of former employees, consultants or directors pursuant to stock repurchase agreements in an aggregate amount not to exceed $250,000 in any fiscal year, so long as an Event of Default does not exist prior to such repurchase or would not exist after giving effect to such repurchase; (ii) repurchase the stock of former employees, consultants or directors pursuant to stock repurchase agreements in any amount where the consideration for the repurchase is the cancellation of indebtedness owed by such former employees, consultants or directors to Borrower regardless of whether an Event of Default exists; (iii) make dividends or distributions solely in the common stock of Borrower; (iv) convert any of its equity or Subordinated Debt securities into other equity or Subordinated Debt securities pursuant to the terms of such securities or otherwise in exchange therefore; (v) purchase capital stock in connection with the exercise of stock options or stock appreciation by way of a cashless exercise, provided that such purchases do not in the aggregate exceed $250,000 per fiscal year and (vi) purchase fractional shares of capital stock arising out of stock dividends, splits or combinations or business combinations in an amount not to exceed $50,000 per fiscal year.

7.7 Investments. Directly or indirectly acquire or own an Investment in, or make any Investment in or to any Person, or permit any of its Subsidiaries so to do, other than Permitted Investments, or, subject to the requirements of Section 6.6, maintain or invest any of its investment property with a Person other than Bank or Bank's affiliates or permit any Subsidiary to do so unless such Person has entered into a control agreement with Bank, in form and substance reasonably satisfactory to Bank, or suffer or permit any Subsidiary to be a party to, or be bound by, an agreement that restricts such Subsidiary from paying dividends or otherwise distributing property to Borrower. Notwithstanding the foregoing, if the MSC Investment Conditions have been met and no Event of Default or an event that with the passage of time could result in an Event of Default, shall exist, Borrower may make Investments in a wholly-owned corporation Subsidiary incorporated in Massachusetts for the purpose of holding Investments as a Massachusetts security corporation under 830 CMR 63.38B.1 of the Massachusetts tax code and applicable regulations (as the same may be amended, modified or replaced from time to time) (the "MSC Subsidiary"). If at any time after the incorporation of the MSC Subsidiary the MSC Investment Conditions are not met, then (i) Borrower shall immediately cause the MSC Subsidiary to distribute to Borrower all assets held by the MSC Subsidiary for deposit into an account at Bank, and (ii) the Borrower shall not permit the MSC Subsidiary to hold any assets. Borrower shall not permit the MSC Subsidiary to make any Investments or hold any assets that would cause the MSC Subsidiary to fail to qualify as a Massachusetts security corporation under 830 CMR 63.38B.1 of the Massachusetts tax code and applicable regulations (as the same may be amended, modified or replaced from time to time).

7.8 Capitalized Expenditures. Make Capitalized Expenditures in excess of 175% of the amount approved by Borrower's Board of Directors and set forth in the most recently approved operating plan delivered to Bank in accordance with Section 6.2(iii) hereof.

7.9 Transactions with Affiliates. Directly or indirectly enter into or permit to exist any material transaction with any Affiliate of Borrower except for (a) transactions that are in the ordinary course of Borrower's business, upon fair and reasonable terms that are no less favorable to Borrower than would be obtained in an arm's length transaction with a non-affiliated Person, (b) the sale or issuance of equity securities in a bona fide equity investment round to investors; provided no Change of Control occurs as a result, (c) Subordinated Debt, and (d) compensation arrangements approved by Borrower's Board of Directors.

7.10 Subordinated Debt. Make any payment in respect of any Subordinated Debt, or permit any of its Subsidiaries to make any such payment, except in compliance with the terms of such Subordinated Debt, or amend any provision affecting Bank's rights contained in any documentation relating to the Subordinated Debt without Bank's prior written consent.

7.11 Inventory and Equipment. Store the Inventory or the Equipment of a book value in excess of $500,000 with a bailee, warehouseman, collocation facility or similar third party unless the third party has been notified of Bank's security interest and Bank (a) has received an acknowledgment from the third party that it is holding or will hold the Inventory or Equipment for Bank's benefit or (b) is in possession of the warehouse receipt, where negotiable, covering such Inventory or Equipment. Except for Inventory sold in the ordinary course of business and for movable items of personal property having an aggregate book value not in excess of $500,000, and except for such other locations as Bank may approve in writing, Borrower shall keep the Inventory and Equipment only at the location set forth in Section 10 and such other locations of which Borrower gives Bank prior written notice and as to which Borrower has used commercially reasonable efforts to facilitate Bank in taking such actions as may be necessary to perfect its security interest or to obtain a bailee's acknowledgment of Bank's rights in the Collateral.

7.12 No Investment Company; Margin Regulation. Become or be controlled by an "investment company," within the meaning of the Investment Company Act of 1940, or become principally engaged in, or undertake as one of its important activities, the business of extending credit for the purpose of purchasing or carrying margin stock, or use the proceeds of any Credit Extension for such purpose.

8. EVENTS OF DEFAULT.

Any one or more of the following events shall constitute an Event of Default by Borrower under this Agreement:

8.1 Payment Default. If Borrower fails to pay any of the Obligations when due;

8.2 Covenant Default.

(a) If Borrower fails to perform any obligation under Sections 6.2 (financial reporting), 6.4 (taxes), 6.5 (insurance), 6.6 (primary accounts) or 6.7 (financial covenants, if any), or violates any of the covenants contained in Article 7 of this Agreement; or

(b) If Borrower fails or neglects to perform or observe any other material term, provision, condition, covenant contained in this Agreement, in any of the Loan Documents, or in any other present or future agreement between Borrower and Bank and as to any default under such other term, provision, condition or covenant that can be cured, has failed to cure such default within 15 days after Borrower receives notice thereof or any officer of Borrower becomes aware thereof; provided, however, that if the default cannot by its nature be cured within the 15 day period or cannot after diligent attempts by Borrower be cured within such 15 day period, and such default is likely to be cured within a reasonable time, then Borrower shall have an additional reasonable period (which shall not in any case exceed 30 days) to attempt to cure such default, and within such reasonable time period the failure to have cured such default shall not be deemed an Event of Default but no Credit Extensions will be made;

8.3 Material Adverse Change. If there occurs any circumstance or any circumstances which would reasonably be expected to have a Material Adverse Effect;

8.4 Attachment. If any material portion of Borrower's assets is attached, seized, subjected to a writ or distress warrant, or is levied upon, or comes into the possession of any trustee, receiver or person acting in a similar capacity and such attachment, seizure, writ or distress warrant or levy has not been removed, discharged or rescinded within thirty (30) days, or if Borrower is enjoined, restrained, or in any way prevented by court order from continuing to conduct all or any material part of its business affairs, or if a judgment or other claim becomes a lien or encumbrance upon any material portion of Borrower's assets, or if a notice of lien, levy, or assessment is filed of record with respect to any material portion of Borrower's assets by the United States Government, or any department, agency, or instrumentality thereof, or by any state, county, municipal, or governmental agency, and the same is not paid within fifteen (15) days after Borrower receives notice thereof, provided that none of the foregoing shall constitute an Event of Default where such action or event is stayed or an adequate bond has been posted pending a good faith contest by Borrower (provided that no Credit Extensions will be made during such cure period);

8.5 Insolvency. If Borrower becomes insolvent, or if an Insolvency Proceeding is commenced by Borrower, or if an Insolvency Proceeding is commenced against Borrower and is not dismissed or stayed within 45 days (provided that no Credit Extensions will be made prior to the dismissal of such Insolvency Proceeding);

8.6 Other Agreements. If there is an uncured default or other uncured failure to perform in any agreement to which Borrower is a party with a third party or parties (a) resulting in a right by such third party or parties, whether or not exercised, to accelerate the maturity of any Indebtedness in an amount in excess of $300,000, (b) in connection with any lease of real property material to the conduct of Borrower's business, if such default or failure to perform results in the right of another party to terminate such lease, or (c) that would reasonably be expected to have a Material Adverse Effect;

8.7 Judgments. If a final, uninsured judgment or judgments for the payment of money in an amount, individually or in the aggregate, of at least $300,000 shall be rendered against Borrower and shall remain unsatisfied and unstayed for a period of 10 days (provided that no Credit Extensions will be made prior to the satisfaction or stay of the judgment); or

8.8 Misrepresentations. If any material misrepresentation or material misstatement exists now or hereafter in any warranty or representation set forth herein or in any certificate delivered to Bank by any Responsible Officer pursuant to this Agreement or to induce Bank to enter into this Agreement or any other Loan Document.

8.9 Guaranty. If any guaranty of all or a portion of the Obligations (a "Guaranty") ceases for any reason to be in full force and effect, or any guarantor fails to perform any obligation under any Guaranty or a security agreement securing any Guaranty (collectively, the "Guaranty Documents"), or any event of default occurs under any Guaranty Document or any guarantor revokes or purports to revoke a Guaranty, or any material misrepresentation or material misstatement exists now or hereafter in any warranty or representation set forth in any Guaranty Document or in any certificate delivered to Bank in connection with any Guaranty Document, or if any of the circumstances described in Sections 8.3 through 8.9 occur with respect to any guarantor.

