

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

**FORM 10-Q**

- Quarterly Report Under Section 13 or 15(d) of the Securities Exchange Act of 1934 for the quarterly period ended June 30, 2022  
 Transition Report Under Section 13 or 15(d) of the Securities Exchange Act of 1934 for the transition period from \_\_\_\_\_ to \_\_\_\_\_.

Commission File Number: **001-37939**



**MARKER THERAPEUTICS, INC.**

(Name of registrant in its charter)

**DELAWARE**

(State or other jurisdiction of incorporation or organization)

**45-4497941**

(I.R.S. Employer Identification No.)

**3200 Southwest Freeway, Suite 2500  
Houston, Texas**

(Address of principal executive offices)

**77027**

(Zip Code)

**(713) 400-6400**

(Issuer's telephone number)

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

<b>Title of each class</b>	<b>Trading Symbol(s)</b>	<b>Name of each exchange on which registered</b>
Common Stock, par value \$0.001 per share	MRKR	The Nasdaq Stock Market LLC

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

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

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

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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

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

As of August 1, 2022, the Company had 83,599,187 shares of common stock issued and outstanding.

	<u>Page</u>
<b><u>PART I – FINANCIAL INFORMATION</u></b>	1
<u>Item 1. Financial Statements (Unaudited)</u>	1
<u>Condensed Consolidated Balance Sheets as of June 30, 2022 and December 31, 2021</u>	1
<u>Condensed Consolidated Statements of Operations for the three and six months ended June 30, 2022 and 2021</u>	2
<u>Condensed Consolidated Statements of Stockholders’ Equity for the three and six months ended June 30, 2022 and 2021</u>	3
<u>Condensed Consolidated Statements of Cash Flows for the six months ended June 30, 2022 and 2021</u>	4
<u>Notes to Condensed Consolidated Financial Statements</u>	5
<u>Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations.</u>	16
<u>Item 3. Quantitative and Qualitative Disclosures About Market Risk.</u>	25
<u>Item 4. Controls and Procedures.</u>	25
<b><u>PART II – OTHER INFORMATION</u></b>	26
<u>Item 1. Legal Proceedings.</u>	26
<u>Item 1A. Risk Factors.</u>	26
<u>Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.</u>	26
<u>Item 3. Defaults Upon Senior Securities.</u>	26
<u>Item 4. Mine Safety Disclosure.</u>	26
<u>Item 5. Other Information.</u>	26
<u>Item 6. Exhibits.</u>	28
<u>Signatures</u>	29

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**PART I. FINANCIAL INFORMATION****Item 1. Financial Statements**

**MARKER THERAPEUTICS, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
**(UNAUDITED)**

	June 30, 2022	December 31, 2021
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 25,821,708	\$ 42,351,145
Restricted cash	—	1,146,186
Prepaid expenses and deposits	2,826,699	2,484,634
Other receivables	627,629	237
Total current assets	<u>29,276,036</u>	<u>45,982,202</u>
Non-current assets:		
Property, plant and equipment, net	13,740,158	10,096,861
Construction in progress	—	2,225,610
Right-of-use assets, net	9,303,544	9,830,461
Total non-current assets	<u>23,043,702</u>	<u>22,152,932</u>
<b>Total assets</b>	<b><u>\$ 52,319,738</u></b>	<b><u>\$ 68,135,134</u></b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 4,735,251	\$ 11,134,913
Related party deferred revenue	8,000,000	—
Lease liability	738,389	620,490
Deferred revenue	—	1,146,186
Total current liabilities	<u>13,473,640</u>	<u>12,901,589</u>
Non-current liabilities:		
Lease liability, net of current portion	10,819,825	11,247,950
Total non-current liabilities	<u>10,819,825</u>	<u>11,247,950</u>
<b>Total liabilities</b>	<u>24,293,465</u>	<u>24,149,539</u>
Stockholders' equity:		
Preferred stock - \$0.001 par value, 5 million shares authorized and 0 shares issued and outstanding at June 30, 2022 and December 31, 2021, respectively	—	—
Common stock, \$0.001 par value, 300 million and 150 million shares authorized, 83.6 million and 83.1 million shares issued and outstanding as of June 30, 2022 and December 31, 2021, respectively	83,599	83,079
Additional paid-in capital	445,215,725	442,020,871
Accumulated deficit	<u>(417,273,051)</u>	<u>(398,118,355)</u>
Total stockholders' equity	<u>28,026,273</u>	<u>43,985,595</u>
<b>Total liabilities and stockholders' equity</b>	<b><u>\$ 52,319,738</u></b>	<b><u>\$ 68,135,134</u></b>

*See accompanying notes to these unaudited condensed consolidated financial statements.*

**MARKER THERAPEUTICS, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
**(UNAUDITED)**

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2022	2021	2022	2021
<b>Revenues:</b>				
Grant income	\$ 790,508	\$ —	\$ 1,754,830	\$ —
Total revenues	<u>790,508</u>	<u>—</u>	<u>1,754,830</u>	<u>—</u>
<b>Operating expenses:</b>				
Research and development	\$ 6,555,299	\$ 7,350,035	13,581,365	12,993,064
General and administrative	3,515,183	3,559,150	7,248,184	6,697,108
Total operating expenses	<u>10,070,482</u>	<u>10,909,185</u>	<u>20,829,549</u>	<u>19,690,172</u>
Loss from operations	(9,279,974)	(10,909,185)	(19,074,719)	(19,690,172)
<b>Other income (expenses):</b>				
Arbitration settlement	—	—	(118,880)	—
Interest income	35,786	2,403	38,903	3,940
<b>Net loss</b>	<b><u>\$ (9,244,188)</u></b>	<b><u>\$ (10,906,782)</u></b>	<b><u>\$ (19,154,696)</u></b>	<b><u>\$ (19,686,232)</u></b>
Net loss per share, basic and diluted	\$ (0.11)	\$ (0.13)	\$ (0.23)	\$ (0.28)
Weighted average number of common shares outstanding, basic and diluted	<u>83,592,043</u>	<u>83,030,470</u>	<u>83,351,184</u>	<u>69,823,729</u>

*See accompanying notes to these unaudited condensed consolidated financial statements.*

**MARKER THERAPEUTICS, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY**  
**(UNAUDITED)**

	For the Three Months Ended June 30, 2022				
	Common Stock		Additional Paid- in Capital	Accumulated Deficit	Total Stockholders' Equity
	Shares	Par value			
<b>Balance at April 1, 2022</b>	<b>83,451,187</b>	<b>\$ 83,451</b>	<b>\$ 443,651,176</b>	<b>\$ (408,028,863)</b>	<b>\$ 35,705,764</b>
Issuance common shares for cash, net	148,000	148	63,425	—	63,573
Stock-based compensation	—	—	1,501,124	—	1,501,124
Net loss	—	—	—	(9,244,188)	(9,244,188)
<b>Balance at June 30, 2022</b>	<b>83,599,187</b>	<b>\$ 83,599</b>	<b>\$ 445,215,725</b>	<b>\$ (417,273,051)</b>	<b>\$ 28,026,273</b>

	For the Six Months Ended June 30, 2022				
	Common Stock		Additional Paid- in Capital	Accumulated Deficit	Total Stockholders' Equity
	Shares	Par value			
<b>Balance at January 1, 2022</b>	<b>83,078,675</b>	<b>\$ 83,079</b>	<b>\$ 442,020,871</b>	<b>\$ (398,118,355)</b>	<b>\$ 43,985,595</b>
Issuance common shares for cash, net	148,000	148	63,425	—	63,573
Stock-based compensation	372,512	372	3,131,429	—	3,131,801
Net loss	—	—	—	(19,154,696)	(19,154,696)
<b>Balance at June 30, 2022</b>	<b>83,599,187</b>	<b>\$ 83,599</b>	<b>\$ 445,215,725</b>	<b>\$ (417,273,051)</b>	<b>\$ 28,026,273</b>

	For the Three Months Ended June 30, 2021				
	Common Stock		Additional Paid- in Capital	Accumulated Deficit	Total Stockholders' Equity
	Shares	Par value			
<b>Balance at April 1, 2021</b>	<b>83,013,929</b>	<b>\$ 83,014</b>	<b>\$ 437,430,839</b>	<b>\$ (365,018,934)</b>	<b>\$ 72,494,919</b>
Stock options exercised for cash	1,456	2	3,085	—	3,087
Stock-based compensation	63,290	63	1,652,024	—	1,652,087
Net loss	—	—	—	(10,906,782)	(10,906,782)
<b>Balance at June 30, 2021</b>	<b>83,078,675</b>	<b>\$ 83,079</b>	<b>\$ 439,085,948</b>	<b>\$ (375,925,716)</b>	<b>\$ 63,243,311</b>

	For the Six Months Ended June 30, 2021				
	Common Stock		Additional Paid- in Capital	Accumulated Deficit	Total Stockholders' Equity
	Shares	Par value			
<b>Balance at January 1, 2021</b>	<b>50,731,072</b>	<b>\$ 50,731</b>	<b>\$ 383,533,326</b>	<b>\$ (356,239,484)</b>	<b>\$ 27,344,573</b>
Issuance of common stock for cash (net of offering costs of \$3.9 million)	32,282,857	32,283	52,520,475	—	52,552,758
Stock options exercised for cash	1,456	2	3,085	—	3,087
Stock-based compensation	63,290	63	3,029,062	—	3,029,125
Net loss	—	—	—	(19,686,232)	(19,686,232)
<b>Balance at June 30, 2021</b>	<b>83,078,675</b>	<b>\$ 83,079</b>	<b>\$ 439,085,948</b>	<b>\$ (375,925,716)</b>	<b>\$ 63,243,311</b>

*See accompanying notes to these unaudited condensed consolidated financial statements.*

**MARKER THERAPEUTICS, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(UNAUDITED)**

	For the Six Months Ended June 30,	
	2022	2021
<b>Cash Flows from Operating Activities:</b>		
Net loss	\$ (19,154,696)	\$ (19,686,232)
<b>Reconciliation of net loss to net cash used in operating activities:</b>		
Depreciation and amortization	1,156,113	1,032,971
Stock-based compensation	3,131,801	3,029,125
Amortization on right-of-use assets	517,059	504,232
<b>Changes in operating assets and liabilities:</b>		
Prepaid expenses and deposits	(342,065)	(743,876)
Other receivables	(627,392)	1,000,273
Accounts payable and accrued expenses	(4,255,034)	108,230
Related party deferred revenue	8,000,000	—
Deferred revenue	(1,146,186)	—
Lease liability	(300,368)	(130,503)
Net cash used in operating activities	(13,020,768)	(14,885,780)
<b>Cash Flows from Investing Activities:</b>		
Purchase of property and equipment	(1,229,298)	(842,048)
Purchase of construction in progress	(3,489,130)	(958,965)
Net cash used in investing activities	(4,718,428)	(1,801,013)
<b>Cash Flows from Financing Activities:</b>		
Proceeds from issuance of common stock, net	63,573	52,552,758
Proceeds from exercise of stock options	—	3,087
Net cash provided by financing activities	63,573	52,555,845
Net (decrease) increase in cash, cash equivalents and restricted cash	(17,675,623)	35,869,052
Cash, cash equivalents and restricted cash at beginning of the period	43,497,331	21,352,382
<b>Cash, cash equivalents and restricted cash at end of the period</b>	<b>\$ 25,821,708</b>	<b>\$ 57,221,434</b>
	For the Six Months Ended June 30,	
	2022	2021
<b>Supplemental schedule of non-cash financing and investing activities:</b>		
Reclassifications between construction in progress and fixed assets	\$ 4,089,135	\$ 6,789,098
Capital expenditures included in accounts payable	\$ 16,128	\$ 159,978
Changes to right-of-use assets and lease liability due to close out of an operating lease	\$ 8,897	\$ —

*See accompanying notes to these unaudited condensed consolidated financial statements.*

**MARKER THERAPEUTICS, INC.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**June 30, 2022**  
**(Unaudited)**

**NOTE 1: NATURE OF OPERATIONS**

Marker Therapeutics, Inc., a Delaware corporation (the “Company” or “we”), is a clinical-stage immuno-oncology company specializing in the development and commercialization of novel T cell-based immunotherapies and innovative peptide-based vaccines for the treatment of hematological malignancies and solid tumor indications. The Company’s MultiTAA T cell technology is based on the selective expansion of non-engineered, tumor-specific T cells that recognize tumor associated antigens, which are tumor targets, and kill tumor cells expressing those targets. These T cells are designed to recognize multiple tumor targets to produce broad spectrum anti-tumor activity.

**NOTE 2: BASIS OF PRESENTATION**

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with the accounting principles generally accepted in the United States of America (“U.S. GAAP”) for interim financial information and pursuant to the instructions to Form 10-Q and Article 8 of Regulation S-X of the Securities and Exchange Commission (“SEC”) and on the same basis as the Company prepares its annual audited consolidated financial statements. In the opinion of management, the accompanying unaudited condensed consolidated financial statements reflect all adjustments, consisting of normal recurring adjustments, considered necessary for a fair presentation of such interim results.

The results for the condensed consolidated statement of operations are not necessarily indicative of results to be expected for the year ending December 31, 2022 or for any future interim period. The condensed consolidated balance sheet at June 30, 2022 has been derived from unaudited financial statements; however, it does not include all of the information and notes required by U.S. GAAP for complete financial statements. The accompanying condensed consolidated financial statements should be read in conjunction with the consolidated financial statements for the year ended December 31, 2021 and notes thereto included in the Company’s annual report on Form 10-K filed on March 17, 2022.

**NOTE 3: LIQUIDITY, GOING CONCERN AND FINANCIAL CONDITION**

As of June 30, 2022, the Company had cash and cash equivalents of approximately \$25.8 million. The Company’s activities since inception have consisted principally of acquiring product and technology rights, raising capital, and performing research and development. Successful completion of the Company’s development programs and, ultimately, the attainment of profitable operations are dependent on future events, including, among other things, its ability to access potential markets; secure financing; successfully progress its product candidates through preclinical and clinical development; obtain regulatory approval of one or more of its product candidates; maintain and enforce intellectual property rights; develop a customer base; attract, retain and motivate qualified personnel; and develop strategic alliances and collaborations. From inception, the Company has been funded by a combination of equity and debt financings.

In August 2021, the Company entered into a Controlled Equity Offering<sup>SM</sup> Sales Agreement (the “ATM Agreement”) with Cantor Fitzgerald & Co. and RBC Capital Markets, LLC (the “Sales Agents”), pursuant to which the Company can offer and sell, from time to time at its sole discretion through the Sales Agents, shares of its common stock having an aggregate offering price of up to \$75.0 million. Any shares of its common stock sold will be issued pursuant to the Company’s shelf registration statement on Form S-3 (File No. 333-258687), which the SEC declared effective on August 19, 2021. The shelf registration statement on Form S-3 includes a prospectus supplement covering the offering up to \$19.8 million of shares of common stock over the 12 months ending March 18, 2023 in accordance with the ATM agreement. The Sales Agents will be entitled to compensation under the Sales Agreement at a commission rate equal to 3.0% of the gross sales price per share sold under the ATM Agreement, and the Company has provided each of the Sales Agents with indemnification and contribution rights. From April 1, 2022 to the date of this filing, the Company sold 148,000 shares of its common stock under the ATM Agreement for net proceeds of \$63,600.

## [Table of Contents](#)

In August 2021, the Company received notice of a Product Development Research award totaling approximately \$13.1 million from the Cancer Prevention and Research Institute of Texas (“CPRIT”) to support the Company’s Phase 2 clinical trial of its lead MultiTAA-specific T cell product MT-401. The CPRIT award is intended to support the adjuvant arm of the Company’s Phase 2 clinical trial evaluating MT-401 when given as an adjuvant therapy to patients with acute myeloid leukemia following a hematopoietic stem cell transplant. The primary objectives of the adjuvant arm of the trial are to evaluate relapse-free survival after MT-401 treatment when compared with a randomized control group. To date, the Company has received \$2.4 million of funds from the CPRIT grant.

On April 21, 2022, the Company entered into a binding services agreement (the “Agreement”), effective April 12, 2022, with Wilson Wolf Manufacturing Corporation (“Wilson Wolf”). Mr. John Wilson is a member of the Company’s board of directors and is serving as the CEO of Wilson Wolf, therefore Wilson Wolf is a related party. Wilson Wolf is in the business of creating products and services intended to simply and expedite the transition of cell therapies and gene-modified cell therapies to mainstream society (the “Wilson Wolf Mission”). Pursuant to the Agreement, Wilson Wolf made a cash payment to the Company in the amount of \$8.0 million.

The Company expects to continue to incur substantial losses over the next several years during its development phase. To fully execute its business plan, the Company will need to complete certain research and development activities and clinical trials. Further, the Company’s product candidates will require regulatory approval prior to commercialization. These activities will span many years and require substantial expenditures to complete and may ultimately be unsuccessful. Any delays in completing these activities could adversely impact the Company. The Company plans to meet its capital requirements primarily through issuances of debt and equity securities and, in the longer term, revenue from sales of its product candidates, if approved.

Based on the Company’s clinical and research and development plans and its timing expectations related to the progress of its programs, the Company expects that its cash and cash equivalents as of June 30, 2022 will enable the Company to fund its operating expenses and capital expenditure requirements through the second quarter of 2023. The Company has based this estimate on assumptions that may prove to be wrong, and the Company could utilize its available capital resources sooner than it currently expects. Furthermore, the Company’s operating plan may change, and it may need additional funds sooner than planned in order to meet operational needs and capital requirements for product development and commercialization. Because of the numerous risks and uncertainties associated with the development and commercialization of the Company’s product candidates and the extent to which the Company may enter into additional collaborations with third parties to participate in their development and commercialization, the Company is unable to estimate the amounts of increased capital outlays and operating expenditures associated with its current and anticipated clinical trials. The Company’s future funding requirements will depend on many factors, as it:

- initiates or continues clinical trials of its product candidates;
- continues the research and development of its product candidates and seeks to discover additional product candidates;
- seeks regulatory approvals for any product candidates that successfully complete clinical trials;
- continues development of its manufacturing capabilities and manufacturing facility;
- maintains and enforces intellectual property rights;
- establishes sales, marketing and distribution infrastructure and scale-up manufacturing capabilities to commercialize any product candidates that may receive regulatory approval;
- evaluates strategic transactions the Company may undertake; and
- enhances operational, financial and information management systems and hires additional personnel, including personnel to support development of product candidates and, if a product candidate is approved, commercialization efforts.

We have no sources of revenue to provide incoming cash flows to sustain our future operations. As outlined above, our ability to pursue our planned business activities is dependent upon our successful efforts to raise additional capital.

These factors raise substantial doubt regarding our ability to continue as a going concern. Our condensed consolidated financial statements have been prepared on a going concern basis, which implies that we will continue to realize our assets and discharge our liabilities in the normal course of business. Our financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should we be unable to continue as a going concern.

In addition to the foregoing, based on the Company’s current assessment, the Company does not expect any material impact on its long-term liquidity due to the COVID-19 pandemic. However, the Company will continue to assess the effect of the pandemic on its



operations, including its clinical programs. The extent to which the COVID-19 pandemic will impact the Company's business and operations will depend on future developments that are highly uncertain and cannot be predicted with confidence, such as the geographic spread of the disease, the duration of the outbreak, the emergence of any new variant strains of COVID-19, the duration and effect of any future business disruptions in the United States and other countries to contain and treat the disease and the rate of public acceptance and efficacy of vaccines and other treatments. Further, disruption of global financial markets and a recession or market correction, including as a result of the COVID-19 pandemic, the ongoing military conflict between Russia and Ukraine and the related sanctions imposed against Russia, and other global macroeconomic factors such as inflation, could reduce the Company's ability to access capital, which could in the future negatively affect the Company's liquidity and could materially affect the Company's business and the value of its common stock.