9. BANK'S RIGHTS AND REMEDIES.

9.1 Rights and Remedies. Upon the occurrence and during the continuance of an Event of Default, Bank may, at its election, without notice of its election and without demand, do any one or more of the following, all of which are authorized by Borrower:

(a) Declare all Obligations, whether evidenced by this Agreement, by any of the other Loan Documents, or otherwise, immediately due and payable (provided that upon the occurrence of an Event of Default described in Section 8.5 (insolvency), all Obligations shall become immediately due and payable without any action by Bank);

(b) Demand that Borrower (i) deposit cash with Bank in an amount equal to the amount of any Letters of Credit remaining undrawn, as collateral security for the repayment of any future drawings under such Letters of Credit, and (ii) pay in advance all Letter of Credit fees scheduled to be paid or payable over the remaining term of the Letters of Credit, and Borrower shall promptly deposit and pay such amounts;

(c) Cease advancing money or extending credit to or for the benefit of Borrower under this Agreement or under any other agreement between Borrower and Bank;

(d) Settle or adjust disputes and claims directly with account debtors for amounts, upon terms and in whatever order that Bank reasonably considers advisable;

(e) Make such payments and do such acts as Bank considers necessary or reasonable to protect its security interest in the Collateral. Borrower agrees to assemble the Collateral if Bank so requires, and to make the Collateral available to Bank as Bank may designate. Borrower authorizes Bank to enter the premises where the Collateral is located, to take and maintain possession of the Collateral, or any part of it, and to pay, purchase, contest, or compromise any encumbrance, charge, or lien which in Bank's determination appears to be prior or superior to its security interest and to pay all expenses incurred in connection therewith. With respect to any of Borrower's owned premises, Borrower hereby grants Bank a license to enter into possession of such premises and to occupy the same, without charge, in order to exercise any of Bank's rights or remedies provided herein, at law, in equity, or otherwise;

(f) place a "hold" on any account maintained with Bank and/or deliver a notice of exclusive control, any entitlement order, or other directions or instructions pursuant to any control agreement or similar agreements providing control of any Collateral;

(g) Set off and apply to the Obligations any and all (i) balances and deposits of Borrower held by Bank, and (ii) indebtedness at any time owing to or for the credit or the account of Borrower held by Bank;

(h) Ship, reclaim, recover, store, finish, maintain, repair, prepare for sale, advertise for sale, and sell (in the manner provided for herein) the Collateral. Bank is hereby granted a license or other right, solely pursuant to the provisions of this Section 9.1, to use, without charge, Borrower's labels, patents, copyrights, rights of use of any name, trade secrets, trade names, trademarks, service marks, and advertising matter, or any property of a similar nature, as it pertains to the Collateral, in completing production of, advertising for sale, and selling any Collateral and, in connection with Bank's exercise of its rights under this Section 9.1, Borrower's rights under all licenses and all franchise agreements shall inure to Bank's benefit;

(i) Sell the Collateral at either a public or private sale, or both, by way of one or more contracts or transactions, for cash or on terms, in such manner and at such places (including Borrower's premises) as Bank determines is commercially reasonable, and apply any proceeds to the Obligations in whatever manner or order Bank deems appropriate. Bank may sell the Collateral without giving any warranties as to the Collateral. Bank may specifically disclaim any warranties of title or the like. This procedure will not be considered adversely to affect the commercial reasonableness of any sale of the Collateral. If Bank sells any of the Collateral upon credit, Borrower will be credited only with payments actually made by the purchaser, received by Bank, and applied to the indebtedness of the purchaser. If the purchaser fails to pay for the Collateral, Bank may resell the Collateral and Borrower shall be credited with the proceeds of the sale;

(j) Bank may credit bid and purchase at any public sale;

(k) Apply for the appointment of a receiver, trustee, liquidator or conservator of the Collateral, without notice and without regard to the adequacy of the security for the Obligations and without regard to the solvency of Borrower, any guarantor or any other Person liable for any of the Obligations; and

(l) Any deficiency that exists after disposition of the Collateral as provided above will be paid immediately by Borrower.

Bank may comply with any applicable state or federal law requirements in connection with a disposition of the Collateral and compliance will not be considered adversely to affect the commercial reasonableness of any sale of the Collateral.

9.2 Power of Attorney. Effective only upon the occurrence and during the continuance of an Event of Default, Borrower hereby irrevocably appoints Bank (and any of Bank's designated officers, or employees) as Borrower's true and lawful attorney to: (a) send requests for verification of Accounts or notify account debtors of Bank's security interest in the Accounts; (b) endorse Borrower's name on any checks or other forms of payment or security that may come into Bank's possession; (c) sign Borrower's name on any invoice or bill of lading relating to any Account, drafts against account debtors, schedules and assignments of Accounts, verifications of Accounts, and notices to account debtors; (d) dispose of any Collateral; (e) make, settle, and adjust all claims under and decisions with respect to Borrower's policies of insurance; (f) settle and adjust disputes and claims respecting the accounts directly with account debtors, for amounts and upon terms which Bank determines to be reasonable; and (g) file, in its sole discretion, one or more financing or continuation statements and amendments thereto, relative to any of the Collateral; provided Bank may exercise such power of attorney to sign the name of Borrower on any of the documents described in clause (g) above, regardless of whether an Event of Default has occurred. The appointment of Bank as Borrower's attorney in fact, and each and every one of Bank's rights and powers, being coupled with an interest, is irrevocable until all of the Obligations (other than inchoate indemnity obligations) have been fully repaid and performed and Bank's obligation to provide advances hereunder is terminated.

9.3 Accounts Collection. At any time after the occurrence and during the continuation of an Event of Default, Bank may notify any Person owing funds to Borrower of Bank's security interest in such funds and verify the amount of such Account. Borrower shall collect all amounts owing to Borrower for Bank, receive in trust all payments as Bank's trustee, and immediately deliver such payments to Bank in their original form as received from the account debtor, with proper endorsements for deposit.

9.4 Bank Expenses. If Borrower fails to pay any amounts or furnish any required proof of payment due to third persons or entities, as required under the terms of this Agreement, then Bank may do any or all of the following after reasonable notice to Borrower: (a) make payment of the same or any part thereof; and/or (b) obtain and maintain insurance policies of the type discussed in Section 6.5 of this Agreement, and take any action with respect to such policies as Bank deems prudent. Any amounts so paid or deposited by Bank shall constitute Bank Expenses, shall be immediately due and payable, and shall bear interest at the then applicable rate hereinabove provided, and shall be secured by the Collateral. Any payments made by Bank shall not constitute an agreement by Bank to make similar payments in the future or a waiver by Bank of any Event of Default under this Agreement.

9.5 Bank's Liability for Collateral. Bank has no obligation to clean up or otherwise prepare the Collateral for sale. All risk of loss, damage or destruction of the Collateral shall be borne by Borrower.

9.6 No Obligation to Pursue Others. Bank has no obligation to attempt to satisfy the Obligations by collecting them from any other person liable for them and Bank may release, modify or waive any collateral provided by any other Person to secure any of the Obligations, all without affecting Bank's rights against Borrower. Borrower waives any right it may have to require Bank to pursue any other Person for any of the Obligations.

9.7 Remedies Cumulative. Bank's rights and remedies under this Agreement, the Loan Documents, and all other agreements shall be cumulative. Bank shall have all other rights and remedies not inconsistent herewith as provided under the Code, by law, or in equity. No exercise by Bank of one right or remedy shall be deemed an election, and no waiver by Bank of any Event of Default on Borrower's part shall be deemed a continuing waiver. No delay by Bank shall constitute a waiver, election, or acquiescence by it. No waiver by Bank shall be effective unless made in a written document signed on behalf of Bank and then shall be effective only in the specific instance and for the specific purpose for which it was given. Borrower expressly agrees that this Section 9.7 may not be waived or modified by Bank by course of performance, conduct, estoppel or otherwise.

9.8 Demand; Protest. Except as otherwise provided in this Agreement, Borrower waives demand, protest, notice of protest, notice of default or dishonor, notice of payment and nonpayment and any other notices relating to the Obligations.

10. NOTICES.

Unless otherwise provided in this Agreement, all notices or demands by any party relating to this Agreement or any other agreement entered into in connection herewith shall be in writing and (except for financial statements and other informational documents which may be sent by first-class mail, postage prepaid) shall be personally delivered or sent by a recognized overnight delivery service, certified mail, postage prepaid, return receipt requested, or by telefacsimile to Borrower or to Bank, as the case may be, at its addresses set forth below:

If to Borrower:	EVELO BIOSCIENCES, INC. 620 Memorial Drive, Suite 200 Cambridge, MA 02139 Attn: Chief Executive Officer FAX: _____
If to Bank:	Pacific Western Bank 406 Blackwell Street, Suite 240 Durham, North Carolina 27701 Attn: Loan Operations Manager FAX: (919) 314-3080
with a copy to:	Pacific Western Bank 131 Oliver Street, 2nd Floor Boston, MA 02110 Attn: Scott Hansen FAX: (781) 547-0848

The parties hereto may change the address at which they are to receive notices hereunder, by notice in writing in the foregoing manner given to the other.

11. CHOICE OF LAW AND VENUE; JURY TRIAL WAIVER.

This Agreement shall be governed by, and construed in accordance with, the internal laws of the State of North Carolina, without regard to principles of conflicts of law. Jurisdiction shall lie in the State of North Carolina. All disputes, controversies, claims, actions and similar proceedings arising with respect to Borrower's account or any related agreement or transaction shall be brought in the General Court of Justice of North Carolina sitting in Durham County, North Carolina or the United States District Court for the Middle District of North Carolina, except as provided below with respect to arbitration of such matters. BANK AND BORROWER EACH ACKNOWLEDGE THAT THE RIGHT TO TRIAL BY JURY IS A CONSTITUTIONAL ONE, BUT THAT IT MAY BE WAIVED. EACH OF THEM, AFTER CONSULTING OR HAVING HAD THE OPPORTUNITY TO CONSULT, WITH COUNSEL OF THEIR CHOICE, KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY RIGHT ANY OF THEM MAY HAVE TO A TRIAL BY JURY IN ANY LITIGATION BASED UPON OR ARISING OUT OF THIS AGREEMENT OR ANY RELATED INSTRUMENT OR LOAN DOCUMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT OR ANY COURSE OF CONDUCT, DEALING, STATEMENTS (WHETHER ORAL OR WRITTEN), OR ACTION OF ANY OF THEM. THESE PROVISIONS SHALL NOT BE DEEMED TO HAVE BEEN MODIFIED IN ANY RESPECT OR RELINQUISHED BY BANK OR BORROWER, EXCEPT BY A WRITTEN INSTRUMENT EXECUTED BY EACH OF THEM. If the jury waiver set forth in this Section 11 is not enforceable, then any dispute, controversy, claim, action or similar proceeding arising out of or relating to this Agreement, the Loan Documents or any of the transactions contemplated therein shall be settled by final and binding arbitration held in Durham County, North

Carolina in accordance with the then current Commercial Arbitration Rules of the American Arbitration Association by one arbitrator appointed in accordance with those rules. The arbitrator shall apply North Carolina law to the resolution of any dispute, without reference to rules of conflicts of law or rules of statutory arbitration. Judgment upon any award resulting from arbitration may be entered into and enforced by any state or federal court having jurisdiction thereof. Notwithstanding the foregoing, the parties may apply to any court of competent jurisdiction for preliminary or interim equitable relief, or to compel arbitration in accordance with this Section. The costs and expenses of the arbitration, including without limitation, the arbitrator's fees and expert witness fees, and reasonable attorneys' fees, incurred by the parties to the arbitration may be awarded to the prevailing party, in the discretion of the arbitrator, or may be apportioned between the parties in any manner deemed appropriate by the arbitrator. Unless and until the arbitrator decides that one party is to pay for all (or a share) of such costs and expenses, both parties shall share equally in the payment of the arbitrator's fees as and when billed by the arbitrator.

12. GENERAL PROVISIONS.

12.1 Successors and Assigns. This Agreement shall bind and inure to the benefit of the respective successors and permitted assigns of each of the parties and shall bind all persons who become bound as a debtor to this Agreement; provided, however, that neither this Agreement nor any rights hereunder may be assigned by Borrower without Bank's prior written consent, which consent may be granted or withheld in Bank's sole, but reasonable, discretion. Bank shall have the right without the consent of or notice to Borrower to sell, assign, transfer, negotiate, or grant participation in all or any part of, or any interest in, Bank's obligations, rights and benefits hereunder. Notwithstanding the foregoing, provided that no Event of Default has occurred hereunder, Bank shall not assign its interest in the Term Loans, the Revolving Line or the Loan Documents to any Person who in Bank's reasonable discretion is (i) a direct competitor of Borrower, or (ii) a vulture or distressed debt fund.

12.2 Indemnification. Borrower shall defend, indemnify and hold harmless Bank and its officers, employees, and agents (an "Indemnified Person") against: (a) all obligations, demands, claims, and liabilities claimed or asserted by any other party in connection with the transactions contemplated by this Agreement; and (b) all losses or Bank Expenses in any way suffered, incurred, or paid by Bank, its officers, employees and agents as a result of or in any way arising out of, following, or consequential to transactions between Bank and Borrower whether under this Agreement, or otherwise (including without limitation reasonable attorneys fees and expenses), except for losses caused by an Indemnified Person's gross negligence or willful misconduct.

12.3 Time of Essence. Time is of the essence for the performance of all obligations set forth in this Agreement.

12.4 Severability of Provisions. Each provision of this Agreement shall be severable from every other provision of this Agreement for the purpose of determining the legal enforceability of any specific provision.

12.5 Amendments in Writing, Integration. All amendments to or terminations of this Agreement or the other Loan Documents must be in writing. All prior agreements, understandings, representations, warranties, and negotiations between the parties hereto with respect to the subject matter of this Agreement and the other Loan Documents, if any, are merged into this Agreement and the Loan Documents.

12.6 Counterparts. This Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same Agreement. Executed copies of the signature pages of this Agreement sent by facsimile or transmitted electronically in Portable Document Format ("PDF"), or any similar format, shall be treated as originals, fully binding and with full legal force and effect, and the parties waive any rights they may have to object to such treatment.

12.7 Survival. All covenants, representations and warranties made in this Agreement shall continue in full force and effect so long as any Obligations remain outstanding or Bank has any obligation to make any Credit Extension to Borrower. The obligations of Borrower to indemnify Bank with respect to the expenses, damages, losses, costs and liabilities described in Section 12.2 shall survive until all applicable statute of limitations periods with respect to actions that may be brought against Bank have run.

12.8 Confidentiality. In handling any confidential information, Bank and Borrower and all employees and agents of each such party shall exercise the same degree of care that such party exercises with respect to its own proprietary information of the same types to maintain the confidentiality of any non-public information thereby received or received pursuant to this Agreement except that disclosure of such information may be made (i) in the case of Bank, to the subsidiaries or Affiliates of Bank or Borrower in connection with their present or prospective business relations with Borrower as long as such entities are subject to similar confidentiality provisions, (ii) in the case of Bank, to prospective transferees or purchasers of any interest in the Credit Extensions, provided that they have entered into a comparable confidentiality agreement in favor of Borrower and have delivered a copy to Borrower, (iii) as required by law, regulations, rule or order, subpoena, judicial order or similar order, (iv) in the case of Bank, as may be required in connection with the examination, audit or similar investigation of Bank by appropriate authorities and (v) as Bank may reasonably determine in connection with the enforcement of any remedies hereunder. Confidential information hereunder shall not include information that either: (a) is in the public domain or in the knowledge or possession of the receiving party when disclosed to such party, or becomes part of the public domain after disclosure to such receiving party through no fault of such receiving party; or (b) is disclosed to such receiving party by a third party, provided the receiving party does not have actual knowledge that such third party is prohibited from disclosing such information.

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first above written.

EVELO BIOSCIENCES, INC.

By: /s/ Jennifer Glennon
Name: Jennifer Glennon
Title: Assistant Secretary

PACIFIC WESTERN BANK

By: /s/ John Orlando
Name: John Orlando
Title: Vice President

EXHIBIT A

DEFINITIONS

"Accounts" means all presently existing and hereafter arising accounts, contract rights, payment intangibles and all other forms of obligations owing to Borrower arising out of the sale or lease of goods (including, without limitation, the licensing of software and other technology) or the rendering of services by Borrower and any and all credit insurance, guaranties, and other security therefor, as well as all merchandise returned to or reclaimed by Borrower and Borrower's Books relating to any of the foregoing.

"Affiliate" means, with respect to any Person, any Person that owns or controls directly or indirectly such Person, any Person that controls or is controlled by or is under common control with such Person, and each of such Person's senior executive officers, directors, and general partners.

"Amortization Start Date" means the first business day of the month immediately following the Availability End Date.

"Authorized Officer" means someone designated as such in the corporate resolution provided by Borrower to Bank in which this Agreement and the transactions contemplated hereunder are authorized by Borrower's board of directors. If Borrower provides subsequent corporate resolutions to Bank after the Closing Date, the individual(s) designated as "Authorized Officer(s)" in the most recently provided resolution shall be the only "Authorized Officers" for purposes of this Agreement.

"Availability End Date" means February , 2018; provided that if Borrower achieves the Equity Milestone, the Availability End Date shall be automatically extended to August , 2018 with no further action required by any of the parties hereto.

"Bank Expenses" means all reasonable and documented costs or expenses (including reasonable attorneys' fees and expenses, whether generated in-house or by outside counsel) incurred in connection with the preparation, negotiation, administration, and enforcement of the Loan Documents; reasonable Collateral audit fees; and Bank's reasonable and documented attorneys' fees and expenses (whether generated in-house or by outside counsel) incurred in amending, enforcing or defending the Loan Documents (including fees and expenses of appeal), incurred before, during and after an Insolvency Proceeding, whether or not suit is brought.

"Borrower's Books" means all of Borrower's books and records including: ledgers; records concerning Borrower's assets or liabilities, the Collateral, business operations or financial condition; and all computer programs, or tape files, and the equipment, containing such information.

"Business Day" means any day that is not a Saturday, Sunday, or other day on which banks in the State of North Carolina are authorized or required to close.

"Capitalized Expenditures" means current period unfinanced cash expenditures that are capitalized and amortized over a period of time in accordance with GAAP, including but not limited to capitalized cash expenditures for capital equipment, capitalized manufacturing and labor costs as they relate to inventory, and software development.

"Cash" means cash and cash equivalents at Bank or Bank Affiliates subject to an account control agreement acceptable to Bank.

"Change in Control" shall mean a transaction other than (i) an IPO or (ii) a bona fide equity financing or series of financings on terms reasonably acceptable to Flagship Ventures Management, Inc. so long as at least one representative of Flagship Ventures Management, Inc. serves as a voting member of the board of directors, or otherwise reasonably acceptable to Bank, in which any "person" or "group" (within the meaning of Section 13(d) and 14(d)(2) of the Securities Exchange Act of 1934) becomes the "beneficial owner" (as defined in Rule 13d-3 under the Securities Exchange Act of 1934), directly or indirectly, of a sufficient number of shares of all classes of stock then outstanding of a Borrower ordinarily entitled to vote in the election of directors, empowering such "person" or "group" to elect a majority of the Board of Directors of a Borrower, who did not have such power before such transaction.

"Closing Date" means the date of this Agreement.

"Code" means the North Carolina Uniform Commercial Code as amended or supplemented from time to time.

"Collateral" means the property described on Exhibit B attached hereto and all Negotiable Collateral to the extent not described on Exhibit B, except to the extent any such property (i) is non-assignable by its terms without the consent of the licensor thereof or another party (but only to the extent such prohibition on transfer is enforceable under applicable law, including, without limitation, §25-9-406 and §25-9-408 of the Code), (ii) is property for which the granting of a security interest therein is contrary to applicable law, provided that upon the cessation of any such restriction or prohibition, such property shall automatically become part of the Collateral, (iii) constitutes the capital stock of a controlled foreign corporation (as defined in the IRC), in excess of 65% of the voting power of all classes of capital stock of such controlled foreign corporations entitled to vote or any Subsidiary which sole purpose is to hold the stock of such controlled foreign corporation, or (iv) is property (including any attachments, accessions or replacements) that is subject to a Lien that is permitted pursuant to clause (c) of the definition of Permitted Liens, if the grant of a security interest with respect to such property pursuant to this Agreement would be prohibited by the agreement creating such Permitted Lien or would otherwise constitute a default thereunder, provided, that such property will be deemed "Collateral" hereunder upon the termination and release of such Permitted Lien.