On February 16, 2022, the Company received a notice from The Nasdaq Stock Market that the Company was not in compliance with Nasdaq's Listing Rule 5450(a)(1), as the minimum bid price of its common stock had been below \$1.00 per share for 30 consecutive business days. The Company has 180 calendar days, or until August 15, 2022, to regain compliance with the minimum bid price requirement. To regain compliance, the minimum bid price of the Company's common stock must meet or exceed \$1.00 per share for a minimum of ten consecutive business days during this 180-calendar day grace period. In the event the Company does not regain compliance with the minimum bid price requirement by August 15, 2022, the Company may be eligible for an additional 180-calendar day compliance period if it elects to transfer to the Nasdaq Capital Market to take advantage of the additional compliance period offered on that market. To qualify, the Company would be required to meet the continued listing requirement for market value of publicly held shares and all other initial listing standards for the Nasdaq Capital Market, with the exception of the bid price requirement, and would need to provide written notice of its intention to cure the bid price deficiency during the second compliance period. During the six months ended June 30, 2022, the Company's board of directors and stockholders approved a series of alternate amendments to the Company's Certificate of Incorporation to effect a reverse stock split of the Company's common stock, where the board of directors will have the discretion to select the reverse stock split ratio from within a range between and including one-for-three and one-for-twelve. Such reverse stock split, and the reverse stock split ratio, will be at the sole discretion of the board of directors at any time prior to the Company's 2023 Annual Meeting of Stockholders.

#### **NOTE 4: SIGNIFICANT ACCOUNTING POLICIES**

##### **Prior Period Reclassification**

Certain reclassifications have been made to reclass certain non-cash capital expenditures on the condensed consolidated statements of cash flows from a cash outflow from investing activity to a non-cash investing activity. The Company has evaluated the materiality of this adjustment and concluded it was not material to the previously issued consolidated financial statements and had no impact to the reported condensed consolidated balance sheets, consolidated statements of operations or net loss per share.

For the six months ended June 30, 2021, this immaterial adjustment had the effect of decreasing net cash used in operating activities and increasing net cash used in investing activities by \$1.0 million from what was previously reported.

##### **Grant Income**

The Company recognizes grant income in accordance with the terms stipulated under the grant awarded to the Company's collaborators at the Mayo Foundation from the U. S. Department of Defense. In various situations, the Company receives certain payments from the Mayo Foundation for reimbursement of clinical supplies. These payments are non-refundable and are not dependent on the Company's ongoing future performance. The Company has adopted a policy of recognizing these payments when received and as revenue in accordance with Accounting Standards Update No. 2014 09, "Revenue from Contracts with Customers (Topic 606)" issued by FASB.

In August 2021, the Company received notice of a Product Development Research award totaling approximately \$13.1 million from CPRIT to support the Phase 2 clinical trial of MT-401.

In accordance with ASC 730-20-25-8, to the extent the financial risk associated with the research and development has been transferred to CPRIT, because repayment of the grant depends solely on the results of research and development having future economic benefit, the Company accounts for this obligation as a contract to perform research and development for others. The funds received from CPRIT will initially be recorded as a deferred credit in the Company's balance sheet.

Restricted cash received from grants in advance of incurring qualifying costs is recorded as deferred revenue and recognized as revenue when qualifying costs are incurred. The Company recorded \$1.8 million of grant income related to the CPRIT grant as revenue for the six months ended June 30, 2022. At June 30, 2022, there were no restricted cash or deferred revenue amounts on the Company's condensed consolidated financial statements. At June 30, 2022, the Company recorded \$0.6 million of grant income receivable, which represented grant income earned in advance of the next tranche of funds to be received from CPRIT.

***New Accounting Standards***

From time to time, new accounting pronouncements are issued by FASB or other standard setting bodies that the Company adopts as of the specified effective date. Unless otherwise discussed, the Company does not believe that the impact of recently issued standards that are not yet effective will have a material impact on its consolidated financial position or results of operations upon adoption.

**NOTE 5: NET LOSS PER SHARE**

Basic loss per common share is computed by dividing net loss by the weighted average number of common shares outstanding during the reporting period. Diluted loss per common share is computed similarly to basic loss per common share except that it reflects the potential dilution that could occur if dilutive securities or other obligations to issue common stock were exercised or converted into common stock.

The following table sets forth the computation of net loss per share for the three and six months ended June 30, 2022 and 2021, respectively:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2022	2021	2022	2021
<b>Numerator:</b>				
Net loss	\$ (9,244,188)	\$ (10,906,782)	\$ (19,154,696)	\$ (19,686,232)
<b>Denominator:</b>				
Weighted average common shares outstanding	83,592,043	83,030,470	83,351,184	69,823,729
<b>Net loss per share:</b>				
Basic and diluted	\$ (0.11)	\$ (0.13)	\$ (0.23)	\$ (0.28)

The following securities, rounded to the nearest thousand, were not included in the diluted net loss per share calculation because their effect was anti-dilutive for the periods presented:

	For the Six Months Ended June 30,	
	2022	2021
Common stock options	9,959,000	7,461,000
Common stock purchase warrants	18,482,000	20,830,000
Potentially dilutive securities	28,441,000	28,291,000

**NOTE 6: PROPERTY AND EQUIPMENT**

Property and equipment consist of the following as of June 30, 2022 and December 31, 2021, respectively:

	<u>Estimated Useful Lives</u>	<u>June 30, 2022</u>	<u>December 31, 2021</u>
Lab and manufacturing equipment	5 Years	\$ 11,712,000	\$ 7,851,000
Computers, equipment and software	3-5 Years	1,108,000	1,020,000
Office furniture	5 Years	919,000	793,000
	Lesser of lease term or estimated useful		
Leasehold improvements	life	3,897,000	3,173,000
Total		17,636,000	12,837,000
Less: accumulated depreciation		(3,896,000)	(2,740,000)
Construction in progress		—	2,226,000
Total fixed assets, net		<u>\$ 13,740,000</u>	<u>\$ 12,323,000</u>

In connection with the manufacturing facility, the Company has incurred costs pursuant to an agreement with a vendor to design, engineer, build and eventually install a second modular cleanrooms in a manufacturing facility. The completion of the facility's construction occurred during April 2022 and the Company received its certificate of occupancy in May 2022, and as such was placed into service in June 2022. During the three months ended June 30, 2022, \$3.1 million of the costs previously recorded as construction in progress were recorded to lab and manufacturing equipment and \$0.9 million were recorded to leasehold improvements.

Depreciation expense for the three months ended June 30, 2022 and 2021 was approximately \$0.6 million and \$0.5 million, respectively. Depreciation expense for the six months ended June 30, 2022 and 2021 was approximately \$1.2 million and \$1.0 million, respectively.

\$16,000 of property and equipment transactions are included in accounts payable and accrued liabilities as of June 30, 2022.

**NOTE 7: LEASES**

The Company leases manufacturing, research and administrative facilities under operating leases. The Company evaluates its contracts to determine if an arrangement is a lease at inception and classify it as a finance or operating lease. Currently, all of the Company's leases are classified as operating leases. Leased assets and corresponding liabilities are recognized based on the present value of the lease payments over the lease term. The lease terms may include options to extend when it is reasonably certain that the Company will exercise that option.

Topic ASC 842 requires the Company to recognize in the statement of financial position a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. Right-of-use assets are recorded in other assets on the Company's condensed consolidated balance sheets. Current and non-current lease liabilities are recorded in other accruals within current liabilities and other non-current liabilities, respectively, on its condensed consolidated balance sheets. Costs associated with operating leases are recognized on a straight-line basis within operating expenses over the term of the lease.

As of June 30, 2022, the Company had total operating lease liabilities of approximately \$11.6 million and right-of-use assets of approximately \$9.3 million, which were included in the condensed consolidated balance sheet.

Such leases do not require any contingent rental payments, impose any financial restrictions, or contain any residual value guarantees. Certain of the Company's leases include renewal options and escalation clauses; renewal options have not been included in the calculation of the lease liabilities and right-of-use assets as the Company is not reasonably certain to exercise the options. Variable expenses generally represent the Company's share of the landlord's operating expenses. The Company does not act as a lessor or have any leases classified as financing leases.

[Table of Contents](#)

The following summarizes quantitative information about the Company's operating leases for the three and six months ended June 30, 2022 and 2021, respectively:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2022	2021	2022	2021
<b>Operating lease expense summary:</b>				
Operating lease expense	\$ 425,000	\$ 425,000	\$ 850,000	\$ 850,000
Short-term lease expense	8,000	—	11,000	—
Variable lease expense	226,000	129,000	405,000	262,000
<b>Total</b>	<b>\$ 659,000</b>	<b>\$ 554,000</b>	<b>\$ 1,266,000</b>	<b>\$ 1,112,000</b>
<b>Other information:</b>				
Operating cash flows - operating leases			\$ 633,000	\$ 477,000

The weighted-average remaining lease term as of June 30, 2022 and December 31, 2021 was approximately 8.0 years and 8.4 years, respectively. The weighted-average discount rate used to determine the operating lease liability as of June 30, 2022 and December 31, 2021 was approximately 5.7%.

Maturities of our operating leases, excluding short-term leases, are as follows:

Six months ending December 31, 2022	\$ 634,000
Year ended December 31, 2023	1,542,000
Year ended December 31, 2024	1,826,000
Year ended December 31, 2025	1,874,000
Year ended December 31, 2026	1,775,000
Thereafter	6,997,000
<b>Total</b>	<b>14,648,000</b>
Less present value discount	(3,090,000)
<b>Operating lease liabilities included in the Condensed Consolidated Balance Sheet at June 30, 2022</b>	<b>\$ 11,558,000</b>

**NOTE 8: ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

Accounts payable and accrued liabilities consist of the following as of June 30, 2022 and December 31, 2021, respectively:

	June 30, 2022	December 31, 2021
Accounts payable	\$ 1,767,000	\$ 5,144,000
Compensation and benefits	1,565,000	2,055,000
Process development expenses	357,000	385,000
Professional fees	491,000	644,000
Technology license fees	250,000	250,000
Arbitration settlement fees	—	2,407,000
Other	305,000	250,000
<b>Total accounts payable and accrued liabilities</b>	<b>\$ 4,735,000</b>	<b>\$ 11,135,000</b>

**NOTE 9: RELATED PARTY DEFERRED REVENUE**

On April 21, 2022, the Company entered into a binding services agreement, effective April 12, 2022, with Wilson Wolf Manufacturing Corporation ("Wilson Wolf"). Wilson Wolf is in the business of creating products and services intended to simplify and expedite the transition of cell therapies and gene-modified cell therapies to mainstream society (the "Wilson Wolf Mission"). Pursuant to the

agreement, Wilson Wolf made a cash payment to the Company in the amount of \$8.0 million, as consideration for certain training and research services allocated as follows:

- \$2.0 million for non-exclusive training of Wilson Wolf to make, use, and sell Marker's cell culture non-proprietary media formulation that has been cleared in an FDA investigational new drug application;
- \$1.0 million for non-exclusive training of Wilson Wolf to replicate Marker's quality management system inclusive of all underlying documents related thereto, none of which shall include unique information specific to the manufacture of Marker's MultiTAA product candidates such as direct peptide stimulation;
- \$2.0 million as a prepaid expense for non-exclusive training of Wilson Wolf to be able to replicate Marker's cGMP-compliant, linearly scalable, G-Rex based T-cell manufacturing process which Wilson Wolf shall use as it sees fit in pursuit of the Wilson Wolf Mission; and
- \$3.0 million for Marker to train Wilson Wolf on its expertise in the optimization of T-cell therapy manufacturing processes using G-Rex and to conduct CAR T and TCR G-Rex Optimization Work under the direction of Wilson Wolf (the "Work Direction"), whereunder all intellectual property provided by Wilson Wolf or created or derived by Marker will be solely owned by Wilson Wolf, and whereby Marker will make good faith efforts to complete the conduct of such work as soon as practicable within 18 months from the date of the agreement. Wilson Wolf has agreed to pay Marker an additional \$1.0 million if the Work Direction is completed within one year from the onset of the Agreement.

Pursuant to the Agreement, in the event that Marker becomes insolvent, goes out of business, or an event other than force majeure occurs that cannot allow the Agreement to be fulfilled, Wilson Wolf will have right of first offer and right of first refusal for Marker's manufacturing facility provided it is able and willing to meet whatever financial obligations are required to do so and provided further that such clause will not apply in the event of a merger, reorganization or consolidation of Marker with a third party that results in the outstanding voting securities of Marker immediately prior thereto ceasing to represent, or being converted into or exchanged for voting securities that do not represent, at least fifty percent (50)% of the combined voting power of the voting securities of the surviving entity or the parent corporation of the surviving entity immediately after such merger, reorganization or consolidation, or the sale or other transfer of all or substantially all of Marker's business or assets. Marker agrees to assist as needed to the extent permitted under any applicable law (including bankruptcy or insolvency statutes). Further, prior to Marker undertaking any financing that would encumber any of Marker's assets necessary for Marker's performance under this Agreement, Wilson Wolf shall have the first right to provide such financing on equal terms to what Marker can obtain elsewhere.

The Company plans to recognize related party revenue over time in accordance with Accounting Standard Codification, or ASC, 606 Revenue from Contracts with Customers, as each of the training or and research services are provided to Wilson Wolf. Revenue will be recognized, using an output method based on progress toward satisfaction of the performance obligations. Additionally, in accordance the spirit of the standard expressed in ASC 606-50-1, the timing of the revenue recognition is expected to be approximately 12 months. For the three-month period ending June 30, 2022, the Company did not recognize any revenues pursuant to this agreement and therefore at June 30, 2022, the Company recorded an \$8.0 million related party deferred revenue on its condensed consolidated balance sheet.

## **NOTE 10: STOCKHOLDERS' EQUITY**

### **Increase in Authorized Shares**

During the six months ended June 30, 2022, the Company's board of directors and stockholders approved a Certificate of Amendment (the "Amendment") to the Company's Certificate of Incorporation to increase the authorized shares of common stock of the Company from 150,000,000 shares to 300,000,000 shares. The Company filed the Amendment with the Secretary of State of Delaware on May 25, 2022.

### **Approval of Reverse Stock Split to be Effected at the Discretion of the Board of Directors**

During the six months ended June 30, 2022, the Company's board of directors and stockholders approved a series of alternate amendments to the Company's Certificate of Incorporation to effect a reverse stock split of the Company's common stock, where the board of directors will have the discretion to select the reverse stock split ratio from within a range between and including one-for-three and one-for-twelve. Such reverse stock split, and the reverse stock split ratio, will be at the sole discretion of the board of directors at any time prior to the Company's 2023 Annual Meeting of Stockholders. As of the date of this filing, the Company's board of directors has not approved any reverse stock split.

## Common Stock Transactions

### Issuance of Restricted Stock Units to Executives

During the six months ended June 30, 2022, upon the recommendation of the compensation committee and pursuant to the Company's 2020 Equity Incentive Plan, the Company's board of directors approved the issuance of a total of 372,512 shares of common stock subject to restricted stock units, which were immediately vested upon grant, to certain executives as performance bonuses for 2021 performance.

### Issuance of Stock Pursuant to ATM Agreement

During the six months ended June 30, 2022, the Company sold 148,000 shares of its common stock under the ATM Agreement for net proceeds of \$63,600.

### Share Purchase Warrants

A summary of the Company's share purchase warrants as of June 30, 2022 and changes during the period is presented below:

	Number of Warrants	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (in years)	Total Intrinsic Value
<b>Balance - January 1, 2022</b>	<b>19,830,000</b>	<b>\$ 4.42</b>	<b>1.70</b>	<b>\$ —</b>
Warrants granted	—	—	—	—
Expired or cancelled	(1,348,000)	3.97	—	—
<b>Balance - June 30, 2022</b>	<b>18,482,000</b>	<b>\$ 4.45</b>	<b>1.30</b>	<b>\$ —</b>

## NOTE 11: STOCK-BASED COMPENSATION

### Stock Options

#### 2022 Equity Incentive Awards

On February 17, 2022, pursuant to the Company's 2020 Equity Incentive Plan, the compensation committee of the Company's board of directors approved a total of 1,250,000 options to purchase the Company's common stock as equity-based incentive awards to the Company's executive officers. Each option award was granted with an exercise price of \$0.46 per share, the closing price of the Company's common stock on the Nasdaq Global Market on February 17, 2022, with the option award vesting in 48 equal monthly installments over a four-year period, subject to such executive officer's continued service on the applicable vesting date. Additionally, on February 17, 2022, the compensation committee of the Company's board of directors approved a total of 395,000 options to purchase the Company's common stock to non-executive employees of the Company as equity-based incentive awards. Each option award was granted with an exercise price of \$0.46 per share, the closing price of the Company's common stock on the Nasdaq Global Market on February 17, 2022, with the option award vesting in 48 equal monthly installments over a four-year period, subject to such employee's continued service on the applicable vesting date.

The above awards were in addition to 175,000 stock option awards issued during the three months ended March 31, 2022 to new employees upon their commencement of employment with the Company. Each option award was granted with an exercise price of \$1.00 per share, the closing price of the Company's common stock on the Nasdaq Global Market on January 3, 2022, with 25% of the option award vesting in one year and the remaining 75% vesting in 36 equal monthly installments thereafter over a three-year period, subject to such employee's continued service on the applicable vesting date.

Additionally, 210,000 stock option awards issued during the three months ended June 30, 2022 to new employees upon their commencement of employment with the Company. Each option award was granted with an exercise price of \$0.43 per share, the closing price of the Company's common stock on the Nasdaq Global Market on April 1, 2022, with 25% of the option award vesting in one year and the remaining 75% vesting in 36 equal monthly installments thereafter over a three-year period, subject to such employee's continued service on the applicable vesting date.

[Table of Contents](#)

Also, pursuant to the Company’s Non-Employee Director Compensation Policy, which had previously been approved by the Company’s board of directors, 400,000 stock option awards were issued during the three months ended June 30, 2022 to independent members of the board of directors of the Company. Each option award was granted with an exercise price of \$0.3377 per share, the closing price of the Company’s common stock on the Nasdaq Global Market on May 24, 2022. Each option award will vest in one year subject to the director’s continuance of service through May 24, 2023.

A summary of the Company’s stock option activity for the six months ended June 30, 2022 is as follows:

	Number of Shares	Weighted Average Exercise Price	Total Intrinsic Value	Weighted Average Remaining Contractual Life (in years)
Outstanding as of January 1, 2022	7,686,233	\$ 5.47	\$ —	7.7
Granted	2,430,000	0.48	—	9.6
Canceled/Expired	(156,772)	2.62	—	—
Outstanding as of June 30, 2022	9,959,461	\$ 4.30	\$ —	7.8
Options vested and exercisable	5,342,679	\$ 6.27	\$ —	6.9

The Black-Scholes option pricing model is used to estimate the fair value of stock options granted under the Company’s share-based compensation plans. The weighted average assumptions used in calculating the fair values of stock options that were granted during the six months ended June 30, 2022 was as follows:

	For the Six Months Ended June 30, 2022
Exercise price	\$ 0.48
Expected term (years)	5.9
Expected stock price volatility	85 %
Risk-free rate of interest	2 %
Expected dividend rate	0 %

The following table sets forth stock-based compensation expenses recorded during the respective periods:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2022	2021	2022	2021
Stock Compensation expenses:				
Research and development	\$ 732,000	\$ 709,000	\$ 1,485,000	\$ 1,405,000
General and administrative	769,000	943,000	1,647,000	1,624,000
Total stock compensation expenses	\$ 1,501,000	\$ 1,652,000	\$ 3,132,000	\$ 3,029,000

As of June 30, 2022, the total stock-based compensation cost related to unvested awards not yet recognized was \$6.3 million. The expected weighted average period compensation costs to be recognized was approximately 1.9 years. Future option grants will impact the compensation expense recognized.