"Collateral State" means the state or states where the Collateral is located, which is Massachusetts.

"Compliance Certificate" means a compliance certificate, in substantially the form of Exhibit D attached hereto, executed by a Responsible Officer of the Borrower.

"Contingent Obligation" means, as applied to any Person, any direct or indirect liability, contingent or otherwise, of that Person with respect to (i) any indebtedness, lease, dividend, letter of credit or other obligation of another, including, without limitation, any such obligation directly or indirectly guaranteed, endorsed, co-made or discounted or sold with recourse by that Person, or in respect of which that Person is otherwise directly or indirectly liable; (ii) any obligations with respect to undrawn letters of credit, corporate credit cards or merchant services issued for the account of that Person; and (iii) all obligations arising under any interest rate, currency or commodity swap agreement, interest rate cap agreement, interest rate collar agreement, or other agreement or arrangement designated to protect a Person against fluctuation in interest rates, currency exchange rates or commodity prices; provided, however, that the term "Contingent Obligation" shall not include endorsements for collection or deposit in the ordinary course of business. The amount of any Contingent Obligation shall be deemed to be an amount equal to the stated or determined amount of the primary obligation in respect of which such Contingent Obligation is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by such Person in good faith; provided, however, that such amount shall not in any event exceed the maximum amount of the obligations under the guarantee or other support arrangement.

"Copyrights" means any and all copyright rights, copyright applications, copyright registrations and like protections in each work of authorship and derivative work thereof, whether published or unpublished and whether or not the same also constitutes a trade secret, now or hereafter existing, created, acquired or held.

"Credit Card Line" means a Credit Extension of up to $100,000, to be used exclusively for the provision of Credit Card Services.

"Credit Card Maturity Date" means August , 2017.

"Credit Extension" means each Term Loan, use of Credit Card Services or any other extension of credit by Bank, to or for the benefit of Borrower hereunder.

"Equipment" means all present and future machinery, equipment, tenant improvements, furniture, fixtures, vehicles, tools, parts and attachments in which Borrower has any interest.

"Equity Milestone" means Borrower has delivered on or prior to December 31, 2016, evidence, satisfactory to Bank in its sole, but reasonable, discretion, that Borrower has (i) received (a) a term sheet(s) from investors satisfactory to Flagship Ventures Management, Inc., pursuant to which such investors agree to purchase at least $30,000,000 in Borrower's Series B equity securities (the "Series B Term Sheet") and (b) unless the investors party to the Series B Term Sheet agree to purchase at least $45,000,000 in Borrower's Series B equity securities, a term sheet(s) from counterparties to partnership, corporate, collaboration or licensing arrangements acceptable to Bank in its reasonable discretion, that have been approved and accepted by Borrower's Board of Directors for a transaction which, combined with the Series B Term Sheet, will yield at least $45,000,000 in the aggregate of committed cash proceeds, and (ii) received at least $30,000,000 in gross cash proceeds from the sale of Borrower's Series B equity securities.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, and the regulations thereunder.

"Event of Default" has the meaning assigned in Article 8.

"GAAP" means generally accepted accounting principles, consistently applied, as in effect from time to time in the United States.

"Indebtedness" means (a) all indebtedness for borrowed money or the deferred purchase price of property or services, including without limitation reimbursement and other reimbursement obligations with respect to surety bonds and letters of credit, (b) all obligations evidenced by notes, bonds, debentures or similar instruments, (c) all capital lease obligations, and (d) all Contingent Obligations, including but not limited to any sublimit contained herein.

"Insolvency Proceeding" means any proceeding commenced by or against any Person or entity under any provision of the United States Bankruptcy Code, as amended, or under any other bankruptcy or insolvency law, including assignments for the benefit of creditors, formal or informal moratoria, compositions, extension generally with its creditors, or proceedings seeking reorganization, arrangement, or other relief.

"Intellectual Property" means all of Borrower's right, title, and interest in and to the following:

(a) Copyrights, Trademarks and Patents;

(b) Any and all trade secrets, and any and all intellectual property rights in computer software and computer software products now or hereafter existing, created, acquired or held;

(c) Any and all design rights which may be available to Borrower now or hereafter existing, created, acquired or held;

(d) Any and all claims for damages by way of past, present and future infringement of any of the rights included above, with the right, but not the obligation, to sue for and collect such damages for said use or infringement of the intellectual property rights identified above;

(e) All licenses or other rights to use any of the Copyrights, Patents or Trademarks, and all license fees and royalties arising from such use to the extent permitted by such license or rights;

(f) All amendments, renewals and extensions of any of the Copyrights, Trademarks or Patents; and

(g) All proceeds and products of the foregoing, including without limitation all payments under insurance or any indemnity or warranty payable in respect of any of the foregoing.

"Inventory" means all present and future inventory in which Borrower has any interest.

"Investment" means any beneficial ownership of (including stock, partnership or limited liability company interest or other securities) any Person, or any loan, advance or capital contribution to any Person.

"Investment Agreement" means, collectively, Borrower's stock purchase and other agreement(s) pursuant to which Borrower most recently issued its preferred stock.

"IPO" means the initial public offering of a Borrower's equity securities.

"IRC" means the Internal Revenue Code of 1986, as amended, and the regulations thereunder.

"Letter of Credit" means a commercial or standby letter of credit or similar undertaking issued by Bank at Borrower's request.

"Lien" means any mortgage, lien, deed of trust, charge, pledge, security interest or other encumbrance.

"Loan Documents" means, collectively, this Agreement, any note or notes executed by Borrower, and any other document, instrument or agreement entered into in connection with this Agreement, all as amended or extended from time to time.

"Material Adverse Effect" means a material adverse effect on (i) the operations, business or financial condition of Borrower and its Subsidiaries taken as a whole, (ii) the ability of Borrower to repay the Obligations or otherwise perform its obligations under the Loan Documents, or (iii) Borrower's interest in, or the value, perfection or priority of Bank's security interest in the Collateral.

"MSC Investment Conditions" means that Borrower has on deposit with Bank or Bank's affiliates Cash in an aggregate amount greater than or equal to 120% of the then outstanding principal and accrued interest on the Term Loans.

"MSC Subsidiary" has the meaning assigned in Section 7.7.

"Negotiable Collateral" means all of Borrower's present and future letters of credit of which it is a beneficiary, drafts, instruments (including promissory notes), securities, documents of title, and chattel paper, and Borrower's Books relating to any of the foregoing.

"Obligations" means all debt, principal, interest, Bank Expenses and other amounts owed to Bank by Borrower pursuant to this Agreement or any other agreement, whether absolute or contingent, due or to become due, now existing or hereafter arising, including any interest that accrues after the commencement of an Insolvency Proceeding and including any debt, liability, or obligation owing from Borrower to others that Bank may have obtained by assignment or otherwise. Notwithstanding the foregoing, "Obligations" shall not include any warrant or equity related investments.

"Patents" means all patents, patent applications and like protections including without limitation improvements, divisions, continuations, renewals, reissues, extensions and continuations-in-part of the same.

"Periodic Payments" means all installments or similar recurring payments that Borrower may now or hereafter become obligated to pay to Bank pursuant to the terms and provisions of any instrument, or agreement now or hereafter in existence between Borrower and Bank.

"Permitted Indebtedness" means:

(a) Indebtedness of Borrower in favor of Bank arising under this Agreement or any other Loan Document;

(b) Indebtedness existing on the Closing Date and disclosed in the Schedule;

(c) Indebtedness not to exceed $500,000 in the aggregate at any time secured by a lien described in clause (c) of the defined term "Permitted Liens," provided such Indebtedness does not exceed at the time it is incurred the lesser of the cost or fair market value of the property financed with such Indebtedness;

(d) Subordinated Debt;

(e) Indebtedness to trade creditors incurred in the ordinary course of business; and

(f) Indebtedness incurred as a result of endorsing negotiable instruments received in the ordinary course of business;

(g) At all times until the SVB Letter of Credit Expiry Date, the SVB Letter of Credit;

(h) Letters of credit with financial institutions other than Bank incurred in the ordinary course of business in connection with the leasing of real property in an aggregate amount not to exceed $150,000;

(i) Interest rate hedging arrangements with financial institutions other than Bank in an aggregate amount not to exceed $150,000 at any time;

(j) Additional unsecured Indebtedness not to exceed $250,000 in the aggregate at any time; and

(k) Extensions, refinancings and renewals of any items of Permitted Indebtedness, provided that the principal amount is not increased or the terms modified to impose more burdensome terms upon Borrower or its Subsidiary, as the case may be.