**NOTE 12: GRANT INCOME**

In August 2021, the Company received notice of a Product Development Research award totaling approximately \$13.1 million from CPRIT to support the Company’s Phase 2 clinical trial of MT-401. The CPRIT award is intended to support the adjuvant arm of the Company’s Phase 2 clinical trial evaluating MT-401 when given as an adjuvant therapy to patients with acute myeloid leukemia following a hematopoietic stem cell transplant. The primary objectives of the adjuvant arm of the trial are to evaluate relapse-free survival after MT-401 treatment when compared with a randomized control group.

During the fourth quarter of 2021, the Company received \$2.4 million advancement of funds in relation to the CPRIT grant. The Company recorded \$1.8 million of grant income related to the CPRIT grant as revenue for the six months ended June 30, 2022. At June 30, 2022, there were no restricted cash or deferred revenue amounts on the Company's condensed consolidated financial statements. At June 30, 2022, the Company recorded \$0.6 million of grant income receivable, which represented grant income earned in advance of the next tranche of funds to be received from CPRIT.

#### NOTE 13: LEGAL PROCEEDINGS

From time to time, the Company may be party to ordinary, routine litigation incidental to their business. The Company knows of no material, active or pending legal proceedings against the Company, nor is the Company involved as a plaintiff in any material proceeding or pending litigation. There are no proceedings in which any of the Company's directors, officers or affiliates, or any registered or beneficial shareholder, is an adverse party or has a material interest adverse to the Company's interest.

An arbitration proceeding was brought against the Company before the Financial Industry Regulatory Authority, Inc. ("FINRA") by a broker seeking to be paid compensation for two financing transactions that occurred in 2018, a warrant conversion and a private placement brokered by another broker. The broker's claims were based on a placement agent agreement for a private placement it brokered in 2017, under which it alleged it was entitled to compensation for the 2018 transactions. The FINRA panel found in favor of the broker and awarded the broker \$2.4 million for compensation, interest and attorney fees. As of December 31, 2021, the Company recorded an accrual of \$2.4 million in accrued liabilities on its consolidated balance sheet and a \$2.4 million charge to other expenses. On September 17, 2021, the broker filed a petition to confirm the FINRA arbitration award in the Supreme Court of New York for the County of New York. The Company removed the case to the United States District Court for the Southern District of New York on September 27, 2021. On October 22, 2021, the Company filed a motion in federal court to vacate the award. On March 9, 2022, the Company was notified that its motion to vacate the award was denied and the broker was awarded an additional \$0.1 million in interest. Post judgment interest accrued at 1.02% until the judgement was paid. The Company paid the \$2.5 million judgement on March 24, 2022.

#### NOTE 14: RELATED PARTY TRANSACTIONS

The following table sets forth related party transaction expenses recorded for the three and six months ended June 30, 2022 and 2021, respectively.

	For the Three Months Ended		For the Six Months Ended	
	June 30,		June 30,	
	2022	2021	2022	2021
Baylor College of Medicine	\$ 285,000	\$ 841,000	\$ 1,142,000	\$ 1,263,000
Bio-Techne Corporation	—	114,000	101,000	160,000
Wilson Wolf Manufacturing Corporation	46,000	—	101,000	34,000
Total Research and development	<u>\$ 331,000</u>	<u>\$ 955,000</u>	<u>\$ 1,344,000</u>	<u>\$ 1,457,000</u>

\$0.1 million of related party transactions are included in accounts payable and accrued liabilities as of June 30, 2022.

#### Agreements with The Baylor College of Medicine ("BCM").

In November 2018, January 2020 and February 2020, the Company entered in Sponsored Research Agreements with BCM, which provided for the conduct of research for the Company by credentialed personnel at BCM's Center for Cell and Gene Therapy.

In September 2019, May 2020 and July 2021, the Company entered into Clinical Supply Agreements with BCM, which provided for BCM to provide to the Company multi tumor antigen specific products.

In October 2019, the Company entered in a Workforce Grant Agreement with BCM, which provided for BCM to provide to the Company manpower costs of projects for manufacturing, quality control testing and validation run activities.

In August 2020, the Company entered in a Clinical Trial Agreement with BCM, which provided for BCM to provide to the Company investigator-initiated research studies.



The Company has also entered into a Clinical Site Agreement with BCM, which provided for BCM to conduct clinical trials for the Company.

*Purchases from Bio-Techne Corporation.*

The Company is currently utilizing Bio-Techne Corporation and two of its brands for the purchases of reagents, primarily cytokines. Mr. David Eansor is a member of the Company's board of directors and was serving as the President of the Protein Sciences Segment of Bio-Techne Corporation. Mr. Eansor resigned from Bio-Techne Corporation on March 1, 2022, and as such, two months of transactions in 2022 are included in the table above.

*Purchases from Wilson Wolf Manufacturing Corporation.*

The Company is currently utilizing Wilson Wolf Manufacturing Corporation for the purchases of cell culture devices called G-Rexes. Mr. John Wilson is a member of the Company's board of directors and is serving as the CEO of Wilson Wolf Manufacturing Corporation. Wilson Wolf Manufacturing became a related party during fiscal year 2021 due to the amounts of the Company's purchases and as such, \$34,000 transactions for the period ended June 30, 2021 were included in the table above. Purchases from Wilson Wolf Manufacturing Corporation exclude amounts pertaining to the Related Party Deferred Revenue discussed in Note 9 above.

**NOTE 15: SUBSEQUENT EVENTS**

In August 2022, the Company implemented changes to the Company's organizational structure as part of an operational cost reduction plan to conserve the Company's available capital. In connection with these changes, the Company reduced headcount in its general and administrative function by approximately 23.5%, including the separation of the Company's Chief Financial Officer. The Company estimates that the severance and termination-related costs will total approximately \$0.7 million and will be recorded in the third quarter of 2022. The Company expects that the payment of these costs will be substantially complete in September of 2023.

## **Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations**

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*This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of Section 21E of the Securities and Exchange Act of 1934, as amended, that involve risks and uncertainties. All statements other than statements relating to historical matters including statements to the effect that we “believe”, “expect”, “anticipate”, “plan”, “target”, “intend” and similar expressions should be considered forward-looking statements. Our actual results could differ materially from those discussed in the forward-looking statements as a result of a number of important factors, including factors discussed in this section and elsewhere in this Quarterly Report on Form 10-Q, and the risks discussed in our other filings with the SEC. Such risks and uncertainties may be amplified by the COVID-19 pandemic and its potential impact on our business and the global economy. Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect management’s analysis, judgment, belief or expectation only as the date hereof. We assume no obligation to update these forward-looking statements to reflect events or circumstance that arise after the date hereof.*

*As used in this quarterly report: (i) the terms “we”, “us”, “our”, “Marker” and the “Company” mean Marker Therapeutics, Inc. and its wholly owned subsidiaries, Marker Cell Therapy, Inc. and GeneMax Pharmaceuticals Inc. which wholly owns GeneMax Pharmaceuticals Canada Inc., unless the context otherwise requires; (ii) “SEC” refers to the Securities and Exchange Commission; (iii) “Securities Act” refers to the Securities Act of 1933, as amended; (iv) “Exchange Act” refers to the Securities Exchange Act of 1934, as amended; and (v) all dollar amounts refer to United States dollars unless otherwise indicated.*

*The following should be read in conjunction with our unaudited condensed consolidated interim financial statements and related notes included in this Quarterly Report on Form 10-Q.*

### **Company Overview**

We are a clinical-stage immuno-oncology company specializing in the development and commercialization of novel T cell-based immunotherapies and innovative peptide-based vaccines for the treatment of hematological malignancies and solid tumor indications. We developed our lead product candidates from our MultiTAA-specific T cell technology, which is based on the manufacture of non-engineered, tumor-specific T cells that recognize multiple tumor-associated antigens, or TAAs. MultiTAA-specific T cells are able to recognize multiple tumor targets to produce broad spectrum anti-tumor activity. When infused into a cancer patient, the MultiTAA-specific T cells are designed to kill cancer cells expressing the TAA targets and potentially recruit the patient’s immune system to participate in the cancer killing process.

We licensed the underlying technology for MultiTAA-specific T cell therapy from BCM in March 2018. BCM had utilized the therapy in seven exploratory clinical trials. In these studies, BCM treated over 150 patients suffering from a variety of cancers including lymphoma, multiple myeloma, acute myeloid leukemia, acute lymphoblastic leukemia, pancreatic cancer, breast cancer and various sarcomas. In those studies, BCM saw evidence of clinical benefit, expansion of infused cells, epitope spreading, and decreased toxicity compared to other cellular therapies.

We are advancing three product candidates as part of our MultiTAA-specific T cell program for:

1. autologous treatment of lymphoma, and selected solid tumors
2. allogeneic T cells for the treatment of acute myeloid leukemia, or AML
3. off-the-shelf products in various indications

Our current clinical development programs are:

- MT-401 for the treatment of post-transplant AML, currently in a Phase 2 clinical trial
- MT-401-OTS for the treatment of AML, for which we expect to dose the first patient in a Phase 1 clinical trial in 2023
- MT-601 for the treatment of pancreatic cancer, for which we plan to submit an IND to the FDA in 2022 to initiate a Phase 1 trial in 2023
- MT-601 for the treatment of lymphoma, for which we submitted an IND to the FDA to initiate a Phase 1 trial in 2023

We believe that the simplicity of our manufacturing process allows additional modifications to expand MultiTAA-specific T cell recognition of cancer targets. For example, we are currently analyzing the potential for a 12-antigen MultiTAA-specific T cell therapy and assessing the potential for combination therapies for our MultiTAA-specific T cell products.

We have positioned ourselves to be in full control of our research and development and clinical manufacturing needs by establishing a fully validated, FDA registered, manufacturing facility. We believe that this has key advantages that distinguish us from our competitors, particularly because we are less reliant on contract manufacturing organizations, which are expensive and often have long lead times, shortages of skilled labor and a backlog of customers.

**Pipeline**

Our clinical-stage pipeline, including clinical trials being conducted by BCM and other partners, is set forth below:

## MultiTAA-Specific T Cell Platform Leading with AML



**Recent Developments**

***MT-601 for the Treatment of Lymphoma***

In August 2022, we announced that the United States Food and Drug Administration had accepted our Investigational New Drug application for MT-601 for the treatment of patients with lymphoma. We intend to initiate a Phase 1 trial of MT-601 in patients with Hodgkin or non-Hodgkin lymphomas in 2023.

***MT-401 for the Treatment of AML***

In August 2022, we provided the following program update for MT-401:

- Marker has enrolled 13 evaluable patients in total, including 6 in the Safety Lead-in cohorts.

[Table of Contents](#)

- 5 patients have been treated with MT-401 manufactured by a revised process and have completed dose-limiting toxicity (DLT) periods with no DLTs reported.
- One additional MRD+ patient was treated and became MRD- at 8 weeks after the first infusion.

**MT-401-OTS**

In August 2022, we announced that we remain on track to dose the first patient in 2023 with MT-401-OTS, a scalable, off-the-shelf product candidate with the potential to match patients to treatment in under three days. The Company is in the process of developing a patient cell bank inventory.

**Results of Operations**

In this discussion of our results of operations and financial condition, amounts in financial tables, other than per-share amounts, have been rounded to the nearest thousand.

**Comparison of the Three Months Ended June 30, 2022 and 2021**

The following table summarizes the results of our operations for the three months ended June 30, 2022 and 2021:

	For the Three Months Ended		Change	
	June 30,			
	2022	2021		
<b>Revenues:</b>				
Grant income	\$ 791,000	\$ —	\$ 791,000	100 %
Total revenues	791,000	—	791,000	100 %
<b>Operating expenses:</b>				
Research and development	6,555,000	7,350,000	(795,000)	(11)%
General and administrative	3,515,000	3,559,000	(44,000)	(1)%
Total operating expenses	10,070,000	10,909,000	(839,000)	(8)%
Loss from operations	(9,280,000)	(10,909,000)	1,629,000	(15)%
<b>Other income (expense):</b>				
Interest income	36,000	2,000	34,000	1,700 %
<b>Net loss</b>	<b>\$ (9,244,000)</b>	<b>\$ (10,907,000)</b>	<b>\$ 1,663,000</b>	<b>(15)%</b>
Net loss per share, basic and diluted	<u>\$ (0.11)</u>	<u>\$ (0.13)</u>	<u>\$ 0.02</u>	<u>(15)%</u>
Weighted average number of common shares outstanding	<u>83,592,000</u>	<u>83,030,000</u>	<u>562,000</u>	<u>1 %</u>

**Revenue**

We did not generate any revenue during the three months ended June 30, 2022 and 2021, respectively, from the sales or licensing of our product candidates.

In August 2021, we received notice of a Product Development Research award totaling approximately \$13.1 million from the Cancer Prevention and Research Institute of Texas, or CPRIT, to support our Phase 2 clinical trial of MT-401. During the three months ended June 30, 2022, we recognized \$0.8 million of revenue associated with the CPRIT grant.

**Operating Expenses**

Operating expenses incurred during the three months ended June 30, 2022 were \$10.1 million compared to \$10.9 million during the three months ended June 30, 2021.

Significant changes and expenditures in operating expenses are outlined as follows:

Research and Development Expenses

Research and development expenses decreased by 11% to \$6.6 million for the three months ended June 30, 2022, compared to \$7.4 million for the three months ended June 30, 2021.

The decrease of \$0.8 million in 2022 was primarily attributable to the following:

- decrease of \$0.8 million in process development expenses,
- decrease of \$0.6 million in sponsored research expenses from BCM agreements,
- decrease of \$0.3 million in technology licensing fees,
- decrease of \$0.1 million in other clinical expenses,
- decrease of \$0.1 million in recruiting expenses, offset by
- increase of \$0.6 million in headcount-related expenses,
- increase of \$0.3 million in maintenance and repairs at our manufacturing facility, and
- increase of \$0.2 million in expenses related to our AML clinical trial.

General and Administrative Expenses

General and administrative expenses were \$3.5 million and \$3.6 million for the three months ended June 30, 2022 and 2021, respectively.

**Other Income (Expense)**

Interest Income

Interest income was \$36,000 and \$2,000 for the three months ended June 30, 2022 and 2021, respectively, and was attributable to interest income relating to funds that are held in U.S. Treasury notes and U.S. government agency-backed securities.

**Net Loss**

The decrease in our net loss during the three months ended June 30, 2022 compared to the three months ended June 30, 2021 was due to the timing of process development expenses, lower costs associated with our BCM clinical supplies agreement and higher grant income, offset by the continued expansion of our research and development activities, increased expenses relating to future clinical trials, and the overall growth of our corporate infrastructure. We anticipate that we will continue to incur net losses in the future as we continue to invest in research and development activities, including clinical development of our MultiTAA T cell product candidates.

**Comparison of the Six Months Ended June 30, 2022 and 2021**

The following table summarizes the results of our operations for the six months ended June 30, 2022 and 2021:

	For the Six Months Ended June 30,		Change	
	2022	2021		
<b>Revenues:</b>				
Grant income	\$ 1,755,000	\$ —	\$ 1,755,000	100 %
Total revenues	1,755,000	—	1,755,000	100 %
<b>Operating expenses:</b>				
Research and development	13,581,000	12,993,000	588,000	5 %
General and administrative	7,248,000	6,697,000	551,000	8 %
Total operating expenses	20,830,000	19,690,000	1,140,000	6 %
Loss from operations	(19,075,000)	(19,690,000)	615,000	(3)%
<b>Other income (expense):</b>				
Loss on settlement	(119,000)	—	(119,000)	(100)%
Interest income	39,000	4,000	35,000	875 %
<b>Net loss</b>	<b>\$ (19,155,000)</b>	<b>\$ (19,686,000)</b>	<b>\$ 531,000</b>	<b>(3)%</b>
Net loss per share, basic and diluted	\$ (0.23)	\$ (0.28)	\$ 0.05	(18)%
Weighted average number of common shares outstanding	83,351,000	69,824,000	13,527,000	19 %

### Revenue

We did not generate any revenue during the six months ended June 30, 2022 and 2021, respectively, from the sales or licensing of our product candidates.

In August 2021, we received notice of a Product Development Research award totaling approximately \$13.1 million from the Cancer Prevention and Research Institute of Texas, or CPRIT, to support our Phase 2 clinical trial of MT-401. During the six months ended June 30, 2022, we recognized \$1.8 million of revenue associated with the CPRIT grant.

### Operating Expenses

Operating expenses incurred during the six months ended June 30, 2022 were \$20.8 million compared to \$19.7 million during the six months ended June 30, 2021.

Significant changes and expenditures in operating expenses are outlined as follows:

#### Research and Development Expenses

Research and development expenses increased by 5% to \$13.6 million for the six months ended June 30, 2022, compared to \$13.0 million for the six months ended June 30, 2021.

The increase of \$0.6 million in 2022 was primarily attributable to the following:

- increase of \$1.0 million in headcount-related expenses,
- increase of \$0.5 million in expenses related to our AML clinical trial.
- increase of \$0.3 million in maintenance and repairs at our manufacturing facility, offset by
- decrease of \$0.8 million in process development expenses,
- decrease of \$0.3 million in technology licensing fees, and
- decrease of \$0.1 million in consulting fees.

#### General and Administrative Expenses

General and administrative expenses were \$7.2 million and \$6.7 million for the six months ended June 30, 2022 and 2021, respectively.

[Table of Contents](#)

The increase of \$0.5 million in 2022 was primarily attributable to the following:

- increase of \$0.3 million in headcount-related expenses, and
- increase of \$0.2 million in rent and related utility expenses.

**Other Income (Expense)**

Arbitration settlement

An arbitration proceeding was brought against us before the Financial Industry Regulatory Authority, Inc., or FINRA by a broker seeking to be paid compensation for two financing transactions that occurred in 2018, a warrant conversion and a private placement, each brokered by another broker. The broker’s claims were based on a placement agent agreement for a private placement it brokered in 2017, under which it alleged it was entitled to compensation for the 2018 transactions. The FINRA panel found in favor of the broker and awarded the broker \$2.4 million for compensation, interest and attorney fees, which we recorded in the year ended December 31, 2021. We removed the case to the United States District Court for the Southern District of New York on September 27, 2021. On October 22, 2021, we filed a motion in federal court to vacate the award. On March 9, 2022, we were notified that our motion to vacate the award was denied and the broker was awarded an additional \$0.1 million in interest. Post judgment interest accrued at 1.02% until the judgement was paid. During the six months ended June 30, 2022, we recorded an additional \$0.1 million of expense related to this matter. We paid the \$2.5 million judgement on March 24, 2022.

Interest Income

Interest income was \$39,000 and \$4,000 for the six months ended June 30, 2022 and 2021, respectively, and was attributable to interest income relating to funds that are held in U.S. Treasury notes and U.S. government agency-backed securities.

**Net Loss**

The decrease in our net loss during the six months ended June 30, 2022 compared to the six months ended June 30, 2021 was due to the timing of process development expenses, lower costs associated with our BCM clinical supplies agreement and higher grant income, offset by the continued expansion of our research and development activities, increased expenses relating to future clinical trials, and the overall growth of our corporate infrastructure. We anticipate that we will continue to incur net losses in the future as we continue to invest in research and development activities, including clinical development of our MultiTAA T cell product candidates.