"Permitted Investment" means:

(a) Investments existing on the Closing Date disclosed in the Schedule;

(b) (i) Marketable direct obligations issued or unconditionally guaranteed by the United States of America or any agency or any State thereof maturing within one year from the date of acquisition thereof, (ii) commercial paper maturing no more than one year from the date of creation thereof and currently having rating of at least A-2 or P-2 from either Standard & Poor's Corporation or Moody's Investors Service, (iii) Bank's certificates of deposit maturing no more than one year from the date of investment therein, and (iv) Bank's money market accounts; (v) Investments in regular deposit or checking accounts held with Bank or as otherwise permitted by, and subject to the terms and conditions of, Section 6.6 of this Agreement; and (vi) Investments consistent with any investment policy adopted by the Borrower's board of directors;

(c) Investments accepted in connection with Permitted Transfers;

(d) Investments (i) of Subsidiaries in or to other Subsidiaries or Borrower and Investments by Borrower in Subsidiaries not to exceed $300,000 in the aggregate in any fiscal year and (ii) of Borrower in any MSC Subsidiary otherwise permitted in accordance with the terms of this Agreement;

(e) Investments not to exceed $300,000 outstanding in the aggregate at any time consisting of (i) travel advances and employee relocation loans and other employee loans and advances in the ordinary course of business, and (ii) loans to employees, officers or directors relating to the purchase of equity securities of Borrower or its Subsidiaries pursuant to employee stock purchase plan agreements approved by Borrower's Board of Directors;

(f) Investments (including debt obligations) received in connection with the bankruptcy or reorganization of customers or suppliers and in settlement of delinquent obligations of, and other disputes with, customers or suppliers arising in the ordinary course of Borrower's business;

(g) Investments consisting of notes receivable of, or prepaid royalties and other credit extensions, to customers and suppliers who are not Affiliates, in the ordinary course of business, provided that this subparagraph (g) shall not apply to Investments of Borrower in any Subsidiary;

(h) Joint ventures or strategic alliances (i) in the ordinary course of Borrower's business consisting of the non-exclusive licensing of technology, the development of technology or the providing of technical support, provided that any cash Investments by Borrower do not exceed $300,000 in the aggregate in any fiscal year; and (ii) by Borrower of property permitted to be transferred under Section 7.1 in connection with joint ventures or strategic alliances or collaborations of Borrower or a Subsidiary

(i) Investments permitted under Sections 7.3, 7.6 or 7.7; and

(j) Additional Investments, other than Investments in Subsidiaries, by Borrower that do not exceed $300,000 in the aggregate during the term of this Agreement.

"Permitted Liens" means the following:

(a) Any Liens existing on the Closing Date and disclosed in the Schedule (excluding Liens to be satisfied with the proceeds of the Credit Extensions) or arising under this Agreement, the other Loan Documents, or any other agreement in favor of Bank;

(b) Liens for taxes, fees, assessments or other governmental charges or levies, either not delinquent or being contested in good faith by appropriate proceedings and for which Borrower maintains adequate reserves;

(c) Liens not to exceed $500,000 in the aggregate at any time (i) upon or in any Equipment (other than Equipment financed by a Credit Extension) acquired or held by Borrower or any of its Subsidiaries to secure the purchase price of such Equipment or indebtedness incurred solely for the purpose of financing the acquisition or lease of such Equipment, or (ii) existing on such Equipment at the time of its acquisition, in each case provided that the Lien is confined solely to the property so acquired and improvements thereon, and the proceeds of such Equipment;

(d) Liens incurred in connection with licenses or sublicenses permitted hereunder;

(e) Statutory Liens securing claims or demands of materialmen, mechanics, carriers, repairmen, or other like Liens imposed without the action of such parties arising in the ordinary course of business;

(f) Liens to secure payment for workers' compensation, employment insurance, old age pensions, social security or other like obligations incurred in the ordinary course of business;

(g) Non-exclusive licenses of Intellectual Property granted to third parties in the ordinary course of business, and licenses of Intellectual Property that could not result in a legal transfer of title of the licensed property that may be exclusive in respects other than territory and that may be exclusive as to territory only as to discrete geographical areas outside of the United States;

(h) Liens incurred in connection with the extension, renewal or refinancing of the indebtedness secured by Liens of the type described in clauses (a) through (c) above, provided that any extension, renewal or replacement Lien shall be limited to the property encumbered by the existing Lien and the principal amount of the indebtedness being extended, renewed or refinanced does not increase;

(i) Liens securing Subordinated Debt;

(j) Liens arising from judgments, decrees or attachments in circumstances not constituting an Event of Default under Sections 8.4 (attachment) or 8.7 (judgments);

(k) Leases or subleases of real property granted in the ordinary course of Borrower's business (or, if referring to another Person, in the ordinary course of such Person's business);

(l) Liens in favor of other financial institutions arising in connection with Borrower's deposit accounts held at such institutions to secure standard fees for deposit services charged by, but not financing made available by such institutions, provided that Bank has a perfected security interest in the amounts held in such deposit accounts to the extent required by Section 6.6; and

(m) Liens securing reimbursement obligations in connection with the SVB Letter of Credit.

"Permitted Transfer" means the conveyance, sale, lease, transfer or disposition by Borrower or any Subsidiary of:

(a) Inventory in the ordinary course of business;

(b) licenses and similar arrangements for the use of the property of Borrower or its Subsidiaries in the ordinary course of business;

(c) worn-out, surplus or obsolete Equipment not financed with the proceeds of Credit Extensions;

(d) grants of security interests and other Liens that constitute Permitted Liens;

(e) Transfers that constitute Permitted Investments (including transfers to an MSC Subsidiary that are otherwise permitted hereunder);

(f) Cash in the ordinary course of business, unless otherwise prohibited by the terms of this Agreement; and

(g) other assets of Borrower or its Subsidiaries that do not in the aggregate exceed $250,000 during any fiscal year.

"Person" means any individual, sole proprietorship, partnership, limited liability company, joint venture, trust, unincorporated organization, association, corporation, institution, public benefit corporation, firm, joint stock company, estate, entity or governmental agency.

"Prime Rate" means the variable rate of interest, per annum, most recently announced by Bank, as its "prime rate," whether or not such announced rate is the lowest rate available from Bank.

"Responsible Officer" means each of the Chief Executive Officer, the Chief Operating Officer, the Chief Financial Officer, Vice President of Finance and the Controller of Borrower, as well as any other officer or employee identified as an Authorized Officer in the corporate resolution delivered by Borrower to Bank in connection with this Agreement.

"Schedule" means the schedule of exceptions attached hereto and approved by Bank, if any.

"SOS Reports" means the official reports from the Secretaries of State of each Collateral State, the state where Borrower's chief executive office is located, the state of Borrower's formation and other applicable federal, state or local government offices identifying all current security interests filed in the Collateral and Liens of record as of the date of such report.

"Subordinated Debt" means any debt incurred by Borrower that is subordinated in writing to the debt owing by Borrower to Bank on terms reasonably acceptable to Bank (and identified as being such by Borrower and Bank).

"Subsidiary" means any corporation, partnership or limited liability company or joint venture in which (i) any general partnership interest or (ii) more than 50% of the stock, limited liability company interest or joint venture of which by the terms thereof ordinary voting power to elect the Board of Directors, managers or trustees of the entity, at the time as of which any determination is being made, is owned by Borrower, either directly or through an Affiliate.

"SVB Letter of Credit" means letter of credit number SVBSF010185 issued by Silicon Valley Bank at the request of Borrower in the face amount of One Hundred Seventy-Five Thousand Dollars ($175,000).

"SVB Letter of Credit Expiry Date" is July 15, 2017.

"Term Loan Maturity Date" means August , 2020.

"Term Loan or "Term Loans" have the meaning assigned in Section 2.1(b)(i).

"Trademarks" means any trademark and servicemark rights, whether registered or not, applications to register and registrations of the same and like protections, and the entire goodwill of the business of Borrower connected with and symbolized by such trademarks.

"Tranche" means any of Tranche A or Tranche B.

"Tranche A" has the meaning assigned in Section 2.1(b)(i).

"Tranche A Term Loan or Tranche A Term Loans" has the meaning assigned in Section 2.1(b)(i).

"Tranche B" has the meaning assigned in Section 2.1(b)(i).

"Tranche B Term Loan or Tranche B Term Loans" has the meaning assigned in Section 2.1(b)(i).

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DEBTOR **EVELO BIOSCIENCES, INC.**

SECURED PARTY: **PACIFIC WESTERN BANK**

EXHIBIT B

COLLATERAL DESCRIPTION ATTACHMENT TO LOAN AND SECURITY AGREEMENT

All personal property of Borrower (herein referred to as "Borrower" or "Debtor") whether presently existing or hereafter created or acquired, and wherever located, including, but not limited to:

(h) all accounts (including health-care-insurance receivables), chattel paper (including tangible and electronic chattel paper), deposit accounts, documents (including negotiable documents), equipment (including all accessions and additions thereto), financial assets, general intangibles (including patents, trademarks, copyrights, goodwill, payment intangibles, domain names and software), goods (including fixtures), instruments (including promissory notes), inventory (including all goods held for sale or lease or to be furnished under a contract of service, and including returns and repossessions), investment property (including securities and securities entitlements), letter of credit rights, money, and all of Debtor's books and records with respect to any of the foregoing, and the computers and equipment containing said books and records; and

(i) any and all cash proceeds and/or noncash proceeds of any of the foregoing, including, without limitation, insurance proceeds, and all supporting obligations and the security therefor or for any right to payment. All terms above have the meanings given to them in the North Carolina Uniform Commercial Code, as amended or supplemented from time to time, including revised Article 9 of the Uniform Commercial Code-Secured Transactions.

Notwithstanding the foregoing, the Collateral shall not include property (a) nonassignable by its terms without the consent of the licensor thereof or another party (but only to the extent such prohibition on transfer is enforceable under applicable law, including, without limitation, §25-9-406 and §25-9-408 of the Uniform Commercial Code), (b) constitutes the capital stock of a controlled foreign corporation (as defined in the IRC), in excess of 65% of the voting power of all classes of capital stock of such controlled foreign corporations entitled to vote or any Subsidiary with the sole purpose to hold the stock of such controlled foreign corporation, (c) property (including any attachments, accessions or replacements) that is subject to an Equipment lien, if the grant of a security interest with respect to such property would be prohibited by the agreement creating such lien or would otherwise constitute a default thereunder, provided, that such property will be deemed "Collateral" hereunder upon the termination and release of such lien; or (d) any of the intellectual property, in any medium, of any kind or nature whatsoever, now or hereafter owned or acquired or received by Borrower, or in which Borrower now holds or hereafter acquires or receives any right or interest (collectively, the "Intellectual Property"); provided, however, that the Collateral shall include all accounts and general intangibles that consist of rights to payment and proceeds from the sale, licensing or disposition of all or any part, or rights in, the foregoing (the "Rights to Payment").

Notwithstanding the foregoing, if a judicial authority (including a U.S. Bankruptcy Court) holds that a security interest in the underlying Intellectual Property is necessary to have a security interest in the Rights to Payment, then the Collateral shall automatically, and effective as of August , 2016, include the Intellectual Property to the extent and only to the extent necessary to permit perfection of Bank's security interest in the Rights to Payment, and further provided, however, that Bank's enforcement rights with respect to any security interest in the Intellectual Property shall be absolutely limited to the Rights to Payment only, and Bank shall have no recourse whatsoever with respect to the underlying Intellectual Property.

EXHIBIT C

LOAN ADVANCE / PAYDOWN REQUEST FORM

[Please refer to New Borrower Kit]

EXHIBIT D

COMPLIANCE CERTIFICATE

[Please refer to New Borrower Kit]

EXHIBIT E

WARRANT TO PURCHASE STOCK

[See attached]

THIS WARRANT AND THE SHARES ISSUABLE HEREUNDER HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND MAY NOT BE SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT IN ACCORDANCE WITH APPLICABLE LAW.

WARRANT TO PURCHASE STOCK

Corporation:	EVELO BIOSCIENCES, INC.
Number of Shares:	See Section 1.7
Class of Stock:	Series ____ Preferred Stock[1]
Initial Exercise Price:	$____ per share[2]
Issue Date:	_____
Expiration Date:	_____[3]

THIS WARRANT CERTIFIES THAT, for good and valuable consideration, the receipt of which is hereby acknowledged, **PACIFIC WESTERN BANK** or its permitted assignee ("***Holder***") is entitled to purchase the number of fully paid and nonassessable shares of the class of securities (the *"**Shares**")* of **EVELO BIOSCIENCES, INC.** (the *"**Company**")* at the initial exercise price per Share (the *"**Warrant Price**")* all as set forth above and as adjusted pursuant to Article 2 of this warrant, subject to the provisions and upon the terms and conditions set forth in this warrant.

ARTICLE 1

EXERCISE

1.1 Method of Exercise. Holder may exercise this warrant by delivering this warrant and a duly executed Notice of Exercise in substantially the form attached as Appendix 1 to the principal office of the Company. Unless Holder is exercising the conversion right set forth in Section 1.2, Holder shall also deliver to the Company a check for the aggregate Warrant Price for the Shares being purchased.

1.2 Conversion Right. In lieu of exercising this warrant as specified in Section 1.1, Holder may from time to time convert this warrant, in whole or in part, into a number of Shares determined by dividing (a) the aggregate fair market value of the Shares or other securities otherwise issuable upon exercise of this warrant minus the aggregate Warrant Price of such Shares by (b) the fair market value of one Share. The fair market value of the Shares shall be determined pursuant to Section 1.3. In connection with each such conversion, or other exercise of this Warrant pursuant to Section 1.1, Holder shall be deemed to have restated each of the representations and warranties in Section 3.5 of this Warrant as of the date thereof.

1.3 Fair Market Value. If the Shares are traded regularly in a public market, the fair market value of the Shares shall be the closing price of the Shares (or the closing price of the Company's stock into which the Shares are convertible) reported for the business day immediately before Holder delivers its Notice of Exercise to the Company. If the Shares are not regularly traded in a public market, the Board of Directors of the Company shall determine fair market value in its reasonable good faith judgment.

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1 Most recent class of Preferred Stock issued by the Company prior to the initial Tranche B Term Loan draw.

2 Price per share of most recently issued Preferred Stock prior to the initial Tranche B Term Loan draw (without giving effect to any discount for convertible notes or similar discounts to the price per share paid in such round).

3 10 year anniversary of Issue Date

1.4 Delivery of Certificate and New Warrant. Promptly after Holder exercises or converts this warrant, the Company shall deliver to Holder certificates for the Shares acquired and, if this warrant has not been fully exercised or converted and has not expired, a new warrant representing the Shares not so acquired.

1.5 Replacement of Warrants. On receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this warrant and, in the case of loss, theft or destruction, on delivery of an indemnity agreement reasonably satisfactory in form and amount to the Company or, in the case of mutilation, on surrender and cancellation of this warrant, the Company at its expense shall execute and deliver, in lieu of this warrant, a new warrant of like tenor.

1.6 Treatment of Warrant Upon Acquisition of the Company.

1.6.1 *"Acquisition."* For the purpose of this warrant, "Acquisition" means (a) any sale, exclusive license, or other disposition of all or substantially all of the assets (including intellectual property) of the Company, or (b) any reorganization, consolidation, merger or sale of the voting securities of the Company (other than a merger or consolidation effective exclusively to change the Company's domicile) or other transaction, in each case, where the holders of the Company's securities before the transaction beneficially own less than 50% of the outstanding voting securities of the surviving entity after the transaction.

1.6.2 Exercise Upon Acquisition. Upon the closing of any Acquisition in which the consideration to be received by the Company's stockholders consists of cash, marketable securities, or a combination of both cash and marketable securities, this warrant shall be deemed to have been automatically converted pursuant to Section 1.2 immediately prior to such Acquisition, and thereafter Holder shall participate in the Acquisition on the same terms as other holders of the same class of securities of the Company, provided, however, that if the fair market value of the Shares, as determined pursuant to Section 1.3, in connection with such Acquisition is less than the aggregate Warrant Price, then this warrant shall terminate without exercise or conversion immediately prior, and subject, to the closing of such Acquisition.

1.6.3 Assumption of Warrant. Upon the closing of any Acquisition not referred to in Section 1.6.2, the successor entity shall assume the obligations of this warrant, and this warrant shall thereafter be exercisable for the same securities and/or other property as would have been paid for the Shares issuable upon exercise of the unexercised portion of this warrant as if such Shares were outstanding on and as of the closing of such Acquisition, subject to further adjustment from time to time in accordance with the provisions of this warrant.

1.7 Number of Shares. The Number of Shares for which this Warrant shall be exercisable shall be equal to (a) one and one quarter of one percent (1.25%) of the principal amount of all Tranche B Term Loans (as defined in that certain Loan and Security Agreement by and among the Company and Pacific Western Bank dated as of [August , 2016]) made by Pacific Western Bank to the Company divided by (b) the Warrant Price (subject to adjustment as set forth in Section 2).

ARTICLE 2

ADJUSTMENTS TO THE SHARES

2.1 Stock Dividends, Splits, Etc. If the Company declares or pays a dividend on its common stock payable in common stock, or other securities, or subdivides the outstanding common stock into a greater amount of common stock, then upon exercise of this warrant, for each Share acquired, Holder shall receive, without cost to Holder, the total number and kind of securities to which Holder would have been entitled had Holder owned the Shares of record as of the date the dividend or subdivision occurred.

2.2 Reclassification, Exchange or Substitution. Upon any reclassification, exchange, substitution, or other event that results in a change of the number and/or class of the securities issuable upon exercise or conversion of this warrant, Holder shall be entitled to receive, upon exercise or conversion of this warrant, the number and kind of securities and property that Holder would have received for the Shares if this warrant had been exercised immediately before such reclassification, exchange, substitution, or other event. Such an event shall include any automatic conversion of the outstanding or issuable securities of the Company of the same class or series as the Shares to common stock pursuant to the terms of the Company's Amended and Restated Certificate of Incorporation upon the closing of a registered public offering of the Company's common stock. The Company or its successor shall promptly issue to Holder a new warrant for such new securities or other property. The new warrant shall provide for adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided for in this Article 2 including, without limitation, adjustments to the Warrant Price and to the number of securities or property issuable upon exercise of the new warrant. The provisions of this Section 2.2 shall similarly apply to successive reclassifications, exchanges, substitutions, or other events.

2.3 Adjustments for Combinations, Etc. If the outstanding Shares are combined or consolidated, by reclassification or otherwise, into a lesser number of shares, the Warrant Price shall be proportionately increased. If the outstanding Shares are combined or consolidated, by reclassification or otherwise, into a greater number of shares, the Warrant Price shall be proportionately decreased.

2.4 Adjustments for Diluting Issuances. In the event of the issuance (a "***Diluting Issuance***") by the Company after the Issue Date of securities at a price per share less than the Warrant Price, then the number of shares of common stock issuable upon conversion of the Shares shall be adjusted in accordance with those provisions of the Company's Articles (Certificate) of Incorporation that apply to Diluting Issuances.

2.5 Certificate as to Adjustments. Upon each adjustment of the Warrant Price, the Company at its expense shall promptly compute such adjustment, and furnish Holder with a certificate of its Chief Financial Officer setting forth such adjustment and the facts upon which such adjustment is based. The Company shall, upon written request, furnish Holder a certificate setting forth the Warrant Price in effect upon the date thereof and the series of adjustments leading to such Warrant Price.

2.6 Fractional Shares. No fractional Shares shall be issuable upon exercise or conversion of the Warrant and the Number of Shares to be issued shall be rounded down to the nearest whole Share. If a fractional share interest arises upon any exercise or conversion of the Warrant, the Company shall eliminate such fractional share interest by paying Holder the amount computed by multiplying the fractional interest by the fair market value of a full Share.

ARTICLE 3

REPRESENTATIONS AND COVENANTS OF THE COMPANY AND OF THE HOLDER

3.1 Representations and Warranties of the Company. The Company hereby represents and warrants to the Holder as follows:

(a) The initial Warrant Price referenced on the first page of this warrant is not greater than the fair market value of the Shares as of the date of this warrant.

(b) All Shares which may be issued upon the exercise of the purchase right represented by this Warrant in accordance with this Warrant, and all securities, if any, issuable upon conversion of the Shares in accordance with the Company's Amended and Restated Certificate of Incorporation, shall, upon issuance, be duly authorized, validly issued, fully paid and nonassessable, and free of any liens and encumbrances except for restrictions on transfer provided for herein or under applicable federal and state securities laws.