**Liquidity and Capital Resources**

We have not generated any revenues from product sales since inception. We have financed our operations primarily through public and private offerings of our debt and equity securities.

The following table sets forth our cash, cash equivalents and restricted cash and working capital as of June 30, 2022 and December 31, 2021:

	<b>June 30, 2022</b>	<b>December 31, 2021</b>
Cash, cash equivalents and restricted cash	\$ 25,822,000	\$ 43,497,000
Working capital	\$ 15,802,000	\$ 33,081,000

On April 21, 2022, the Company entered into a binding services agreement (the “Agreement”), effective April 12, 2022, with Wilson Wolf Manufacturing Corporation (“Wilson Wolf”). Mr. John Wilson is a member of the Company’s board of directors and is serving as the CEO of Wilson Wolf, therefore Wilson Wolf is a related party. Wilson Wolf is in the business of creating products and services intended to simply and expedite the transition of cell therapies and gene-modified cell therapies to mainstream society (the “Wilson Wolf Mission”). Pursuant to the Agreement, Wilson Wolf made a cash payment to the Company in the amount of \$8.0 million.

## Cash Flows

The following table summarizes our cash flows for the six months ended June 30, 2022 and 2021:

	For the Six Months Ended June 30,	
	2022	2021
Net cash provided by (used in):		
Operating activities	\$ (13,021,000)	\$ (14,886,000)
Investing activities	(4,718,000)	(1,801,000)
Financing activities	64,000	52,556,000
Net (decrease) increase in cash, cash equivalents and restricted cash	<u>\$ (17,675,000)</u>	<u>\$ 35,869,000</u>

### Operating Activities

Net cash used in operating activities during the six months ended June 30, 2022 was \$13.0 million compared to \$14.9 million for the same period last year. The changes in cash flow from operating activities during the six months ended June 30, 2022 were due to \$19.2 million of net losses and a \$1.3 million increase from changes in operating assets and liabilities. This was in addition to \$3.1 million of stock-based compensation, \$1.2 million of depreciation expense and \$0.5 million right-of-use asset amortization and lease liability accretion.

Net cash used in operating activities during the six months ended June 30, 2021 was \$14.9 million. The changes in cash flow used in operating activities during the six months ended June 30, 2021 were due to \$19.7 million of net losses and a \$0.2 million increase from changes in operating assets and liabilities. This was in addition to \$3.0 million of stock-based compensation, \$1.0 million of depreciation expense and \$0.5 million right-of-use asset amortization and lease liability accretion.

### Investing Activities

Net cash used in investing activities was \$4.7 million for the purchase of property and equipment and construction in progress related to the manufacturing facility during the six months ended June 30, 2022. The increase mainly relates to purchases of equipment for the manufacturing and research facilities.

Net cash used in investing activities was \$1.8 million for the purchase of property and equipment and construction in progress during the six months ended June 30, 2021. The increase relates to purchases of laboratory equipment for the manufacturing facility.

### Financing Activities

Net cash provided by financing activities was \$0.1 million during the six months ended June 30, 2022, due to sales of common stock under the ATM Agreement. Net cash provided by financing activities was \$52.6 million during the six months ended June 30, 2021, due to the net proceeds received from the underwritten public offering.

## Future Capital Requirements

To date, we have not generated any revenues from the commercial sale of approved drug products, and we do not expect to generate substantial revenue for at least the next several years. If we fail to complete the development of our product candidates in a timely manner or fail to obtain their regulatory approval, our ability to generate future revenue will be compromised. We do not know when, or if, we will generate any revenue from our product candidates, and we do not expect to generate significant revenue unless and until we obtain regulatory approval of, and commercialize, our product candidates. We expect our expenses to increase in connection with our ongoing activities, particularly as we continue the research and development of, continue or initiate clinical trials of and seek marketing approval for our product candidates. In addition, if we obtain approval for any of our product candidates, we expect to incur significant commercialization expenses related to sales, marketing, manufacturing and distribution. We anticipate that we will need substantial additional funding in connection with our continuing operations. If we are unable to raise capital when needed or on attractive terms, we could be forced to delay, reduce or eliminate our research and development programs or future commercialization efforts.



## [Table of Contents](#)

In August 2021, we received notice of a Product Development Research award totaling approximately \$13.1 million from CPRIT to support our Phase 2 clinical trial of MT-401. To date, we have received \$2.4 million of funds from the CPRIT grant.

As of June 30, 2022, we had working capital of \$15.8 million, compared to working capital of \$33.1 million as of December 31, 2021. Based on our revised clinical and research and development plans and our revised timing expectations related to the progress of our programs, we expect that our cash and cash equivalents as of June 30, 2022 will enable us to fund our operating expenses and capital expenditure requirements through the second quarter of 2023. We have based this estimate on assumptions that may prove to be wrong, and we could utilize our available capital resources sooner than we currently expect. Furthermore, our operating plans may change, and we may need additional funds sooner than planned in order to meet operational needs and capital requirements for product development and commercialization. Because of the numerous risks and uncertainties associated with the development and commercialization of our product candidates and the extent to which we may enter into additional collaborations with third parties to participate in their development and commercialization, we are unable to estimate the amounts of increased capital outlays and operating expenditures associated with our current and anticipated clinical trials. Our future funding requirements will depend on many factors, as we:

- initiate or continue clinical trials of our product candidates;
- continue the research and development of our product candidates and seek to discover additional product candidates; seek regulatory approvals for our product candidates if they successfully complete clinical trials;
- continue development of our manufacturing capabilities and our manufacturing facility;
- establish sales, marketing and distribution infrastructure and scale-up manufacturing capabilities to commercialize any product candidates that may receive regulatory approval;
- evaluate strategic transactions we may undertake; and
- enhance operational, financial and information management systems and hire additional personnel, including personnel to support development of our product candidates and, if a product candidate is approved, our commercialization efforts.

Because all of our product candidates are in the early stages of clinical and preclinical development and the outcome of these efforts is uncertain, we cannot estimate the actual amounts necessary to successfully complete the development and commercialization of product candidates or whether, or when, we may achieve profitability. Until such time, if ever, that we can generate substantial product revenue, we expect to finance our cash needs through a combination of equity or debt financings and collaboration arrangements.

We plan to continue to fund our operations and capital funding needs through equity and/or debt financing. We may also consider new collaborations or selectively partner our technology. To the extent that we raise additional capital through the sale of equity or convertible debt securities, the ownership interests of our stockholders will be diluted, and the terms may include liquidation or other preferences that adversely affect the rights of our existing stockholders' common stock. The incurrence of indebtedness would result in increased fixed payment obligations and could involve certain restrictive covenants, such as limitations on our ability to incur additional debt, limitations on our ability to acquire or license intellectual property rights and other operating restrictions that could adversely impact our ability to conduct our business. If we raise additional funds through strategic partnerships and alliances and licensing arrangements with third parties, we may have to relinquish valuable rights to our technologies or product candidates or grant licenses on terms unfavorable to us. We may also be required to pay damages or have liabilities associated with litigation or other legal proceedings involving our company.

In addition to the foregoing, based on the Company's current assessment, the Company does not expect any material impact on its long-term liquidity due to the COVID-19 pandemic. However, the Company will continue to assess the effect of the pandemic on its operations, including its clinical programs. The extent to which the COVID-19 pandemic will impact the Company's business and operations will depend on future developments that are highly uncertain and cannot be predicted with confidence, such as the geographic spread of the disease, the duration of the outbreak, the emergence of any new variant strains of COVID-19, the duration and effect of any future business disruptions in the United States and other countries to contain and treat the disease and the rate of public acceptance and efficacy of vaccines and other treatments. Further, disruption of global financial markets and a recession or market correction, including as a result of the COVID-19 pandemic, the ongoing military conflict between Russia and Ukraine and the related sanctions imposed against Russia, and other global macroeconomic factors such as inflation, could reduce the Company's ability to access capital, which could in the future negatively affect the Company's liquidity and could materially affect the Company's business and the value of its common stock.

On February 16, 2022, the Company received a notice from the Nasdaq Global Market that the Company was not in compliance with Nasdaq's Listing Rule 5450(a)(1), as the minimum bid price of its common stock had been below \$1.00 per share for 30 consecutive

business days. The Company has 180 calendar days, or until August 15, 2022, to regain compliance with the minimum bid price requirement. To regain compliance, the minimum bid price of the Company's common stock must meet or exceed \$1.00 per share for a minimum of ten consecutive business days during this 180-calendar day grace period. In the event the Company does not regain compliance with the minimum bid price requirement by August 15, 2022, the Company may be eligible for an additional 180-calendar day compliance period if it elects to transfer to the Nasdaq Capital Market to take advantage of the additional compliance period offered on that market. To qualify, the Company would be required to meet the continued listing requirement for market value of publicly held shares and all other initial listing standards for the Nasdaq Capital Market, with the exception of the bid price requirement, and would need to provide written notice of its intention to cure the bid price deficiency during the second compliance period. During the six months ended June 30, 2022, the Company's board of directors and stockholders approved a series of alternate amendments to the Company's Certificate of Incorporation to effect a reverse stock split of the Company's common stock, where the board of directors will have the discretion to select the reverse stock split ratio from within a range between and including one-for-three and one-for-twelve. Such reverse stock split, and the reverse stock split ratio, will be at the sole discretion of the board of directors at any time prior to the Company's 2023 Annual Meeting of Stockholders.

#### ***Aspire Common Stock Purchase Agreement***

In February 2020, we entered into a common stock purchase agreement, or the Purchase Agreement, with Aspire Capital Fund, LLC, or Aspire Capital, which provides that, upon the terms and subject to the conditions and limitations set forth therein, Aspire Capital is committed to purchase up to an aggregate of \$30.0 million of shares of our common stock over the 30-month term of the Purchase Agreement. As of December 31, 2021, Aspire Capital had purchased 4,113,440 shares under the Purchase Agreement, providing aggregate proceeds to the Company of approximately \$6.2 million. In consideration for entering into the Purchase Agreement, concurrently with the execution of the Purchase Agreement, the Company issued to Aspire Capital 345,357 shares of the Company's common stock.

The Purchase Agreement provides that we and Aspire Capital shall not effect any sales under the Purchase Agreement on any purchase date where the closing sale price of our common stock is less than \$0.25. There are no trading volume requirements or restrictions under the Purchase Agreement, and we will control the timing and amount of sales of our common stock to Aspire Capital. Aspire Capital has no right to require any sales by us but is obligated to make purchases from us as directed by us on future funding, rights of first refusal, participation rights, penalties, or liquidated damages in the Purchase Agreement. The Purchase Agreement may be terminated by us at any time, at its discretion, without any cost to us. Aspire Capital has agreed that neither it nor any of its agents, representatives and affiliates shall engage in any direct or indirect short-selling or hedging of our common stock during any time prior to the termination of the Purchase Agreement. We expect to use any proceeds under the Purchase Agreement for working capital and general corporate purposes.

The Purchase Agreement provides that the number of shares that may be sold pursuant to the Purchase Agreement will be limited to 9,232,814 shares, including the Commitment Shares, or the Exchange Cap, which represents 19.99% of our outstanding shares of common stock as of the date of the Purchase Agreement, unless stockholder approval is obtained to issue more than 19.99%. This limitation will not apply if, at any time the Exchange Cap is reached and at all times thereafter, the average price paid for all shares issued under the Purchase Agreement is equal to or greater than \$2.41, which was the closing price of our shares on the Nasdaq Global Market immediately preceding the execution of the Purchase Agreement. We are not required or permitted to issue any shares of common stock under the Purchase Agreement if such issuance would breach our obligations under the rules or regulations of the Nasdaq Global Market.

#### ***ATM Agreement***

In August 2021, the Company entered into a Controlled Equity Offering<sup>SM</sup> Sales Agreement (the "ATM Agreement") with Cantor Fitzgerald & Co. and RBC Capital Markets, LLC (the "Sales Agents"), pursuant to which the Company can offer and sell, from time to time at its sole discretion through the Sales Agents, shares of its common stock having an aggregate offering price of up to \$75.0 million. Any shares of its common stock sold will be issued pursuant to the Company's shelf registration statement on Form S-3 (File No. 333-258687), which the SEC declared effective on August 19, 2021. The shelf registration statement on Form S-3 includes a prospectus supplement covering the offering up to \$19.8 million of shares of common stock over the 12 months ending March 18, 2023 in accordance with the ATM agreement. The Sales Agents will be entitled to compensation under the Sales Agreement at a commission rate equal to 3.0% of the gross sales price per share sold under the ATM Agreement, and the Company has provided each of the Sales

Agents with indemnification and contribution rights. From April 1, 2022 to the date of this filing, the Company sold 148,000 shares of its common stock under the ATM Agreement for net proceeds of \$63,600.

### ***Going Concern***

We have no sources of revenue, other than grant income, to provide incoming cash flows to sustain our future operations. As outlined above, our ability to pursue our planned business activities is dependent upon our successful efforts to raise additional capital.

These factors raise substantial doubt regarding our ability to continue as a going concern. Our condensed consolidated financial statements have been prepared on a going concern basis, which implies that we will continue to realize our assets and discharge our liabilities in the normal course of business. Our financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should we be unable to continue as a going concern.

### ***Critical Accounting Policies***

The condensed consolidated financial statements are prepared in conformity with U.S. GAAP, which require the use of estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities at the date of the financial statements, and the reported amounts of expenses in the periods presented. We believe that the accounting estimates employed are appropriate and resulting balances are reasonable; however, due to inherent uncertainties in making estimates, actual results could differ from the original estimates, requiring adjustments to these balances in future periods. The critical accounting estimates that affect the condensed consolidated financial statements and the judgments and assumptions used are consistent with those described under Part II, Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2021.

### **Item 3. Quantitative and Qualitative Disclosures About Market Risk**

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to provide the information required under this item.

### **Item 4. Controls and Procedures**

#### **(a) Evaluation of Disclosure Controls and Procedures**

Our management, with the participation of our Chief Executive Officer and our Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this report. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in the reports we file or submit under the Exchange Act is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. Based on such evaluation, our Chief Executive Officer and our Chief Financial Officer have concluded that, as of the end of the period covered by this report, our disclosure controls and procedures are effective in recording, processing, summarizing and reporting, on a timely basis, information required to be disclosed by us in the reports that we file or submit under the Exchange Act.

It should be noted that any system of controls is based in part upon certain assumptions designed to obtain reasonable (and not absolute) assurance as to its effectiveness, and there can be no assurance that any design will succeed in achieving its stated goals.

Management does not expect that our internal control over financial reporting will prevent or detect all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control systems are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in a cost-effective control system, no evaluation of internal control over financial reporting can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, have been or will be detected.

**(b) Changes in Internal Control Over Financial Reporting**

There have been no changes in our internal controls over financial reporting during the six months ended June 30, 2022 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

**PART II – OTHER INFORMATION**

**Item 1. Legal Proceedings**

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From time to time, we may become involved in legal proceedings arising in the ordinary course of our business. We are not currently a party to any material legal proceedings, and we are not aware of any pending or threatened legal proceeding against us that we believe could have an adverse effect on our business, operating results or financial condition.

An arbitration proceeding was brought against us before the Financial Industry Regulatory Authority, Inc., or FINRA, by a broker seeking to be paid compensation for two financing transactions that occurred in 2018, a warrant conversion and a private placement brokered by another broker. The broker's claims were based on a placement agent agreement for a private placement it brokered in 2017, under which it alleged it was entitled to compensation for the 2018 transactions. The FINRA panel found in favor of the broker and awarded the broker \$2.4 million for compensation, interest and attorney fees. On September 17, 2021, the broker filed a petition to confirm the FINRA arbitration award in the Supreme Court of New York for the County of New York. We removed the case to the United States District Court for the Southern District of New York on September 27, 2021. On October 22, 2021, we filed a motion in federal court to vacate the award. On March 9, 2022, the Company was notified that its motion to vacate the award was denied and the broker was awarded an additional \$0.1 million in interest. Post judgment interest accrued at 1.02% until the judgement was paid. During the three months ended June 30, 2022, we recorded an additional \$0.1 million of expense related to this matter. We paid the \$2.5 million judgement on March 24, 2022.

**Item 1A. Risk Factors**

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Our business is subject to risks and events that, if they occur, could adversely affect our financial condition and results of operations and the trading price of our securities. In addition to the other information set forth in this quarterly report on Form 10-Q, you should carefully consider the factors described in Part I, Item 1A. "Risk Factors" of our Annual Report on Form 10-K for the fiscal year ended December 31, 2021, filed with the Securities and Exchange Commission on March 17, 2022. There have been no material changes to the risk factors described in that report.

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

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We did not record any issuances of unregistered securities during the six months ended June 30, 2022.

**Item 3. Defaults Upon Senior Securities**

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None.

**Item 4. Mine Safety Disclosure**

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Not applicable.

**Item 5. Other Information**

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**Organizational Restructuring**

In August 2022, we implemented changes to our organizational structure as part of an operational cost reduction plan to conserve our available capital. In connection with these changes, we reduced headcount in our general and administrative function by approximately 23.5%, including the separation of our Chief Financial Officer, Anthony Kim. We estimate that the severance and termination-related

costs will total approximately \$0.7 million and will be recorded in the third quarter of 2022. We expect that the payment of these costs will be substantially complete in September of 2023.

**Separation of Anthony Kim**

On August 10, 2022, we terminated Anthony Kim, our Chief Financial Officer, as part of our capital conservation measures, effective September 30, 2022 (the “Separation Date”). In connection with his termination, we intend to enter into a separation agreement with Mr. Kim (the “Separation Agreement”) that will provide for the terms of Mr. Kim’s separation from employment. Such Separation Agreement has not yet been finalized. We will provide a description of the material terms of the Separation Agreement by filing a Current Report on Form 8-K after the information is determined or becomes available.

On August 10, 2022, our board of directors appointed Michael Loiacono to serve as our principal financial and accounting officer, effective upon the Separation Date.

**Item 6. Exhibits**

The following exhibits are included with this Quarterly Report on Form 10-Q:

Exhibit number	Exhibit description	Incorporated by Reference			Filing date	Filed herewith
		Form	File no.	Exhibit		
3.1	<a href="#">Certificate of Incorporation (Delaware).</a>	8-K	001-37939	3.4	10/17/18	
3.1.1	<a href="#">Certificate of Amendment to Certificate of Incorporation.</a>	8-K	001-37939	3.1	5/27/2022	
3.2	<a href="#">Bylaws of Marker Therapeutics, Inc.</a>	8-K	001-37939	3.6	10/17/18	
10.1	<a href="#">Services Agreement, effective April 12, 2022, between Wilson Wolf Manufacturing Corporation and Marker Therapeutics, Inc.</a>	8-K	001-37939	10.1	4/26/2022	
10.2	<a href="#">Marker Therapeutics, Inc. 2020 Equity Incentive Plan, as amended</a>					X
31.1	<a href="#">Certification of Chief Executive Officer Pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1933, as amended.</a>					X
31.2	<a href="#">Certification of Chief Financial Officer Pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1933, as amended.</a>					X
32.1*	<a href="#">Certification of Chief Executive Officer Pursuant to 18 U.S.C. 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>					X
32.2*	<a href="#">Certification of Chief Financial Officer and Principal Financial Officer pursuant to 18 U.S.C. 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>					X

Exhibit 101

- 101.INS - XBRL Instance Document
- 101.SCH - XBRL Taxonomy Extension Schema Document
- 101.CAL - XBRL Taxonomy Extension Calculation Linkbase Document
- 101.DEF - XBRL Taxonomy Extension Definition Linkbase Document
- 101.LAB - XBRL Taxonomy Extension Label Linkbase Document
- 101.PRE - XBRL Taxonomy Extension Presentation Linkbase Document
- 104 - Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101 filed herewith).

\* Furnished herewith and not deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act (whether made before or after the date of the Form 10-Q), irrespective of any general incorporation language contained in such filing.

**SIGNATURES**

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: August 11, 2022

**MARKER THERAPEUTICS, INC.**

*/s/ Peter L. Hoang*

**Peter L. Hoang**

President, Chief Executive Officer and Principal Executive Officer

*/s/ Anthony Kim*

**Anthony Kim**

Chief Financial Officer and Principal Financial and Accounting Officer

**MARKER THERAPEUTICS, INC.  
2020 EQUITY INCENTIVE PLAN**

**ADOPTED BY THE BOARD OF DIRECTORS: APRIL 14, 2020**

**APPROVED BY THE STOCKHOLDERS: MAY 19, 2020**

**AMENDED BY THE BOARD OF DIRECTORS: APRIL 5, 2022**

**APPROVED BY THE STOCKHOLDERS: MAY 24, 2022**

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## TABLE OF CONTENTS

	<b>Page</b>
1. GENERAL.	1
2. SHARES SUBJECT TO THE PLAN.	1
3. ELIGIBILITY AND LIMITATIONS.	3
4. OPTIONS AND STOCK APPRECIATION RIGHTS.	4
5. AWARDS OTHER THAN OPTIONS AND STOCK APPRECIATION RIGHTS.	8
6. ADJUSTMENTS UPON CHANGES IN COMMON STOCK; OTHER CORPORATE EVENTS.	9
7. ADMINISTRATION.	12
8. TAX WITHHOLDING	14
9. MISCELLANEOUS.	15
10. COVENANTS OF THE COMPANY.	18
11. SEVERABILITY.	19
12. TERMINATION OF THE PLAN.	19
13. DEFINITIONS.	20

## 1. GENERAL.

(a) **Successor to and Continuation of Prior Plans.** The Plan is the successor to and continuation of the Prior Plans. As of the Effective Date, (i) no additional awards may be granted under the Prior Plans; (ii) the Prior Plans' Available Reserve plus any Returning Shares will become available for issuance pursuant to Awards granted under this Plan; and (iii) all outstanding awards granted under the Prior Plans will remain subject to the terms of the Prior Plans (except to the extent such outstanding awards result in Returning Shares that become available for issuance pursuant to Awards granted under this Plan). All Awards granted under this Plan will be subject to the terms of this Plan.

(b) **Plan Purpose.** The Company, by means of the Plan, seeks to secure and retain the services of Employees, Directors and Consultants, to provide incentives for such persons to exert maximum efforts for the success of the Company and any Affiliate and to provide a means by which such persons may be given an opportunity to benefit from increases in value of the Common Stock through the granting of Awards.

(c) **Available Awards.** The Plan provides for the grant of the following Awards: (i) Incentive Stock Options; (ii) Nonstatutory Stock Options; (iii) SARs; (iv) Restricted Stock Awards; (v) RSU Awards; (vi) Performance Awards; and (vii) Other Awards.

(d) **Adoption Date.** The Plan will come into existence on the Adoption Date. No Award may be granted under the Plan prior to the Adoption Date. Any Award granted prior to the Effective Date is contingent upon timely receipt of stockholder approval to the extent required under applicable tax, securities and regulatory rules, and satisfaction of any other compliance requirements.

## 2. SHARES SUBJECT TO THE PLAN.

(a) **Share Reserve.** Subject to adjustment in accordance with Section 2(d) and any adjustments as necessary to implement any Capitalization Adjustments, the aggregate number of shares of Common Stock that may be issued pursuant to Awards will not exceed the sum of (i) 8,500,000 new shares that were approved at the Company's 2022 Annual Meeting of Stockholders; plus (ii) 3,260,000 shares that were approved in connection with the initial adoption of the Plan as of the Effective Date; plus (iii) the Prior Plans' Available Reserve; plus (iv) the number of Returning Shares, if any, as such shares become available from time to time.

(b) **Fungible Share Counting.** Subject to adjustment in accordance with Section 2(d), the number of shares of Common Stock available for issuance under the Plan will be reduced by: (i) one share for each share of Common Stock issued pursuant to an Option or SAR with respect to which the exercise or strike price is at least 100% of the Fair Market Value of the Common Stock subject to the Option or SAR on the grant date (each, an "**Appreciation Award**"); and (ii) 1.23 shares for each share of Common Stock issued pursuant to any Award (other than an Appreciation Award) (each, a "**Full Value Award**").

(c) **Aggregate Incentive Stock Option Limit.** Notwithstanding anything to the contrary in Section 2(a) and subject to any adjustments as necessary to implement any

Capitalization Adjustments, the aggregate maximum number of shares of Common Stock that may be issued pursuant to the exercise of Incentive Stock Options is 57,818,394 shares.

**(d) Share Reserve Operation.**

**(i) Limit Applies to Common Stock Issued Pursuant to Awards.** For clarity, the Share Reserve is a limit on the number of shares of Common Stock that may be issued pursuant to Awards and does not limit the granting of Awards, except that the Company will keep available at all times the number of shares of Common Stock reasonably required to satisfy its obligations to issue shares pursuant to such Awards. Shares may be issued in connection with a merger or acquisition as permitted by, as applicable, Nasdaq Listing Rule 5635(c), NYSE Listed Company Manual Section 303A.08, NYSE American Company Guide Section 711 or other applicable rule, and such issuance will not reduce the number of shares available for issuance under the Plan.

**(ii) Actions that Do Not Constitute Issuance of Common Stock and Do Not Reduce Share Reserve.** The following actions do not result in an issuance of shares under the Plan and accordingly do not reduce the number of shares subject to the Share Reserve and available for issuance under the Plan: (1) the expiration or termination of any portion of an Award without the shares covered by such portion of the Award having been issued, (2) the settlement of any portion of an Award in cash (*i.e.*, the Participant receives cash rather than Common Stock), (3) the withholding of shares that would otherwise be issued by the Company to satisfy the exercise or strike price of an Appreciation Award; (4) the withholding of shares that would otherwise be issued by the Company to satisfy a tax withholding obligation in connection with an Appreciation Award.

**(iii) Reversion of Previously Issued Shares of Common Stock to Share Reserve.** The following shares of Common Stock previously issued pursuant to an Award and accordingly initially deducted from the Share Reserve will be added back to the Share Reserve and again become available for issuance under the Plan: (1) any shares that are forfeited back to or repurchased by the Company because of a failure to meet a contingency or condition required for the vesting of such shares; (2) any shares that are reacquired by the Company to satisfy the exercise or strike price of an Appreciation Award; and (3) any shares that are reacquired by the Company to satisfy a tax withholding obligation in connection with an Appreciation Award. For each share subject to a Full Value Award that is added back to the Share Reserve pursuant to this subsection, the number of shares of Common Stock available for issuance under the Plan will increase by 1.23 shares.

**(iv) Shares Not Available For Subsequent Issuance.** Any shares of Common Stock reacquired or withheld (or not issued) by the Company to satisfy the purchase price of a Full Value Award will no longer be available for issuance under the Plan, including any shares subject to a Full Value Award that are not delivered to a Participant because such Full Value Award is settled through a reduction of shares subject to such Full Value Award. In addition, any shares reacquired or withheld (or not issued) by the Company to satisfy a tax withholding obligation in connection with a Full Value Award, or any shares repurchased by the Company on the open market with the proceeds from the purchase price of a Full Value Award will no longer be available for issuance under the Plan.

### 3. ELIGIBILITY AND LIMITATIONS.

(a) **Eligible Award Recipients.** Subject to the terms of the Plan, Employees, Directors and Consultants are eligible to receive Awards.

(b) **Specific Award Limitations.**

(i) **Limitations on Incentive Stock Option Recipients.** Incentive Stock Options may be granted only to Employees of the Company or a “parent corporation” or “subsidiary corporation” thereof (as such terms are defined in Sections 424(e) and (f) of the Code).

(ii) **Incentive Stock Option \$100,000 Limitation.** To the extent that the aggregate Fair Market Value (determined at the time of grant) of Common Stock with respect to which Incentive Stock Options are exercisable for the first time by any Optionholder during any calendar year (under all plans of the Company and any Affiliates) exceeds \$100,000 (or such other limit established in the Code) or otherwise does not comply with the rules governing Incentive Stock Options, the Options or portions thereof that exceed such limit (according to the order in which they were granted) or otherwise do not comply with such rules will be treated as Nonstatutory Stock Options, notwithstanding any contrary provision of the applicable Option Agreement(s).

(iii) **Limitations on Incentive Stock Options Granted to Ten Percent Stockholders.** A Ten Percent Stockholder may not be granted an Incentive Stock Option unless (i) the exercise price of such Option is at least 110% of the Fair Market Value on the date of grant of such Option and (ii) the Option is not exercisable after the expiration of five years from the date of grant of such Option.

(iv) **Limitations on Nonstatutory Stock Options and SARs.** Nonstatutory Stock Options and SARs may not be granted to Employees, Directors and Consultants who are providing Continuous Service only to any “parent” of the Company (as such term is defined in Rule 405) unless the stock underlying such Awards is treated as “service recipient stock” under Section 409A because the Awards are granted pursuant to a corporate transaction (such as a spin off transaction) or unless such Awards otherwise comply with the distribution requirements of Section 409A.

(v) **Dividends and Dividend Equivalents.** Dividends or dividend equivalents may be paid or credited, as applicable, with respect to any shares of Common Stock subject to an Award, as determined by the Board and contained in the applicable Award Agreement; *provided, however*, that (i) no dividends or dividend equivalents may be paid with respect to any such shares before the date such shares have vested under the terms of such Award Agreement, (ii) any dividends or dividend equivalents that are credited with respect to any such shares will be subject to all of the terms and conditions applicable to such shares under the terms of such Award Agreement (including, but not limited to, any vesting conditions), and (iii) any dividends or dividend equivalents that are credited with respect to any such shares will be forfeited to the Company on the date, if any, such shares are forfeited to or repurchased by

the Company due to a failure to meet any vesting conditions under the terms of such Award Agreement.

**(c) Aggregate Incentive Stock Option Limit.** The aggregate maximum number of shares of Common Stock that may be issued pursuant to the exercise of Incentive Stock Options is the number of shares specified in Section 2(c).

**(d) Non-Employee Director Compensation Limit.** The aggregate value of all compensation granted or paid, as applicable, to any individual for service as a Non-Employee Director with respect to any calendar year, including Awards granted and cash fees paid by the Company to such Non-Employee Director, will not exceed (i) \$500,000 in total value or (ii) in the event such Non-Employee Director is first appointed or elected to the Board during such calendar year, \$750,000 in total value, in each case calculating the value of any equity awards based on the grant date fair value of such equity awards for financial reporting purposes.

#### **4. OPTIONS AND STOCK APPRECIATION RIGHTS.**

Each Option and SAR will have such terms and conditions as determined by the Board. Each Option will be designated in writing as an Incentive Stock Option or Nonstatutory Stock Option at the time of grant; provided, however, that if an Option is not so designated, then such Option will be a Nonstatutory Stock Option, and the shares purchased upon exercise of each type of Option will be separately accounted for. Each SAR will be denominated in shares of Common Stock equivalents. The terms and conditions of separate Options and SARs need not be identical; provided, however, that each Option Agreement and SAR Agreement will conform (through incorporation of provisions hereof by reference in the Award Agreement or otherwise) to the substance of each of the following provisions:

**(a) Term.** Subject to Section 3(b) regarding Ten Percent Stockholders, no Option or SAR will be exercisable after the expiration of ten years from the date of grant of such Award or such shorter period specified in the Award Agreement.

**(b) Exercise or Strike Price.** Subject to Section 3(b) regarding Ten Percent Stockholders, the exercise or strike price of each Option or SAR will not be less than 100% of the Fair Market Value on the date of grant of such Award. Notwithstanding the foregoing, an Option or SAR may be granted with an exercise or strike price lower than 100% of the Fair Market Value on the date of grant of such Award if such Award is granted pursuant to an assumption of or substitution for another option or stock appreciation right pursuant to a Corporate Transaction and in a manner consistent with the provisions of Sections 409A and, if applicable, 424(a) of the Code.

**(c) Exercise Procedure and Payment of Exercise Price for Options.** In order to exercise an Option, the Participant must provide notice of exercise to the Plan Administrator in accordance with the procedures specified in the Option Agreement or otherwise provided by the Company. The Board has the authority to grant Options that do not permit all of the following methods of payment (or otherwise restrict the ability to use certain methods) and to grant Options that require the consent of the Company to utilize a particular method of payment. The exercise price of an Option may be paid, to the extent permitted by Applicable Law and as

determined by the Board, by one or more of the following methods of payment to the extent set forth in the Option Agreement:

(i) by cash or check, bank draft or money order payable to the Company;

(ii) pursuant to a “cashless exercise” program developed under Regulation T as promulgated by the Federal Reserve Board that, prior to the issuance of the Common Stock subject to the Option, results in either the receipt of cash (or check) by the Company or the receipt of irrevocable instructions to pay the exercise price to the Company from the sales proceeds;

(iii) by delivery to the Company (either by actual delivery or attestation) of shares of Common Stock that are already owned by the Participant free and clear of any liens, claims, encumbrances or security interests, with a Fair Market Value on the date of exercise that does not exceed the exercise price, provided that (1) at the time of exercise the Common Stock is publicly traded, (2) any remaining balance of the exercise price not satisfied by such delivery is paid by the Participant in cash or other permitted form of payment, (3) such delivery would not violate any Applicable Law or agreement restricting the redemption of the Common Stock, (4) any certificated shares are endorsed or accompanied by an executed assignment separate from certificate, and (5) such shares have been held by the Participant for any minimum period necessary to avoid adverse accounting treatment as a result of such delivery;

(iv) if the Option is a Nonstatutory Stock Option, by a “net exercise” arrangement pursuant to which the Company will reduce the number of shares of Common Stock issuable upon exercise by the largest whole number of shares with a Fair Market Value on the date of exercise that does not exceed the exercise price, provided that (1) such shares used to pay the exercise price will not be exercisable thereafter and (2) any remaining balance of the exercise price not satisfied by such net exercise is paid by the Participant in cash or other permitted form of payment; or

(v) in any other form of consideration that may be acceptable to the Board and permissible under Applicable Law.

**(d) Exercise Procedure and Payment of Appreciation Distribution for SARs.** In order to exercise any SAR, the Participant must provide notice of exercise to the Plan Administrator in accordance with the SAR Agreement. The appreciation distribution payable to a Participant upon the exercise of a SAR will not be greater than an amount equal to the excess of (i) the aggregate Fair Market Value on the date of exercise of a number of shares of Common Stock equal to the number of Common Stock equivalents that are vested and being exercised under such SAR, over (ii) the strike price of such SAR. Such appreciation distribution may be paid to the Participant in the form of Common Stock or cash (or any combination of Common Stock and cash) or in any other form of payment, as determined by the Board and specified in the SAR Agreement.

**(e) Transferability.** Options and SARs may not be transferred to third party financial institutions for value. The Board may impose such additional limitations on the transferability of an Option or SAR as it determines. In the absence of any such determination

by the Board, the following restrictions on the transferability of Options and SARs will apply, provided that except as explicitly provided herein, neither an Option nor a SAR may be transferred for consideration and *provided, further*, that if an Option is an Incentive Stock Option, such Option may be deemed to be a Nonstatutory Stock Option as a result of such transfer:

**(i) Restrictions on Transfer.** An Option or SAR will not be transferable, except by will or by the laws of descent and distribution, and will be exercisable during the lifetime of the Participant only by the Participant; provided, however, that the Board may permit transfer of an Option or SAR in a manner that is not prohibited by applicable tax and securities laws upon the Participant's request, including to a trust if the Participant is considered to be the sole beneficial owner of such trust (as determined under Section 671 of the Code and applicable state law) while such Option or SAR is held in such trust, provided that the Participant and the trustee enter into a transfer and other agreements required by the Company.

**(ii) Domestic Relations Orders.** Notwithstanding the foregoing, subject to the execution of transfer documentation in a format acceptable to the Company and subject to the approval of the Board or a duly authorized Officer, an Option or SAR may be transferred pursuant to a domestic relations order.

**(f) Vesting.** The Board may impose such restrictions on or conditions to the vesting and/or exercisability of an Option or SAR as determined by the Board. Except as otherwise provided in the Award Agreement or other written agreement between a Participant and the Company or an Affiliate, vesting of Options and SARs will cease upon termination of the Participant's Continuous Service.

**(g) Termination of Continuous Service for Cause.** Except as explicitly otherwise provided in the Award Agreement or other written agreement between a Participant and the Company or an Affiliate, if a Participant's Continuous Service is terminated for Cause, the Participant's Options and SARs will terminate and be forfeited immediately upon such termination of Continuous Service, and the Participant will be prohibited from exercising any portion (including any vested portion) of such Awards on and after the date of such termination of Continuous Service and the Participant will have no further right, title or interest in such forfeited Award, the shares of Common Stock subject to the forfeited Award, or any consideration in respect of the forfeited Award.

**(h) Post-Termination Exercise Period Following Termination of Continuous Service for Reasons Other than Cause.** Subject to Section 4(i), if a Participant's Continuous Service terminates for any reason other than for Cause, the Participant may exercise his or her Option or SAR to the extent vested, but only within the following period of time or, if applicable, such other period of time provided in the Award Agreement or other written agreement between a Participant and the Company or an Affiliate; provided, however, that in no event may such Award be exercised after the expiration of its maximum term (as set forth in Section 4(a)):

**(i)** three months following the date of such termination if such termination is a termination without Cause (other than any termination due to the Participant's Disability or death);

(ii) 12 months following the date of such termination if such termination is due to the Participant's Disability;

(iii) 18 months following the date of such termination if such termination is due to the Participant's death; or

(iv) 18 months following the date of the Participant's death if such death occurs following the date of such termination but during the period such Award is otherwise exercisable (as provided in (i) or (ii) above).

Following the date of such termination, to the extent the Participant does not exercise such Award within the applicable Post-Termination Exercise Period (or, if earlier, prior to the expiration of the maximum term of such Award), such unexercised portion of the Award will terminate, and the Participant will have no further right, title or interest in the terminated Award, the shares of Common Stock subject to the terminated Award, or any consideration in respect of the terminated Award.

(i) **Restrictions on Exercise; Extension of Exercisability.** A Participant may not exercise an Option or SAR at any time that the issuance of shares of Common Stock upon such exercise would violate Applicable Law. Except as otherwise provided in the Award Agreement or other written agreement between a Participant and the Company or an Affiliate, if a Participant's Continuous Service terminates for any reason other than for Cause and, at any time during the last thirty days of the applicable Post-Termination Exercise Period: (i) the exercise of the Participant's Option or SAR would be prohibited solely because the issuance of shares of Common Stock upon such exercise would violate Applicable Law, or (ii) the immediate sale of any shares of Common Stock issued upon such exercise would violate the Company's Trading Policy, then the applicable Post-Termination Exercise Period will be extended to the last day of the calendar month that commences following the date the Award would otherwise expire, with an additional extension of the exercise period to the last day of the next calendar month to apply if any of the foregoing restrictions apply at any time during such extended exercise period, generally without limitation as to the maximum permitted number of extensions); provided, however, that in no event may such Award be exercised after the expiration of its maximum term (as set forth in Section 4(a)).