(c) The Company's capitalization table attached to this warrant is true and complete as of the Issue Date.

3.2 Notice of Certain Events. The Company shall provide Holder with not less than 10 days prior written notice of, including a description of the material facts surrounding, any of the following events: (a) declaration of any dividend or distribution upon its common stock, whether in cash, property, stock, or other securities and whether or not a regular cash dividend; (b) offering for subscription pro rata to the holders of any class or series of its stock any additional shares of stock of any class or series or other rights; (c) effecting any reclassification or recapitalization of common stock; or (d) the merger or consolidation with or into any other corporation, or sale, lease, license, or conveyance of all or substantially all of its assets, or liquidation, dissolution or winding up.

3.3 Information Rights. Prior to an initial public offering of the Company's common stock and provided Holder holds this warrant and/or any of the Shares, the Company shall deliver to the Holder the financial information required to be delivered to Major Investors (as defined in the IRA) under Section 3.1(a) and 3.1(b) pursuant to that certain Investors Rights Agreement dated as of [ ] by and among the Company and the investors named therein (the "***IRA***").

3.4 Registration Under Securities Act of 1933, as amended. The Company agrees that the Shares or, if the Shares are convertible into common stock of the Company, such common stock, shall be "Registrable Securities", and Holder shall be a "Holder" under the IRA.

3.5 Holder Investment Representations. Holder makes the representations to the Company set forth in Exhibit A hereof in connection with the issuance of this warrant and the Shares (collectively, the "Securities").

3.6 Market Stand Off. Holder agrees that it shall be subject to the Market Standoff provisions in Section [2.11] of the IRA.

3.7 Company Agreements. If upon exercise of this warrant (other than in connection with an Acquisition or an initial public offering of the Company's common stock) Holder continues to hold the Shares, upon the request of the Company, Holder shall execute a counterpart signature page to the investor and stockholder agreements governing the rights and obligations in respect to the Company's Series [ ] Preferred Stock.

ARTICLE 4

MISCELLANEOUS

4.1 Term: Exercise Upon Expiration. This warrant is exercisable in whole or in part, at any time and from time to time on or before the Expiration Date set forth above. If this warrant has not been exercised prior to the Expiration Date, this warrant shall be deemed to have been automatically exercised on the Expiration Date by "cashless" conversion pursuant to Section 1.2.

4.2 Legends. This warrant and the Shares (and the securities issuable, directly or indirectly, upon conversion of the Shares, if any) shall be imprinted with a legend in substantially the following form:

THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND MAY NOT BE SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT IN ACCORDANCE WITH APPLICABLE LAW.

4.3 Compliance with Securities Laws on Transfer. This warrant and the Shares issuable upon exercise of this warrant (and the securities issuable, directly or indirectly, upon conversion of the Shares, if any) may not be transferred or assigned in whole or in part without compliance with applicable federal and state securities laws by the transferor and the transferee. The Company shall not require Holder to provide an opinion of counsel if the transfer is to an affiliate of Holder or if there is no material question as to the availability of current information as referenced in Rule 144(c), Holder represents that it has complied with Rule 144 (d) and (e) in reasonable detail, the selling broker represents that it has complied with Rule 144(f), and the Company is provided with a copy of Holder's notice of proposed sale.

4.4 Transfer Procedure. Subject to the provisions of Section 4.3, Holder may transfer all or part of this warrant or the Shares issuable upon exercise of this warrant (or the securities issuable, directly or indirectly, upon conversion of the Shares, if any) by giving the Company notice of the portion of the warrant being transferred setting forth the name, address and taxpayer identification number of the transferee and surrendering this warrant to the Company for reissuance to the transferee(s) (and Holder, if applicable). No surrender or reissuance shall be required for a transfer to an affiliate of Holder.

4.5 Notices. All notices and other communications from the Company to the Holder, or vice versa, shall be deemed delivered and effective when given personally or mailed by first-class registered or certified mail, postage prepaid, at such address as may have been furnished to the Company or the Holder, as the case may be, in writing by the Company or such Holder from time to time. All notices to the Holder shall be addressed as follows:

Pacific Western Bank
Attn: Warrant Administrator
406 Blackwell Street, Suite 240
Durham, NC 27701

All notices to the Company shall be addressed as follows:

EVELO BIOSCIENCES, INC.
620 Memorial Drive, Suite 208
Cambridge, MA 02139
Attn: Chief Executive Officer
FAX:_____

4.6 Amendments. This warrant and any term hereof may be changed, waived, discharged or terminated only by an instrument in writing signed by the party against which enforcement of such change, waiver, discharge or termination is sought.

4.7 Attorneys' Fees. In the event of any dispute between the parties concerning the terms and provisions of this warrant, the party prevailing in such dispute shall be entitled to collect from the other party all costs incurred in such dispute, including reasonable attorneys' fees.

4.8 Governing Law. This warrant shall be governed by and construed in accordance with the laws of the State of Delaware, without giving effect to its principles regarding conflicts of law that would result in the application of the laws of any other jurisdiction.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned has executed this Warrant to Purchase Stock as of the date set forth above.

EVELO BIOSCIENCES, INC.

By: _____

Name: _____

Title: _____

Acknowledged and agreed:

PACIFIC WESTERN BANK

By: _____

Name: _____

Title: _____

APPENDIX 1

NOTICE OF EXERCISE

1. The undersigned hereby elects to purchase shares of the stock of **EVELO BIOSCIENCES, INC.** pursuant to the terms of the attached warrant, and tenders herewith payment of the purchase price of such shares in full.

1. The undersigned hereby elects to convert the attached warrant into shares in the manner specified in the warrant. This conversion is exercised with respect to of the shares covered by the warrant.

[Strike paragraph that does not apply.]

2. Please issue a certificate or certificates representing said shares in the name of the undersigned or in such other name as is specified below:

_____

(Holder's Name)

_____

_____

(Address)

3. The undersigned represents it is acquiring the shares solely for its own account and not as a nominee for any other party and not with a view toward the resale or distribution thereof except in compliance with applicable securities laws.

PACIFIC WESTERN BANK or Registered Assignee

_____

(Signature)

_____

(Date)

EXHIBIT A

INVESTMENT REPRESENTATIONS

(a) Holder is aware of the Company's business affairs and financial condition, and has acquired sufficient information about the Company to reach an informed and knowledgeable decision to acquire the Securities. Holder is purchasing the Securities for its own account for investment purposes only, not as a nominee or agent, and not with a view towards, or for resale in connection with, any "distribution" thereof for purposes of the Securities Act of 1933, as amended (the "Securities Act"). Holder has such knowledge and experience in financial business matters and Holder is capable of evaluating the merits and risks of the purchase of the Securities and of protecting its interests in connection therewith.

(b) Holder understands that the Securities have not been registered under the Securities Act in reliance upon a specific exemption therefrom, which exemption depends upon, among other things, the bona fide nature of Holder's investment intent as expressed herein.

(c) Holder further understands that the Securities must be held indefinitely, and Holder must therefore bear the economic risk therewith, unless the Securities are subsequently registered under the Securities Act or unless an exemption from registration is otherwise available. In addition, Holder understands that the certificate evidencing the Securities will be imprinted with a legend which prohibits the transfer of the Securities unless they are registered or such registration is not required.

(d) Holder is familiar with the provisions of Rule 144, promulgated pursuant to the Securities Act, which, in substance, permits limited public resale of "restricted securities" acquired, directly or indirectly, from the issuer thereof, in a non-public offering subject to the satisfaction of certain conditions.

(e) The Securities may be resold in certain limited circumstances subject to the provisions of Rule 144, which requires, among other things, the existence of a public market for the Securities, the availability of certain current public information about the Company, the resale occurring not less than one year after a party has purchased and paid for the security to be sold, the sales being effected through a "broker's transaction" or in transactions directly with a "market maker" and the number of securities being sold during any three-month period not exceeding specified limitations.

(f) Holder further understands that in the event that all of the applicable requirements of Rule 144 are not satisfied, registration under the Securities Act, compliance with Regulation A, or some other registration exemption will be required.

(g) Holder is an "accredited investor" as defined in Rule 501(a) of Regulation D promulgated under the Securities Act.

SCHEDULE OF EXCEPTIONS

Permitted Indebtedness (Exhibit A)

None

Permitted Investments (Exhibit A) –

None

Permitted Liens (Exhibit A) –

None

Bank Accounts (Section 5.3) –

Checking Accounts:

SILICON VALLEY BANK
3003 TASMAN DRIVE
2ND FLOOR, MAIL SORT HF210
SANTA CLARA, CALIFORNIA 95054

Account Number: 3301272839-2
Purpose: Old Operating Account

COMERICA BANK
226 AIRPORT PARKWAY
SAN JOSE, CA 95110-4348

Account Number: 1894979291
Purpose: Operating Account

Account Number: 1894979291
Purpose: Money Market Account

Intellectual Property (Section 5.4) –

Patents:

Title	Jurisdiction	Application No.	Filing date
Methods and Compositions	US	62/162562	5/15/15
Modified Clostridium, Listeria, or Salmonella for the Treatment of Cancer	US	62/202,639	8/7/15
Microbiome-Based Cancer Diagnostics	US	62/212,415	8/31/15