(j) **Non-Exempt Employees.** No Option or SAR, whether or not vested, granted to an Employee who is a non-exempt employee for purposes of the Fair Labor Standards Act of 1938, as amended, will be first exercisable for any shares of Common Stock until at least six months following the date of grant of such Award. Notwithstanding the foregoing, in accordance with the provisions of the Worker Economic Opportunity Act, any vested portion of such Award may be exercised earlier than six months following the date of grant of such Award in the event of (i) such Participant's death or Disability, (ii) a Corporate Transaction in which such Award is not assumed, continued or substituted, (iii) a Change in Control, or (iv) such Participant's retirement (as such term may be defined in the Award Agreement or another applicable agreement or, in the absence of any such definition, in accordance with the Company's then current employment policies and guidelines). This Section 4(j) is intended to operate so that any income derived by a non-exempt employee in connection with the exercise or vesting of an Option or SAR will be exempt from his or her regular rate of pay.



**(k) Whole Shares.** Options and SARs may be exercised only with respect to whole shares of Common Stock or their equivalents.

**5. AWARDS OTHER THAN OPTIONS AND STOCK APPRECIATION RIGHTS.**

**(a) Restricted Stock Awards and RSU Awards.** Each Restricted Stock Award and RSU Award will have such terms and conditions as determined by the Board; provided, however, that each Restricted Stock Award Agreement and RSU Award Agreement will conform (through incorporation of the provisions hereof by reference in the Award Agreement or otherwise) to the substance of each of the following provisions:

**(i) Form of Award.**

**(1) RSAs:** To the extent consistent with the Company's Bylaws, at the Board's election, shares of Common Stock subject to a Restricted Stock Award may be (i) held in book entry form subject to the Company's instructions until such shares become vested or any other restrictions lapse, or (ii) evidenced by a certificate, which certificate will be held in such form and manner as determined by the Board. Unless otherwise determined by the Board, a Participant will have voting and other rights as a stockholder of the Company with respect to any shares subject to a Restricted Stock Award.

**(2) RSUs:** A RSU Award represents a Participant's right to be issued on a future date the number of shares of Common Stock that is equal to the number of restricted stock units subject to the RSU Award. As a holder of a RSU Award, a Participant is an unsecured creditor of the Company with respect to the Company's unfunded obligation, if any, to issue shares of Common Stock in settlement of such Award and nothing contained in the Plan or any RSU Agreement, and no action taken pursuant to its provisions, will create or be construed to create a trust of any kind or a fiduciary relationship between a Participant and the Company or an Affiliate or any other person. A Participant will not have voting or any other rights as a stockholder of the Company with respect to any RSU Award (unless and until shares are actually issued in settlement of a vested RSU Award).

**(ii) Consideration.**

**(1) RSA:** A Restricted Stock Award may be granted in consideration for (A) cash or check, bank draft or money order payable to the Company, (B) past services to the Company or an Affiliate, or (C) any other form of consideration (including future services) as the Board may determine and permissible under Applicable Law.

**(2) RSU:** Unless otherwise determined by the Board at the time of grant, a RSU Award will be granted in consideration for the Participant's services to the Company or an Affiliate, such that the Participant will not be required to make any payment to the Company (other than such services) with respect to the grant or vesting of the RSU Award, or the issuance of any shares of Common Stock pursuant to the RSU Award. If, at the time of grant, the Board determines that any consideration must be paid by the Participant (in a form other than the Participant's services to the Company or an Affiliate) upon the issuance of any shares of Common Stock in settlement of the RSU Award, such consideration may be paid in any form of consideration as the Board may determine and permissible under Applicable Law.

**(iii) Vesting.** The Board may impose such restrictions on or conditions to the vesting of a Restricted Stock Award or RSU Award as determined by the Board. Except as otherwise provided in the Award Agreement or other written agreement between a Participant and the Company or an Affiliate, vesting of Restricted Stock Awards and RSU Awards will cease upon termination of the Participant's Continuous Service.

**(iv) Termination of Continuous Service.** Except as otherwise provided in the Award Agreement or other written agreement between a Participant and the Company or an Affiliate, if a Participant's Continuous Service terminates for any reason, (i) the Company may receive through a forfeiture condition or a repurchase right any or all of the shares of Common Stock held by the Participant under his or her Restricted Stock Award that have not vested as of the date of such termination as set forth in the Restricted Stock Award Agreement and (ii) any portion of his or her RSU Award that has not vested will be forfeited upon such termination and the Participant will have no further right, title or interest in the RSU Award, the shares of Common Stock issuable pursuant to the RSU Award, or any consideration in respect of the RSU Award.

**(v) Dividends and Dividend Equivalents.** Subject to Section 3(b)(v), dividends or dividend equivalents may be paid or credited, as applicable, with respect to any shares of Common Stock subject to a Restricted Stock Award or RSU Award, as determined by the Board and specified in the Award Agreement.

**(vi) Settlement of RSU Awards.** A RSU Award may be settled by the issuance of shares of Common Stock or cash (or any combination thereof) or in any other form of payment, as determined by the Board and specified in the RSU Award Agreement. At the time of grant, the Board may determine to impose such restrictions or conditions that delay such delivery to a date following the vesting of the RSU Award.

**(b) Performance Awards.** With respect to any Performance Award, the length of any Performance Period, the Performance Goals to be achieved during the Performance Period, the other terms and conditions of such Award, and the measure of whether and to what degree such Performance Goals have been attained will be determined by the Board.

**(c) Other Awards.** Other forms of Awards valued in whole or in part by reference to, or otherwise based on, Common Stock, including the appreciation in value thereof (e.g., options or stock rights with an exercise price or strike price less than 100% of the Fair Market Value at the time of grant) may be granted either alone or in addition to Awards provided for under Section 4 and the preceding provisions of this Section 5. Subject to the provisions of the Plan, the Board will have sole and complete discretion to determine the persons to whom and the time or times at which such Other Awards will be granted, the number of shares of Common Stock (or the cash equivalent thereof) to be granted pursuant to such Other Awards and all other terms and conditions of such Other Awards.

## **6. ADJUSTMENTS UPON CHANGES IN COMMON STOCK; OTHER CORPORATE EVENTS.**

**(a) Capitalization Adjustments.** In the event of a Capitalization Adjustment, the Board shall appropriately and proportionately adjust: (i) the class(es) and maximum number of

shares of Common Stock subject to the Plan pursuant to Section 2(a), (ii) the class(es) and maximum number of shares that may be issued pursuant to the exercise of Incentive Stock Options pursuant to Section 2(a), and (iii) the class(es) and number of securities and exercise price, strike price or purchase price of Common Stock subject to outstanding Awards. The Board shall make such adjustments, and its determination shall be final, binding and conclusive. Notwithstanding the foregoing, no fractional shares or rights for fractional shares of Common Stock shall be created in order to implement any Capitalization Adjustment. The Board shall determine an appropriate equivalent benefit, if any, for any fractional shares or rights to fractional shares that might be created by the adjustments referred to in the preceding provisions of this Section.

**(b) Dissolution or Liquidation.** Except as otherwise provided in the Award Agreement, in the event of a dissolution or liquidation of the Company, all outstanding Awards (other than Awards consisting of vested and outstanding shares of Common Stock not subject to a forfeiture condition or the Company's right of repurchase) will terminate immediately prior to the completion of such dissolution or liquidation, and the shares of Common Stock subject to the Company's repurchase rights or subject to a forfeiture condition may be repurchased or reacquired by the Company notwithstanding the fact that the holder of such Award is providing Continuous Service, provided, however, that the Board may determine to cause some or all Awards to become fully vested, exercisable and/or no longer subject to repurchase or forfeiture (to the extent such Awards have not previously expired or terminated) before the dissolution or liquidation is completed but contingent on its completion.

**(c) Corporate Transaction.** The following provisions will apply to Awards in the event of a Corporate Transaction unless otherwise provided in the instrument evidencing the Award or any other written agreement between the Company or any Affiliate and the Participant or unless otherwise expressly provided by the Board at the time of grant of an Award.

**(i) Awards May Be Assumed.** In the event of a Corporate Transaction, any surviving corporation or acquiring corporation (or the surviving or acquiring corporation's parent company) may assume or continue any or all Awards outstanding under the Plan or may substitute similar awards for Awards outstanding under the Plan (including but not limited to, awards to acquire the same consideration paid to the stockholders of the Company pursuant to the Corporate Transaction), and any reacquisition or repurchase rights held by the Company in respect of Common Stock issued pursuant to Awards may be assigned by the Company to the successor of the Company (or the successor's parent company, if any), in connection with such Corporate Transaction. A surviving corporation or acquiring corporation (or its parent) may choose to assume or continue only a portion of an Award or substitute a similar award for only a portion of an Award, or may choose to assume or continue the Awards held by some, but not all Participants. The terms of any assumption, continuation or substitution will be set by the Board.

**(ii) Awards Held by Current Participants.** In the event of a Corporate Transaction in which the surviving corporation or acquiring corporation (or its parent company) does not assume or continue such outstanding Awards or substitute similar awards for such outstanding Awards, then with respect to Awards that have not been assumed, continued or substituted and that are held by Participants whose Continuous Service has not terminated prior to the effective time of the Corporate Transaction (referred to as the "***Current Participants***"),

the vesting of such Awards (and, with respect to Options and Stock Appreciation Rights, the time when such Awards may be exercised) will be accelerated in full to a date prior to the effective time of such Corporate Transaction (contingent upon the effectiveness of the Corporate Transaction) as the Board determines (or, if the Board does not determine such a date, to the date that is five (5) days prior to the effective time of the Corporate Transaction), and such Awards will terminate if not exercised (if applicable) at or prior to the effective time of the Corporate Transaction, and any reacquisition or repurchase rights held by the Company with respect to such Awards will lapse (contingent upon the effectiveness of the Corporate Transaction). With respect to the vesting of Performance Awards that will accelerate upon the occurrence of a Corporate Transaction pursuant to this subsection (ii) and that have multiple vesting levels depending on the level of performance, unless otherwise provided in the Award Agreement, the vesting of such Performance Awards will accelerate at 100% of the target level upon the occurrence of the Corporate Transaction. With respect to the vesting of Awards that will accelerate upon the occurrence of a Corporate Transaction pursuant to this subsection (ii) and are settled in the form of a cash payment, such cash payment will be made no later than 30 days following the occurrence of the Corporate Transaction.

**(iii) Awards Held by Persons other than Current Participants.** In the event of a Corporate Transaction in which the surviving corporation or acquiring corporation (or its parent company) does not assume or continue such outstanding Awards or substitute similar awards for such outstanding Awards, then with respect to Awards that have not been assumed, continued or substituted and that are held by persons other than Current Participants, such Awards will terminate if not exercised (if applicable) prior to the occurrence of the Corporate Transaction; provided, however, that any reacquisition or repurchase rights held by the Company with respect to such Awards will not terminate and may continue to be exercised notwithstanding the Corporate Transaction.

**(iv) Payment for Awards in Lieu of Exercise.** Notwithstanding the foregoing, in the event an Award will terminate if not exercised prior to the effective time of a Corporate Transaction, the Board may provide, in its sole discretion, that the holder of such Award may not exercise such Award but will receive a payment, in such form as may be determined by the Board, equal in value, at the effective time, to the excess, if any, of (1) the value of the property the Participant would have received upon the exercise of the Award (including, at the discretion of the Board, any unvested portion of such Award), over (2) any exercise price payable by such holder in connection with such exercise.

**(d) Appointment of Stockholder Representative.** As a condition to the receipt of an Award under this Plan, a Participant will be deemed to have agreed that the Award will be subject to the terms of any agreement governing a Corporate Transaction involving the Company, including, without limitation, a provision for the appointment of a stockholder representative that is authorized to act on the Participant's behalf with respect to any escrow, indemnities and any contingent consideration.

**(e) No Restriction on Right to Undertake Transactions.** The grant of any Award under the Plan and the issuance of shares pursuant to any Award does not affect or restrict in any way the right or power of the Company or the stockholders of the Company to make or authorize any adjustment, recapitalization, reorganization or other change in the Company's capital

structure or its business, any merger or consolidation of the Company, any issue of stock or of options, rights or options to purchase stock or of bonds, debentures, preferred or prior preference stocks whose rights are superior to or affect the Common Stock or the rights thereof or which are convertible into or exchangeable for Common Stock, or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise.

## 7. ADMINISTRATION.

**(a) Administration by Board.** The Board will administer the Plan unless and until the Board delegates administration of the Plan to a Committee or Committees, as provided in subsection (c) below.

**(b) Powers of Board.** The Board will have the power, subject to, and within the limitations of, the express provisions of the Plan:

**(i)** To determine from time to time (1) which of the persons eligible under the Plan will be granted Awards; (2) when and how each Award will be granted; (3) what type or combination of types of Award will be granted; (4) the provisions of each Award granted (which need not be identical), including the time or times when a person will be permitted to receive an issuance of Common Stock or other payment pursuant to an Award; (5) the number of shares of Common Stock or cash equivalent with respect to which an Award will be granted to each such person; and (6) the Fair Market Value applicable to an Award.

**(ii)** To construe and interpret the Plan and Awards granted under it, and to establish, amend and revoke rules and regulations for its administration. The Board, in the exercise of this power, may correct any defect, omission or inconsistency in the Plan or in any Award Agreement, in a manner and to the extent it deems necessary or expedient to make the Plan or Award fully effective.

**(iii)** To settle all controversies regarding the Plan and Awards granted under it.

**(iv)** To accelerate the time at which an Award may first be exercised or the time during which an Award or any part thereof will vest, notwithstanding the provisions in the Award Agreement stating the time at which it may first be exercised or the time during which it will vest.

**(v)** To prohibit the exercise of any Option, SAR or other exercisable Award during a period of up to 30 days prior to the consummation 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 change affecting the shares of Common Stock or the share price of the Common Stock including any Corporate Transaction, for reasons of administrative convenience.

**(vi)** To suspend or terminate the Plan at any time. Suspension or termination of the Plan will not Materially Impair rights and obligations under any Award granted while the Plan is in effect except with the written consent of the affected Participant.

(vii) To amend the Plan in any respect the Board deems necessary or advisable; provided, however, that stockholder approval will be required for any amendment to the extent required by Applicable Law. Except as provided above, rights under any Award granted before amendment of the Plan will not be Materially Impaired by any amendment of the Plan unless (1) the Company requests the consent of the affected Participant, and (2) such Participant consents in writing.

(viii) To submit any amendment to the Plan for stockholder approval.

(ix) To approve forms of Award Agreements for use under the Plan and to amend the terms of any one or more Awards, including, but not limited to, amendments to provide terms more favorable to the Participant than previously provided in the Award Agreement, subject to any specified limits in the Plan that are not subject to Board discretion; *provided however*, that, a Participant's rights under any Award will not be Materially Impaired by any such amendment unless (1) the Company requests the consent of the affected Participant, and (2) such Participant consents in writing.

(x) Generally, to exercise such powers and to perform such acts as the Board deems necessary or expedient to promote the best interests of the Company and that are not in conflict with the provisions of the Plan or Awards.

(xi) To adopt such procedures and sub-plans as are necessary or appropriate to permit and facilitate participation in the Plan by, or take advantage of specific tax treatment for Awards granted to, Employees, Directors or Consultants who are foreign nationals or employed outside the United States (provided that Board approval will not be necessary for immaterial modifications to the Plan or any Award Agreement to ensure or facilitate compliance with the laws of the relevant foreign jurisdiction).

**(c) Delegation to Committee.**

(i) **General.** The Board may delegate some or all of the administration of the Plan to a Committee or Committees. If administration of the Plan is delegated to a Committee, the Committee will have, in connection with the administration of the Plan, the powers theretofore possessed by the Board that have been delegated to the Committee, including the power to delegate to another Committee or a subcommittee of the Committee any of the administrative powers the Committee is authorized to exercise (and references in this Plan to the Board will thereafter be to the Committee or subcommittee), subject, however, to such resolutions, not inconsistent with the provisions of the Plan, as may be adopted from time to time by the Board. Each Committee may retain the authority to concurrently administer the Plan with Committee or subcommittee to which it has delegated its authority hereunder and may, at any time, revert in such Committee some or all of the powers previously delegated. The Board may retain the authority to concurrently administer the Plan with any Committee and may, at any time, revert in the Board some or all of the powers previously delegated.

(ii) **Rule 16b-3 Compliance.** To the extent an Award is intended to qualify for the exemption from Section 16(b) of the Exchange Act that is available under Rule 16b-3 of the Exchange Act, the Award will be granted by the Board or a Committee that consists solely

of two or more Non-Employee Directors, as determined under Rule 16b-3(b)(3) of the Exchange Act and thereafter any action establishing or modifying the terms of the Award will be approved by the Board or a Committee meeting such requirements to the extent necessary for such exemption to remain available.

**(d) Effect of Board's Decision.** All determinations, interpretations and constructions made by the Board or any Committee in good faith will not be subject to review by any person and will be final, binding and conclusive on all persons.

**(e) Cancellation and Re-Grant of Awards.** Neither the Board nor any Committee will have the authority to: (i) reduce the exercise price or strike price of any outstanding Options or SARs under the Plan, or (ii) cancel any outstanding Options or SARs that have an exercise price or strike price greater than the current Fair Market Value in exchange for cash or other Awards under the Plan, unless the stockholders of the Company have approved such an action within twelve months prior to such an event.

**(f) Delegation to an Officer.** The Board or any Committee may delegate to one or more Officers the authority to do one or both of the following (i) designate Employees who are not Officers to be recipients of Options and SARs (and, to the extent permitted by Applicable Law, other types of Awards) and, to the extent permitted by Applicable Law, the terms thereof, and (ii) determine the number of shares of Common Stock to be subject to such Awards granted to such Employees; provided, however, that the resolutions or charter adopted by the Board or any Committee evidencing such delegation will specify the total number of shares of Common Stock that may be subject to the Awards granted by such Officer and that such Officer may not grant an Award to himself or herself. Any such Awards will be granted on the applicable form of Award Agreement most recently approved for use by the Board or the Committee, unless otherwise provided in the resolutions approving the delegation authority. Notwithstanding anything to the contrary herein, neither the Board nor any Committee may delegate to an Officer who is acting solely in the capacity of an Officer (and not also as a Director) the authority to determine the Fair Market Value.

## **8. TAX WITHHOLDING**

**(a) Withholding Authorization.** As a condition to acceptance of any Award under the Plan, a Participant authorizes withholding from payroll and any other amounts payable to such Participant, and otherwise agrees to make adequate provision for (including), any sums required to satisfy any U.S. federal, state, local and/or foreign tax or social insurance contribution withholding obligations of the Company or an Affiliate, if any, which arise in connection with the grant, exercise, vesting or settlement of such Award, as applicable. Accordingly, a Participant may not be able to exercise an Award even though the Award is vested, and the Company shall have no obligation to issue shares of Common Stock subject to an Award, unless and until such obligations are satisfied.

**(b) Satisfaction of Withholding Obligation.** To the extent permitted by the terms of an Award Agreement, the Company may, in its sole discretion, satisfy any U.S. federal, state, local and/or foreign tax or social insurance withholding obligation relating to an Award by any of the following means or by a combination of such means: (i) causing the Participant to tender a

cash payment; (ii) withholding shares of Common Stock from the shares of Common Stock issued or otherwise issuable to the Participant in connection with the Award; (iii) withholding cash from an Award settled in cash; (iv) withholding payment from any amounts otherwise payable to the Participant; (v) by allowing a Participant to effectuate a “cashless exercise” pursuant to a program developed under Regulation T as promulgated by the Federal Reserve Board, or (vi) by such other method as may be set forth in the Award Agreement.

**(c) No Obligation to Notify or Minimize Taxes; No Liability to Claims.** Except as required by Applicable Law the Company has no duty or obligation to any Participant to advise such holder as to the time or manner of exercising such Award. Furthermore, the Company has no duty or obligation to warn or otherwise advise such holder of a pending termination or expiration of an Award or a possible period in which the Award may not be exercised. The Company has no duty or obligation to minimize the tax consequences of an Award to the holder of such Award and will not be liable to any holder of an Award for any adverse tax consequences to such holder in connection with an Award. As a condition to accepting an Award under the Plan, each Participant (i) agrees to not make any claim against the Company, or any of its Officers, Directors, Employees or Affiliates related to tax liabilities arising from such Award or other Company compensation and (ii) acknowledges that such Participant was advised to consult with his or her own personal tax, financial and other legal advisors regarding the tax consequences of the Award and has either done so or knowingly and voluntarily declined to do so. Additionally, each Participant acknowledges any Option or SAR granted under the Plan is exempt from Section 409A only if the exercise or strike price is at least equal to the “fair market value” of the Common Stock on the date of grant as determined by the Internal Revenue Service and there is no other impermissible deferral of compensation associated with the Award. Additionally, as a condition to accepting an Option or SAR granted under the Plan, each Participant agrees not make any claim against the Company, or any of its Officers, Directors, Employees or Affiliates in the event that the Internal Revenue Service asserts that such exercise price or strike price is less than the “fair market value” of the Common Stock on the date of grant as subsequently determined by the Internal Revenue Service.

**(d) Withholding Indemnification.** As a condition to accepting an Award under the Plan, in the event that the amount of the Company’s and/or its Affiliate’s withholding obligation in connection with such Award was greater than the amount actually withheld by the Company and/or its Affiliates, each Participant agrees to indemnify and hold the Company and/or its Affiliates harmless from any failure by the Company and/or its Affiliates to withhold the proper amount.

## **9. MISCELLANEOUS.**

**(a) Source of Shares.** The stock issuable under the Plan will be shares of authorized but unissued or reacquired Common Stock, including shares repurchased by the Company on the open market or otherwise.

**(b) Use of Proceeds from Sales of Common Stock.** Proceeds from the sale of shares of Common Stock pursuant to Awards will constitute general funds of the Company.



**(c) Corporate Action Constituting Grant of Awards.** Corporate action constituting a grant by the Company of an Award to any Participant will be deemed completed as of the date of such corporate action, unless otherwise determined by the Board, regardless of when the instrument, certificate, or letter evidencing the Award is communicated to, or actually received or accepted by, the Participant. In the event that the corporate records (e.g., Board consents, resolutions or minutes) documenting the corporate action approving the grant contain terms (e.g., exercise price, vesting schedule or number of shares) that are inconsistent with those in the Award Agreement or related grant documents as a result of a clerical error in the Award Agreement or related grant documents, the corporate records will control and the Participant will have no legally binding right to the incorrect term in the Award Agreement or related grant documents.

**(d) Stockholder Rights.** No Participant will be deemed to be the holder of, or to have any of the rights of a holder with respect to, any shares of Common Stock subject to such Award unless and until (i) such Participant has satisfied all requirements for exercise of the Award pursuant to its terms, if applicable, and (ii) the issuance of the Common Stock subject to such Award is reflected in the records of the Company.

**(e) No Employment or Other Service Rights.** Nothing in the Plan, any Award Agreement or any other instrument executed thereunder or in connection with any Award granted pursuant thereto will confer upon any Participant any right to continue to serve the Company or an Affiliate in the capacity in effect at the time the Award was granted or affect the right of the Company or an Affiliate to terminate at will and without regard to any future vesting opportunity that a Participant may have with respect to any Award (i) the employment of an Employee with or without notice and with or without cause, (ii) the service of a Consultant pursuant to the terms of such Consultant's agreement with the Company or an Affiliate, or (iii) the service of a Director pursuant to the Bylaws of the Company or an Affiliate, and any applicable provisions of the corporate law of the state or foreign jurisdiction in which the Company or the Affiliate is incorporated, as the case may be. Further, nothing in the Plan, any Award Agreement or any other instrument executed thereunder or in connection with any Award will constitute any promise or commitment by the Company or an Affiliate regarding the fact or nature of future positions, future work assignments, future compensation or any other term or condition of employment or service or confer any right or benefit under the Award or the Plan unless such right or benefit has specifically accrued under the terms of the Award Agreement and/or Plan.

**(f) Change in Time Commitment.** In the event a Participant's regular level of time commitment in the performance of his or her services for the Company and any Affiliates is reduced (for example, and without limitation, if the Participant is an Employee of the Company and the Employee has a change in status from a full-time Employee to a part-time Employee or takes an extended leave of absence) after the date of grant of any Award to the Participant, the Board may determine, to the extent permitted by Applicable Law, to (i) make a corresponding reduction in the number of shares or cash amount subject to any portion of such Award that is scheduled to vest or become payable after the date of such change in time commitment, and (ii) in lieu of or in combination with such a reduction, extend the vesting or payment schedule applicable to such Award. In the event of any such reduction, the Participant will have no right with respect to any portion of the Award that is so reduced or extended.

**(g) Execution of Additional Documents.** As a condition to accepting an Award under the Plan, the Participant agrees to execute any additional documents or instruments necessary or desirable, as determined in the Plan Administrator's sole discretion, to carry out the purposes or intent of the Award, or facilitate compliance with securities and/or other regulatory requirements, in each case at the Plan Administrator's request.

**(h) Electronic Delivery and Participation.** Any reference herein or in an Award Agreement to a "written" agreement or document will include any agreement or document delivered electronically, filed publicly at [www.sec.gov](http://www.sec.gov) (or any successor website thereto) or posted on the Company's intranet (or other shared electronic medium controlled by the Company to which the Participant has access). By accepting any Award the Participant consents to receive documents by electronic delivery and to participate in the Plan through any on-line electronic system established and maintained by the Plan Administrator or another third party selected by the Plan Administrator. The form of delivery of any Common Stock (e.g., a stock certificate or electronic entry evidencing such shares) shall be determined by the Company.

**(i) Clawback/Recovery.** All Awards granted under the Plan will be subject to recoupment in accordance with any clawback policy that the Company is required to adopt pursuant to the listing standards of any national securities exchange or association on which the Company's securities are listed or as is otherwise required by the Dodd-Frank Wall Street Reform and Consumer Protection Act or other Applicable Law and any clawback policy that the Company otherwise adopts, to the extent applicable and permissible under Applicable Law. In addition, the Board may impose such other clawback, recovery or recoupment provisions in an Award Agreement as the Board determines necessary or appropriate, including but not limited to a reacquisition right in respect of previously acquired shares of Common Stock or other cash or property upon the occurrence of Cause. No recovery of compensation under such a clawback policy will be an event giving rise to a Participant's right to voluntarily terminate employment upon a "resignation for good reason," or for a "constructive termination" or any similar term under any plan of or agreement with the Company.

**(j) Securities Law Compliance.** A Participant will not be issued any shares in respect of an Award unless either (i) the shares are registered under the Securities Act; or (ii) the Company has determined that such issuance would be exempt from the registration requirements of the Securities Act. Each Award also must comply with other Applicable Law governing the Award, and a Participant will not receive such shares if the Company determines that such receipt would not be in material compliance with Applicable Law.

**(k) Transfer or Assignment of Awards; Issued Shares.** Except as expressly provided in the Plan or the form of Award Agreement, Awards granted under the Plan may not be transferred or assigned by the Participant. After the vested shares subject to an Award have been issued, or in the case of Restricted Stock and similar awards, after the issued shares have vested, the holder of such shares is free to assign, hypothecate, donate, encumber or otherwise dispose of any interest in such shares provided that any such actions are in compliance with the provisions herein, the terms of the Trading Policy and Applicable Law.

**(l) Effect on Other Employee Benefit Plans.** The value of any Award granted under the Plan, as determined upon grant, vesting or settlement, shall not be included as

compensation, earnings, salaries, or other similar terms used when calculating any Participant's benefits under any employee benefit plan sponsored by the Company or any Affiliate, except as such plan otherwise expressly provides. The Company expressly reserves its rights to amend, modify, or terminate any of the Company's or any Affiliate's employee benefit plans.

**(m) Deferrals.** To the extent permitted by Applicable Law, the Board, in its sole discretion, may determine that the delivery of Common Stock or the payment of cash, upon the exercise, vesting or settlement of all or a portion of any Award may be deferred and may also establish programs and procedures for deferral elections to be made by Participants. Deferrals by will be made in accordance with the requirements of Section 409A.

**(n) Section 409A.** Unless otherwise expressly provided for in an Award Agreement, the Plan and Award Agreements will be interpreted to the greatest extent possible in a manner that makes the Plan and the Awards granted hereunder exempt from Section 409A, and, to the extent not so exempt, in compliance with the requirements of Section 409A. If the Board determines that any Award granted hereunder is not exempt from and is therefore subject to Section 409A, the Award Agreement evidencing such Award will incorporate the terms and conditions necessary to avoid the consequences specified in Section 409A(a)(1) of the Code, and to the extent an Award Agreement is silent on terms necessary for compliance, such terms are hereby incorporated by reference into the Award Agreement. Notwithstanding anything to the contrary in this Plan (and unless the Award Agreement specifically provides otherwise), if the shares of Common Stock are publicly traded, and if a Participant holding an Award that constitutes "deferred compensation" under Section 409A is a "specified employee" for purposes of Section 409A, no distribution or payment of any amount that is due because of a "separation from service" (as defined in Section 409A without regard to alternative definitions thereunder) will be issued or paid before the date that is six months and one day following the date of such Participant's "separation from service" or, if earlier, the date of the Participant's death, unless such distribution or payment can be made in a manner that complies with Section 409A, and any amounts so deferred will be paid in a lump sum on the day after such six month period elapses, with the balance paid thereafter on the original schedule.

**(o) CHOICE OF LAW.** This Plan and any controversy arising out of or relating to this Plan shall be governed by, and construed in accordance with, the internal laws of the State of Delaware, without regard to conflict of law principles that would result in any application of any law other than the law of the State of Delaware.

## **10. COVENANTS OF THE COMPANY.**

**(a) Compliance with Law.** The Company will seek to obtain from each regulatory commission or agency, as may be deemed to be necessary, having jurisdiction over the Plan such authority as may be required to grant Awards and to issue and sell shares of Common Stock upon exercise or vesting of the Awards; provided, however, that this undertaking will not require the Company to register under the Securities Act the Plan, any Award or any Common Stock issued or issuable pursuant to any such Award. If, after reasonable efforts and at a reasonable cost, the Company is unable to obtain from any such regulatory commission or agency the authority that counsel for the Company deems necessary or advisable for the lawful issuance and sale of Common Stock under the Plan, the Company will be relieved from any liability for

failure to issue and sell Common Stock upon exercise or vesting of such Awards unless and until such authority is obtained. A Participant is not eligible for the grant of an Award or the subsequent issuance of Common Stock pursuant to the Award if such grant or issuance would be in violation of any Applicable Law.

**11. SEVERABILITY.**

If all or any part of the Plan or any Award Agreement is declared by any court or governmental authority to be unlawful or invalid, such unlawfulness or invalidity shall not invalidate any portion of the Plan or such Award Agreement not declared to be unlawful or invalid. Any Section of the Plan or any Award Agreement (or part of such a Section) so declared to be unlawful or invalid shall, if possible, be construed in a manner which will give effect to the terms of such Section or part of a Section to the fullest extent possible while remaining lawful and valid.

**12. TERMINATION OF THE PLAN.**

The Board may suspend or terminate the Plan at any time. No Incentive Stock Options may be granted after the tenth anniversary of the earlier of: (i) the Adoption Date, or (ii) the Effective Date. No Awards may be granted under the Plan while the Plan is suspended or after it is terminated.

### 13. DEFINITIONS.

As used in the Plan, the following definitions apply to the capitalized terms indicated below:

(a) “**Acquiring Entity**” means the surviving or acquiring corporation (or its parent company) in connection with a Corporate Transaction.

(b) “**Adoption Date**” means the date the Plan is first approved by the Board or Compensation Committee.

(c) “**Affiliate**” means, at the time of determination, any “parent” or “subsidiary” of the Company as such terms are defined in Rule 405 promulgated under the Securities Act. The Board may determine the time or times at which “parent” or “subsidiary” status is determined within the foregoing definition.

(d) “**Applicable Law**” means shall mean any applicable securities, federal, state, foreign, material local or municipal or other law, statute, constitution, principle of common law, resolution, ordinance, code, edict, decree, rule, listing rule, regulation, judicial decision, ruling or requirement issued, enacted, adopted, promulgated, implemented or otherwise put into effect by or under the authority of any Governmental Body (including under the authority of any applicable self-regulating organization such as the Nasdaq Stock Market, New York Stock Exchange, or the Financial Industry Regulatory Authority).

(e) “**Award**” means any right to receive Common Stock, cash or other property granted under the Plan (including an Incentive Stock Option, a Nonstatutory Stock Option, a Restricted Stock Award, a RSU Award, a SAR, a Performance Award or any Other Award).

(f) “**Award Agreement**” means a written agreement between the Company and a Participant evidencing the terms and conditions of an Award. The Award Agreement generally consists of the Grant Notice and the agreement containing the written summary of the general terms and conditions applicable to the Award and which is provided to a Participant along with the Grant Notice.

(g) “**Board**” means the Board of Directors of the Company (or its designee). Any decision or determination made by the Board shall be a decision or determination that is made in the sole discretion of the Board (or its designee), and such decision or determination shall be final and binding on all Participants.

(h) “**Capitalization Adjustment**” means any change that is made in, or other events that occur with respect to, the Common Stock subject to the Plan or subject to any Award after the Effective Date without the receipt of consideration by the Company through merger, consolidation, reorganization, recapitalization, reincorporation, stock dividend, dividend in property other than cash, large nonrecurring cash dividend, stock split, reverse stock split, liquidating dividend, combination of shares, exchange of shares, change in corporate structure or any similar equity restructuring transaction, as that term is used in Statement of Financial Accounting Standards Board Accounting Standards Codification Topic 718 (or any successor

thereto). Notwithstanding the foregoing, the conversion of any convertible securities of the Company will not be treated as a Capitalization Adjustment.

**(i)** “*Cause*” has the meaning ascribed to such term in any written agreement between the Participant and the Company defining such term and, in the absence of such agreement, such term means, with respect to a Participant, the occurrence of any of the following events: (i) such Participant’s attempted commission of, or participation in, a fraud or act of dishonesty against the Company; (ii) such Participant’s intentional, material violation of any contract or agreement between the Participant and the Company or of any statutory duty owed to the Company; (iii) such Participant’s unauthorized use or disclosure of the Company’s confidential information or trade secrets; or (iv) such Participant’s gross misconduct. The determination that a termination of the Participant’s Continuous Service is either for Cause or without Cause will be made by the Board with respect to Participants who are executive officers of the Company and by the Company’s Chief Executive Officer with respect to Participants who are not executive officers of the Company. Any determination by the Company that the Continuous Service of a Participant was terminated with or without Cause for the purposes of outstanding Awards held by such Participant will have no effect upon any determination of the rights or obligations of the Company or such Participant for any other purpose.

**(j)** “*Change in Control*” or “*Change of Control*” means the occurrence, in a single transaction or in a series of related transactions, of any one or more of the following events; provided, however, to the extent necessary to avoid adverse personal income tax consequences to the Participant in connection with an Award, also constitutes a Section 409A Change in Control:

**(i)** any Exchange Act Person becomes the Owner, directly or indirectly, of securities of the Company representing more than 50% of the combined voting power of the Company’s then outstanding securities other than by virtue of a merger, consolidation or similar transaction. Notwithstanding the foregoing, a Change in Control shall not be deemed to occur (A) on account of the acquisition of securities of the Company directly from the Company, (B) on account of the acquisition of securities of the Company by an investor, any affiliate thereof or any other Exchange Act Person that acquires the Company’s securities in a transaction or series of related transactions the primary purpose of which is to obtain financing for the Company through the issuance of equity securities, or (C) solely because the level of Ownership held by any Exchange Act Person (the “*Subject Person*”) exceeds the designated percentage threshold of the outstanding voting securities as a result of a repurchase or other acquisition of voting securities by the Company reducing the number of shares outstanding, provided that if a Change in Control would occur (but for the operation of this sentence) as a result of the acquisition of voting securities by the Company, and after such share acquisition, the Subject Person becomes the Owner of any additional voting securities that, assuming the repurchase or other acquisition had not occurred, increases the percentage of the then outstanding voting securities Owned by the Subject Person over the designated percentage threshold, then a Change in Control shall be deemed to occur;

**(ii)** there is consummated a merger, consolidation or similar transaction involving (directly or indirectly) the Company and, immediately after the consummation of such merger, consolidation or similar transaction, the stockholders of the Company immediately prior thereto do not Own, directly or indirectly, either (A) outstanding voting securities

representing more than 50% of the combined outstanding voting power of the surviving Entity in such merger, consolidation or similar transaction or (B) more than 50% of the combined outstanding voting power of the parent of the surviving Entity in such merger, consolidation or similar transaction, in each case in substantially the same proportions as their Ownership of the outstanding voting securities of the Company immediately prior to such transaction;

(iii) the stockholders of the Company approve or the Board approves a plan of complete dissolution or liquidation of the Company, or a complete dissolution or liquidation of the Company shall otherwise occur, except for a liquidation into a parent corporation;

(iv) there is consummated a sale, lease, exclusive license or other disposition of all or substantially all of the consolidated assets of the Company and its Subsidiaries, other than a sale, lease, license or other disposition of all or substantially all of the consolidated assets of the Company and its Subsidiaries to an Entity, more than 50% of the combined voting power of the voting securities of which are Owned by stockholders of the Company in substantially the same proportions as their Ownership of the outstanding voting securities of the Company immediately prior to such sale, lease, license or other disposition; or

(v) individuals who, on the date the Plan is adopted by the Board, are members of the Board (the “**Incumbent Board**”) cease for any reason to constitute at least a majority of the members of the Board; provided, however, that if the appointment or election (or nomination for election) of any new Board member was approved or recommended by a majority vote of the members of the Incumbent Board then still in office, such new member shall, for purposes of this Plan, be considered as a member of the Incumbent Board.

Notwithstanding the foregoing or any other provision of this Plan, (A) the term Change in Control shall not include a sale of assets, merger or other transaction effected exclusively for the purpose of changing the domicile of the Company, and (B) the definition of Change in Control (or any analogous term) in an individual written agreement between the Company or any Affiliate and the Participant shall supersede the foregoing definition with respect to Awards subject to such agreement; provided, however, that if no definition of Change in Control or any analogous term is set forth in such an individual written agreement, the foregoing definition shall apply.

(k) “**Code**” means the Internal Revenue Code of 1986, as amended, including any applicable regulations and guidance thereunder.

(l) “**Committee**” means the Compensation Committee and any other committee of Directors to whom authority has been delegated by the Board or Compensation Committee in accordance with the Plan.

(m) “**Common Stock**” means the common stock of the Company.

(n) “**Company**” means **Marker Therapeutics, Inc.**, a Delaware corporation.

(o) “**Compensation Committee**” means the Compensation Committee of the Board.