Microbial Composition and Their Use In Treatment and Prevention Of Allergies	US	62/214153	9/3/15
Microbiome-Based Cancer Prognostics	US	62/220,124	9/17/15
Microbial Compositions and Uses Thereof	US	62/241,644	10/14/15
Bacterial Delivery of Cancer Therapeutics	US	62/241,645	10/14/15
Methods Of Administering Agents According To Rorc Levels	US	62/243664	10/19/15
Use Of Exosomes In The Treatment and Prevention Of Allergies	US	62/248244	10/29/15
Methods Of Administering Agents According To Rorc Levels	US	62/253121	11/9/15
Xylose Compositions and Methods For Use Thereof	US	62/257714	11/19/15
Probiotic and Prebiotic Compositions, and Methods Of Use Thereof For Modulation Of The Microbiome	US	14/952891	11/25/15
Probiotic and Prebiotic Compositions, and Methods Of Use Thereof For Modulation Of The Microbiome	WO	PCT/US15/62805	11/25/15
Probiotic and Prebiotic Compositions, and Methods Of Use Thereof For Treatment and Prevention Of Graft Verses Host Disease	US	14/952887	11/25/15
Probiotic and Prebiotic Compositions, and Methods Of Use Thereof For Treatment and Prevention Of Graft Versus Host Disease	US	14/952892	11/25/15
Probiotic and Prebiotic Compositions, and Methods Of Use Thereof For Trearment and Prevention Of Graft Versus Host Disease	WO	PCT/US15/62808	11/25/15
Probiotic and Prebiotic Compositions, and Methods Of Use Thereof For Treatment and Prevention Of Graft Versus Host Disease	WO	PCT/US15/62810	11/25/15
Probiotic and Prebiotic Compositions, and Methods Of Use Thereof For Treament Of Gastrointestinal Disorders	US	14/952894	11/25/15

Probiotic and Prebiotic Compositions, and Methods Of Use Thereof For Treament Of Gastrointestinal Disorders	WO	PCT/US15/62809	11/25/15
Probiotic Compositions Containing Clostridiales For Inhibiting Inflammation	US	14/952895	11/25/15
Probiotic Compositions Containing Clostridiales For Inhibiting Inflammation	WO	PCT/US15/62806	11/25/15
Probiotic and Prebiotic Compositions, and Methods Of Use Thereof For Treatment and Prevention Of Graft Versus Host Disease	US	14/968086	12/14/15
Enhanced Bifidobacteria Using Genome	US	62/276,150	1/7/16
Immune Assays	US	62/276,151	1/7/16
Immune Checkpoint Inhibitor Efficacy Biomarkers	US	62/276,153	1/7/16
Bone Marrow Transplant Efficacy Biomarkers	US	62/276,155	1/7/16
CAR-T Efficacy Biomarkers	US	62/276,161	1/7/16
Immunotherapy Efficacy Biomarkers	US	62/276,163	1/7/16
Bacterial Outer Membrane Vesicles for Immune and Anti-Cancer Response (Bifido)	US	62/280,656	1/19/16
Bacterial Outer Membrane Vesicles for Immune and Anti-Cancer Response (Strep)	US	62/280,658	1/19/16
Microbial Compositions and Their Use in Treatment and Prevention of Drug Allergies	US	62/288,384	1/28/16
Bacterial and Prebiotic Compositions and Methods of Production and Use Thereof	WO	PCT/US16/18539	2/18/16
Probiotic and Prebiotic Compositions, Methods of Use Thereof for Treatment of Disorders	WO	PCT/US16/18551	2/18/16
Prebiotic Compounds, Compositions, and Methods of Use Thereof for Treatment of Neurological Disorders	US	62/298,556	2/23/16
Use Of Exosomes In The Treatment and Prevention Of Allergies	US	62/324,857	4/19/16
Use Of Exosomes In The Treatment and Prevention Of Allergies	US	62/344,775	6/2/16

Trademark applications and registrations:

EVELO; US; Application No. 86/582,465; Classes 9, 32, 42, and 44; Filed March 31, 2015

ONCOBIOME; US; Application No. 86/300,247; Classes 5, 9, 10, 42 and 44; Filed June 4, 2014

ONCOBIOTIC; US; Application No. 86/808,587; Class 5; Filed November 3, 2015

BIA; US; Application No. 86/808,590; Class 5; Filed November 3, 2015

Copyrights applications and registrations:

None

Prior Names (Section 5.5) –

VL28, Inc.
VL 28, LLC
VL 31, Inc.
Epiva Therapeutics, Inc.
Epiva Biosciences, Inc.
Evelo Therapeutics, Inc.

The principal place of business is 620 Memorial Drive, Suite 200 West, Cambridge, MA 02139

Litigation (Section 5.6) –

None

Inbound Licenses (Section 5.12) –

Exclusive License Agreement between University of Chicago and Evelo for a royalty bearing worldwide exclusive license to the Patent Rights within the Field of Treatment of Cancer by Manipulation of Commensal Microflora. Effective Date March 10, 2016.

Exclusive Research and License Agreement between Mayo Foundation for Medical Education and Research and Evelo to advance immune-microbiome-based therapies for cancer. Effective Date June 10, 2016.

CORPORATE RESOLUTION

The undersigned duly elected and qualified Secretary of EVELO BIOSCIENCES, INC. (the "Company") does hereby certify, solely in his or her capacity as an officer of the Company and not in any individual capacity, that the following is a true and correct copy of certain resolutions adopted by the Company's Board of Directors in accordance with applicable law and the Company's bylaws, and that such resolutions are now unmodified and in full force and effect:

BE IT RESOLVED, that:

1) Any one (1) of the following, duly elected officers of the Company (each, an "Authorized Officer") whose genuine original signature appears next to his or her name is authorized to act for, on behalf of, and in the name of the Company in connection with the resolutions below:

Title	Name	Authorized Signature

2) Any Authorized Officer may:

a) Borrow money from time to time from Pacific Western Bank (the "Bank"), and may negotiate and procure loans, letters of credit, foreign exchange contracts and other financial accommodations from Bank, including without limitation, that certain Loan and Security Agreement dated as of August , 2016, and also to execute and deliver to Bank one or more renewals, extensions, or modifications thereof;

b) Give security for any liabilities of the Company to Bank by grant, security interest, assignment, lien, deed of trust or mortgage upon any real or personal property, tangible or intangible of the Company;

c) Purchase, sell, exchange, assign, endorse for transfer and/or deliver certificates and/or instruments representing stocks, bonds, evidences of Indebtedness or other securities owned by the Company, whether or not registered in the name of the Company;

d) Discount with the Bank, commercial or other business paper belonging to the Company made or drawn by or upon third parties, without limit as to amount;

e) Authorize and direct the Bank to pay the proceeds of any such loans or discounts as directed by the persons so authorized to sign;

f) Issue a warrant or warrants to purchase the Company's capital stock;

g) Execute and deliver in form and content as may be required by the Bank any and all notes, evidences of indebtedness, applications for letters of credit, guaranties, subordination agreements, loan and security agreements, financing statements, assignments, liens, deeds of trust, mortgages, trust receipts and other agreements, instruments or documents to carry out the purposes of these Resolutions, any or all of which may relate to all or to substantially all of the Company's property and assets.

3) The Authorized Officers may designate additional or alternate individuals as being authorized to request loan advances, to do and perform such other acts and things, to pay any and all fees and costs, and to execute and deliver such other documents and agreements as he or she may in his or her discretion deem reasonably necessary or proper in order to carry into effect the provisions of these Resolutions.

4) Any and all acts authorized pursuant to these resolutions and performed prior to the passage of these resolutions are hereby ratified and approved, and the authority conferred herein may be exercised singly by any such officer, and these resolutions shall continue in full force and effect until written notice of modification or revocation is received and accepted by Bank (such notice to have no effect on any action previously taken by the Bank in reliance on these Resolutions). Bank may rely upon any form of notice, which it in good faith believes to be genuine or what it purports to be.

5) The Resolutions are in full force and effect as of the date of this Certificate and are intended to replace, as of this date, any Resolutions previously given by the Company to Bank in connection with the matters described herein; these Resolutions and any borrowings or financial accommodations under these Resolutions have been properly noted in the corporate books and records, and have not been rescinded, revoked or modified; neither the foregoing Resolutions nor any actions to be taken pursuant to them are or will be in contravention of any provision of the articles of incorporation or bylaws of the Company or of any agreement, indenture or other instrument to which the Company is a party or by which it is bound; and to the extent the articles of incorporation or bylaws of the Company or any agreement, indenture or other instrument to which the Company is a party or by which it is bound require the vote or consent of shareholders of the Company to authorize any act, matter or thing described in the foregoing Resolutions, such vote or consent has been obtained.

In Witness Whereof, I have affixed my name as Secretary and have caused the corporate seal (where available) of said Company to be affixed on August 15, 2016.

USA PATRIOT ACT
NOTICE
OF
CUSTOMER IDENTIFICATION

IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account.

WHAT THIS MEANS FOR YOU: when you open an account, we will ask your name, address, date of birth, and other information that will allow us to identify you. We may also ask to see your driver’s license or other identifying documents.

PACIFIC WESTERN BANK

AUTOMATIC DEBIT AUTHORIZATION

Member FDIC

To: **Pacific Western Bank**

Re: **Loan #** _____

You are hereby authorized and instructed to charge account No. _____ in the name of
EVELO BIOSCIENCES, INC.

for facility fees, principal, interest and other payments due on above referenced loan as set forth below and credit the loan referenced above.

__X__ Debit each interest payment as it becomes due according to the terms of the Loan and Security Agreement and any renewals or amendments thereof.

__X__ Debit each principal payment as it becomes due according to the terms of the Loan and Security Agreement and any renewals or amendments thereof.

__X__ Debit each payment for Bank Expenses as it becomes due according to the terms of the Loan and Security Agreement and any renewals or amendments thereof.

This Authorization is to remain in full force and effect until revoked in writing.

Borrower Signature	Date

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the reference to our firm under the caption “Experts” and to the use of our report dated March 5, 2018, except for Note 15a, as to which the date is April 13, 2018 and Note 15b, as to which the date is April 30, 2018, in Amendment No. 1 to the Registration Statement (Form S-1 No. 333-224278) and related Prospectus of Evelo Biosciences, Inc. for the registration of 6,109,375 shares of its common stock.

/s/ Ernst & Young LLP

Boston, MA

April 30, 2018