**(p)** “*Consultant*” means any person, including an advisor, who is (i) engaged by the Company or an Affiliate to render consulting or advisory services and is compensated for such services, or (ii) serving as a member of the board of directors of an Affiliate and is compensated for such services. However, service solely as a Director, or payment of a fee for such service, will not cause a Director to be considered a “Consultant” for purposes of the Plan. Notwithstanding the foregoing, a person is treated as a Consultant under this Plan only if a Form S-8 Registration Statement under the Securities Act is available to register either the offer or the sale of the Company’s securities to such person.

**(q)** “*Continuous Service*” means that the Participant’s service with the Company or an Affiliate, whether as an Employee, Director or Consultant, is not interrupted or terminated. A change in the capacity in which the Participant renders service to the Company or an Affiliate as an Employee, Director or Consultant or a change in the Entity for which the Participant renders such service, provided that there is no interruption or termination of the Participant’s service with the Company or an Affiliate, will not terminate a Participant’s Continuous Service; provided, however, that if the Entity for which a Participant is rendering services ceases to qualify as an Affiliate, as determined by the Board, such Participant’s Continuous Service will be considered to have terminated on the date such Entity ceases to qualify as an Affiliate. For example, a change in status from an Employee of the Company to a Consultant of an Affiliate or to a Director will not constitute an interruption of Continuous Service. To the extent permitted by law, the Board or the chief executive officer of the Company, in that party’s sole discretion, may determine whether Continuous Service will be considered interrupted in the case of (i) any leave of absence approved by the Board or chief executive officer, including sick leave, military leave or any other personal leave, or (ii) transfers between the Company, an Affiliate, or their successors. Notwithstanding the foregoing, a leave of absence will be treated as Continuous Service for purposes of vesting in an Award only to such extent as may be provided in the Company’s leave of absence policy, in the written terms of any leave of absence agreement or policy applicable to the Participant, or as otherwise required by law. In addition, to the extent required for exemption from or compliance with Section 409A, the determination of whether there has been a termination of Continuous Service will be made, and such term will be construed, in a manner that is consistent with the definition of “separation from service” as defined under Treasury Regulation Section 1.409A-1(h) (without regard to any alternative definition thereunder).

**(r)** “*Corporate Transaction*” means the consummation, in a single transaction or in a series of related transactions, of any one or more of the following events:

- (i)** a sale or other disposition of all or substantially all, as determined by the Board, of the consolidated assets of the Company and its Subsidiaries;
- (ii)** a sale or other disposition of at least 50% of the outstanding securities of the Company;
- (iii)** a merger, consolidation or similar transaction following which the Company is not the surviving corporation; or



(iv) a merger, consolidation or similar transaction following which the Company is the surviving corporation but the shares of Common Stock outstanding immediately preceding the merger, consolidation or similar transaction are converted or exchanged by virtue of the merger, consolidation or similar transaction into other property, whether in the form of securities, cash or otherwise.

(s) “**Director**” means a member of the Board.

(t) “**determine**” or “**determined**” means as determined by the Board or the Committee (or its designee) in its sole discretion.

(u) “**Disability**” means, with respect to a Participant, such Participant is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months, as provided in Section 22(e)(3) of the Code, and will be determined by the Board on the basis of such medical evidence as the Board deems warranted under the circumstances.

(v) “**Effective Date**” means the date of the annual meeting of stockholders of the Company held in 2020 provided this Plan is approved by the Company’s stockholders at such meeting.

(w) “**Employee**” means any person employed by the Company or an Affiliate. However, service solely as a Director, or payment of a fee for such services, will not cause a Director to be considered an “Employee” for purposes of the Plan.

(x) “**Employer**” means the Company or the Affiliate of the Company that employs the Participant.

(y) “**Entity**” means a corporation, partnership, limited liability company or other entity.

(z) “**Exchange Act**” means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

(aa) “**Exchange Act Person**” means any natural person, Entity or “group” (within the meaning of Section 13(d) or 14(d) of the Exchange Act), except that “Exchange Act Person” will not include (i) the Company or any Subsidiary of the Company, (ii) any employee benefit plan of the Company or any Subsidiary of the Company or any trustee or other fiduciary holding securities under an employee benefit plan of the Company or any Subsidiary of the Company, (iii) an underwriter temporarily holding securities pursuant to a registered public offering of such securities, (iv) an Entity Owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their Ownership of stock of the Company; or (v) any natural person, Entity or “group” (within the meaning of Section 13(d) or 14(d) of the Exchange Act) that, as of the Effective Date, is the Owner, directly or indirectly, of securities of the Company representing more than 50% of the combined voting power of the Company’s then outstanding securities.

**(bb)** “*Fair Market Value*” means, as of any date, unless otherwise determined by the Board, the value of the Common Stock (as determined on a per share or aggregate basis, as applicable) determined as follows:

**(i)** If the Common Stock is listed on any established stock exchange or traded on any established market, the Fair Market Value will be the closing sales price for such stock as quoted on such exchange or market (or the exchange or market with the greatest volume of trading in the Common Stock) on the date of determination, as reported in a source the Board deems reliable.

**(ii)** If there is no closing sales price for the Common Stock on the date of determination, then the Fair Market Value will be the closing selling price on the last preceding date for which such quotation exists.

**(iii)** In the absence of such markets for the Common Stock, or if otherwise determined by the Board, the Fair Market Value will be determined by the Board in good faith and in a manner that complies with Sections 409A and 422 of the Code.

**(cc)** “*Governmental Body*” means any: (a) nation, state, commonwealth, province, territory, county, municipality, district or other jurisdiction of any nature; (b) federal, state, local, municipal, foreign or other government; (c) governmental or regulatory body, or quasi-governmental body of any nature (including any governmental division, department, administrative agency or bureau, commission, authority, instrumentality, official, ministry, fund, foundation, center, organization, unit, body or Entity and any court or other tribunal, and for the avoidance of doubt, any Tax authority) or other body exercising similar powers or authority; or (d) self-regulatory organization (including the Nasdaq Stock Market, New York Stock Exchange, and the Financial Industry Regulatory Authority).

**(dd)** “*Grant Notice*” means the notice provided to a Participant that he or she has been granted an Award under the Plan and which includes the name of the Participant, the type of Award, the date of grant of the Award, number of shares of Common Stock subject to the Award or potential cash payment right, (if any), the vesting schedule for the Award (if any) and other key terms applicable to the Award.

**(ee)** “*Incentive Stock Option*” means an option granted pursuant to Section 4 of the Plan that is intended to be, and qualifies as, an “incentive stock option” within the meaning of Section 422 of the Code.

**(ff)** “*Materially Impair*” means any amendment to the terms of the Award that materially adversely affects the Participant’s rights under the Award. A Participant’s rights under an Award will not be deemed to have been Materially Impaired by any such amendment if the Board, in its sole discretion, determines that the amendment, taken as a whole, does not materially impair the Participant’s rights. For example, the following types of amendments to the terms of an Award do not Materially Impair the Participant’s rights under the Award: (i) imposition of reasonable restrictions on the minimum number of shares subject to an Option that may be exercised, (ii) to maintain the qualified status of the Award as an Incentive Stock Option under Section 422 of the Code; (iii) to change the terms of an Incentive Stock Option in a

manner that disqualifies, impairs or otherwise affects the qualified status of the Award as an Incentive Stock Option under Section 422 of the Code; (iv) to clarify the manner of exemption from, or to bring the Award into compliance with or qualify it for an exemption from, Section 409A; or (v) to comply with other Applicable Laws.

**(gg) “Non-Employee Director”** means a Director who either (i) is not a current employee or officer of the Company or an Affiliate, does not receive compensation, either directly or indirectly, from the Company or an Affiliate for services rendered as a consultant or in any capacity other than as a Director (except for an amount as to which disclosure would not be required under Item 404(a) of Regulation S-K promulgated pursuant to the Securities Act (“**Regulation S-K**”)), does not possess an interest in any other transaction for which disclosure would be required under Item 404(a) of Regulation S-K, and is not engaged in a business relationship for which disclosure would be required pursuant to Item 404(b) of Regulation S-K; or (ii) is otherwise considered a “non-employee director” for purposes of Rule 16b-3.

**(hh) “Nonstatutory Stock Option”** means any option granted pursuant to Section 4 of the Plan that does not qualify as an Incentive Stock Option.

**(ii) “Officer”** means a person who is an officer of the Company within the meaning of Section 16 of the Exchange Act.

**(jj) “Option”** means an Incentive Stock Option or a Nonstatutory Stock Option to purchase shares of Common Stock granted pursuant to the Plan.

**(kk) “Option Agreement”** means a written agreement between the Company and the Optionholder evidencing the terms and conditions of the Option grant. The Option Agreement includes the Grant Notice for the Option and the agreement containing the written summary of the general terms and conditions applicable to the Option and which is provided to a Participant along with the Grant Notice. Each Option Agreement will be subject to the terms and conditions of the Plan.

**(ll) “Optionholder”** means a person to whom an Option is granted pursuant to the Plan or, if applicable, such other person who holds an outstanding Option.

**(mm) “Other Award”** means an award based in whole or in part by reference to the Common Stock which is granted pursuant to the terms and conditions of Section 5(c).

**(nn) “Other Award Agreement”** means a written agreement between the Company and a holder of an Other Award evidencing the terms and conditions of an Other Award grant. Each Other Award Agreement will be subject to the terms and conditions of the Plan.

**(oo) “Own,” “Owned,” “Owner,” “Ownership”** means that a person or Entity will be deemed to “Own,” to have “Owned,” to be the “Owner” of, or to have acquired “Ownership” of securities if such person or Entity, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has or shares voting power, which includes the power to vote or to direct the voting, with respect to such securities.

**(pp)** “*Participant*” means an Employee, Director or Consultant to whom an Award is granted pursuant to the Plan or, if applicable, such other person who holds an outstanding Award.

**(qq)** “*Performance Award*” means an Award that may vest or may be exercised or a cash award that may vest or become earned and paid contingent upon the attainment during a Performance Period of certain Performance Goals and which is granted under the terms and conditions of Section 5(b) pursuant to such terms as are approved by the Board. In addition, to the extent permitted by Applicable Law and set forth in the applicable Award Agreement, the Board may determine that cash or other property may be used in payment of Performance Awards. Performance Awards that are settled in cash or other property are not required to be valued in whole or in part by reference to, or otherwise based on, the Common Stock.

**(rr)** “*Performance Criteria*” means the one or more criteria that the Board will select for purposes of establishing the Performance Goals for a Performance Period. The Performance Criteria that will be used to establish such Performance Goals may be based on any measure of performance selected by the Board.

**(ss)** “*Performance Goals*” means, for a Performance Period, the one or more goals established by the Board for the Performance Period based upon the Performance Criteria. Performance Goals may be based on a Company-wide basis, with respect to one or more business units, divisions, Affiliates, or business segments, and in either absolute terms or relative to the performance of one or more comparable companies or the performance of one or more relevant indices. Unless specified otherwise by the Board (i) in the Award Agreement at the time the Award is granted or (ii) in such other document setting forth the Performance Goals at the time the Performance Goals are established, the Board will appropriately make adjustments in the method of calculating the attainment of Performance Goals for a Performance Period as follows: (1) to exclude restructuring and/or other nonrecurring charges; (2) to exclude exchange rate effects; (3) to exclude the effects of changes to generally accepted accounting principles; (4) to exclude the effects of any statutory adjustments to corporate tax rates; (5) to exclude the effects of items that are “unusual” in nature or occur “infrequently” as determined under generally accepted accounting principles; (6) to exclude the dilutive effects of acquisitions or joint ventures; (7) to assume that any business divested by the Company achieved performance objectives at targeted levels during the balance of a Performance Period following such divestiture; (8) to exclude the effect of any change in the outstanding shares of common stock of the Company by reason of any stock dividend or split, stock repurchase, reorganization, recapitalization, merger, consolidation, spin-off, combination or exchange of shares or other similar corporate change, or any distributions to common stockholders other than regular cash dividends; (9) to exclude the effects of stock based compensation and the award of bonuses under the Company’s bonus plans; (10) to exclude costs incurred in connection with potential acquisitions or divestitures that are required to be expensed under generally accepted accounting principles; (11) to exclude the goodwill and intangible asset impairment charges that are required to be recorded under generally accepted accounting principles; and (12) to exclude the effects of the timing of acceptance for review and/or approval of submissions to the U.S. Food and Drug Administration or any other regulatory body. In addition, the Board retains the discretion to reduce or eliminate the compensation or economic benefit due upon attainment of Performance Goals and to define the manner of calculating the Performance Criteria it selects to use for such

Performance Period. Partial achievement of the specified criteria may result in the payment or vesting corresponding to the degree of achievement as specified in the Award Agreement or the written terms of a Performance Cash Award.

**(tt)** “*Performance Period*” means the period of time selected by the Board over which the attainment of one or more Performance Goals will be measured for the purpose of determining a Participant’s right to vesting or exercise of an Award. Performance Periods may be of varying and overlapping duration, at the sole discretion of the Board.

**(uu)** “*Plan*” means this Marker Therapeutics, Inc. 2020 Equity Incentive Plan, as amended.

**(vv)** “*Plan Administrator*” means the person, persons, and/or third-party administrator designated by the Company to administer the day to day operations of the Plan and the Company’s other equity incentive programs.

**(ww)** “*Post-Termination Exercise Period*” means the period following termination of a Participant’s Continuous Service within which an Option or SAR is exercisable, as specified in Section 4(h).

**(xx)** “*Prior Plans’ Available Reserve*” means the number of shares available for the grant of new awards under the Prior Plans as of immediately prior to the Effective Date.

**(yy)** “*Prior Plans*” mean the TapImmune Inc. 2014 Omnibus Stock Ownership Plan and the Tap Immune Inc. 2009 Stock Incentive Plan, each as amended.

**(zz)** “*Prospectus*” means the document containing the Plan information specified in Section 10(a) of the Securities Act.

**(aaa)** “*Restricted Stock Award*” or “*RSA*” means an Award of shares of Common Stock which is granted pursuant to the terms and conditions of Section 5(a).

**(bbb)** “*Restricted Stock Award Agreement*” means a written agreement between the Company and a holder of a Restricted Stock Award evidencing the terms and conditions of a Restricted Stock Award grant. The Restricted Stock Award Agreement includes the Grant Notice for the Restricted Stock Award and the agreement containing the written summary of the general terms and conditions applicable to the Restricted Stock Award and which is provided to a Participant along with the Grant Notice. Each Restricted Stock Award Agreement will be subject to the terms and conditions of the Plan.

**(ccc)** “*Returning Shares*” means shares subject to outstanding stock awards granted under the Prior Plans and that following the Effective Date: (A) are not issued because such stock award or any portion thereof expires or otherwise terminates without all of the shares covered by such stock award having been issued; (B) are not issued because such stock award or any portion thereof is settled in cash; (C) are forfeited back to or repurchased by the Company because of the failure to meet a contingency or condition required for the vesting of such shares; (D) are withheld or reacquired to satisfy the exercise, strike or purchase price; or (E) are withheld or reacquired to satisfy a tax withholding obligation.

**(ddd)** “*RSU Award*” or “*RSU*” means an Award of restricted stock units representing the right to receive an issuance of shares of Common Stock which is granted pursuant to the terms and conditions of Section 5(a).

**(eee)** “*RSU Award Agreement*” means a written agreement between the Company and a holder of a RSU Award evidencing the terms and conditions of a RSU Award grant. The RSU Award Agreement includes the Grant Notice for the RSU Award and the agreement containing the written summary of the general terms and conditions applicable to the RSU Award and which is provided to a Participant along with the Grant Notice. Each RSU Award Agreement will be subject to the terms and conditions of the Plan.

**(fff)** “*Rule 16b-3*” means Rule 16b-3 promulgated under the Exchange Act or any successor to Rule 16b-3, as in effect from time to time.

**(ggg)** “*Rule 405*” means Rule 405 promulgated under the Securities Act.

**(hhh)** “*Section 409A*” means Section 409A of the Code and the regulations and other guidance thereunder.

**(iii)** “*Section 409A Change in Control*” means a change in the ownership or effective control of the Company, or in the ownership of a substantial portion of the Company’s assets, as provided in Section 409A(a)(2)(A)(v) of the Code and Treasury Regulations Section 1.409A-3(i)(5) (without regard to any alternative definition thereunder).

**(jjj)** “*Securities Act*” means the Securities Act of 1933, as amended.

**(kkk)** “*Share Reserve*” means the number of shares available for issuance under the Plan as set forth in Section 2(a).

**(lll)** “*Stock Appreciation Right*” or “*SAR*” means a right to receive the appreciation on Common Stock that is granted pursuant to the terms and conditions of Section 4.

**(mmm)** “*SAR Agreement*” means a written agreement between the Company and a holder of a SAR evidencing the terms and conditions of a SAR grant. The SAR Agreement includes the Grant Notice for the SAR and the agreement containing the written summary of the general terms and conditions applicable to the SAR and which is provided to a Participant along with the Grant Notice. Each SAR Agreement will be subject to the terms and conditions of the Plan.

**(nnn)** “*Subsidiary*” means, with respect to the Company, (i) any corporation of which more than 50% of the outstanding capital stock having ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether, at the time, stock of any other class or classes of such corporation will have or might have voting power by reason of the happening of any contingency) is at the time, directly or indirectly, Owned by the Company, and (ii) any partnership, limited liability company or other entity in which the Company has a direct or indirect interest (whether in the form of voting or participation in profits or capital contribution) of more than 50%.

**(ooo)** “*Ten Percent Stockholder*” means a person who Owns (or is deemed to Own pursuant to Section 424(d) of the Code) stock possessing more than 10% of the total combined voting power of all classes of stock of the Company or any Affiliate.

**(ppp)** “*Trading Policy*” means the Company’s policy permitting certain individuals to sell Company shares only during certain "window" periods and/or otherwise restricts the ability of certain individuals to transfer or encumber Company shares, as in effect from time to time.

## CERTIFICATION

I, Peter L. Hoang, certify that:

- (1) I have reviewed this Quarterly Report on Form 10-Q of Marker Therapeutics, Inc.;
- (2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- (3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- (4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurances regarding the reliability of financial reporting in the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- (5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of the internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 11, 2022

/s/ Peter L. Hoang

By: **Peter L. Hoang**

Title: Chief Executive Officer (Principal Executive Officer)

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## CERTIFICATION

I, Anthony Kim, certify that:

- (1) I have reviewed this Quarterly Report on Form 10-Q of Marker Therapeutics, Inc.;
- (2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- (3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- (4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurances regarding the reliability of financial reporting in the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- (5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of the internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 11, 2022

/s/ Anthony Kim

By: **Anthony Kim**

Title: Chief Financial Officer (Principal Financial and Accounting Officer)

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## CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER

**PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

The undersigned, Peter L. Hoang, the Chief Executive Officer of Marker Therapeutics, Inc. (the "Company") hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge, the Quarterly Report on Form 10-Q for the period ended June 30, 2022, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and that the information contained in the Quarterly Report on Form 10-Q fairly presents in all material respects the financial condition and results of operations of the Company.

Date: August 11, 2022

*/s/ Peter L. Hoang*

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**Peter L. Hoang**

Chief Executive Officer (Principal Executive Officer)

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## CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER

**PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

The undersigned, Anthony Kim, the Chief Financial Officer of Marker Therapeutics, Inc. (the "Company") hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge, the Quarterly Report on Form 10-Q for the period ended June 30, 2022, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and that the information contained in the Quarterly Report on Form 10-Q fairly presents in all material respects the financial condition and results of operations of the Company.

Date: August 11, 2022

*/s/ Anthony Kim*

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**Anthony Kim**

Chief Financial Officer (Principal Financial and Accounting  
Officer)

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